



No. 0226 of 2023: Fifth Session, Sixth Legislature



## **GAUTENG PROVINCIAL LEGISLATURE**

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# **ANNOUNCEMENTS, TABLINGS AND COMMITTEE REPORTS**

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Tuesday, 13 June 2023

### **ANNOUNCEMENTS**

none

### **TABLINGS**

none

### **COMMITTEE REPORTS**

1. The Chairperson of the Finance Portfolio Committee, Hon. T B Munyai, tabled the Committee's Oversight Report on the Fourth Quarterly Performance Report of the Gauteng Provincial Treasury (GPT) for the 2022/2023 financial year,

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

**Portfolio Committee on [Finance Portfolio Committee] Oversight Report on the [4<sup>th</sup> ] Quarterly Report of the  
[Gauteng Provincial Treasury] for the [2022/23] Financial Year**

Committee Details		Department / Entity Details	
Name of Committee	Finance Portfolio Committee	Name of Department / Entity	Gauteng Provincial Treasury
Which Financial Year	2022	Dept. Budget Vote Nr.	14
Which Quarter	Fourth	Hon. Minister / MEC	Jacob Mamabolo
Committee Approvals			
	Name	Date Considered by Committee	
Hon. Chairperson	Tshilidzi Munyai	09 June 2023	
Adoption and Tabling			
Date of Final Adoption by Committee		Scheduled date of House Tabling	
09 June 2023		15 June 2023	

## 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 analyzing 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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**i. ABBREVIATIONS**

<b>Abbreviation</b>	<b>Full Wording</b>
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
...	...

## ii. SUMMARY

### ii. [Summary of the report]

#### **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:

- To ensure sound and effective financial management, 1 spatially referenced MTEF budget was tabled;
- The wage bill was maintained at 56% against the target of 60%, to ensure that the wage bill does not crowd out expenditure on service delivery;
- The department ensured that cash requisitions (R155 432 958 127) did not exceed provincial liquid assets (R155 784 182 816) (PRF cash and cash equivalents plus external investments) ; and
- The department further monitored compliance to 30 days' payment of suppliers in all departments.

Pertaining to Sustainable Local Government Finances, GPT achieved the following:

- In support of municipalities, the department held 8 IGR engagements with relevant stakeholders and 6 structured and targeted capacity building initiatives to municipalities in Gauteng was provided;
- Conducted 8 assessments on MFMA compliance by the delegated municipalities and 7 adjustment budgets conducted; and
- The department ensured that provincial grants allocated to Gauteng Municipalities were published.

In an endeavour to create jobs, GPT achieved the following:

- The department employed 87 youth in development programmes.

In regard to ensuring a capable, ethical and developmental state, GPT achieved the following associated with Increased compliance with legislated prescripts:



## ii. [Summary of the report]

- 3 Consolidated IYM reports for departments and 10 individual IYM reports for entities were submitted in with legislated timeframes;
- In supporting payment of suppliers on time, the department ensured that 98% of supplier invoices are submitted electronically against the target of 90%;
- To increase compliance with legislated prescripts the department completed SCM compliance assessment for all 14 departments and for 8 entities;
- 95% of audit reports were issued, with internal audit recommendations also tracked in all departments and entities; and
- The SERO was tabled in line with prescribed timeframes.

### **GIFA**

In contribution towards economic transformation and job creation GIFA reported on preparation of bankable projects for alternative financing mechanisms:

- Krugersdorp Game Reserve business case was approved by the Mogale Municipal Council.
- The PWV 15 in the process of procuring Transaction Advisors to undertake the project preparation process.

In contribution towards economic transformation and job creation GIFA reported on Bankable infrastructure projects financed through capital investment raised from alternative sources of funding:

- **Gauteng Schools Programme** - The BFI conditions were met and funding has been secured for construction of 18 schools;
- **Rooftop Solar PV** - The negotiations between government and the private party to finalize the PPP Agreement and Power Purchase Agreement are in progress;
- **TIH: EB 3** - The Private Party and the Bank have signed the Term Sheet for the Loan Agreement;
- **Merafong Solar Farm** - Lease Agreements between Bokamoso Ba Rona (NPC) and the developers will be completed in Quarter 1 of 2023/24 financial year; and
- The PWV 15 in the process of procuring Transaction Advisors to undertake the project preparation process.]

### ***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 by and large sound and prudent as most performance targets were achieved, apart from one.

## ii. [Summary of the report]

- 100% of invoices were paid within 30 days after receipt of valid invoices;
- Approved 2023/24 FY APP was submitted to GPL on due date;
- Approved 2023/2024 key Departmental Risk Register;
- A workshop was conducted to promote awareness on transformation agenda matters;
- 46% of women appointed at SMS level, as opposed to the planned 50%;
- Legal due diligence report on establishment of a state-owned bank conducted;
- Legal due diligence reports on the establishment of a pharmaceutical; and
- 10.5 % of youth placed in development programmes.

### **Program 2 Sustainable Fiscal Resource Management**

The Portfolio Committee is of a view that the GPT's non-financial performance is to a large extent sound and prudent as most performance targets with pockets of over-achievement apart from one performance target.

- Contrary to the planned expenditure of 60% or less on the GPG wage bill, 56% was expended;
- One spatially referenced MTEF budget and a 2<sup>nd</sup> adjustment budget were tabled;
- Cash disbursements to GPG Departments equivalent to appropriated funds;
- Revenue collected was below the revenue target of 6.7%;
- SERO tabled in line with prescribed timeframes;
- An adjustment appropriation gazette was tabled;
- 3 Consolidated IYM reports produced for departments in accordance with National Treasury timelines; and
- 10 individual IYM reports for entities in accordance with National Treasury timelines;

### **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.

## ii. [Summary of the report]

- The risk management policy was implemented, and the 4<sup>th</sup> quarter Risk Management Committee meeting was held;
- Draft Strategic Risk Register for 2023/24 financial year was developed;
- The final 2023/24 APP was approved and submitted to the Legislature;
- Organization-wide M&E Framework was implemented;
- Quarterly performance information consolidated and submitted to the Legislature; and
- Project performance information consolidated and submitted to the Legislature;
- Business Process Re-engineering produced and submitted to the CEO;
- Progress and implementation of the Audit Action Plan is reported on the quarterly basis to the Audit Committee;
- 3<sup>rd</sup> quarter Interim Financial Statements were submitted to Gauteng Provincial Treasury;
- All planned Internal Audits for 2022/23 FY have been completed;
- All existing contracts were managed in terms of deliverables vs payment;
- All submitted invoices from suppliers were paid within 30 days;
- HRMD Strategy was implemented;
- Communication Strategy implemented;
- The Stakeholder Relations Strategy was implemented;
- The ICT Strategy was implemented; and
- The Facilities Management Plan was implemented.

