No.185 - 2022: Fourth Session, Sixth Legislature

**GAUTENG PROVINCIAL LEGISLATURE**

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**ANNOUNCEMENTS,**

**TABLINGS AND**

**COMMITTEE REPORTS**

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

Tuesday, 24 May 2022

**ANNOUNCEMENTS**

none

**TABLINGS**

none

**COMMITTEE REPORTS**

**1. The Chairperson of the Oversight Committee on the Office of the Premier and the Legislature (OCPOL), Hon. B W Dhlamini, tabled the Committee’s Oversight Report on the Detail of the Office of the Premier (OoP) Budget Vote 01 of the Gauteng Provincial Appropriation Bill *[G001-2022]* for the 2022/23 FY, as follows:**

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**COMMITTEE OVERSIGHT REPORT ON THE OFFICE OF THE PREMIER’S BUDGET FOR 2022/2023 FINANCIAL YEAR**

*In line with the Oversight Model of the South African Legislative Sector “SOM”*

| **Committee Details** | | **Department Details** | | |
| --- | --- | --- | --- | --- |
| **Name of Committee** | Oversight Committee on Premier’s Office and the Legislature | **Name of Department** | Office of the Premier | |
| **Financial Year** | 2022/2023 | **Budget Vote Nr.** | 1 | |
| **Quarter** | Budget Vote 1 | **Name of MEC/Executive Authority** | Hon. D.M Makhura | |
| **Committee Approvals** | | | | |
|  | **Name** | **Signed** | | **Date** |
| **Hon. Chairperson** | BW Dhlamini |  | | 18 May 2022 |
| **Adoption and Tabling** | | | | |
| **Date of Final Adoption** | | **Scheduled date of House Tabling** | | |
| Wednesday, 18 May 2022 | | Wednesday, 25 May 2022 | | |

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**Acronyms and Abbreviations**

| **Abbreviation** | **Full Wording** |
| --- | --- |
| AGSA | Auditor General South Africa |
| APP | Annual Performance Plan |
| CoE | Compensation of Employees |
| COGTA | Cooperative Governance and Traditional Affairs |
| COVAC | Committees Oversight and Accountability |
| COVID-19 | Coronavirus 2019 |
| CRM | Customer Relations Management /Citizen Relationship Management |
| DDG | Deputy Director-General |
| DG | Director-General |
| DPSA | Department of Public Service and Administration |
| EXCO | Executive Council |
| FFC | Financial Fiscal Commission |
| FY | Financial Year |
| GCR | Gauteng City Region |
| GCRA | Gauteng City Region Academy |
| GEYODI | Gender, Youth, Persons living with Disabilities |
| GGT-2030 | Growing Gauteng Together |
| GPG | Gauteng Provincial Government |
| GPL | Gauteng Provincial Legislature |
| GP | Gauteng Province |
| HoD | Head of Department |
| ICT | Information Communication Technology |
| KPI | Key Performance Indicator |
| LGBTIQ | Lesbian Gay Bisexual Intersex Queer |
| MEC | Member of the Executive Council |
| MTEF | Medium Term Expenditure Framework |
| MTR | Mid-Term Review |
| MTSF | Medium Term Strategic Framework |
| MVO | Military Veterans & Older Persons |
| MV | Military Veterans |
| NACH | National Anti-Corruption Hotline |
| NDP | National Development Plan |
| OCPOL | Oversight Committee on the Premier’s Office and the Legislature |
| OHS | Occupational Health Safety |
| OoP | Office of the Premier |
| PSC | Public Service Commission |
| PSR | Public Service Regulation |
| PwDs | People with Disabilities |
| SCM | Supply Chain Management |
| SEZ | Special Economic Zone |
| SHERQ | Safety, Health, Environment, Risk, Quality |
| SMART | Specific, Measurable, Achievable, Realistic & Timebound |
| SMS | Senior Management Services |
| SOM | Sector Oversight Model |
| STATSSA | Statistics South Africa |
| YES | Youth Employment Service |
| TEDA | Township Economic Development Bill |

The Chairperson of te Oversight Committee on the Premier’s Office and the Legislature, hereinafter referred to as OCPOL, Honourable BW Dhlamini, tables the Committee’s Oversight Report on the Budget Vote 1 of the Office of the Premier (OoP) for the 2022/23 financial year (FY) as follows:

1. **EXECUTIVE SUMMARY**

The Committee Oversight Report on the OoP’s budget for 2022/23 FY aims to evaluate whether the needs of Gauteng citizens are targeted and planned for in the order of priority and importance for implementation in line with the allocated budget.

