No.0428 - 2023: Fifth Session, Sixth Legislature

**GAUTENG PROVINCIAL LEGISLATURE**

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**ANNOUNCEMENTS,**

**TABLINGS AND**

**COMMITTEE REPORTS**

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

Monday, 04 December 2023

**ANNOUNCEMENTS**

none

**TABLINGS**

none

**COMMITTEE REPORTS**

**1. The Chairperson of the Finance Portfolio Committee, Hon. D P Malema, tabled the Committee’s Oversight Report on the Second Quarterly Performance Report of the Gauteng Provincial Treasury (GPT) for the 2023/2024 financial year, as attached:**

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

**Portfolio Committee on [Finance Portfolio Committee] Oversight Report on the [2nd ] Quarterly Report of the [Gauteng Provincial Treasury] for the [2023/24] Financial Year**

| **Committee Details** | | **Department / Entity Details** | |
| --- | --- | --- | --- |
| **Name of Committee** | **Finance Portfolio Committee** | **Name of Department / Entity** | **Gauteng Provincial Treasury** |
| **Which Financial Year** | **2023** | **Dept. Budget Vote Nr.** | **14** |
| **Which Quarter** | **Second** | **Hon. MEC** | **Jacob Mamabolo** |
| **Committee Approvals** | | | |
|  | **Name** | | **Date Considered by Committee** |
| **Hon. Chairperson** | Paul Malema | | 21 November 2023 |
| **Adoption and Tabling** | | | |
| **Date of Final Adoption by Committee** | | | **Scheduled date of House Tabling** |
| 21 November 2023 | | | 05 December 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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# ABBREVIATIONS