### **Program 2: Project Development and Compliance**

The Portfolio Committee is of a view that the GIFA's non-financial performance under this programme is not sound and prudent as not all performance targets were achieved.

- The Sourcing Strategy and Plan was implemented, and three elevated priority projects were referred to GIFA;
- Instead of sourcing 2 projects, 3 infrastructure projects were sourced, that is, Health Infrastructure projects for Budget Facility for Infrastructure, Solutions to the energy crisis, and Revenue Raising: Land Optimization Project; and
- 0 feasibility study was completed.

### **Program 3: Structured Finance**

## ii. [Summary of the report]

The Portfolio Committee is of a view that the GIFA's non-financial performance is apparently sound and prudent as most performance targets were achieved.

- The legal due diligence report on the establishment of State-owned Pharmaceutical Company was developed and approved;
- Implemented the Funder Engagement Strategy and Plan. The following activities were achieved:
  - Engagements with the International Finance Corporation for the funding of project preparation work for the Ekurhuleni AWTT project; and
  - Engagements with Absa on the funding of agriculture projects, in anticipation for the implementation of the Bokamoso Ba-Rona Initiative.
- Of the two projects earmarked to be analyzed and tested for bankability, 0 projects were analyzed and tested for bankability; and
- Financial close was concluded for the Gauteng Schools Programme , whereby R1.5 billion was secured from the Budget Facility for Infrastructure.

### **Gauteng Provincial Treasury Continued**

#### **Program 3: Financial Governance**

The Portfolio Committee is of a view that the GIFA's non-financial performance under this programme is exceptional as all performance targets were achieved, with pockets of overachievement.

- A departmental 30-day suppliers' payment compliance report produced; and
- 98% of supplier invoices were submitted electronically, as opposed to the planned 90%; and
- Approval of the clean audit strategy.

#### **Program 4: Provincial Supply Chain Management**

The Portfolio Committee is of a view that the GIFA's non-financial performance is sound and prudent as all performance targets were achieved, with pockets of overachievement.

- 1 SCM risk compliance assessment register was completed for departments;
- 1 SCM risk compliance assessment register was completed for entities;
- 1 report produced on 30% spend on township suppliers;
- 1 report produced on subcontracted contracts;
- 1 training workshop was provided to Gauteng township-based suppliers;
- 1 report was produced on monitoring implementation of Open Tender Process (OTP) by departments;

## ii. [Summary of the report]

- 1 report was produced on monitoring implementation of Open Tender Process (OTP) by entities;
- 1 report was produced on monitoring implementation of procurement plans by departments;
- Preferential procurement guidelines developed and approved; and
- 22% of historical irregular expenditure condoned within the provincial sphere (GPG departments and entities), contrary to the planned 15%.

### **Program 5: Municipal Financial Governance**

The Portfolio Committee is of a view that the GIFA's non-financial performance is sound and prudent as all performance targets were achieved, with pockets of overachievement.

- 8 IGR engagements with relevant stakeholders were conducted instead of the planned 4;
- 5 structured and targeted capacity building initiatives were provided to municipalities in Gauteng, contrary to the planned 2;
- 8 assessments of compliance on MFMA by delegated municipalities were conducted;
- Assessment of 7 municipal adjustment budgets were conducted instead of 8; and
- 3 publications on provincial on grants allocated to Gauteng Municipalities, as opposed to the planned 1.

### **Program 6: Gauteng Audit Services**

The Portfolio Committee is of a view that the GPT's non-financial performance is sound and prudent as all performance targets were achieved.

- Issuance of 95% of audit reports to departments and entities;
- 19 audit committee approved audit plans were issued to departments and entities;
- 100% of internal audit recommendations were tracked as implemented at departments and entities; and
- 100% of Auditor General's management letter key findings followed up through a follow-up audit.]

*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 not entirely meeting its strategic objectives, as not all its performance targets were achieved.**

## ii. [Summary of the report]

### **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 partially meeting its strategic objectives, as one of its performance targets was not 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 convinced that this programme is to a greater degree meeting its strategic objectives, as most of its performance targets were 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 not wholly meeting its strategic objectives, as not all its performance targets were 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 exceedingly meeting its strategic objectives, as most of its performance targets were achieved with pockets of over achievement.**

**ii. [Summary of the report]**

**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 outstandingly meeting its strategic objectives, as most of its performance targets were achieved, with pockets of over achievement.**

**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 its strategic objectives, as all its performance targets were sufficiently 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 is achieving its strategic objectives, as all its performance targets were achieved.]**

***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 R176 604 000, GPT spent R173 489 000 or 98% and achieved 92% of its planned performance targets. The negligible 2% under expenditure by the department is at par with the projected spending budget for 4<sup>th</sup> quarter 4. **The Portfolio Committee noted with appreciation that the department is exerting a concerted effort to spend on compensation of employees and goods and services.**

**GIFA**

**ii. [Summary of the report]**

The Portfolio Committee noted that GIFA was able to realize 92% of its APP targets and 91% of the budget allocated for the quarter was utilized. **The Portfolio Committee noted that under expenditure was as a result of the delay in the finalisation of the Cost Effectiveness Analysis and procurement of office equipment and upgrade of the security system that was deferred due to the finalisation of the lease agreement.]**

**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

**School Readiness Campaign 2022** - Gauteng Provincial Government's Back to School Campaign, which was aimed at ensuring that learning and teaching takes place on the first which was aimed at ensuring that learning and teaching takes place on the first day of the school year, through deploying EXCO members to different schools around Gauteng. The MEC Finance was deployed to schools at Ekurhuleni Municipality.