The Office of the Premier (OoP) received a total appropriation of R722.8 million for 2022/23 financial year. In terms of the delivery programmes, the OoP allocated a budget of R133 388 million to Programme 1: Administration, R258 616 million to Programme 2: Institutional Development and R330. 854 million to Programme 3: Policy and Governance.

The Committee notes that the main allocation for the OoP in the current financial year is Compensation of Employees with R377 887 million for its 662 staff members. With reference to programme implementation, the Provincial Policy Management Sub-programme is the main cost drive in Programme 3: Policy and Governance with an allocation of R272 763 million; followed by the Strategic Human Resources Sub-programme, which is the main cost drive in Programme: 2 Institutional Development with R101 186 million allocation. The main cost driver in Programme 1: Administration is Financial Management Sub-programme with an allocation of R59 315 million.

The Committee note the Office of the Premier explanation that youth unemployment is tackled as a national problem through the YES programme to address jobs that are not sustainable such as temporary jobs and internship programmes as they do not translate into permanent jobs but result in youth moving from one job to the other. An indication was made that Tshepo 1 Million is about unlocking the labour market and is not the only stream of youth development programme in government.

At provincial level, GPG is shifting its focus and energies to tackling unemployment through the Economic Recovery and Reconstruction Plan. The Office highlighted that the Executive Council has approved a new Gauteng Youth Development Strategy 2030 which incorporates all youth development programmes which will be unveiled on 16 June 2022. The Committee as the oversight body over the OoP is requesting that this strategy be presented to members before it is unveiled as per the scheduled timeline.

It is noted that Harambee has commissioned Mistra to review the Tshepo 1 Million programme and a report will be shared with the Committee upon completion. The review of Tshepo 1 Million is to ensure optimal integration of all youth and development programmes in the province. The Office explained that personnel costs (fixed costs) for the management and execution of Key Performance Indicators (KPI) of Tshepo 1 Million programme are incorporated in the allocated budget and this has led to the misinterpretation of budget alignment to the set targets.

The Committee welcomes the passing of the Township Economy Development Act (TEDA) as well as the implementation of the SEZs to revitalize and transform the economy of the province. The focus at hand is the implementation of this Act to revive industries and domestic hubs.

It is noted that Gauteng Provincial Government corruption fighting efforts are yielding results through a strong ethical culture which is the foundation of clean governance, and this is created through institutionalizing ethics and ethical leadership in government and society. The OoP through the Integrity Management Unit has collaborated with the Auditor-General and the Public Protector to strengthen measures of maladministration and acts of corruption. It is noted that the Forensic Unit which was based in the Provincial Treasury has been moved to the OoP to work closely with the Integrity Management Unit. This move was as a result of a big misfit between the functions of Treasury and the Forensic Unit. Therefore, the incorporation of the Forensic Unit into the Integrity Management Unit of the OoP is to fortify systems to change the culture of lawlessness and corruption.

The Committee notes that the GPG has established 6 provincial War Rooms to deal with implementation challenges across the province through partnerships, greater sense of urgency and coordination. These war-room structures comprise of social compacting committees where problem solving meetings are convened and members are invited to attend the war-room meetings. It is noted that Thursdays and Fridays of the week are set aside as service delivery days where the GPG goes to communities. The Committee is interested to know whether these newly established war rooms are an extension and/or an incorporation of the existing ones or performs different and separate functions.

The Committee notes that the GPG continues to work with national and local government including stakeholders to address issues relating to vandalization of infrastructure and deterioration of services in the province.

1. **INTRODUCTION**

Budget allocations for the 2022/23 financial year are centred on strengthening monitoring and evaluation across provincial government to ensure integrity and accountability in public institutions. This budget is aimed at expressing the commitment by the Office of the Premier to deliver on its priorities guided by the GGT2030.

The assessment of the Budget Vote 1 for 2022/23 FY was compiled in line with the Sector Oversight Model (SOM) and in accordance with the Committee's Oversight and Accountability Framework (COVAC).

**3. PROCESS FOLLOWED**

1. On Friday, 30th April 2022, the GPL Speaker, Hon. LH Mekgwe referred Budget Vote 1 for 2022/23 FY to the Committee for consideration and reporting.

2. On Tuesday, 3rd May 2022, the Committee Researcher, Mr. K Mdakane presented the analysis of Budget Vote 1 for 2022/23 FY to the Committee. The Committee stakeholders were also invited to make submissions on Budget Vote 1 of the Office of the Premier for 2022/23 FY.