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

# SUMMARY

| **ii. [Summary of the report]** |
| --- |
| **[Note: Only snapshots or “One-Liners” or Bullet Points of the most important / strategic achievements. No details please]** |
| ***Strategic Priorities***  *High level summary of Committee’s overall assessment of the Department / Entity achievement of relevant strategic priorities for the period under Review* |
| [GPT responds to the following strategic priorities, that is, economic transformation and job creation and capable, ethical and developmental state in terms of the National Development Plan (NDP)/ Medium Term Strategic Framework (MSTF) and Growing Gauteng Together 2030 (GGT 2030), as well as economy, jobs and infrastructure with regards to GGT 2030. To this end, GPT achieved the following:  Economy, jobs and infrastructure   * The department ensured that cash requisitions (R78 315 412) did not exceed provincial liquid assets (R83 389 202) (PRF cash and cash equivalents plus external investments); * 100% (4/4) assessment reports of the submitted planning documents were completed and submitted to the departments before the prescribed legislated timeframe; * In support of municipalities, the department held 22 IGR engagements with relevant stakeholders; * The department conducted 8 assessments on MFMA compliance and 8 adopted budget assessment for delegated municipalities; and * The department conducted 1 structured and targeted capacity building initiative.   Building a capable, ethical and developmental state   * The department has produced 3 IYM reports for departments and 10 IYM reports for entities according to National Treasury timeframes; * In supporting payment of suppliers on time in GPG, the department further monitored compliance to 30 days’ payments of suppliers in all departments and ensured that 99.76% of supplier invoices are submitted electronically against the target of 90%; * All planned Audit Committee meetings were held in accordance with the Audit Committee calendar; * The department produced 30% spending report on township suppliers and the subcontracting report; * To increase compliance with legislated prescripts the department has produced SCM compliance registers for departments and entities and monitored Open Tender Process (OTP) by departments and entities; and * The department tracked all action plans for internal audit findings at department and entities and conducted 19 annual internal control assessments.]   [On the other hand, GIFA lends credence to the NDP/ MTSF strategic priorities regarding Economy, Jobs and Infrastructure aligning to the economic transformation priorities of the GGT 2030. To this effect, GIFA achieved the following:  The following projects are being prepared for alternative financing mechanisms through feasibility studies:   * AIDC Inland Port – the feasibility study has commenced; and * COT Rail & Freight – the feasibility study is in progress.   The following projects are ready for market release to attract alternative financing mechanisms:   * Merafong Bio-energy Park (BBR); * West Rand Agro-Processing Hub (BBR); and * Krugersdorp Game Reserve.   The following projects are ready for financial close to finance them through capital investment raised from alternative sources of funding:   * Rooftop Solar PV; * The Innovation Hub: BE 3; and * Merafong Solar Farm Cluster.] |
| ***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 GIFA’s non-financial performance is to some extent sound and prudent as most performance targets were achieved.]   * GPT obtained an unqualified audit outcome; * 1 workshop and/or training conducted to promote awareness on transformation agenda matters; * 100% (213/213) of suppliers paid within 30 days after receipt of valid invoices; * A report was submitted to OoP to monitor the implementation of GEYODI programmes; * No workshop and/or training conducted to promote awareness on transformation agenda matters; and * 48% (35/73) of women were appointed at SMS level, instead on the planned 50%.   **Program 2: Sustainable Fiscal Resource Management**  [The Portfolio Committee is of a view that the GPT’s non-financial performance is sound and prudent as all performance targets were achieved.]   * 12 In-Year-Monitoring (IYM) reports produced for departments; * 40 IYM reports produced for entities; * 100% of assessment reports of the submitted planning documents completed and submitted to the departments before the prescribed legislated timeframe; and * Cash requisitions (R78 315 412) to GPG Departments in line with the appropriation, thereby not exceeding provincial liquid assets (R83 389 202), that is Provincial Revenue Fund (PRF) cash and cash equivalents plus external investments.   **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 were achieved.]   * Implemented the Risk Management Strategy; * Draft 2024/25 business plans were submitted for discussions at strategic planning session; * Implemented the organization-wide M&E Framework; * Consolidated quarterly performance information and submitted Quarterly Performance Reports (SOAR-GP) to the Legislature; * Consolidated project progress information and submitted Project Progress Reports to the Legislature; * Quarterly Project Progress Report was submitted to Legislature; * Audited Annual Report was submitted to the Legislature for tabling; * Quarterly BPR Monitoring implementation information was consolidated; * Quarterly BPR Monitoring Report was produced; * Achieved unqualified audit outcome for 2022/23 financial year; * Managed 100% of contracts in terms of deliverables versus payment; * Paid 100% of suppliers within 30 days; * Implemented the Human Resource Management and Development Strategy; * Implemented the Communications Strategy; * Implemented organization-wide Stakeholder Relations Strategy; * Implemented the ICT Strategy; and * Implemented the Facilities Management Plan.   **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 most performance targets were not achieved.]   * The sourcing plan and strategy was implemented via an engagement with West Rand District Municipality, where a presentation was made at the Section 80 committee at West Rand District Municipality (WRDM); * Consulted with Midvaal Municipality on the Electricity Distribution Project and Department of Sports, Arts, Culture and Recreation as part of the Sourcing Strategy and Plan; * No feasibility study was completed contrary to GIFA planning to complete one; * Business Case for establishment of state-owned bank was not approved; * Business Case for establishment of pharmaceutical company was not approved; and * The release of one Krugersdorp Game Reserve (KGR) to the market was not achieved.]   **Program 3: Structured Finance**  [The Portfolio Committee is of a view that the GIFA’s non-financial performance is to some degree sound and prudent as some performance targets were achieved.   * Implemented the Funder Engagement Strategy and Plan by engaging with 7 financiers and as 11 were not available during the quarter; and * No project not facilitated to conclude financial close.]   **Gauteng Provincial Treasury Continued**  **Program 3: Financial Governance**  The Portfolio Committee is of a view that the GPT’s non-financial performance is sound and prudent as all performance targets were achieved with pockets of overperformance.]   * A quarterly departmental 30-day supplier payment compliance report was produced; and * 99.76% (90072/90288) of suppliers’ invoices submitted electronically, as opposed to 90%; and * 10 audit committee meetings were convened.   **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.]   * 14 SCM compliance register produced for departments; * 8 SCM compliance register produced for entities; * A report of 30% spend on township suppliers including those participating in high value contracts was produced; * 2 training workshops were provided to Gauteng township-based suppliers; * A report was produced on monitoring implementation of Open Tender Process (OTP) by departments; * A report was produced on monitoring implementation of Open Tender Process (OTP) by entities; and * A report was produced on monitoring implementation of procurement plans by departments.   **Program 5: Municipal Financial Governance**  [The Portfolio Committee is of a view that the GIFA’s non-financial performance is to a greater extent sound and prudent as some of the performance targets were achieved with pockets of excellence.]   * 22 Inter-Governmental Relations (IGR) engagements were conducted with relevant stakeholders, instead of 5; * 1 structured and targeted capacity building initiatives provided to municipalities in Gauteng, instead of 2; * 8 Municipal Finance Management Act compliance (MFMA) assessments conducted on delegated municipalities; and * 8 adopted municipal budget assessments conducted for delegated municipalities.   Program 6: Gauteng Audit Services  [The Portfolio Committee is of a view that the GIFA’s non-financial performance is sound and prudent as all performance targets were achieved.]   * 100% of internal audit recommendations were tracked as implemented at Departments and Entities; and * 19 annual internal control assessments compiled. |