**Date:** 11 January 2023

**Time:** 06h30-07h30

**Venue:** Asser Maloka Secondary School

**Date:** 11 January 2023

**Time:** 06h30-07h30

**Venue:** Thakgalang Primary School

**Date:** 11 January 2023

**Time:** 11h00-12h30

**Venue:** Tsakane Early Childhood Development



## ii. [Summary of the report]

### **YOUTH TECH EXPO 2023**

Office of the Premier hosted the Youth Tech Expo aiming at showcasing opportunities to improve the lives of the communities of Gauteng.

**Date:** 15 February 2023

**Time:** 09h00-15h00

**Venue:** Brixton Multi-Purpose Centre, Brixton, Johannesburg

### **SMME STAKEHOLDER ANGEEMENT**

Gauteng Treasury initiated the SMMS stakeholder discussion to engagement on issues regarding the challenges the SMMEs in the Soweto area

**Date:** 16 February 2023

**Time:** 10h00-12H00

**Venue:** Vilakazi Restaurant, Soweto, Johannesburg

### **GPG CLEAN AUDIT & GOVERNANCE SEMINAR**

MEC for Finance, Mr Jacob Mamabolo initiated a GPG Clean Audit & Governance Seminar with an objective to build a stakeholder profile, to generate Solutions as well as to promote clean audit and Governance, the theme of seminar was "Promoting the culture of accountability in the Gauteng Province"

**Date:** 29 March 2023

**Time:** 08h00-10H30

**Venue:** Ubuntu Kraal, Soweto, Johannesburg

### **PROVINCIAL BUDGET TABLING 2023**

The aim of the Budget Tabling was to present to the Gauteng Legislature how Gauteng uses public spending to transform the economic landscape and improve the lives of its citizens. Media and related stakeholder in attendance.

**Date:** 09 March 2023

**ii. [Summary of the report]**

**Time:** 07h30-10h00

**Venue:** Gauteng Legislature

**PROVINCIAL BUDGET BREAKFAST SESSION**

The aim of the Budget Breakfast was aimed to engage with finance related stakeholders to discuss and critic the Provincial Budget tabled.

**Date:** 10 March 2023

**Time:** 07:30 -10h00

**Venue:** Gordon Institute of Science (GIBBS)

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

Gender – female 61% (502/826) SMS female: 48% (31/68);

Youth - 29,30% (242/826);

Disabled - 1.82 (15/826); and

Senior Citizens - 2.78% (23/826) age 60 and above.

GIFA

Gender – 6%;

Youth - 2%;

Disabled - 0; and

Senior Citizens - 0%

**ii. [Summary of the report]**

**The Portfolio Committee urges both GPT and GIFA not to confuse employment statistics with GEYODI empowerment.]**

***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 990 with 826 posts filled, 164 vacant posts, 5 acting positions, 9 terminations and 29 new appointments. The staff complement is constituted as follows:

- **African** - 90,44% (747/826)
- **Coloured** - 4,60% (38/826)
- **Indian** - 2.30 (19/826)
- **White** - 2.66% (22/826)

**The Portfolio Committee is of a view that the department would be adequately capacitated after the implementation of the new approved organizational structure. The Portfolio Committee further impresses on the department to follow its plan to ensure that the vacant posts are filled.**

**GIFA**

The total number of posts as per the structure of GIFA is 53, 48 posts are filled, and 5 posts are vacant. There is 0 acting position, 0 termination and no new appointments for the period under review. The staff complement is constituted as follows:

- Youth = 35%
- Females = 54%
- Males = 46%
- Disability = 0%
- Number of SMS males = 67%

**ii. [Summary of the report]**

- Number of SMS females = 31%

**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*

**GPT**

- [The Portfolio Committee is concerned that the attrition rate for women is inimical to GPT attaining the target of 50% of women in SMS positions;

**GIFA**

- The Portfolio Committee is concerned about the effectiveness of GIFA's project stakeholder management to circumvent unnecessary delays for the seamless progression of projects; and
- The Portfolio Committee is concerned about lack of synchronization in planning between GIFA programmes, evidenced by a performance target predicated on a performance target yet to be delivered by another programme.]

**Summary of Committee Recommendations**

*High level summary of Committee Recommendations. Broadly, which aspects do they relate to*

**[GPT**

- The Portfolio Committee recommends that the Department assess and report on the extent to which its retention strategy reduce employee turnover, prevent attrition, increase retention, and foster employee engagement with particular focus to women;

**GIFA**

- The Portfolio Committee recommends that GIFA submit a plan elaborating on how it will improve its project stakeholder management to become effective to circumvent stakeholders delaying progress of projects; and
- The Portfolio Committee recommend that GIFA submit a plan intended to improve its planning processes, such that dependencies are taken into consideration.]

## **i. EXECUTIVE SUMMARY**

The purpose of the 4<sup>th</sup> quarter report is to provide a summary of programmes undertaken by the GPT from January to March 2023. The Department's quarterly report provides progress report that specify achievements against key performance targets for the period under review.

The purpose of the Finance Portfolio Committee Oversight Report on the Gauteng Provincial Treasury (GPT) 4<sup>th</sup> Quarterly Report inclusive of Gauteng Infrastructure Financing Agency (GIFA) is to monitor and assess GPT's performance, as reported in the quarterly performance report. In assessing quarterly performance, the Committee considers both financial and non-financial performance, against set targets and expenditure patterns. The Sector Oversight Model (SOM) states that In Year Monitoring (IYM) through quarterly reports provide the Committee with the information needed to monitor effective programme implementation.

The evaluation of the GPT's 4<sup>th</sup> quarter performance report of 2022/23 financial year depicts a satisfactory state of affairs, with 36 of the 39 performance targets achieved and 98% of the total appropriated budget spent. The quarterly budget expenditure is slightly lower than the 100% straight-line projection, however it compares favourably with the 92% Annual Performance Plans (APP) achievement.

