



GAUTENG
LEGISLATURE

Your View — Our Vision



QUESTIONS EMANATING FROM THE RESEARCH ANALYSIS

FOR THE

ANNUAL REPORT

2021/22 FINANCIAL YEAR

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Following up on our commitment
to the People of Gauteng

1. **The GPL is reported to have underspent by R93.46 million, please provide a detailed report on reasons for not spending the allocated resources, especially with the easing of lockdown restrictions.**

Response:

The following items contributed to the variances between the allocated budgets and actual expenditures for the period under review:

- Institutional projects and capital assets (R37.8 million) - These projects and capital assets have been rolled over from 2021/22 and are expected to be implemented in the 2022/23 financial year:
- Rehabilitation of Concrete Sheet and Tiled Roof Portions in the Main Building (R9.6 million) - advertised tenders were non-responsive as bidders did not meet the requirements of the terms of reference.
- Communication and PPP strategy (R3.9 million) - tenders for communication strategy and Intranet development were cancelled due to low response from bidders.
 - ICT strategy (R3 million) – the Business Process Modelling project was halted in Q3 and other ICT Strategy initiatives including automation was consequently not initiated. Underspending was also incurred in the records management project as a vendor could only be appointed in the current financial year.
 - HR Strategy (R950 thousand) - outstanding milestones comprising job evaluation, grading and salary benchmark exercise as well as consolidation of the Organisational Development Business Process Modelling outcomes, development of the Talent Management Strategy and outstanding skills audit.

- Upgrade of the Auditorium and Committee Rooms for Hybrid Sittings (R5.1 million) - delivery delayed due to stock shortages impacted by the Covid 19 pandemic.
 - Replacement of audio-visual equipment and Laptops (R13.9 million) – delivery delayed due to global stock shortages.
 - Printers (R720 thousand) – the institution took a decision to lease printers instead of outright purchase as initially approved, following a cost-benefit analysis that was undertaken.
 - Safes (R138 thousand) –Delays were caused by challenges in sourcing of the Safes that meets the specifications of the GPL.
 - Revamping of the Auditorium (R207 thousand) - there were delays in receiving approval from the Heritage council; and
 - High back chairs (R320 thousand) - service provider has been appointed and the chairs will be delivered in the new financial year.
- Activities affected by the COVID-19 pandemic and associated restrictions (R12.1 million). These include Committee activities, travel, activities requiring direct contact with stakeholders, training and wellness programmes.
 - Operational and professional costs (R14.26 million) including ICT services, insurance, consultants, recruitment, and inventory. Underspensing on ICT and insurance was mostly caused by non-responsive markets.
 - Activities affected by the congested Term-Programme and conflicting priorities (R7.9 million). These include LGBTQI+, Children’s and Commercial Sex Workers sector parliaments, Voter Education and associated support activities. Efforts are made to ensure greater alignment between planned activities and the institutional Term-Programme by reviewing projections on a quarterly basis in order to reduce the underspending.

- Compensation of employees (R7.2 million) – as a result of unfilled vacancies.

Included in the underspend are **SAVINGS** of **R14,2 million** that were realised primarily from implementing activities virtually and through hybrid platforms – reducing the actual underspending to **R79,26 million**.

2. The GPL is reported to have underspent by R22.50 million under personnel classification.

2.1 How many vacancies does the Institution have?

Response:

There are 30 vacant positions, and following are existing vacancies and positions which were identified previously by line to strengthen capacity:

- a) **Senior Management (P5 – P6)** – Senior Managers: Budget Unit, Office of Integrity Commissioner and Human Capital, Transversal Mainstreaming Focal Person, Director: Communications and Public Participation and Petitions (recent resignation).
- b) **Middle Management and Specialist (P7 – P8)** – Managers: Administration, Transport and Fleet, Members' Facilities, Procurement, Compliance Officer, Information Centre (recent resignation), Protocol Officer, Legal and Procedural Advisor, Talent Attraction Specialist.

- c) **(P9 – P16)** – LSB Coordinator, Print Room Supervisor, Switchboard Operator, Soft Service Coordinator, General Cleaner, Parking Attendants, Transport Officer, Senior Information Officer, Committee Administrator Assistant: Infrastructure, Language Practitioner, Asset and Inventory Coordinator, Goods Receiving Officers (2), Senior Coordinator: Office of CFO, Senior Administration Secretary: Office of CFO, Researcher: OCPOL (recent resignation).

- d) **Positions that were identified to strengthen capacity** – Strategy and Planning Analyst, Payroll Specialist, Vendor and Tender Administration Assistant, Demand and Costing Officer/ Assistants, Tender Evaluation Officers, GRN Officer and Assistant Buyer, Public Participation and Petitions.

2.2 What plans has the GPL put in place to expedite the filling of these vacancies? In your response, please include the timelines. What timelines have the GPL put in filling the vacant posts?