1. On Thursday, 12th May 2022, the Office of the Premier presented to the Committee, its Budget Vote for 2022/23 FY and responded to questions that emanated from the research analysis.
2. On Wednesday, 18th May 2022, the Committee deliberated and subsequently adopted the Oversight Report on Budget Vote 1 for 2022/23 FY.
3. **COMPLIANCE AND QUALITY**

The report on Budget Vote 1 for 2022/23 FY was submitted to the Legislature within the stipulated timeframes and in accordance with the specified regulations.

1. **OVERSIGHT ON STRATEGIC PRIORITIES**
2. Budget Contracting

The Sector Oversight Model (SOM) prescribes that the draft APP and budget of the Office of the Premier should be submitted to the Committee for comments before sign-off by the Premier. However, this requirement has not been fully implemented since the OoP has presented these documents already been signed-off instead of draft formats for the Committee comments and inputs where necessary.

1. **Priorities- Linkages between the mandates of the Office of the Premier and the National, Provincial Priorities and Outcomes:**

The NDP, was adopted by the fourth Parliament, as a masterplan to end hunger and poverty in South Africa, with a deadline of the year 2030. The National Development Plan (NDP) Vision 2030 is the visionary blueprint of government and society, including business, labour, faith-based organizations, youth, women, the elderly, and the disabled. It is a collaborative partnership aimed at reducing poverty, unemployment, building an inclusive and national democratic society by 2030. In giving effect to this broad plan, a series of MTSFs are in place for the implementation of critical priorities for the realization of the NDP Vision 2030. All government departments' plans andbudgets are required to be aligned to the National Development Plan (NDP).

The Office of the Premier in collaboration with other Centres of Government Departments such as COGTA, eGovernment and Gauteng Provincial Treasury participates in improving the new district delivery model. This model aims at integrating planning, budgeting and programmatic activities across all 3 spheres of government in the 3 metros and 2 districts in Gauteng. Through the realization of this budget and its corresponding APP, the Office’s objective is to ensure formal recognition of Gauteng as a national and continental leading Urban City Region in policy making and budgeting. It further aims to recast the relationship between Gauteng and its neighbouring provinces in terms of spatially aligned economic development approaches and programmatic alignment more broadly.

1. **The GPG’s seven priorities include the following**:

* Economy, jobs and infrastructure
* Education, skills and healthcare
* Sustainable human settlement, new cities and land release
* Safety, social cohesion and food security
* Sustainable future for all
* Building a capable, ethical and developmental state
* Building a better Africa and better world

1. **The Office of the Premier’s Strategic Focus:**

As part of the strategic focus statement, the OoP formulated the impact statement for the period 2020-2025 and crafted 5 organisational-level strategic goals, to enable the organisation to effectively focus and prioritise its options in delivering on its mandate and strategic intent. The Strategic Goals of the OoP from 2020 to 2025 are framed as follows:

Outcome 1: Sound governance and strengthened integrity management and anti-corruption.

Outcome 2: Balanced and integrated GCR and intergovernmental planning and coordination to realise the priorities of the 6th Administration.

Outcome 3: A dynamic, proactive and responsive government.

Outcome 4: A skilled, capable and performance-orientated public service.

Outcome 5: Realisation of the rights of, and improved access to socio-economic opportunities for, targeted groups.

**d)** **MEASUREMENT OF SERVICE DELIVERY IMPACT/ACHIEVEMENT**

The Office of the Premier (OoP) aims to provide quick response to community challenges and concerns through the service delivery interventions mechanism. The Cabinet Secretariat in the OoP ensures that the Premier and the members of the Executive Council are at the forefront of service delivery which is the hallmark of the 6th Administration.

The OoP reported that Ntirhisano Outreach Programme is continuing and has been re-shaped where 2 days (Thursday and Friday) of each week has been committed to community visits across Gauteng to unlock challenges and blockages encountered. Members of the Committee are invited to attend these visits.

In addressing and supporting key deliverables to advance GGT2030 plan, the EXCO Lekgotla held in November 2021, identified the need to establish War Rooms for each area to be chaired by respective MECs. The GPG has already presided the 1st plenary meeting of War Rooms where reports have been presented. The newly established War Rooms structures include the following:

* War Room on integrity and clean governance to deal with clean audits in departments and municipalities
* War Room on poverty (MEC for Social Development)
* War Room on economy (MEC for Economic Development)
* War Room on crime (MEC for Community Safety)
* War Room on clean audit (MEC for Finance) working with COGTA to look at irregular expenditure
* War Room on water and sanitation: OoP and COGTA to lead in working with national departments to resolve water issues in the province.