| *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 enable the department to deliver on its mandate. **The Portfolio Committee is of a view that this programme is to a large extent meeting its strategic objectives, as most of its performance targets were achieved.**]  **Program 2 Sustainable Fiscal Resource Management**  [This programme aims to enforce the effective and efficient administration of fiscal resources at provincial institutions. **The Portfolio Committee is of a view that this programme is meeting its strategic objectives, as all its performance targets were achieved.**]  **Gauteng Infrastructure Financing Agency**  **Program 1: Administration**  [The purpose of this programme is to provide administration support the GIFA to become a centre of excellence. Key to supporting GIFA is providing strategic leadership, managing risks, monitor and evaluate performance, resources planning and allocation, human resources management, communications, stakeholder relations management and auxiliary services. **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 agencies. The Programme is responsible for developing the projects into comprehensive bankable business plans that are ready for funding and implementation. **The Portfolio Committee is not convinced that this programme is meeting its strategic objectives, as not all its performance targets were achieved.**]  **Program 3: Structured Finance**  [The purpose of this programme is to structure finance for strategic infrastructure projects, engage potential private and public funders with the aim of raising finance for the projects and to constantly research best practices and models for financing infrastructure projects. **The Portfolio Committee is of a view that this programme is not adequately 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 standards, norms and standards as contained in the Public Finance Management Act (PFMA). **The Portfolio Committee is of a view that this programme is meeting its strategic objectives, as all its performance targets were achieved albeit with pockets of overperformance.**]  **Program 4: Provincial Supply Chain Management**  [This programme aims to promote and enforce transparency and effective Supply Chain Management (SCM). **The Portfolio Committee is of a view that this programme is meeting its strategic objectives as all performance targets were met.**]  **Program 5: Municipal** **Financial Governance**  [The purpose of this programme is to ensure efficient and effective management in Municipalities and municipal entities and coordinate the provisioning of capacity building. **The Portfolio Committee is of a view that this programme is to some degree meeting its strategic objectives, as most of its performance targets achieved with pockets of over-achievement.**]  **[Program 6: Gauteng Audit Services**  [The programme’s objective is to render audit services in the GPG departments. **The Portfolio Committee is of a view that this programme is moderately meeting its strategic objectives, as some of 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 FIFA] |
| ***Financial Performance***  *An overall Summary of whether the Committee thinks the Department / Entity Financial Performance is sound and prudent* |
| [The Portfolio Committee noted that both GPT and GIFA were able to realize their strategic achievements within budget, therefore their financial performance is sound and prudent] |
| ***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* |
| [The Portfolio Committee noted that the MEC for Finance, Mr. Jacob Mamabolo launched the Roundtable Partnership between government and the Chief Financial Officers from private sector institutions; Gauteng Provincial Treasury in partnership with Gauteng Department Social Development and Productivity South Africa held a cooperatives’ training; Gauteng Provincial Treasury Bid Adjudication Committee held a public adjudication; the MEC for Finance Mr. Jacob Mamabolo and MMCs for Finance held quarterly MEC-MMC of Finance Forum; the Supplier Management and Development Unit within PSCM hosted a Women in Construction workshop; GPT participated in GPG Open days; GPT showcased at the annual Smart Procurement Indaba and expo; GPT participated in Mandela Day activities; GPT participated in the hand-over of the Tsakane centre; GPT hosted women’s day celebrations.  GIFA did not have public Engagements.] |
| ***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   * 61% (514/838) Female; SMS Female: 48% (35/73); * 29 (243/838) of staff complement youth; * 1.79% (15/838) of staff complement have disabilities; and * 2.5% (21/838) of staff complement senior citizens.   GIFA   * Gender – 13% * Youth – 1% * Disabled – 0% * Senior Citizens – 0% |
| ***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* |
| [**Despite 149 vacancies for GPT and 2 for GIFA, the Portfolio Committee is of a view that both are well capacitated, as evidenced by the ease with which they achieved their strategic objectives for the period under review.** **The Portfolio Committee acknowledges the persistence of triple challenges bedevilling South Africa and urges GPT and GIFA to expedite the process of filling funded vacant posts to mitigate the scourge of inequality, poverty and unemployment**.] |
| ***Any other Committee Focus Area (if relevant / applicable and Requirement)***  *High level summary of any other area of Department / Entity performance with respect to its Quarter Report that the Committee wishes to report on, which is not already included in any of the above Focus Areas.* |
| [Not applicable for both GPT and GIFA] |
| ***Summary of Committee Findings***  *High level summary of Committee findings. Broadly, which aspects do they relate to* |
| * + **The Portfolio Committee is concerned about the dismal performance of GIFA and the impact thereof on the delivery of projects on schedule;**   + **The Portfolio Committee is that the generic retention strategy may not necessarily address the idiosyncratic needs of women hence the challenge for GPT to reach the required percentage of women appointed at SMS level.; and**   + **The Portfolio Committee is concerned** about **the unabating lack of representation of people living with disabilities in the staff complement of GPT.** |
| ***Summary of Committee Recommendations***  *High level summary of Committee Recommendations. Broadly, which aspects do they relate to* |
| * + **That GIFA should submit a process plan indicating how it intends mitigating against the continued delays in the delivery of projects and the associated impact of such on service delivery;**   + **That GPT should develop a retention strategy focusing solely on female staff considering the failure to achieve the required percentage of women appointed at SMS positions; and**   + **That GPT should devise and submit a strategy outlining how it intends ensuring representativity of people living with disabilities in its staff complement to the required 5%.** |

