No.167 - 2022: Fourth Session, Sixth Legislature

**GAUTENG PROVINCIAL LEGISLATURE**

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

**ANNOUNCEMENTS,**

**TABLINGS AND**

**COMMITTEE REPORTS**

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

Wednesday, 18 May 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 Detail of the Department of e-Government Budget Vote 13 of the Provincial Appropriation Bill *[G001-2022]* for the 2022/23 FY, as follows:**



**FINANCE PORTFOLIO COMMITTEE**

# Adopted Oversight Report On the

# Detail of Vote 13- Gauteng Department of e-Government

# of the Gauteng Provincial Appropriation Bill

# [G001-2022]

# 

# 

**20 May 2022**

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**ACRONYMS**

**AG Auditor-General**

**DAV Design and Validation**

**EPRE Estimates of the Provincial Revenue Expenditure**

**ESS Employee Self Service**

**FY Financial Year**

**GBN Gauteng Broadband Network**

**GPG Gauteng Provincial Government**

**ICT Information Communication Technology**

**IYM In-Year Monitoring**

**LAN Local Area Network**

**MEC Member of the Executive Council**

**MTEF Medium Term Expenditure Framework**

**PAB Provincial Appropriation Bill**

**SOM Sector Oversight Model**

**TMR Transformation, Modernisation and Reindustrialisation**

**WAN Wide Area Network**

**VOIP Voice Over Internet Protocol**

EXECUTIVE SUMMARY

The budget is a reflection of the commitment to put plans in place to improve the lives of the people. This budget is presented under unfavourable economic conditions. The persistent slow economic growth continues to have a direct impact on socio economic challenges such as unemployment and poverty. It is important to highlight the fact that economic factors and developments around the globe continue to have a bearing on the provincial fiscal position.

The Gauteng Department of e-Government, herein referred to as Department, is charged with the responsibility of bridging the digital divide in the Province as well as to provide government services through Information Communication Technology (ICT) including broadband initiatives. ICT is central in modernising and maximising the delivery of public services and has been identified as one of the key pillars of the National Development Plan 2030 as well as Gauteng Vision 2055. It is seen as a catalyst to transforming the economy by creating more jobs and bridging the digital divide.

The Department is allocated an amount of R1 690 374 000 for the attainment of its objectives, which will be achieved through the roll out of ICT Services and the promotion of the usage of e-Government services by citizens, businesses, and government entities. The provision of ICT initiatives is meant to simplify access to government services and to transform the provincial human resource management environment. ICT is no longer ancillary to government work and is essential in accelerating service delivery and maintaining the public’s trust and confidence in government. This is evident in the allocation funds for Programmes 2 which is the core of the Department’s services.

The Department aligns its strategic objectives to the provincial programme of Transformation, Modernisation, and Reindustrialisation (TMR). To realise the objectives of the programme and to align its mandate to national and provincial pronouncements, the Department renders services in line with the Modernisation pillar with particular focus to modernise the public service. The Department’s vision and strategic objectives relate to the improvement of efficiencies to save money through the roll out of a high-speed broadband network, automation of business processes, coordination, and promotion of human resources regulations and standards.

The Department is mandated to implement the e-Government Strategy of Gauteng City Region (GCR), which aims to consolidate back-end systems and processes to bring about better front-line service delivery to the Gauteng Province community. This will be achieved through the roll out of the Gauteng Broadband Network (GBN) phase two, which will connect all government buildings and various public service access points such as Thusong Service Centres, Urban renewal zones and targeted economic development zones.

The Portfolio Committee, through the implementation of the Sector Oversight Model (SOM) will monitor the financial and non-financial performance of the Department during the 2022/23FY with the aim to hold the MEC accountable in the management of and use of public resources and to assist the Department to meet the set targets.

***The Chairperson of the Finance Portfolio Committee Honourable J. Mpisi presents the oversight report on the detail of the Gauteng Department of e-Government, Vote 13 of the Provincial Appropriation Bill [G001-2022] as follows:***

1. **INTRODUCTION**

The Finance Portfolio Committee herein referred to as Portfolio Committee, exercises oversight over the Department of e-Government in line with the provisions of *The Constitution of the Republic of South Africa* (1996) and the *Public Finance Management Act* (PFMA) (1999) creates a basis on which oversight by legislatures should be accomplished.