These established War Rooms aims to tackle poverty/hunger, jobs and economic opportunities, fast-tracking infrastructure delivery projects, clean governance, crime and lawlessness, as well as cutting red tape. The Committee is interested to know how different these war room structures are, from the previously established ones.

1. **OVERSIGHT ON TECHNICAL PERFORMANCE**
2. **S.M.A.R.T principles**

The Committee notes that the budget of the OoP for 2022/23 FY conforms to the SMART principles. The 2022/23 APP targets under each programme have been provided for in the budget of the Office.

1. **Priority, output, outcome linkage**

The Committee notes the targets and indicators presented by the Office in its Annual Performance Plan for 2022/23 FY and the allocated budget provide a basis for the implementation of the Outcomes-Based approach.

c) **APP Pre-determined Objectives**

The 2022/23 APP of the OoP consists of 58 indicators. Out of the 58 indicators 50 (86%) are retained from the 2021/22 APP. A total of 8 (14%) indicators have been added to the 2022/23 APP, of which 5 were unbundled from the Preferential Procurement report indicator and 3 are newly crafted.

The OoP reported that that indicators and targets (Output level) of the Annual Performance Plans are cumulative towards the 5-year goal (Outcome Level) in the Strategic Plan. It is noted that the 2022/23 APP represents the 3rd year of the 6 Administration where it will be providing progress towards the achievement of the 5-year Strategic Plan 2020/25 (Rolling APP).

1. **BUDGET OVERSIGHT**

**MACRO ANALYSIS**

1. **Equitable share of the Province:**

The Gauteng Provincial Government received an equitable share of R145.5 billion for the 2022/23 financial year and an estimated R24.9 billion for conditional grants from the national government to finance nationally determined priorities and to reimburse the province for providing these services. The Committee notes that the Equitable Share has increased from R115,6 billion to R120 billion to fund public wage increase. It is further noted that out of the R26.5 billion conditional grant, R809 million has been allocated to incorporate the public sector wage agreement and Presidential Employment Initiative.

1. **Summary of receipts – Office of the Premier**

The Office of the Premier is funded from the equitable share allocation and has received a budget allocation of R722.8 million for the 2022/23 financial year. A compulsory budget cut was implemented due to completion of Mental Health Care Users claims and to lower fiscal strains such as salary freeze to contain the wage bill, data changes and ICT funds transferred to Department of e-Government to centralise ICT responsibilities.

In terms of the reprioritization, the OoP budget cuts were made wherein R25.5 million was taken from Compensation of Employees and R36.4 million was cut from Goods and Services. Budget cuts were also experienced on various communication channels/modes. The OoP explained that an integrated marketing communication strategy using all channels will be implemented to reach segmented target audiences using government’s own platforms to maximize the economies of scale by coordinating and sharing resources between GPG Departments to reach various target audiences and stakeholders; broadcast and digital communication will be targeted to reach residents and stakeholders using various language stations; continuation of information dissemination using Ward Councillors WhatsApp groups with residents as it was utilized during Covid-19 lockdown restrictions; distribution of My Gauteng newsletter, an electronic publication across all Gauteng government digital media platforms and via bulk SMS obtained from the Hotline database to reach residents. The Gauteng Government will also engage with communities through the Ntirhisano outreach programme which is now held weekly.

It is further noted that the budget cut on fighting internal fraud and maladministration is based on the implementation of the GCR Integrity Policy Framework and the Gauteng Anti-Corruption Strategy adopted in 2016, which put emphasis on addressing issues proactively rather than reactively. Therefore, the focus is on amongst others, prevention through building capacity of Ethics Officers; detection by conducting lifestyle audits on the Executive; vetting of SMS members and all SCM officials; conducting investigations to strengthen the ProvincialForensic Unit; resolution of cases where the OoP is assisting GPG departments in the implementation the recommendations of the final investigation reports.

Programme 1: Administration budget allocation amounted to R133.3 million allocation of which is the lowest budget of all three programmes in the 2022/23 FY. This budget is a decrease from R299 million allocation in the previous financial year which was used partly for Life Esidimeni pay-outs and Covid-19 response. Within the Administration Programme, the Financial Management sub-programme received R59.3 million and Director -General sub-programme, R41.4 million. All in all, the budget for Compensation of Employees is the major source of spending for this programme wherein R83.9 million has been allocated for this function, which is a decrease from R84.6 million in the previous financial year.