# EXECUTIVE SUMMARY

The purpose of the 2nd quarter report is to provide a summary of programmes undertaken by the GPT from July to September 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) 2nd 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 2nd quarter performance report of 2022/23 financial year depicts a satisfactory state of affairs, with 23 of the 25 performance targets achieved and 44% of the total appropriated budget spent. The quarterly budget expenditure is slightly lower than the 50% straight-line projection, however it compares favourably with the 92% Annual Performance Plans achievement.

As at the end of the 2nd quarter, Administration Programme achieved four out of the five planned performance targets. The performance target pertains to the maintenance of an unqualified audit outcome; conducting a workshop and/or training to promote awareness on transformation agenda matters; payment of 100% (213/213) of suppliers within 30 days after receipt of valid invoices; and submission of a report to Office of the Premier (OoP) to monitor the implementation of GEYODI programmes. On the other hand, GPT planned to appoint 50% of women at Senior Management Service (SMS) level, however, 48% (35/73) of women were appointed at SMS level. The rationale for the deviation is the number of female SMS (3) appointed in the 2nd quarter were not sufficient to address the deficiency. To redress underperformance, GPT undertook to ensure appointment of more female SMS in line with departmental targets and adverts state that females are targeted. Expenditure for this programme stood at 112% of the appropriated funds for the period under review and 47% cumulatively.

Of the four performance targets planned under Sustainable Fiscal Resource Management (SFRM) Programme, all performance targets were achieved. The performance target concerns consolidating and submitting 3 in-year monitoring reports for departments in accordance with National Treasury timeframes; consolidating and submitting 10 in-year monitoring reports for entities in accordance with National Treasury timeframes; completing and submitting 100% of assessment reports of the submitted planning documents to the departments before the prescribed legislated timeframe; and ensuring that cash disbursements (R78 315 412) to departments do not exceed appropriation R83 389 202). This programme expended 36% of the funds appropriated during the quarter and 43% of the total appropriation. The eye-catching under-expenditure was attributed to the delayed transfer of GIFA funds pending the finalization of the adjustment budget. Of the 27 performance targets applicable to GIFA for the period under review, 22 performance targets were achieved or 81% APP achievement. The areas of underperformance relate to failure to complete one planned feasibility study; failure to facilitate the approval of a business case for the establishment of the state-owned bank; failure to facilitate the approval of a business case for the establishment of the pharmaceutical company was not approved; failure to release of the Krugersdorp Game Reserve (KGR) to the market; and failure to facilitate one project to conclude financial close.

Similarly, Financial Governance Programme achieved all seven performance targets earmarked for this quarter albeit with pockets of overperformance. The performance targets are associated with producing one departmental 30-day suppliers’ payment compliance report; and convening ten audit committee meetings. Of importance, this programme planned ensure 90% of supplier invoices were submitted electronically, on the contrary the target was surpassed by 9.76%. This programme spent 102% of the budget allocated for the 2nd quarter and 43% progressively.