In interrogating the detail of Vote 13 of the Bill, the Portfolio Committee considered, various source documents, including amongst others, the Estimates of Provincial Revenue Expenditure 2022; the Appropriation Bill 2021; the Department of e-Government’s Annual Performance Plan and the executive speeches tabled before the consideration of the Budget.

The Portfolio Committee’s assessment of the Department of e-Government, herein referred to as Department, 2022/23FY budget seeks to review the extent to which ICT initiatives will improve the lives of the people of Gauteng. Further, this report serves to ascertain alignment between the budget and provincial priorities.

1. **PROCESS FOLLOWED**

The Speaker formally referred Vote 13 of the Provincial Appropriation Bill [*G001-2022]* Gauteng Department of e-Government to the Finance Portfolio Committee for consideration and reporting.

The Committee Researcher tabled an analysis of the Bill, and the Department, led by MEC N. Nkomo-Ralehoko, presented the detail of the Bill to the Portfolio Committee focusing on the allocations and annual performance plan for the 2022/23FY.

On 13 May 2022, the Portfolio Committee deliberated and adopted the oversight report on the Vote 13 of the Provincial Appropriation Bill [*G001-2022]* Gauteng Department of e-Government. The report was subsequently submitted to the Proceedings Unit for tabling and consideration by the House.

1. **LINKAGES BETWEEN THE DEPARTMENT’S MANDATES AND GOVERNMENT PRIORITIES**

The Department aligns its strategic objectives to the provincial programme of Transformation, Modernisation, and Reindustrialisation (TMR). To realise the objectives of the programme and to align its mandate to national and provincial pronouncements, the Department renders services in line with the Modernisation pillar with particular focus to modernise the public service. The Department’s vision and strategic objectives mainly relate to the improvement of efficiencies to save money through the roll out of a high-speed broadband network, automation of business processes, coordination, and promotion of human resources regulations and standards. The Department’s Annual Performance Plan (APP) and budget allocation also reflects the alignment of programmes to radical transformation, modernisation, and re-industrialisation programme.

To give effect to both National and Provincial ICT policy priorities, the Department developed the Gauteng City Region ICT Strategy. The strategy is underpinned by the following pillars:

* To build an enabling ICT infrastructure for GCR connected government.
* To create the platform and support services to enable GCR entities to design, develop and deliver e-Government services;
* To establish a GCR e-Government governance structure to drive priorities, policies, standards and regulations;
* To promote the use of e-Government services by citizens, businesses, and government entities; and
* To stimulate the ICT economy by facilitating incubation and innovation and by encouraging PPP’s for the development and roll-out of e-Government services.

1. **DEPARTMENTAL ALLOCATIONS FOR THE 2021/22 FY**

The Department has a mandate to implement the e-Government Strategy of Gauteng City Region (GCR), which aims to consolidate back-end systems and processes to bring about better front-line service delivery to the Gauteng Province community. This will be achieved through the roll out and maintenance of the Gauteng Broadband Network Project (GBN), which connects all government buildings and various public service access points.

**4.1 Summary of Receipts**

The provincial receipts consist of equitable share, conditional grants (transfers from national) and provincial own revenue. The main source of funding for the Department is the equitable share. The Department funds three programmes namely Administration, Information and Communication Technology Shared Services and Human Resources. The table below indicates allocations per Programme for the 2022/23FY.

**TABLE 1: Summary of payments: 2022 – 2025**

|  |  |  |  |
| --- | --- | --- | --- |
| **PROGRAMME** | **2022/23**  **‘000** | **2023/24**  **‘000** | **2024/25**  **‘000** |
| 1. Administration | 260 729 | 254 560 | 278 402 |
| 1. Information and Communication   Technology (ICT) Shared Services | 1 297 066 | 1 289 177 | 1 216 625 |
| 1. Human Resources Services | 132 579 | 132 579 | 138 536 |
| **Total** | **1 690 374** | **1 676 316** | **1 633 563** |

*Source: Estimates of Provincial Revenue and Expenditure 2022*

Table 1 above depicts the Department’s budget over the MTEF. The Department’s allocations for the year under review are R1 690 374 000, which is R285 841 000 (20.3%) more than what was originally appropriated to the Department in 2021/22 financial year and R151 432 000 (9.8%) more than the adjusted budget. The Department’s allocations are expected to decrease to R1 676 316 000 and R1 633 563 000 in MTEF.