As at the end of the 4<sup>th</sup> quarter, Administration Programme achieved eight out of the nine planned performance targets. The performance target pertains to percentage of suppliers paid within 30 days after receipt of valid invoices; number of APP submitted to GPL on due date; number of approved departmental risk register report submitted; number of workshops and/or training conducted to promote awareness on transformation agenda; number of reports submitted to Office of the Premier to monitor the implementation of GEYODI programmes; legal due diligence report conducted on the establishment of a state-owned bank; legal due diligence report conducted on the establishment of a pharmaceutical company; and percentage of youth placed in development programmes. On the other hand, GPT also planned to appoint 50% of women at Senior Management Service (SMS) level, however, 46% of women were appointed at SMS level. The rationale for the deviation is that in the 4<sup>th</sup> quarter four SMS positions were appointed, of which three were females and one was male and two female occupying SMS level positions left the department. To mitigate underperformance, heads of units with less than 50% female representation submitted plans on how they will comply with the target and recently advertised SMS positions specified that they are targeting female candidates. Expenditure for this programme stood at 96% of the appropriated funds for the period under review and 99% cumulatively.

Of the eight performance targets planned under Sustainable Fiscal Resource Management (SFRM) Programme, seven performance targets were achieved. The performance targets concern ensuring that cash disbursed to departments does not exceed appropriation; tabling one Socio-Economic Review Outlook (SERO) in line with the prescribed timeframes; tabling one adjustment appropriation gazette on allocations to schools and hospitals; producing three consolidated In-Year Monitoring (IYM) reports for departments according to the National Treasury (NT) timeframes; and producing ten consolidated In-Year Monitoring (IYM) reports for entities according to the National Treasury (NT) timeframes. GPT overachieved on two performance targets, that is, limiting the GPG wage bill at 60% against the allocated budget; and the number of spatially referenced Medium Term Expenditure Framework (MTEF) budgets tabled in line with the prescribed timeframes. The area of underperformance relates to failure to increase provincial own revenue in line with inflation, that is, 6.7%. Revenue was increased by 4,04% due to non-surrender of revenue from municipalities and South African Post Office (SAPO). To

ameliorate the situation, GPT convenes monthly meetings with municipalities and SAPO where payment agreement is entered into and monthly follow-up to ensure compliance. Of the 26 performance targets applicable to GIFA for the period under review, 24 performance targets were achieved or 92% APP achievement. The areas of underperformance relate to failure to complete one planned feasibility study; and failure to analyse and test two planned projects for bankability. The actual expenditure for the quarter stood at 91% and 97% aggregate for the year.

The Financial Governance Programme had three performance targets earmarked for this quarter and all performance targets were achieved. The performance targets are associated with producing a departmental 30-day suppliers' payment compliance report; and approving clean audit. Furthermore, this programme exceeded its set performance target of supplier invoices submitted electronically. This programme spent 95% of the budget allocated for the 4<sup>th</sup> quarter and 99% progressively.

Likewise, the Provincial Supply Chain Management Programme achieved all the ten performance targets planned for the quarter under review. The performance targets relate to producing Supply Chain Management (SCM) compliance registers for departments and entities; producing a report of 30% spend on township suppliers; producing a report on sub-contracted contracts; producing a report monitoring implementation of Open Tender Process (OTP) by departments and entities; producing a report monitoring the implementation of procurement plans by departments; developing preferential procurement guidelines; and percentage of historical irregular expenditure condoned within GPG departments and entities. Finally, this programme exceeded the performance target linked to the number of training workshops provided to Gauteng township-based suppliers. The programme managed to spend 99% of funds requisitioned during the quarter or 100% of the total appropriation.

The Municipal Financial Management Programme had four performance targets and three performance targets were achieved albeit with pockets of overperformance. The performance targets refer to conducting assessments on Municipal Finance Management Act (MFMA) compliance by delegated municipalities in Gauteng; exceeding performance expectations on the number of Inter-Governmental Relations (IGR) engagements with relevant stakeholders and the number of structured and targeted capacity building initiatives provided to municipalities in Gauteng. However, GPT recorded underperformance with regards to the number of municipal budget assessments conducted. Of the planned eight adjusted budgets assessments to be conducted, only seven were conducted, due to Mogale City LM not tabling the 2022/23 Adjustment Budget due to challenges related to municipal council. This programme expended 90% of the funds allocated for this quarter and 97% of the main appropriation. Marking the programme with the least expenditure of all programmes.

All four performance targets planned under Gauteng Audit Services (GAS) Programme were achieved. The performance targets are linked to percentage of audit reports issued to departments and trading entities; number of Audit Committee approved audit plans issued to departments and trading entities; percentage of internal audit recommendations tracked at departments and trading entities; and percentage of Auditor General's management letter key findings followed up through a follow-up audit. The expenditure for the programme stood at 118% for the quarter and 105% year to date. Marking the programme with the highest expenditure of all programmes.

It should be noted that neither GPT nor GIFA reflected on any major strategic risks nor requests for intervention with respect to their APPs or Budget and/or Quarter Performance, in their reports.

## 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<sup>1</sup>.

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<sup>2</sup>.

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)

## ii. PROCESS FOLLOWED

The Speaker formally referred the 4<sup>th</sup> Quarter Performance Report of the GPT and its component Gauteng Infrastructure Financing Agency for the 2022/23 financial year to the Finance Portfolio Committee for consideration and reporting.

On 01 June 2023, the Committee Researcher tabled an analysis of the quarterly performance report. In the same meeting, the GPT and GIFA, led by MEC J. Mamabolo, presented the 4<sup>th</sup> Quarter Performance Report to the Portfolio Committee focusing on the departmental financial and non-financial performance.

Due to time constraints, the Portfolio Committee did 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.

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<sup>1</sup> The Constitution of the RSA (1996) Act 108 of 1996

<sup>2</sup> Sector Oversight Model

On 09 June 2023, the Portfolio Committee deliberated and adopted the draft oversight report on the 4<sup>th</sup> quarter performance of GPT (inclusive of GIFA). Subsequently, the report was submitted to the Proceedings Unit for tabling and consideration by the House.