In the same vein, the Provincial Supply Chain Management Programme achieved all seven performance targets planned for the quarter under review. The performance targets relate to producing 14 Supply Chain Management (SCM) compliance registers for departments; producing 8 Supply Chain Management (SCM) compliance registers for entities; producing a report of 30% spend on township suppliers; providing two training workshops to Gauteng township-based suppliers; producing a report on monitoring implementation of Open Tender Process (OTP) by departments; producing a report on monitoring implementation of Open Tender Process (OTP) by entities; and producing a report on monitoring implementation of procurement plans by departments. The programme managed to spend 112% of funds requisitioned during the quarter or 44% of the main appropriation.

The Municipal Financial Governance Programme achieved three of the four planned performance targets with pockets of excellence. The performance targets refer to conducting eight compliance assessments on MFMA on delegated municipalities; and conducting assessments on eight draft budgets for delegated municipalities. This programme planned to conduct five Inter-Governmental Relations (IGR) engagements with relevant stakeholders and nine engagements were conducted, thereby exceeding performance expectations. The area of underperformance relates to the number of structured and targeted capacity building initiatives to municipalities in Gauteng. Of the planned two structured and targeted capacity building initiatives for municipalities, GPT managed to conduct one. This programme expended 119% of the funds allocated for this quarter and 36% of the main appropriation. Although the programme is overspending for the quarter under review, it should be noted that the programme is underspending for the year to date.

The two performance targets planned under Gauteng Audit Services (GAS) Programme were achieved. The performance targets are about tracking 100% of internal audit action plans as implemented at departments and trading entities; and compiling 19 annual internal control assessments. The expenditure for the programme stood at 90% for the quarter and 46% year to date.

The Portfolio Committee 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[[1]](#footnote-2).

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

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

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

# PROCESS FOLLOWED

The Speaker formally referred the 2nd Quarter Performance Report of the GPT for the 2023/24 financial year to the Finance Portfolio Committee for consideration and reporting.

On 14 November 2023, the Committee Researcher tabled an analysis of the quarterly performance report. In the same meeting, GPT, led by MEC J. Mamabolo, presented the 2nd Quarter Performance Report to the Portfolio Committee focusing on the departmental financial and non-financial performance.

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

On 21 November 2023, the Portfolio Committee deliberated and adopted the draft oversight report on the 2nd quarter performance of GPT. Subsequently, the report was submitted to the Proceedings Unit for tabling and consideration by the House.