Response:

The current value-creation project seeks to develop a value chain at macro and functional levels and identify key competencies to support the implementation of the value chain. The outcome of the process will determine a revised organisational structure with newly created positions. A phased in approach will be utilised to fill vacancies. The process of filling of vacancies will take place in the next financial year.

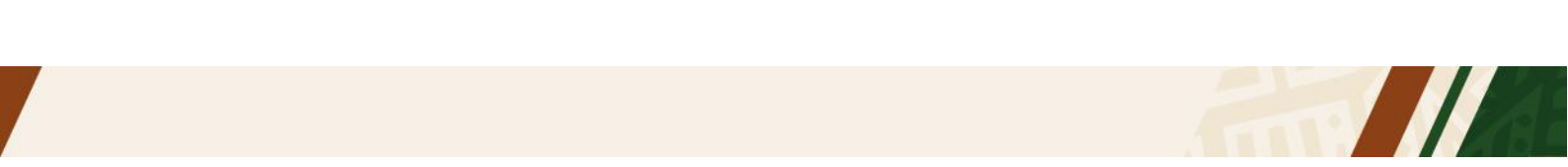
As an interim measure positions will be filled on a fixed term period to address service delivery gaps while the implementation of the OD project (value-creation) is unfolding. Qualifying officials are also being appointed to act in vacant positions in line with the GPL Acting Policy. Reskilling of Staff through expression of interest, wherein Staff needing new skills and competencies are offered supervised training opportunities in some of the vacancies. Currently, 9 Staff members are appointed to Public Mobilisation Team in Public Participation and Petitions, 2 appointed to Subsistence and Travel project in Human Resources and 2 appointed as Assistant Coordinators in Traffick Fines Project in Transport and Logistics.

2.3 Please provide the Committee with a progress report on the OD as it also contributed to budget underspending.

Response:

In 2019 the Gauteng Provincial Legislature embarked on an Organisational Development project to review the organisational processes and design at a macro and micro level. The project was initiated in partnership with the PWC Consultants. The PWC Consultants reviewed the current organisational structure and recommended a realigned organisation design at a macro level. However, this process did not include the review of organisational business process modelling at a functional level. As a result, a project team was established to conduct organisational business process modelling. This process led to the development of the “AS IS” business process at Level 1, Level 2 and Level 3. However, this was a bottom-up process that did not consider the development and adoption of a value chain at a macro level.

Given the work done by the PWC and the GPL project team, an approval by the LSB was sought in August 2022 to envision the role of the GPL aligned to its key Constitutional mandate. This gave birth to the process of ‘Value-Creation and Value-Generation’.



The Value-creation process means that the institution needs to understand why the GPL exists and what value does it bring in terms of its mandate bestowed upon by provisions of the Constitution. Through the process of value-creation the review of the functional structure was conducted with the result of new pillars and related functions.

Post adoption of the core pillars and related competencies, the Executive Management envisages to identify the processes that will be aligned to the institutional strategy; systems; availability of identified competencies; and final organisational structure that will enable the GPL to deliver on its mandate and ensure that it continues to add value. The consultative process and implementation is expected to take place in the last quarter of the 2022/23 Financial Year.

Management envisages to submit the proposed outcomes of the project to LSB for consideration and approval with a view to implement the realigned organisational structure that by the beginning of the new financial year. This will require preparation of an interim Migration and Placement policy to be in place to enable implementation of the realigned organizational structure in the new Financial Year.

3. Please provide the Committee with an update on the labour cases that the GPL remains a defendant as well as the financial implication thereof as flagged by the AG for the fourth consecutive time.

Response:

The following table depicts the current labour cases:

Parties involved	Description of the case	Monetary value of the case	Action required to close the case	Legal cost incurred
CCMA hearing referred by ex-employee, Mr Gcwabaza against the GPL. CCMA	Employee challenging a dismissal by the GPL for allegations poor performance and dishonesty	Pending	The matter set-down on the 3 rd of October 2022. The GPL is awaiting the outcome from the CCMA.	R562 770 (Mothobi Attorneys and Junior Advocate).
CCMA Arbitration referred by ex-employee, Mr Radebe against the GPL (Executive Director CSS and Director ISS positions) Case numbers GAJB 3697-22 and GAEK4215-22-	Applicant alleges that he his application was disregarded on the pretext that better or more experienced CV, was received and that a colleague was appointed.	Appointment or Promotion to the position of Executive Director	GAJB3697-22- Condonation was granted by the CCMA for the case to be heard. GAEK4215-22- Rescission for condonation ruling served and filed by GPL (Mr. Radebe to file answer).	The matters were partially attended to by the GPL legal. No payment yet to Mncedisi Ndlovu & S Attorneys

Parties involved	Description of the case	Monetary value of the case	Action required to close the case	Legal cost incurred
GAJB 9454-22 the case of unfair labour practice lodged by NEHAWU at the CCMA	NEHAWU on behalf of employees lodged a case against the GPL of unfairly stopping the payment of the 13 th cheque.	Pending	An arbitration hearing was held on 21 September 2022 and only two witnesses were cross examined. The hearing was adjourned to 17 and 18 November 2022.	Pending

- 4. The GPL is reported to have incurred irregular and wasteful expenditure during the period under review. In the light of the above, how effective are both internal controls and risk-mitigating plans of the institution?**

Response:

The GPL has through its internal controls managed to prevent irregular expenditure from being incurred for the 2021/22 period. The internal control environment consists of preventative, detective, and corrective controls to address the risk of possible UIFW Expenditure.