The budget estimate for Programme 2: Institutional Development for 2022/23 financial year amounted to R258.6 million, an increase by R3.3 million from R255.2 million in the previous financial year. The Strategic Human Resources sub-programme received the biggest share of the budget allocation of R100.7 million, followed by Service Delivery Intervention at R67.1 million and Communications Services at R61.4 million. However, the main cost driver for Institutional Development Programme, is Compensation of Employees with an allocation of R201.487 million.

The Policy and Governance programme received the biggest portion of the OoP’s budget amounting to R330.8 million for the 2022/23 financial year. It is noted that the budget for this programme is set to increase over the MTEF to R335.2 million in 2023/24. A total of R272.7 million of the R330.8 million is earmarked for the Provincial Policy Management sub-programme and R54.7 million for Inter-governmental Relations sub-programme. It is noted that R144 million has been budgeted for non-profit institutions which is an increase from R138.1 million. A total of R92.4 million has been allocated for Compensation of Employees, and R62.1 million for Goods and Services.

1. **Revenue Collection**

The Committee notes that the OoP ‘s estimated revenue collection is at R378 000 in the 2022/23 financial year as it was the case in the 2021/22 financial year.

1. **Summary of economic classification.**

In terms of the summary of economic classification for the 2022/23 financial year, Compensation of Employees has emerged as the main cost driver with an allocated budget of R377,8 million followed by Goods and Services at R156.1 million and lastly, the payment to Non-Profit Institutions at R144.6 million. The budget estimates show that Compensation of Employees will decrease in the next financial years, as this increase is partly implemented to support the national government’s initiative to contain the growth of the public sector wage bill within affordable levels.

1. **Programme Oversight**

The OoP delivers its mandate through three programmes namely: Programme 1: Administration Programmes 2: Institutional Development and Programme 3: Policy and Governance.

**8.1 PROGRAMME 1:** **Administration**

This programme is responsible for the overall strategic management of the province and support of the Premier, EXCO and the Director-General in fulfilling their statutory and political responsibilities. Programme 1: Administration contributes specifically to 2 of the 7 outcomes of the OoP including, Outcome 1: A skilled, capable, ethical and developmental state and Outcome 2: A growing and inclusive economy, jobs and infrastructure.

This Programme boosts the overall performance of the OoP through the implementation of sub-programmes that includesPremier’s Support Office, Office for Executive Council Support, Office of the Director General, Financial Management as well as Security and Risk Management. The management and processing of life Esidimeni claims have been managed under this programme. The budget has not been allocated to the Life Esidimeni project due to the completion of Mental Health Care Users claims. However, the OoP has requested a roll-over budget from the previous financial year as this project is driven by external factors (Esidimeni claimants and the courts). The OoP hopes that Treasury will approve the roll-over, as the rule does not always allow roll-over budget in 2 consecutive years. Through this programme, the OoP has been helping the GPG particularly Department of Health in dealing with Medico Legal Litigations.

It is noted that 50% of indicators under Programme 1 are retained from the 2021/22 APP. The Preferential Procurement indicators have been unbundled from a report indicator into individual indicators as per MTSF targets. There are no major changes under this programme except for the Finance indicator target on payment of Valid Invoices being reduced from 21 days to 15 days**.**

The strategic focus in the 2022/23 financial year under Programme 1 is to ensure the Development of Competent and Ethical staff through the implementation of training and development interventions; vetting of officials in High Risk Areas (SMS, SCM) as well as Payment of Suppliers within the Legislative Framework.

Moreover, the Cabinet Secretariat and Cabinet Operations sub-programme will continue to provide effective and efficient strategic coordination and management support to the Executive Council and the Council Committee programme, including all its components.

The Office of the Premier will ensure that priorities related to the targeted groups are mainstreamed into the plans and budgets of all Branches and Business Units of the OoP, and that targeted Procurement as well as Employment Equity targets are achieved.

**8.2 PROGRAMME 2: INSTITUTIONAL DEVELOPMENT**

This programme is responsible for leading, facilitating, coordinating and supporting a skilled ethical and performance oriented GCR; ICT leadership and guidance across GPG; ICT related auxiliary support to the Office of the Premier towards modernizing the public service.

This Programme contributes specifically to 4 of the 7 outcomes of the OoP, including Outcome 1: A skilled, capable, ethical and developmental state; Outcome 4: Spatial transformation and integrated planning; Outcome 5: Responsive engagement between government and the citizenry and deepened social cohesion and Outcome 6: Collaborative relations between sub-national governments enhanced.