# OVERSIGHT ON DEPARTMENT / ENTITY ACHIEVEMENT OF STRATEGIC PRIORITIES

| **1.1 THE DETAILS ON Department / Entity achievement on relevant Strategic Priorities for the period under review]** |
| --- |
| **Program 1: Administration**  [The aim of this programme is to provide effective and ethical leadership, management and administrative support to enable the department to deliver on its mandate.  Of the five performance indicators under this programme, most performance targets were achieved apart from one. Achieved performance targets relate to sustaining the overall audit outcome as a clean audit, as financially unqualified with no material findings on compliance with key legislation. **The Portfolio Committee applauded GPT for obtaining a clean audit.** Furthermore, GPT conducted a workshop and/or training to promote awareness on transformation agenda matters; continued to comply with government’s 30 day payment to service providers by effecting 100% of supplier payments within 30 days after receipt of valid invoices; and submitted a report to the OoP on monitoring the implementation of GEYODI programmes. For the period under review, GPT reported that it intended appointing 50% of women at SMS level, on the contrary 48% of women were appointed at SMS level. GPT indicated that three female appointed at SMS level in the 2nd quarter were not sufficient to address the deficiency and undertook to ensure appointment of more female SMS in line with departmental targets and recruitment adverts issued were explicit that female candidates are targeted. Notwithstanding the challenge of the requisite percentage of women appointed at SMS level, GPT indicated that it has a generic retention strategy to mitigate against staff turn-over. **However, the Portfolio Committee is concerned that the generic strategy may not necessarily address the idiosyncratic needs of women hence the challenge for GPT to reach the required percentage.**]  **Program 2 Sustainable Fiscal Resource Management**  [This programme aims to enforce the effective and efficient administration of fiscal resources at provincial institutions.  Under this program, the Portfolio Committee noted with appreciation that all four performance targets earmarked for the quarter under review were achieved. The performance targets pertain to producing 3 in-year monitoring reports for departments according to the National Treasury timeframes; producing 10 in-year monitoring reports for entities according to the National Treasury timeframes; completing and submitting 100% of assessment reports of the submitted planning documents to the departments before the prescribed legislated timeframe; and ensuring cash requisitions (R78 315 412) by GPG Departments did not exceed provincial liquid assets (R83 389 202), that is, Provincial Revenue Fund cash and cash equivalents plus external investments. **The Portfolio Committee commended GPT for achieving all its performance targets under this programme.**]  **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 administration support the GIFA to become a centre of excellence. Key to supporting GIFA is providing strategic leadership, managing risks, monitor and evaluate performance, resources planning and allocation, human resources management, communications, stakeholder relations management and auxiliary services.  Of the nineteen planned performance targets under this programme, GIFA achieved all performance targets. The performance targets include, implementing the risk management strategy; draft 2024/25 business plans were submitted for discussions at strategic planning session; implementing the organization-wide M&E Framework; achieving an unqualified audit outcome for 2020/21 financial year; consolidating quarterly performance information and submitting the Quarterly Performance Report (SOAR-GP) to Legislature; consolidating project progress information and submitting the Progress Reports to Legislature; submitting Quarterly Project Progress Report to Legislature; submitting audited Annual Report to Legislature for tabling; consolidating Quarterly BPR Monitoring implementation information; producing Quarterly BPR Monitoring Report; maintaining an unqualified audit outcome for 2022/23 financial year; managing 100% of contracts in terms of deliverables vs payment in the 2nd quarter; paying 100% of suppliers within 30 days in the 2nd quarter; implementing the Human Resource Management Development Strategy; implementing the Communications Strategy; implementing the Stakeholder Relations Strategy; implementing the ICT Strategy; and the Facilities Management Plan. **The Portfolio Committee commended GIFA for achieving all its performance targets under this programme.**]  **Program 2: Project Development and Compliance**  [The GIFA reported that the purpose of this programme is to source infrastructure projects from sector departments, municipalities, and agencies. The Programme is responsible for developing the projects into comprehensive bankable business plans that are ready for funding and implementation.  Of the six planned performance targets applicable to this programme for the period under review, GIFA managed to achieve 2 performance targets. The performance targets achieved include the implementation of the sourcing plan and strategy via an engagement with West Rand District Municipality, where a presentation was made at the Section 80 committee at West Rand District Municipality (WRDM); and consultations with Midvaal Municipality on the Electricity Distribution Project and Department of Sports, Arts, Culture and Recreation as part of the Sourcing Strategy and Plan. Underperformance was recorded with regard to the non-completion of a planned feasibility study. GIFA reported that feasibility studies for the **Automotive Industry Development Centre (AIDC) Inland Port** and **Health Infrastructure** were delayed owing to appointment of Transactional Advisor (TA) and GIFA awaiting the mandate to undertake the project from the Department of Health, respectively. To lessen the impact of underperformance, GIFA indicated that the TA was appointed at the end of 2nd quarter for the **AIDC Inland Port,** the feasibility study has started and is expected to be completed in the 4th quarter. Furthermore, the Department of Health has since provided the mandate and the process of developing the Business Plan has started and will be completed in the third quarter. Furthermore, The business cases for the establishment of state-owned bank and pharmaceutical company were not approved owing to the procurement processes to appoint the TA to assist with the development of the business cases which were delayed. **The Portfolio Committee noted that the procurement process is currently underway, and the TA will be appointed in 3rd quarter and a plan will be devised to fast-track the projects. With regard to the** Krugersdorp Game Reserve which was not released to the market, GIFA ascribed underperformance to the municipality which delayed to register the project with the National Treasury. However, GIFA reported that the project has since been registered and the process of procuring the TA to assist with fast-tracking the process of releasing the project to market. **The Portfolio Committee is concerned about the dismal performance of GIFA and the impact thereof on the delivery of projects on schedule.**]  **Program 3: Structured Finance**  [The Portfolio Committee notes that the purpose of this programme is to structure finance for strategic infrastructure projects, engage potential private and public funders with the aim of raising finance for the projects and to constantly research best practices and models for financing infrastructure projects.  Only one performance target was achieved of the two performance targets planned under this programme. GIFA indicated that the Funder Engagement Strategy and Plan was implemented, engagements were undertaken with seven financiers and eleven were not available. On the other hand, GIFA intended concluding financial close for The Innovation Hub (TIH): Enterprise Building (EB) III, however, it did not materialize. Underperformance was ascribed to the prolonged process of re-instating the lease agreement by South African National Space Agency (SANSA), thus delaying the financial close of the project. **To alleviate underperformance the Portfolio Committee noted that the process is underway to re-negotiate the SANSA lease to include ownership and the matter has been referred to the SANSA board for decision.]**  **Program 3: Financial Governance**  [This programme seeks to promote accountability through substantive reflection of financial activities as well as compliance with financial standards, norms and standards as contained in the PFMA.  The Portfolio Committee noted that all three performance targets under this programme pertains to compliance with legislated prescripts and they were all achieved with an incident of over-achievement. The performance targets relate to, producing a departmental 30-day suppliers’ payment compliance report; and convening ten audit committee meetings. Noteworthy, GPT ensured that 99.76% of supplier invoices were submitted electronically instead of the planned 90%. **The Portfolio Committee noted with appreciation that GPT achieved all its performance targets under this programme.**  **Program 4: Provincial Supply Chain Management**  [This programme aims to promote and enforce transparency and effective Supply Chain Management.  Likewise, the Portfolio Committee noted that GPT achieved all performance targets under this programme. The performance targets refer to producing 14 SCM compliance register for departments; producing eight SCM compliance register for public entities; producing a report on 30% spend on township suppliers; providing two training workshops to Gauteng township-based suppliers; producing a report on monitoring implementation of Open Tender Process (OTP) by departments; producing a report on monitoring implementation of Open Tender Process (OTP) by entities; and producing a report on monitoring implementation of procurement plans by departments. **The Portfolio Committee applauded GPT for achieving all the earmarked performance targets under this programme.**  **Program 5: Municipal** **Financial Governance**  [This programme seeks to ensure efficient and effective management in Municipalities and municipal entities and coordinate 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 three out of four performance targets for this programme were achieved albeit with pockets of overperformance.** The performance targets include, conducting eight assessments on MFMA compliance by delegated municipalities in Gauteng; and conducting eight municipal budget assessments. **The Portfolio Committee noted that GPT conducted 22 inter-governmental relations engagements with relevant stakeholders, as opposed to the planned 5.** The only deviation was experienced on the performance target associated with providing structured and targeted capacity building initiatives to municipalities in Gauteng. GPT provided one structured and targeted capacity building initiative contrary to the planned two. The rationale advanced for deviation was a delay in procuring a service provider to conduct training, however, the training will be provided in the 3rd quarter.]  **Program 6: Gauteng Audit Services**  [The programme’s objective is to render audit services in the GPG departments.  It is worth noting that an unqualified audit report concludes that the financial statements of a government department or entity are fair and transparent based on thorough research. **The Portfolio Committee welcomed the 100% tracking of the implementation of internal audit recommendation for departments and entities, as clean audits are premised on strong internal controls**. Furthermore, GPT compiled 19 internal control assessments under this programme.] |