In the event that a fruitless and wasteful transaction was not prevented the detective controls were effective to identify such transaction to allow for further investigation and remedial action. Where there was any wrongdoing on the part of an official the funds should be recovered in terms of the PAA requirements.

The fruitless and wasteful expenditure for 2021/22 consisted of 2 transactions, i.e. the receipt of incorrect goods, the implicated official took accountability and the loss is being recovered.

The other transaction relates a breakdown in communication where a services provider was not timely notified of an event cancellation, this investigation is currently being finalised.

During the 2021/22 the AG did not identify any additional transactions as being irregular, fruitless, and wasteful and therefore it can be concluded that the controls are reasonably effective

- 5. The GPL is reported to have paid an amount of R3.98 million in performance bonuses as well as leave encashment to SMS. How was this determined considering the institutional challenges currently, involving the staff?**

Response:

In 2021, the PRC approved payment of performance bonuses to eligible Senior Managers for the 2019/20 IPMS cycle. At the time, there were twenty-five (25) Senior Managers in the organisation but only twenty-four (24) were eligible for performance bonuses. The total expenditure regarding the performance bonuses paid amounted to R2,270,585.92.

Leave encashment is only paid to GPL employees upon expiry of contract or termination of services. In line with section 4.3.3 of the Leave Policy, a total of 26 leave encashments were processed in the reporting period, for both senior managers and staff members (P3-P7= 18; P8-P16= 8). The total amount of the leave encashment is R2, 672,000.

- 6. The Annual report indicates that the GPL passed policies on IPMS and Sports. These were reported to have been passed in the last reporting period, the 2020/21 financial year. Why are these reported on in this reporting period?**

Response:

The SRAC Policy was approved by the LSB in January 2021. The IPMS Policy was approved in March 2018 and not as currently reported. Currently the IPMS Policy is under review in line with the 2022/23 approved policy review calendar. It is being re-aligned under the Remuneration and Performance Management Policy.

- 7. The AG has noted that the GPL had enlisted the services of an external firm into allegations of possible fraudulent S&T travelling claims.**

- 7.1. What were the financial implications of this exercise?**

Response:

The costs of the investigation by BDO advisory services amount to R 498 000.

The Gauteng Provincial Legislature investigated the S&T claims that were submitted or paid during the hard lockdown due to the COVID-19 pandemic. This matter was investigated by an external service provider and the final report was submitted to the institution for further action on the findings.

The findings revealed that one hundred and twenty-five (125) claims were processed, and others were paid during this aforesaid period. Sixty-nine (69) of the claims were cleared in that their claims were in accordance with the S&T Policy. Thirty-eight (38) claims are of employees who were found to have breached the S&T Policy in their submission of claims. The amount claimed during the period in question is in excess of R2 171 101.00.

The Accounting Officer approved the recommendations of the external investigators that the 38 employees be disciplined for breaching the relevant policies. The nature and reasons for the discrepancies identified include inflated claims, no supporting documentation, departure/or destination points not specific.

As previously reported, the services of external services providers who will serve as both initiator and presiding officers for all 38 cases is required. The rationale for the external service provider is based on the nature of the transgression and its impact. Because of the amount involved in procuring such services, a tender process is being followed.

Supply Chain processes are at an advanced stage of advertising such a tender. The disciplinary processes will commence as soon as suitable service providers are appointed. The Finance team is giving the matter a priority

7.2 When is the GPL planning to finalise this matter?

Response:


The investigation has been concluded and the report signed off. The process is currently being handled by HR to implement the recommendations of the report. We envisage that the disciplinary process will start as soon as the external service provider is appointed. However, it is difficult to stipulate the timeframe for conclusion of the consequence management processes because this is a matter that is not entirely in the hands of Management.

8. Please provide the Committee with reasons for not achieving the non-financial targets, especially under Core Business.

Response:

Core Business carries the bulk of the performance indicators of the institution. The areas of non-achievement included Percentage of House resolutions' responses considered by the Committees (only 34% of the 95% target was achieved, number of adopted Committee Enquiry (the target was reduced from 5 to 1 – but was not achieved), number of petitions considered by the Legislature 94 petitions were considered against a target of 120, leaving a deviation of 26 petitions) and achievement of milestones in the annual implementation plan of the Integrated Communication Strategy where 70% was achieved against a planned target of 80%.

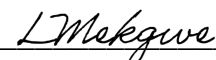
Recommended



Peter Skosana (Mr)

Secretary to the Legislature

Approved



Hon. Lentheng Mekgwe

Speaker