## 1. 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 nine planned performance targets under this programme, most performance targets were achieved with the exception of one. **The Portfolio Committee noted that GPT intended appointing 50% of women at SMS level, on the contrary 46% of women were appointed at SMS level.** The rationale for the deviation is that in the 4<sup>th</sup> quarter four SMS positions were appointed, of which three were females and one was male and two female occupying SMS level positions left the department. To mitigate underperformance, heads of units with less than 50% female representation submitted plans on how they will comply with the target and recently advertised SMS positions specified that they are targeting female candidates. **The Portfolio Committee is concerned with the attrition rate for women which is inimical to GPT attaining the target of 50% of women in SMS positions.** The other performance targets relate to percentage of supplier payments paid within 30 days after receipt of valid invoices; number of APP submitted to GPL on due date; number of approved departmental risk register report submitted; number of workshops and/or training conducted to promote awareness on transformation agenda; number of reports submitted to Office of the Premier to monitor the implementation of GEYODI programmes; legal due diligence report conducted on the establishment of a state-owned bank; legal due diligence report conducted on the establishment of a pharmaceutical company; and percentage of youth placed in development programmes.

#### 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 that eight performance targets were planned, and seven performance targets were achieved. The performance targets concern ensuring that cash disbursed to departments does not exceed appropriation; tabling one Socio-Economic Review Outlook (SERO) in line with the prescribed timeframes; tabling one adjustment appropriation gazette on allocations to schools and hospitals; producing three consolidated In-Year Monitoring (IYM) reports for departments according to the National Treasury (NT) timeframes; and producing ten consolidated In-Year Monitoring (IYM) reports for entities according to the National



### 1.1 THE DETAILS ON Department / Entity achievement on relevant Strategic Priorities for the period under review]

Treasury (NT) timeframes. GPT overachieved on two performance targets, that is, limiting the GPG wage bill at 60% against the allocated budget; and the number of spatially referenced Medium Term Expenditure Framework (MTEF) budgets tabled in line with the prescribed timeframes. The area of underperformance relates to failure to increase provincial own revenue in line with inflation, that is, 6.7%. Revenue was increased by 4,04% due to non-surrender of revenue from municipalities and South African Post Office (SAPO). To ameliorate the situation, GPT convenes monthly meetings with municipalities and SAPO where payment agreement is entered into and monthly follow-up to ensure compliance. **The Portfolio Committee noted the persistent challenge of non-surrender of revenue by some municipalities and the SAPO and urges GPT to consider utilizing inter-governmental fiscal relations mechanisms at its disposal to resolve the matter.**

#### **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 17 planned performance targets under this programme, GIFA achieved all performance targets. The performance targets include, implementing the Risk Management strategy and convening the 4<sup>th</sup> quarter Risk Management Committee meeting; compiling and signing off the Strategic Risk Register for 2023/24 FY; submitting the approved 2023/24 APP to Legislature; implementing Organisation-wide M&E Framework; submitting consolidated quarterly performance information and quarterly performance reports to the Legislature; submitting consolidated project progress information and project progress reports to the Legislature; producing and submitting business process re-engineering monitoring report to the CEO for approval; submitting the progress and implementation of the Audit Action Plan on the quarterly basis to the Audit Committee; submitting 3<sup>rd</sup> Quarter Interim Financial Statements to the Gauteng Provincial Treasury; implementing internal audits planned for 2022/23 financial year; ensuring 100% of

### 1.1 THE DETAILS ON Department / Entity achievement on relevant Strategic Priorities for the period under review]

contracts are managed in terms of deliverables versus payment in the 4<sup>th</sup> quarter; 100% payment of suppliers within 30 days; implementing the HRMD Strategy; implementing the Communications Strategy; implementing the Stakeholder Relations Strategy; implementing the ICT Strategy; and implementing the Facilities Management Plan. **The Portfolio Committee noted with appreciation that GIFA achieved all its performance targets under this programme.**

#### **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 6 planned performance targets applicable to this programme for the period under review, GIFA achieved 5 performance targets. Under performance related to failure to complete a feasibility study for the PWV 15 due to delays in the appointment of a Transaction Advisor. To mitigate under performance, GIFA reported that the procurement process would be expedited, and the Transaction Advisor would be appointed in the 1<sup>st</sup> quarter of 2023/24 financial year. **The Portfolio Committee is concerned about the effectiveness of GIFA's project stakeholder management to circumvent unnecessary delays for the seamless progression of projects.** The performance targets that were realized are associated with the implementation of the Sourcing Strategy and Plan and the referral of three elevated priority projects to GIFA; sourcing three projects approved for inclusion into infrastructure pipeline, that is, Health Infrastructure projects for Budget Facility for Infrastructure, Solutions to the energy crisis, and Revenue Raising: Land Optimization Project; commencing a process to prepare identified projects to be released to the market in 2023/24 financial year, namely Rooftop Solar PV Phase 2 and Krugersdorp Game Reserve; and the development and the approval of legal due diligence reports on the establishment of the State-owned Bank and the State-owned Pharmaceutical Company.

#### **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 three performance targets, and two performance targets were realized. The performance targets refer to implementing the Funder Engagement Strategy and Plan, which resulted in engagements with the International Finance Corporation for the funding of project preparation work for the Ekurhuleni

### 1.1 THE DETAILS ON Department / Entity achievement on relevant Strategic Priorities for the period under review]

AWTT project and engagements with Absa on the funding of agriculture projects, in anticipation of the implementation of the Bokamoso Ba-Rona Initiative; and securing R1.5 billion for the Gauteng Schools Programme from the Budget Facility for Infrastructure. **The Portfolio Committee noted with appreciation that the secured R1.5 billion from the Budget Facility for Infrastructure, would ensure the building of schools that are compliant with the Department of Education Norms and Standards.** Finally, GIFA intended analysing and testing two projects for bankability however the performance target was not realized due to no completed feasibility studies to analyse and test for bankability. **The Portfolio Committee is concerned about lack of synchronization in planning between GIFA programmes, evidenced by a performance target predicated on a performance target yet to be delivered by another programme.]**

#### 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 three performance targets earmarked for this quarter and all performance targets were achieved. The performance targets are associated with producing a departmental 30-day suppliers' payment compliance report; and approving clean audit strategy. Furthermore, this programme exceeded its set performance target of supplier invoices submitted electronically. This programme planned that 90% of supplier invoices are submitted electronically, however, 98% of supplier invoices were submitted electronically. **The Portfolio Committee welcomes the approval of clean audit strategy as such would ensure that financial statements are free from material misstatements, there are no material findings on the annual performance report, and there are no material findings on non-compliance with key legislation.**

#### Program 4: Provincial Supply Chain Management

This programme aims to promote transparency and effective supply chain management in the province.