**4.2 Overview of Economic Classification**

This section presents spending by the Department as per the line items or economic classifications, which include namely; Current payments (Compensation of employees & Goods and services), Transfers and subsidies (Departmental agencies & accounts and Public corporations & private enterprises), Payments for Capital assets (Machinery & equipment and Software & other intangible assets) and Payments for financial assets.Table2 below illustrates appropriation by economic classification for the 2022/23 FY and the outer years of the MTEF.

***Table 2: Summary of Economic Classification per Programme***

|  |  |  |  |
| --- | --- | --- | --- |
| **Economic Classification** | **2022/23**  **R’000** | **2023/24**  **R’000** | **2024/25**  **R’000** |
| **Current Payments** | 1 665 824 | 1 651 766 | 1 602 934 |
| Compensation of Employees | 513 207 | 513 207 | 544 998 |
| Goods and Services | 1 152 617 | 1 138 559 | 1 057 936 |
| **Transfers and Subsidies** | 23 550 | 23 550 | 23 284 |
| **Payments for Capital Assets** | 1 000 | 1 000 | 7 045 |
| **Payments for financial assets** | 0 | 0 | 0 |
| **Total** | **1 690 374** | **1 676 316** | **1 633 563** |

*Source: Estimates of Provincial Revenue and Expenditure 2022*

The major allocation for the Department is for Goods and Services which the Department has reported to be allocation for key projects including the roll out of e-services, roll out of the GBN project, maintenance, and upgrade of the existing GBN infrastructure.

**4.3 Summary of own Revenue**

The main revenue drivers for the Department are sale of goods and services other than capital assets, fines, penalties and forfeits, interest, dividends and rent on land, and transactions in financial assets and liabilities. The table below presents the Department’s performance and plans for a period from 2022/23 to 2024/25 financial years.

|  |  |  |  |
| --- | --- | --- | --- |
|  | **Medium-Term Estimates** | | |
| **2022/23** | **2023/24** | **2024/25** |
| Sale of goods & services other than capital asset | 704 | 735 | 784 |
| Interest, dividends & rent on land | 15 | 16 | 17 |
| Sales of capital assets | 0 | 0 | 0 |
| Transactions in financial assets & liabilities | 58 | 61 | 64 |
| **Total** | **777** | **812** | **865** |

*Source: Gauteng Province Estimates of Provincial revenue and expenditure 2022*

Departmental receipts arise from gym subscriptions; parking fees; recovery of employee debt and commission earned on third-party payments for insurance premiums paid on behalf of the Department’s employees.

**5. PROGRAMME BY PROGRAMME ALLOCATION**

The Department implements projects and conducts its work as per the Ten Pillars Programme of Transformation, modernisation and re-industrialisation, the National Development Plan 2030, National Broadband policy and the GCR e-Government Strategy among other frameworks. In this financial year; the Department has set out to achieve key projects which include:

* Championing the provision of modernised of government services in the Province through the roll out and maintenance of the GBN project;
* Provide connectivity for Data Centre;
* The roll out of voice infrastructure to various sites to enable telephony on the GBN;
* Implementing the cyber security policy to combat cyber-attacks;
* Designing and implementing GPG transversal applications and e-Services;
* Promoting the use of government e-services; and
* Collaborating with other departments to build ICT capacity.

**5.1 PROGRAMME 1: Administration**

The objective of Programme 1 is to manage the Department of e-Government efficiently through executive steer and accountability, and the execution of corporate support services supported by effective reporting, risk management and compliance practices.

This Programme has four sub-programme’s namely, Office of the HOD, Risk Management, Office of the CFO and Corporate Services.

Table 3: Programme 1: Administration ‘000

|  |  |  |  |
| --- | --- | --- | --- |
|  | **2022 Medium-Term Estimates** | | |
| **2022/23** | **2023/24** | **2024/25** |
| Administration | 260 729 | 254 560 | 278 407 |

*Source: Gauteng Province Estimates of Provincial revenue and expenditure 2022*

The table above depicts the performance and allocations under Programme 1: Administration for the period between 2022/23 and 2024/25 financial years. For the year under review, an amount of R260 729 000 has been allocated to Programme 1.

Among other targets the Department planned –

• To approve one Departmental risk register,

• To have 100% supplier invoices paid within 15 days of receipts,

• To have 60% procurement spend of RFQ below R1 000 000 on township economy

• To have 92% of funded positions filled and

• To have 3 evaluations conducted.