# 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** |
| 25 for GPT  27 for GIFA |
| **Number of APP targets for this Quarter that have been achieved during this Quarter** |
| 23 for GPT  22 for GIFA |
| **Percentage of APP targets for this Quarter that have been achieved during this Quarter** |
| GPT - 92%  GIFA - 81% |
| **Percentage of APP achievement for the previous Quarter (for Comparison)** |
| GPT - 96%  GIFA - 94% |
| **Main areas in the APP that have experienced non-achievement or over achievement during this Quarter** |
| GPT   * The target regarding the percentage of women appointed at SMS level was not achieved; * The target of percentage supplier invoices submitted electronically was exceeded; * The target regarding the number of IGR engagements with relevant stakeholders was surpassed; and * The target on the number of reports produced on monitoring implementation of procurement plans by departments was not attained.   GIFA   * The target associated with the completion of 1 feasibility study was not met; * The target concerning the approval of a Business Case for establishment of state-owned bank was not achieved; * The target concerning the approval of a Business Case for establishment of a Pharmaceutical Company was not achieved; * The target linked to the release of one project to the market was not realized; and * The target pertaining to concluding financial close for one project did not materialize. |
| **Main reasons provided by the Department / Entity for non-achievement or over achievement of its APP during this Quarter** |
| [GPT  Reasons for not appointing 50% of women appointed at SMS level:   * The three of females appointed at SMS level in the 2nd quarter were not sufficient to address the deficiency;   Reasons for overachievement on supplier invoices submitted electronically:   * Increased utilization of Electronic Invoicing System (EIS) due to mandatory requirements that all suppliers doing business with GPG should be registered for EIS.   Reasons for overachievement on the number of IGR engagements with relevant stakeholders:   * More engagements on debt management were conducted with municipalities.   Reasons for not providing structured and targeted capacity building initiatives provided to municipalities in Gauteng:   * There were delays in procuring service provider to conduct training.   GIFA  Reasons for not completing 1 feasibility study:   * **AIDC Inland Port:** Delayed appointment of TA to conduct the feasibility study; and * **Health Infrastructure:** Delays inGDOH giving GIFA the mandate to undertake the project.   Reasons for not approving the Business Case for establishment of state-owned bank and Pharmaceutical Company:   * Procurement process to appoint the TA to assist with the development of the business cases was delayed;   Reasons for not releasing 1 project to the market:   * The municipality delayed to re-register the Krugersdorp Game Reserve (KGR) with National Treasury, as a result the process of releasing the project to the market was delayed.   Reasons for 1 project not reaching financial close:   * **TIH: EBIII** - Protracted process of re-instating the lease agreement by SANSA delayed financial close of the project.] |
| **Measures in place (with timeframes) to correct the deviation in targets for this Quarter and to prevent recurrence of such or similar deviation** |
| [GPT   * Efforts will be made to ensure the appoint of females at SMS level and recruitment adverts targets female candidates; and * The training will be conducted in the 3rd quarter.   GIFA  Mitigating measures for not completing 1 feasibility study:   * **AIDC Inland Port: T**he TA was appointed at the end of 2nd quarter and the feasibility study has commenced and is planned completed in the 4th quarter; and * **Health Infrastructure:** Delays inGDOH provided the mandate and the process of developing the Business Plan has commenced and will be completed in third quarter.   Mitigating measures for not for not approving the Business Case for establishment of state-owned bank and Pharmaceutical Company:   * Procurement process is underway and the TA will be appointed in Q3 and the plan to fast-track the project will be put in place   Mitigating measures for not for not releasing 1 project to the market:   * The re-registration of the project with NT was done. GIFA is in the process of procuring the TA to assist with fast-tracking the process of releasing the project to market.   Mitigating measures for not for 1 project not reaching financial close:   * **TIH: EBIII** - The process is underway to re-negotiate the SANSA lease to include ownership and the matter has referred to the SANSA board for decision.] |
| **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; and * Addressing the identified gaps as per comments made will ensure improvement in management of performance information and the evidence for reported performance is available and adequate. This will also ensure that the requirements of the Auditor General are met.   GIFA   * GIFA has developed and implemented the Organizational-wide M&E Framework which provides guidelines for collecting and verifying performance information.   + - The framework has tools and systems to assist with management of performance information and these are:     - Performance Evidence Criteria; and     - 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 - [R818 465 000]  GIFA - [R65 468 000] |
| **Actual amount projected by the Department / Entity to be spent only during the Q under review** |
| GPT - [R192 808 000]  GIFA - [R17 683 000] |
| **Actual amount (in Rands) spent by the Department / Entity only during the Q under review** |
| GPT - [R165 545 000]  GIFA - [R15 644 000] |
| **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 - [356 113 000]  GIFA - [R31 043 000] |
| **Percentage (% of total budget allocation) of budget expenditure for this Q under Review only** |
| GPT - [86%]  GIFA - [88%] |
| **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 - [44%]  GIFA - [47%] |
| **An analysis of how the % budget expenditure compares with the % APP achievement** |
| **GPT**  Cumulatively, GPT expended 44% of the total budget allocation at the end of the second quarter, which is lower than the ideal benchmark of 50%, however expenditure compares satisfactorily with the 86% Annual Performance Plan (APP) achievement for the period under review. **The Portfolio Committee noted that GPT underspent by 14% due to vacant posts on the new approved structure not yet filled, projects that are still to realize expenditure and planned GIFA transfers not yet paid.** **The Portfolio Committee welcomed GPT’s undertaking to exert a concerted effort through NASI ISPANI recruiting programme to fill the vacant positions.**  **GIFA**  As at the end of the second quarter, GIFA spent 47% of its total appropriation, 3% lower than the ideal benchmark of 50% , however expenditure compares satisfactorily with the 87% Annual Performance Plan (APP) achievement for the period under review. **The Portfolio Committee noted that GIFA underspent as a result of vacant posts that are in the process of being filled and delays in the procurement of an alternative funding solutions for Health Infrastructure project**. |
| **If there was over / under spending of greater than 3% of projection, what were the main challenges that led to the over / under spending** |
| **GPT**  [**Program 1: Administration**  This programme appropriated funds to the tune of R38 599 000 during the quarter under review and spent R43 360 000, which translate into overspending of 12%. The overspending is attributed to overspending is due to items such as bursaries, communication, training, consumables supply, operating leases and venues and facilities that have exceeded their projected budget.]  [**Program 2: Sustainable Fiscal Resource Management**  Under this programme GPT expended R19 651 000 or 36% of the appropriated R54 109 000. Underspending is due to to vacant post and GIFA transfers which was scheduled for payment in September, not yet been paid.]  [**Program 4: Provincial Supply Chain Management**  For the quarter under review, this programme appropriated R21 060 000. The programme spent R23 626 000, exceeding the appropriated budget by 12%. The overspending was ascribed to operating payments, and the unplanned leave gratuity payments to former employees.]  [**Program 5: Municipal** **Financial Governance**  For the quarter under review, this programme appropriated R14 732 000. The programme spent R17 498 000, marking an over-expenditure of 19%. Overspending resulted from goods and services items realizing more expenditure than what was projected in the quarter.]  [**Program 6: Gauteng Audit Services**  For the quarter under review, this programme appropriated R34 984 000. The programme spent R31 638 000, marking an under-expenditure of 10%. The underspending is due to vacant posts on the new approved structure not yet filled.]  **GIFA**  **[Program 2: Project Development and Compliance**  The programme’s projected budget for the 2nd quarter amounts to R3 596 000 and R3 044 000 or 85% was expended, therefore underspending by 15%. GIFA cited vacant posts that are in the process of being filled as the rationale behind under expenditure.]  **[Program 3: Structured Finance**  Programme 3 was allocated appropriated R2 741 000 for the quarter under review. As at the end of the quarter, the programme managed to spend R1 431 000 of 52%. The notable underspending by 48% is because of the delay in the procurement of an alternative funding solutions for Health Infrastructure project.] |
| **Mitigating measures by the Department / Entity to remedy over / under expenditure** |
| **GPT**  [To remedy the underspending on compensation of employees; The department is exerting a concerted effort through NASI ISPANI projects to fill the vacant positions and funds will be reprioritized to augment overspending items on goods and services during the adjustment budget.]  **GIFA**  **[Program 2: Project Development and Compliance**  The posts were advertised to be filled.]  **[Program 3: Structured Finance**  The budget is reprioritized towards the State Bank and Pharmaceutical projects that are undertaken by GIFA.] |
| **The Department / Entity’s achievement with respect to GEYODI responsive budgeting / procurement for the period under review** |
| **GPT**  [GPT’s total procurement spent amounts to R14.2 million, categorized as follows:   * R994 000 or 7% on women-owned companies; * R410 000 or 3% on youth-owned companies; and * R0 on people with disabilities.]   **GIFA**   * [13% of GIFA’s Goods and Services and Capital Equipment were sourced from female-owned companies in Quarter 2; * 1% of GIFA’s Goods and Services and Capital Equipment were sourced from youth-owned companies in Quarter 2; and * 0% of GIFA’s Goods and Services and Capital Equipment were sourced from people with disability-owned companies in Quarter 2.] |
| **The Department / Entity’s achievement with respect to township economy / SMME / local procurement for the period under review** |
| **GPT**  [The total procurement spend for the quarter under review was R 14.2 million. The department managed to spend R 609 897 (4%) on Township suppliers. GPT spend most of the funds on consultants and it is not easy to direct the spending to townships because most of them are hired through a tender process. The department underspent by 14% of its projected budget for quarter 2 due to vacant posts on the new approved structure not yet filled and projects that are still to realize expenditure and planned GIFA transfers not yet paid. The department is exerting a concerted effort through NASI ISPANI recruiting program to fill the vacant positions]  **GIFA**  [GIFA mainly procure Transaction 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. 89% of the invoices were paid within 15 days and 64% within 10 days.]  **[GIFA**  100% of suppliers paid within 30 days; and  95% of service provider’s invoices were paid within 15 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 the 2nd quarter.]  **[GIFA**  There was no fruitless, wasteful, and irregular expenditure during the 2nd quarter.] |
| **A summary for the period under review with respect to efficiency / value for money in all SCM / procurement processes** |
| [The Portfolio Committee noted that both GPT and GIFA did not report on efficiency/value for money in procurement processes.] |
| **A summary for the period under review with respect to reduction of fraud and corruption in all SCM / procurement processes** |
| [The Portfolio Committee noted that both GPT and GIFA did not report on reduction of fraud and corruption in procurement processes.] |
| **A summary for the period under review with respect to ongoing clean audits** |
| [The Portfolio Committee noted that both GPT and GIFA received clean audits outcomes.] |
| **A summary for the period under review with respect to spending on conditional grants (where applicable)** |
| [Not Applicable for both GPT and GIFA.] |
| **Program / Sub Programme level financial performance** |
| [Covered above] |