Of the ten performance targets under this programme, all performance targets were achieved, specifically, producing a consolidated SCM compliance registers for departments and public entities; producing a report on 30% spend on township suppliers; producing a report on subcontracted contracts; providing training workshops to Gauteng township-based suppliers; producing a report on monitoring implementation of Open Tender Process (OTP) by departments and entities; producing a report on monitoring implementation of procurement plans by departments; and developing preferential procurement guidelines. Furthermore, GPT intended ensuring 15% of historical irregular expenditure is condoned for GPG departments and entities and the 22% was achieved, thereby surpassing the target by 7%. Over performance was accredited to an increase in the submission of applications for condonations from departments and entities attributed by information sharing and/or clarification provided on the condonation

### 1.1 THE DETAILS ON Department / Entity achievement on relevant Strategic Priorities for the period under review]

process. It is noted that in terms of section 81(1)(b) and 83(1)(b) of the PFMA, an accounting officer and accounting authority shall commit an act of financial misconduct if that accounting officer or accounting authority makes or permits irregular expenditure. It is further noted that condonation is a process whereby the relevant authority acknowledges the irregular expenditure and pardons the action that has resulted in the incurrence of irregular expenditure. **The Portfolio Committee noted that the performance target relating to “Historical irregular expenditure condoned within the provincial sphere (GPG departments and entities)” ensures that there is consequence management. However, the Portfolio Committee cautioned against the unintended consequences of such a performance target, as it may be deemed as encouraging irregular expenditure.**

#### **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 of the four performance targets under this programme, three performance targets were achieved albeit with pockets of overperformance.** The performance targets refer to conducting assessments on Municipal Finance Management Act (MFMA) compliance by delegated municipalities in Gauteng; exceeding performance expectations on the number of Inter-Governmental Relations (IGR) engagements with relevant stakeholders and the number of structured and targeted capacity building initiatives provided to municipalities in Gauteng. **The Portfolio Committee urged GPT to ensure that its support to municipalities is effective in view of the local government audit outcomes regressing.** However, GPT recorded underperformance with regards to the number of municipal budget assessments conducted. Of the planned eight adjusted budgets assessments to be conducted, only seven were conducted, due Mogale City LM not tabling the 2022/23 Adjustment Budget due to challenges related to municipal council. **The Portfolio Committee noted the dependency in the foregoing performance target and urges GPT to craft performance targets with dependencies in a manner that its performance is not prejudiced in an event the other party does not keep its side of the bargain.**

#### **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.

### 1.1 THE DETAILS ON Department / Entity achievement on relevant Strategic Priorities for the period under review]

All four performance targets planned under Gauteng Audit Services (GAS) Programme were achieved. The performance targets are linked to percentage of audit reports issued to departments and trading entities; number of Audit Committee approved audit plans issued to departments and trading entities; percentage of internal audit recommendations tracked at departments and trading entities; and percentage of Auditor General's management letter key findings followed up through a follow-up audit. **The Portfolio Committee commended GPT for achieving all its performance targets under this programme, thereby enhancing transparency, good governance, and clean government by strengthening the internal control and regulatory environment in GPG departments.]**

## 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

[39 for GPT  
26 for GIFA]

#### Number of APP targets for this Quarter that have been achieved during this Quarter

[36 for GPT  
24 for GIFA]

#### Percentage of APP targets for this Quarter that have been achieved during this Quarter

[GPT - 92%  
GIFA - 92%]

#### Percentage of APP achievement for the previous Quarter (for Comparison)

[GPT - 97%  
GIFA - 91%]

#### Main areas in the APP that have experienced non-achievement or over achievement during this Quarter

##### GPT

##### Non-achievement

- Administration - 46% of women appointed at SMS level, as opposed to the planned 50%;
- SFRM - 4.02% increase in provincial own revenue collection, as opposed to the planned 6.7%; and

## 2 [THE DETAILS ON DEPARTMENT / ENTITY APP PERFORMANCE]

- MFM - 7 Adjusted budgets assessments conducted instead of 8.

### **Overachievements**

- Administration - 10.5% of youth in development programmes instead of 10%;
- SFRM - GPG wage bill against allocated budget at 56% instead of 60%;
  - 2<sup>nd</sup> Adjustment Budget tabled as opposed to the planned 1;
- FG - 98% of supplier invoices submitted electronically against the set target of 90%;
- PSCM - 22% instead of 15% of historical irregular expenditure condoned within the provincial sphere (GPG departments and entities)
- MFM - 8 IGR engagements conducted with stakeholders instead of 4;
  - 5 structured and targeted capacity building initiatives provided to municipalities in Gauteng rather than 5.

### **GIFA**

#### **Non-achievement**

Project Development and Compliance

- 0 feasibility study conducted as opposed to the planned 1; and

Structured Finance

- 0 projects analyzed and tested for bankability instead of the planned 2.

#### **Overachievements**

- None]

## Main reasons provided by the Department / Entity for non-achievement or over achievement of its APP during this Quarter

### **IGPT**

#### **Non-achievement**

Administration

- In 4<sup>th</sup> quarter, 4 SMS were appointed, 3 were females and 1 was male, and 2 female SMS also left the organization;

SFRM

- Under collection of 2.68% is mainly due to non-surrender of revenue from municipalities and SAPO; and

## 2 [THE DETAILS ON DEPARTMENT / ENTITY APP PERFORMANCE]

### MFM

- Mogale City LM did not table the 2022/23 Adjustment Budget due to challenges related to municipal council.