• To have 55% of procurement budget spend on companies owned by women,

• To have 7% of procurement budget spend on companies owned by People with Disabilities,

• To have 5% of procurement budget spent on companies owned by military veterans, and

• To have 5% of employment target to recruit military veterans.

The Committee noted that the Department has increased their percentage targets across all indicators under Programme 1. Worth noting is that over 50% of these targets were not achieved during the Third Quarter (of the previous financial year) reporting period.

**5.2 PROGRAMME 2: Information Communication Technology Shared Services\***

This programme is responsible for of an ICT e-Government governance structure for the Department and the broader GCR as well as build an ICT infrastructure, develop applications, promote ICT skills development and facilitate innovation and research. The Department has five areas of focus/ sub-programmes namely, ICT infrastructure, Applications development, ICT skills development, innovation and research and ICT governance. The table below scrutinizes how the Department allocated funds in a quest to achieve and realise the above-mentioned programmes and responsibilities.

**Table 4: Programme 2: Information Communication Technology Shared Services ‘000**

|  |  |  |  |
| --- | --- | --- | --- |
|  | **2022 Medium-Term Estimates** | | |
| **2022/23** | **2023/24** | **2024/25** |
| ICT Shared Services | 1 297 066 | 1 289 177 | 1 216 625 |

*Source: Gauteng Province Estimates of Provincial revenue and expenditure 2022*

This Programme is the core of the e-Government Department and its allocation is equivalent to 74% of the overall appropriation to the Department. For the 2022/23 financial year, the Department is allocated R1 297 066 000 and the amount will slightly decline to R1 289 177 000 before further decreasing to R1 216 625 000 in 2024/25 Financial Year.

**Sub-programme 1: Modernised ICT Infrastructure** – To build an enabling ICT infrastructure for the GCR connected government and ensure that the ICT infrastructure required for a GCR connected government exists and is enabled by an upgraded core network. Also, to maintain network availability, allowing GCR entities to be connected to the private cloud. For the year under review, the Department plans to achieve the following:

• To have 888 sites provided with WAN,

• To have 118 LAN sites integrated,

• To have 84 sites provided with Voice Over Internet

• To have 45 Wi-Fi hotspots provided

• To have 2 core network nodes upgraded and,

• The target on upgrade of the Internet bandwidth to 10Gbps is not applicable during the year under review.

The Committee noted the general increase in the number of targeted sites across all indicators during the year under review. Among other notable targets are plans to integrate and provide a Local Area Network (LAN) at existing and new sites, and to upgrade existing LAN infrastructure that is found to be inadequate to realise end-to-end connectivity and provision of WAN to 888 sites during the year under review.

**Sub-programme 2: Digital platform, e-services, and applications -** For the year under review, the Department set four (4) targets under this Sub-Programme namely, 15 new e-services developed, 15 e-services tested by the DAV Centre, 10 Open Data set published and to have 6 Data Analysts Projects executed. **The Committee noted that the Department has been achieving its targets under this Sub-Programme.**

**Sub-Programme 3: Provincial ICT Oversight & Governance** – the Department will establish GCR e-Government governance structures that drive and enable priorities, through the development of policies, standards and framework; and ensuring that these are approved. To realise this, the Department set the following targets:

• To have 3 ICT standards developed

• To have 2 ICT life cycle roadmaps developed

• To have 3 ICT policies developed.

**Sub-Programme 4: ICT solutions advocacy, facilitation and communication** – Ensure the investment in research and development to change production and consumption is key to unlocking potential in the economy. The Department set 2 targets under this Sub-Programme namely,

• To have 7 surveys conducted

• To have 5 research studies conducted

• To have 10 advocacy awareness campaigns conducted on e-services

Among other objectives of conducting research studies and surveys by the Department is to collect information regarding the experiences of services offered and make decisions on improvements in business processes with a view of meeting customers’ preferences and satisfaction.

**Sub-Programme 5: Ensure that Gauteng is a hub of 4 Industrial Revolution skills** - For the year under review, the Department set five (5) targets to realise the above strategic objective.

• To have 120 previously disadvantaged ICT entrepreneurs supported in 2022/23 financial year, and the number will increase to 130 in 2023/24 financial year.

• To have 6 000 GPG staff trained on online platform

• To have 150 youths placed for experiential learning

• To have 60 people benefiting from ICT bursaries in 2022/23 financial year. The target has been increased from 15 youth in 2021/22 financial year.