Programme 2 consists of newly crafted indicators as well as those retained from the 2021/22 APP. Out of the 17 indicators, 16 are retained from the 2021/22 APP with 1 newly crafted indicator. This Programme assists in the overall performance of the OoP through the implementation of sub-programmes that includes, Strategic Human Resources, Information Communication Technology, Communication Services as well as Service Delivery Inter­ventions.

The key focus in the 2022/23 FY in Programme 2 is to ensure continuous monitoring and implementation of organisational structures within the GPG departments; the implementation of Human Resources Framework and the Master Skills Plan; as well as the finalisation of disciplinary cases across the GPG; an OHS compliance culture through the implementation of SHERQ system; strengthen partnership with GCRA to provide training to GPG employees on Occupational Health and Safety; a move from reactive to proactive and effective Communication services in the province to assess Gauteng residents’ perception and satisfaction of Gauteng Government; conduct studies to benchmark the GCR against best practices in other City-Regions.

It is further noted that the OoP plans to promote participatory democracy and active citizenry through the commitment to resolve individual, household and community needs through the GCR-wide CRM System. Furthermore, Ntirhisano Service Delivery Rapid Response System remains a key area of work to ensure quicker response times to service delivery issues and strengthening of IGR governance.

**8.3 PROGRAMME 3: POLICY & GOVERNANCE**

Policy and Governance Programme aims to lead, facilitate, co-ordinate and support the active advancement of gender equality, women empowerment, youth development, and the rights of people with disabilities, older persons, and military veterans. It provides support to the Premier and the Executive Council with policy advice and support, international and inter-governmental relations, and integrated co-operative governance. It leads, facilitates, co-ordinates and supports the implementation of the Integrity Management Programme in the GCR. Furthermore, it drives province-wide outcomes-based planning, performance monitoring and evaluation, to improve government performance towards enhanced service delivery and GCR development impacts/outcomes. It also leads planning for sustainable development in the Gauteng City Region.

This Programme assist in the overall performance of the OoP through the implementation of sub-programmes that includes, GEYODI and MVO, Tshepo 1Million, Intergovernmental Relations, Integrity Management;Cluster Man­agement (Executive Council Systems Support and Services and Leader of Government Business) Planning, Performance Monitoring and Evaluation (Strategic Planning, Performance Monitoring and Evaluation)

Programme 3 consist of both newly crafted indicators as well as those retained from the 2021/22 APP. Out of the total number of 31 indicators, 29 are retained and continuing from the 2021/22 APP and are 2 newly crafted indicators.

The key focus of Programme 3 in the 2022/23 FY includes but not limited to the implementation of the International Relations Programme, as well as promoting Intergovernmental relations to support cooperative governance and GGT2030 in the GCR. Together with the Forensic Unit that migrated to the OoP, the Integrity Management Unit will ensure compliance and sound governance in the GPG; Integrity and Ethics driven public service by ensuring that recommended fraud and corruption cases gets reported to the law enforcement agencies for criminal investigation; pursued disciplinary proceedings against officials involved in financial and other misconduct; action and resolve NACH cases as well as issuing of Fraud Detection Review reports.

Furthermore, the programme will ensure fast tracking of infrastructure spending and unblocking bottlenecks for infrastructure delivery; the implementation of the Revised Gauteng Energy Security Strategy; mainstream GEYODI issues such as; the implementation of Tshepo 1 Million to address youth unemployment, empower and support (LGBTIQ) community, provision of economic opportunities to targeted groups as well as ensuring compliance of MV Action Plan; tracking commitments of Ntirhisano Outreach Programme to a point of resolution; result-based planning and reliable reporting within the province; continuous monitoring of the achievement on interventions and targets outlined in the Delivery Agreements of MECs in Governance and Planning as well as Economic and Social Clusters.

Key evolutions that are on track from 5th Administration includes the Deliverology process that culminated in the establishment of Delivery Support Unit as a new function. The Programme Management Office for Tshepo 1Million that was set up in mid-5th Administration has evolved to play a broader special projects coordination role. The Infrastructure Office was set up to coordinate and unblock infrastructure related projects.

Moreover, key deliverables added to those outlined in the 2022/23 Annual Performance Plan includes monitoring the implementation of Auditor-General’s findings on predetermined objectives by GPG departments; analysing the alignment of 2022/23 Annual Performance Plan for the GPG departments; developing the Provincial Evaluation Plan; commissioning the development of a comprehensive report on Mid-Term Review (MTR) by the GPG to provide an overview and assessment of progress made in the implementation of the GGT2030 and its intended objectives.