### Overachievements

- Administration - 10.5% of youth in development programmes instead of 10%;
- SFRM - Due to regular monitoring of CoE expenditure;
  - The GPG tabled the 2<sup>nd</sup> adjustment budget due to changes in allocations for the conditional grant;
- FG - More suppliers prefer submitting invoices electronically;
- PSCM - Increase in submission of applications for condonations from departments and entities attributed by information sharing / clarification provided on the condonation process;
- MFM - More engagements were required; and
  - There was need to workshop SCM officials on PPR 2022 guidelines.

### GIFA

#### Non-achievement

#### Project Development and Compliance

- **PWV 15** – Delays in the appointment of a Transaction Advisor (TA); and

#### Structured Finance

- No completed feasibility studies to analyze and test for bankability.]

## Measures in place (with timeframes) to correct the deviation in targets for this Quarter and to prevent recurrence of such or similar deviation

### [GPT

#### Administration

- Head of business units with less than 50% female representation submitted plans on how they will comply with the target. Some of the recently advertised SMS positions specified that they are targeting female candidates;

#### SFRM

- Continuous monthly bilateral with municipalities and SAPO where payment agreement are entered into and monthly follow-up to ensure compliance; and

#### MFM

## 2 [THE DETAILS ON DEPARTMENT / ENTITY APP PERFORMANCE]

- To escalate to MEC for Finance to seek intervention from MEC for COGTA in line with section 27.5 of the MFMA.

### GIFA

#### Non-achievement

##### Project Development and Compliance

- **PWV 15** - Expedite the procurement process. TA to be appointed in 1<sup>st</sup> quarter of 2023/24 financial year; and

##### Structured Finance

- Project feasibility study will be fast tracked by Project Development and Compliance Unit.]

### **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 implementing the Organizational-wide Monitoring and Evaluation Framework which provides guidelines for collecting and verifying performance information.



## 2 [THE DETAILS ON DEPARTMENT / ENTITY APP PERFORMANCE]

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 - [R684 065 000]

GIFA - [R63 706 000]

**Actual amount projected by the Department / Entity to be spent only during the Q under review**

GPT - [R176 604 000]

GIFA - [R18 564 000]

**Actual amount (in Rands) spent by the Department / Entity only during the Q under review**

GPT - [R173 489 000]

GIFA - [R16 963 000]

**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 - [R680 950 000]

GIFA - [R62 027 000]

#### 4 THE DETAILS ON DEPARTMENT / ENTITY FINANCIAL PERFORMANCE

##### Percentage (% of total budget allocation) of budget expenditure for this Q under Review only

GPT - [98%]

GIFA - [91%]

##### 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 - [100%]

GIFA - [97%]

##### An analysis of how the % budget expenditure compares with the % APP achievement

###### [GPT

Cumulatively, GPT expended 100% of the total budget allocation at the end of the fourth quarter, which is at par with the ideal benchmark, this expenditure compares satisfactorily with the 92% Annual Performance Plan (APP) achievement for the period under review. **The Portfolio Committee commended GPT for being exemplary and spending 100% of its allocated funds year to date.**

###### GIFA

As at the end of the fourth quarter, GIFA spent 97% of its total appropriation for the quarter, thereby underspending by 3%, expenditure seems aligned with the 92% 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

###### **Programme 1: Administration**

This programme appropriated funds to the tune of R50 650 000 during the quarter under review. The programme spent R46 635 000, marking an under expenditure of 4%. The under expenditure was attributed to due to vacant post on the new approved departmental structure.

###### **Program 2: Sustainable Fiscal Resource Management**

This programme appropriated funds to the tune of R27 050 000 during the quarter under review. The programme spent R24 520 000, marking an under expenditure of 6%. The under expenditure was attributed to due to vacant post on the new approved departmental structure.

#### 4 THE DETAILS ON DEPARTMENT / ENTITY FINANCIAL PERFORMANCE

##### **Program 3: Financial Governance**

This programme appropriated funds to the tune of R34 049 000 during the quarter under review. The programme spent R32 361 000, marking an under expenditure of 5%. The under expenditure was attributed to vacant posts on the new approved departmental structure and over projection on software licenses.

##### **Program 6: Gauteng Audit Services**

This programme appropriated funds to the tune of R26 911 000 during the quarter under review. The programme spent R31 813 000, incurring 18% over expenditure. The over expenditure was attributed to new appointments and payments to specialized Audit Consultants. **At the request that GPT provide assurance that its utilization of consultants makes provision for skills transfer, GPT assured the Portfolio Committee that contracts entered into with consultants does provide for skills transfer.**

##### **GIFA**

##### **Programme 2: Project Development and Compliance**

Out of R4 765 000 appropriated for the period under review, R4 566 000 or 95 % was expended and under expenditure of 5% recorded. Under expenditure resulted from delays in the finalisation of the Cost Effectiveness Analysis and procurement of office equipment and upgrade of the security system that was deferred due to the finalisation of the lease agreement.]

#### **Mitigating measures by the Department / Entity to remedy over / under expenditure**

##### **[GPT**

GPT will align the projected budget with the actual expenditure during the year end adjustment.

##### **GIFA**

##### **Programme 2: Project Development and Compliance**

The deliverable for Cost Effectiveness Analysis will be finalised in the 1<sup>st</sup> quarter of the 2023/24 financial year and the procurement of office equipment and upgrade of the security system will be undertaken in the 2023/24 financial year.]

#### **The Department / Entity's achievement with respect to GEYODI responsive budgeting / procurement for the period under review**

##### **[GPT**

#### 4 THE DETAILS ON DEPARTMENT / ENTITY FINANCIAL PERFORMANCE

- The department spent R23 million (40%) on women owned companies, 1.7 million (3%) on Youth owned companies and R325 thousand (0.6%) 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 was R 47,1 million. The department managed to spend R3,8 million (0,80) on Township suppliers. GPT spends most of its funds on consultants and it is not easy to direct the spending to township-based suppliers because such services are mostly not found from township-based suppliers.