• To have 10 000 youths benefiting from ICT skills development programme (Action Lab Programme).

While the Department had some challenges relating to the achievement of some targets under this Sub-Programme in the recent past, the 2021/22 Third Quarter Report painted a promising picture as most of these targets were overachieved thereby giving hope to the above set targets for the year under review. Furthermore, these targets have a significant impact on government’s macroeconomic objective of creating employment and the placing of 150 youth for experiential learning, supporting of previously disadvantaged ICT entrepreneurs and people benefiting from ICT bursaries lay an important foundation for long term employment.

**5.3 PROGRAMME 3: Human Resources Services**

The purpose of the programme is to optimise, digitise and promote Human Resource Services-related business processes to enable efficient decision-making.

**Table 5: Programme 3: Human Resource Services ‘000**

|  |  |  |  |
| --- | --- | --- | --- |
|  | **2022 Medium-Term Estimates** | | |
| **2022/23** | **2023/24** | **2024/25** |
| Human Resources Services | 132 579 | 132 579 | 138 536 |

*Source: Gauteng Province Estimates of Provincial revenue and expenditure 2022*

The table above depicts the financial allocations for the HRS Programme for the MTEF. The Department plan to spend R132 579 000 in the 2022/23 financial year and the amount will remain constant in 2023/24 Financial Year before increasing to R138 536 000 in 2024/25 Financial Year.

The above allocations will be spent on the following targets among other items:

* To have 18 ePMDS advocacy workshops conducted in GPG Departments and entities.
* To have 14 GPG Departments and entities wit ESS module roll out.
* To have 14 GPG Departments and entities trained on an online ESS module in 2022/23.
* To have 90% employee mandate received from GPG Departments digitized within 5 days and achieved 95%. The target is expected to increase to 97% in both 2023/24 and 2024/25 Financial Years. The Committee should note that this target was introduced during the Third Quarter of the 2021/22 Financial year and overachieved by 6% against the set 90%.

The Department has been performing well under Programme 3 in terms of financial and non-financial performances and these targets have instilled efficiencies in the management of personnel, particularly on online services such as e-Disclosures, e-recruitment and leave applications.

1. **SUMMARY OF STAKEHOLDERS SUBMISSIONS**

The Portfolio Committee did not receive any submissions from the stakeholders.

1. **COMMITTEE CONCERNS**

The Portfolio Committee does not have significant concerns regarding the budget allocations and APP of the Department for the 2022/23FY.

1. **RECOMMENDATIONS**

The Portfolio Committee urges the Department to practice prudence and utilise the funds efficiently to improve internal efficiencies.

1. **ACKNOWLEDGEMENTS**

The Portfolio Committee extends gratitude to the Honourable MEC N. Nkomo-Ralehoko, the Head of Department Mr. C. Baloyi and officials of the Gauteng Department of e-Government for their cooperation during the consideration of the report.

Appreciation for diligence, dedication and commitment shown during deliberations on the detail of Vote of the Gauteng Appropriation Bill [G001-2022] goes to all Members of the Finance Portfolio Committee, Mr. D. Malema, Dr R. Phaladi- Digamela, Mr. P. Atkinson, Mr. W. Matsheke, Ms. A. Randall, Mr. K. Mazwi, Mr. I. Mukwevho and Dr. B. Masuku.

The Committee’s gratitude is extended to the following support staff: Group Committee Coordinator Mr. T. Bodibe, Committee Coordinators Mr. C de Beer (Acting), Mr. J. Ntsane, Researchers Ms. L. Chiloane, Mr. M Tshehla, Media Officer, Mr. A. Dikola; Information Officer Mr. W. Nsibande, 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.

1. **ADOPTION OF THE REPORT**

After due deliberation, the Portfolio Committee adopted the report on the detail of the Gauteng Appropriation Bill [G001-2022]- Budget Vote 13: Gauteng Department of e-Government.

In accordance with Rule 117(2)(c) read with Rule 164, the report of the Finance Portfolio Committee on the detail of the Gauteng Appropriation Bill [G001-2022]- Budget Vote 13: Gauteng Department of e-Government, is presented to the House for consideration and adoption.

**\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_**

**Mr. Joe Mpisi**

**Chairperson: Finance Portfolio Committee**

**Date: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_**