Additional Key deliverables identified by EXCO Lekgotla to support the 2022/23 FY includes, building a culture of reporting regularly to communities with regards to commitments made; institutionalization of the Covid-19 model; strengthen deep dives through examination into certain priorities that require problem-solving or unblocking; amendment of delivery agreements in consideration of the outcomes of November 2021 EXCO Lekgotla, as well as stocktaking meetings and strengthening the Ntirhisano Outreach programme.

**a. Assessment and analyses of the Controls / Measures to ensure:**

The assessment of the Office of the Premier’s budget for the 2022/23 financial year reflects that the Office has put measures in place to ensure effective and sustained budget utilization. The Office has supplied performance indicators that will be used to assess the performance in the 2022/23 financial year. These indicators include:

***Efficiency / Value for money in the SCM / Procurement processes:*** The Office aims to process payments within 15 days for internal payments to ensure efficiency in the provision services.

* + 1. ***Reduction of Fruitless / Wasteful expenditure:*** The OoP highlighted that the Financial Management sub-programme will continue to provide strategic financial management leadership and ensure financially sound management of the budget of the Office.
    2. ***Reduction of Fraud and Corruption:*** The Integrity Management Office will continue to provide ethical leadership in the Office by ensuring disclosures for SMS members across GPG.
    3. ***Move towards obtaining a clean audit outcome for the Department:*** Through the planning target in Programme 1, the Office is committed to sustaining a Clean Audit outcome.

1. **OVERSIGHT ON PUBLIC ENGAGEMENT**

The Office of the Premier has created a space through the Ntirhisano Service Delivery War Room for the public to engage in its processes including that of the budget.

A total of 10 stakeholder institutions were invited to attend the Committee’s virtual meeting on Tuesday, 3rd May 2022 during the presentation of the research analysis on Budget Vote 1 for 2022/23 FY. A total 4 stakeholder institutions including, the Auditor-General South Africa (AGSA), Financial Fiscal Commission (FFC), Statistics South Africa (Stats SA) and Public Service Commission (PSC), attended the Committee virtual meeting. The Public Service Commission made written submission on Budget Vote 1 for 2022/23 FY. On Thursday, 12th May 2022, the OoP presented Budget Vote 1 for 2022/23 FY and responses that emanated from the research analysis as well as the PSC submission. The Office of the Premier’s responses to the PSC submission is as follows.

* Conflict of Interest is managed through Section 195 of the Constitution of the Republic of South Africa, 1996 (the Constitution), employees in the public service are expected to exercise the highest ethical standards and to adhere to the Code of Conduct contained in Chapter 2 of the Public Service Regulations (PSR) 2016; amongst other regulations. The GPG departments are in the process gathering evidence, and disciplinary actions will be instituted against officials found guilty; opening of criminal cases and other relevant processes are underway.
* Appointment of a new DG in the Office of the Premier is expected by end of May 2022 by June 2022 a newly appointed DG will resume work to create stability in the GPG. Processes are underway in the filling of 3 vacant positions of DDGs in the OoP.
* The status of Heads of Departments in completing the performance agreements reflected that 5 HoDs submitted their Performance Agreements by 30 April 2022; 3 HoDs submitted their performance agreements in hardcopy (Condonation to be applied for online submission); 2 HoDs requested a condonation based on changes to their Departments’ Annual Performance Plan and Operational Plans; 1 HoD is newly appointed and is expected to submit within 3 months of appointment (i.e end of July 2022) and 3 HoDs are in Acting positions and not required to submit. In terms of Performance agreements, if Senior Management refuses to sign performance contracts warning letters are issued and other developmental stages are undertaken before the implementation of punitive measures. Training is also provided to those who are finding it difficult to fill the forms.
  + - Suspensions are tracked quarterly and reported to the DPSA. Intervention letters are issued to non-compliant GPG Departments on a quarterly basis by the Office of the Premier.

1. **OVERSIGHT ON RESOLUTIONS MANAGEMENT**

There were no House resolutions passed on the Committee Oversight Report on Budget Vote 1 for the previous financial year (2021/22).

1. **OVERSIGHT ON PERFORMANCE VERIFICATION**

The assessment of Budget Vote 1 for 2022/23 FY took into consideration external research documents that assisted the Researcher’s scrutiny of the report and no fieldwork was conducted. The Office of the Premier responded to questions that required clarity.

1. **OVERSIGHT ON ANY OTHER COMMITTEE FOCUS AREA**

The Committee notes that there has been no renaming or reshuffling of programmes in the presentation of budget Vote 1 for 2022/23 financial year. The Office has presented programmes that are a continuation of priorities from the 2021/22 financial year. The Committee did not detect any discrepancy in its assessment of the 2022/23 budget allocation.