#### 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

- The department achieved the target of paying 100% invoices within 30 days. 90% of the invoices were paid within 15 days and 74% within 10 days in the 4<sup>th</sup> quarter.

#### 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 Q4.

#### GIFA

There was no fruitless, wasteful, and irregular expenditure during Q4.]

#### 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]

**4 THE DETAILS ON DEPARTMENT / ENTITY FINANCIAL PERFORMANCE****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- 2  
GIFA - 1

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**

[Covered under section ii of strategic priorities]

**Summary of Public Education programmes of the Department / Entity during the period under review**

[Covered under section ii of strategic priorities]

**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]**

- Gender: Female 61% (502/826) SMS female: 46% (31/68);

### 8. DETAILS ON DEPARTMENT / ENTITY GEYODI EMPOWERMENT

- Youth: 29,30% (242/826)
- Disabled: 1.82 (15/826)
- Senior Citizens: 2.78% (23/826) age 60 and above

#### GIFA

- Gender: 6%;
- Youth: 2%
- Disabled: 0%
- Senior Citizens: 0%

The Portfolio Committee urges both GPT and GIFA not to confuse employment statistics with GEYODI empowerment.]

### 9 OVERSIGHT ON DEPARTMENT / ENTITY COMPLIANCE WITH FIDUCIARY REQUIREMENTS

#### 9. [DETAILS ON DEPARTMENT / ENTITY COMPLIANCE WITH FIDUCIARY REQUIREMENTS]

<b>GPL</b>	[GPT and GIFA complied with the legislated requirements with regard to the GPL]
<b>Auditor General (AGSA)</b>	[GPT 23 requests for information were received from the AGSA GIFA No requests for information were received from the AGSA]
<b>Public Service Commission (PSC)</b>	[GPT 1 request for information was received from the PSC GIFA None]
<b>Compliance with relevant fiduciary Legislation [e.g. PFMA]</b>	[The Portfolio Committee noted that both GPT and GIFA did not report on compliance with relevant fiduciary legislation like PFMA.]

10. THE DETAILS ON A CAPACITATED DEPARTMENT / ENTITY
<b>Detailed information on the current vacancies (at all staff levels)</b>
GPT - [826] GIFA - [5]
<b>Current vacancy rate</b>
GPT - [16.6%] GIFA [8.4%]
<b>Current acting positions (at all Staff levels)</b>
GPT - [5] GIFA [0]
<b>Terminations during the period under review</b>
GPT - [9] GIFA [0]
<b>New appointments during the period under review</b>
GPT - [29] GIFA [0]
<b>Detailed information on the GEYODI / HDI empowerment for the period under review</b>
[GPT <ul style="list-style-type: none"> <li>• <b>African</b> - 90,44% (747/826)</li> <li>• <b>Coloured</b> - 4,60% (38/826)</li> <li>• <b>Indian</b> - 2.30 (19/826)</li> <li>• <b>White</b> - 2.66% (22/826)</li> </ul> <b>GIFA</b> <ul style="list-style-type: none"> <li>• Youth = 35%</li> <li>• Females = 54%</li> <li>• Males = 46%</li> </ul>



#### 10. THE DETAILS ON A CAPACITATED DEPARTMENT / ENTITY

- Disability = 0%
- SMS = 31%
- Female = 33 %
- Males = 67%

#### 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], the committee has found that / is concerned **about the attrition rate for women is inimical to GPT attaining the target of 50% of women in SMS positions.**

With respect to [Project Development and Compliance], the committee has found that / is concerned **about the effectiveness of GIFA's project stakeholder management to circumvent unnecessary delays for the seamless progression of projects.**

With respect to [Structured Finance], the committee has found that / is concerned **about lack of synchronization in planning between GIFA programmes, evidenced by a performance target predicated on a performance target yet to be delivered by another programme.**

With respect to [which Focus Area above], the committee has found that / is concerned that: ...

## 12. DETAILED COMMITTEE FINDINGS / CONCERNS (on each specific Focus Area analysed above)

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 /Q4PR / 001	<b>That the Department assess and report on the extent to which its retention strategy reduces employee turnover, prevents attrition, increase retention, and foster employee engagement with particular focus to women;</b>	Written Response	28/07/2023
FIN /Q4PR / 003	<b>That GIFA submit a plan elaborating on how it will improve its project stakeholder management to become effective to circumvent stakeholders delaying progress of projects;</b>	Written Response	28/07/2023
FIN /Q4PR / 004	<b>That GIFA submit a plan on how it intends to improve its planning processes, such that dependencies are taken into consideration.</b>	Written Response	28/07/2023

#### 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 J. Mamabolo, 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 4<sup>th</sup> Quarter Performance Report process goes to all Members of the Finance Portfolio Mr. S. Khanyile, Ms. R. Mogale; Dr. M.R. Phaladi-Digamela; Dr. B. Masuku; Ms. A. Randall; Mr. P. Atkinson; Mr. P. Makwala; Ms. D. Mdlankomo; and Ms A de Lange.

The Committee's gratitude is extended to the following support staff: Group Committee Coordinator Mr. T. Bodibe, Senior Committee Coordinator Mr. J. Ntsane, Researcher Ms. L. Chiloane; Legal Advisor Ms. W. Ngubane; Senior Information Officer Mr. W. Nsibande; Media Officer Mr. A. Dikola; Committee Administrator Mr. Z. Mabuza, Service Officer Ms. R. Msimanga, Hansard Recorder Ms. R. Singh, Interns Ms. T. Mangole and Ms. F. Masonono.

## **15 ADOPTION**

After due consideration, the Finance Portfolio Committee unanimously adopted the 4<sup>th</sup> Quarter Performance Report on the Gauteng Provincial Treasury for the 2022/23 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 4<sup>th</sup> Quarter Performance Report on the Gauteng Provincial Treasury for the 2022/23 financial year.