1. **OVERALL ASSESSMENT**

The Committee is of the view that the OoP’s budget responds adequately to the plans as set out in the APP for 2022/23 financial year. The overall budget is in line with the reduced allocation from National Treasury as a basis for the implementation of fiscal restraint in the next financial years.

Whilst the move for fiscal restraint is noted, care should be exercised to ensure that service delivery programmes are not compromised. In terms of budget cuts on various communication channels/modes the OoP explained that amongst others, an integrated marketing communication strategy using all channels will be implemented to reach segmented target audiences using government’s own platforms to maximize the economies of scale by coordinating and sharing resources between GPG Departments to reach various target audiences and stakeholders. Furthermore, the Gauteng Government will also engage with communities through the Ntirhisano outreach programme which is now held weekly.

It is further noted that the budget cut on fighting internal fraud and maladministration is based on the implementation of the adopted GCR Integrity Policy Framework and the Gauteng Anti-Corruption Strategy to address issues proactively rather than reactively. Therefore, the focus is amongst others, prevention by building capacity of Ethics Officers; detection by conducting lifestyle audits; vetting of SMS members and all SCM officials; conducting investigations to strengthen the ProvincialForensic Unit.

The Committee is concerned that Tshepo 1 Million and other non-profit institutions seem to be immune to government fiscal restraint as their allocation has been on the rise from R138.1 million in previous financial year to R144,6 million for this financial year. This creates confusion that even when Tshepo 1 Million is undergoing a review process as highlighted by the OoP, its budget is still increasing. Though the GPG deems Tshepo 1 Million as a success story in addressing youth unemployment, the Committee is of the view that the review of this programme will assist in reducing the massive youth unemployment rate in the province. The Committee is of the view that budget for this programme would have been expected to increase during the implementation stage of the Gauteng Youth Development Strategy 2030 as approved by the Executive Council.

The Committee notes that the Youth Advisory Panel which is at an advance stage of being established will provide independent oversight and advice, on all Gauteng City-Region’s youth empowerment initiatives. This will ensure that participation of young people in the economy is enhanced through targeted and integrated programmes. The Committee is interested to know the link between this advisory panel and the Gauteng Youth Development Strategy 2030. Furthermore, the Committee hopes that the Youth Advisory Panel to take into consideration, the views and perspective of the youth in the formulation of empowerment initiatives, entrepreneurial and job opportunities. The Office of the Premier will be invited to the OCPOL meeting to present the Gauteng Youth Development Strategy 2030.

The Committee welcomes the Gender Responsive budget; however, the most pressing concern is on generating sustainable jobs on the ground instead of youth moving from one internship to the other. On the continued utilisation of consultants instead of capacitating internal human resources, the OoP explained that it is as a result of specialized and rare skills not available in the public sector and only required for a specified function for a short period.

The Committee concur with the OoP about the concern relating to the rising levels of lawlessness and vandalization of infrastructure in the province. The OoP in its oversight capacity over the GPG departments is urged to investigate from the relevant department the mechanisms put in place to address this challenge.

## **14. Committee findings / concerns, COMMITTEE RECOMMENDATIONS &: IMPLICATIONS ON LAW-MAKING**

* 1. **CONCERN/S/ FINDING/S**
     1. The Committee is concerned that Tshepo 1 Million and other non-profit institutions seem to be immune to government fiscal restraint as their allocation has been on the rise from R138.1 million in previous financial year to R144,6 million for this financial year. This creates confusion that even when Tshepo 1 Million is undergoing a review process as highlighted by the OoP, its budget is still increasing.

**14.2** **COMMITTEE RECOMMENDATION/S**

|  |  |  |  |
| --- | --- | --- | --- |
| **Based on the information set out herein-above as well as the Committee Concerns, the Committee therefore recommends as follows:** | | | |
| **Ref Number** | **Recommendation** | **Type of response expected** | **Due Date** |
| CHS/QXPR/001 | 14.2.1The Premier should: | Provide a report explaining the reasons for the budget increase of Tshepo 1Million while the programme is undergoing a review process. | Friday, 29/07/2022 |

**14.3 IMPLICATIONS ON LAW-MAKING**

There were no findings that have implications on law-making or policy development during this period.

1. **ACKNOWLEDGEMENTS**

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

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

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

# **ADOPTION**

In accordance with Rule [164] of the Standing Rules of the GPL, the Committee hereby presents the report to the House for adoption.