# 5 OVERSIGHT ON DEPARTMENT / ENTITY RESOLUTIONS AND PETITIONS MANAGEMENT

|  |  |
| --- | --- |
| **5.1 THE DETAILS ON DEPARTMENT / ENTITY RESOLUTIONS MANAGEMENT** | |
| **How many Responses / Actions to Resolutions were due by the Department / Entity during the Quarter under review** | **With respect to any and all Resolutions that were due in the Quarter under review, how many Resolutions have been successfully responded to by the Department / Entity** |
| GPT- 1  GIFA - 0 | 0  0 |
| **What is the Committees perception of the Quality and Timeliness of Department / Entity responses to Committee Resolutions** | |
| The Portfolio Committee is satisfied with the quality of the Department’s responses to House Resolutions, it however urges the Department to respond timeously. | |
| **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]** | |
| Responses were due on 30 October 2023, a follow-up has been sent to the Department. | |

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| **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

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| --- |
| **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** |
| [**GPT**  **GPT Launched roundtable partnership with private sector CFOs**  **Venue:** Standard Bank, Simmonds Street, Marshalltown, Johannesburg  **Date/Time:** 11 September 2023 - 09h00 -13h00  **GPT’s role on Cooperatives training of emerging businesses**  **Venue**: Across the five regions (Gauteng)  **Date/Time:** 04 - 8 September 2023  **Gauteng Provincial Treasury hosts public adjudication**  **Venue:** Gauteng Department of Infrastructure Development Auditorium  **Date/Time:** 31 August 2023  **MECs/MMCs Engagement**  **Venue:** Gauteng Provincial Legislature  **Date/Time:** 07 September 2023  **Women in Construction Workshop**  **Venue:** Rabasotho Community Centre in Tembisa  **Date/Time:** 28 August 2023  **GPG Open days**  **Venue:** George Koch Stadium, Johannesburg  **Date/Time:** 14 July 2023 - 08h30 -16h00  **Venue:** Olivenhout Plaza, Centurion  **Date/Time:** 28 July 2023 - 09h00-15h00  **Venue:** Bertha Gxowa Hospital, Germiston, Ekurhuleni  **Date/Time:** 04 August 2023 - 08h00-15h00  **SMART PROCUREMENT INDABA AND EXPO 2022**  **Venue:** Gallagher Convention Centre, Midrand, Johannesburg  **Date/Time:** 12-13 August 2023 - 08h00-17h30  **Mandela Day**  **Venue:** Igugulethu Children, Youth & Care Centre, Boksburg  **Date/Time:** 18 July 2023 - 10h00 -15h00  **Mandela Day: Handover of the Tsakane centre**  **Venue:** Tsepo Hope Day Care, Tsakane  **Date/Time:** 31 July 2023 - 09h00 -15h00  **Internal Women’s Day Celebration**  **Venue:** Gallagher Convention Centre, Midrand  **Date/Time:** 25 August 2023 - 09h00 -15h00  **GIFA**  None] |
| **Summary of Public Education programmes of the Department / Entity during the period under review** |
| [GPT  Refer above.  GIFA  None.] |
| **Feedback sessions conducted by the Department / Entity** **during the period under review** |
| [Not Applicable for both GPT and GIFA] |

# 7 OVERSIGHT ON INTERNATIONAL TREATISE / AGREEMENTS

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

# 8 OVERSIGHT ON DEPARTMENT / ENTITY GEYODI EMPOWERMENT

| **8. DETAILS ON DEPARTMENT / ENTITY GEYODI EMPOWERMENT** |
| --- |
| [GPT   * 61% (514/838) of women staff complement and 48% in SMS posts; * 29% (243/838) of staff complement youth; * 1.79% (15/838) of staff complement have disabilities; and * 2.51% (21/838) of staff complement senior citizens.]   [GIFA   * 13% of women staff complement; * 1% of staff complement youth; * 0% of staff complement have disabilities; and * 0% of staff complement senior citizens.] |

# 9 OVERSIGHT ON DEPARTMENT / ENTITY COMPLIANCE WITH FIDUCIARY REQUIREMENTS

| **9. [DETAILS ON DEPARTMENT / ENTITY COMPLIANCE WITH FIDUCIARY REQUIREMENTS]** | |
| --- | --- |
| **GPL** | GPT and GIFA complied with the legislated requirements with regard to the GPL |
| **Auditor General (AGSA)** | GPT  16 requests were received from the AGSA and all were responded to]  GIFA  No requests were received from the AGSA] |
| **Public Service Commission (PSC)** | GPT  1 request for information was received from the PSC and it was responded to]  GIFA  Not Applicable |
| **Compliance with relevant fiduciary Legislation [e.g. PFMA]** | The Portfolio Committee noted that both GPT and GIFA did not report on compliance with relevant fiduciary legislation like PFMA. |

# 10 OVERSIGHT ON A CAPACITATED PUBLIC SERVICE

| **10. THE DETAILS ON A CAPACITATED DEPARTMENT / ENTITY** |
| --- |
| **Detailed information on the current vacancies (at all staff levels)** |
| GPT - [149]  GIFA [2] |
| **Current vacancy rate** |
| GPT - [15%]  GIFA [4%] |
| **Current acting positions (at all Staff levels)** |
| GPT - [7]  GIFA [0] |
| **Terminations during the period under review** |
| GPT - [18]  GIFA [2] |
| **New appointments during the period under review** |
| GPT - [26]  GIFA [2] |
| **Detailed information on the GEYODI / HDI empowerment for the period under review** |
| GPT - [African - 91.05% (763/838), Coloured - 4.30 (36/838), Indian - 2.03% (17/838); and White 2.63% (22/838)]  GIFA [Youth - 32%; Females -56%; Males - 43%; Disability - 0%] |
| **Detailed information on any suspensions for the period under review** |
| GPT - [0]  GIFA [0] |

# 11 OVERSIGHT ON ANY OTHER COMMITTEE FOCUS AREA

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| --- |
| **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 is concerned that the generic retention strategy may not necessarily address the idiosyncratic needs of women hence the challenge for GPT to reach the required percentage of women appointed at SMS level.** |
| **With respect to [Project Development and Compliance], the committee is concerned about the dismal performance of GIFA under this programme and the impact thereof on the delivery of projects on schedule;** |
| **With respect to [Department Financial Performance], the committee is concerned about the unabating lack of representation of people living with disabilities in the staff complement of GPT.** |
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# 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 /Q2PR / 001 | **That GIFA should submit a process plan indicating how it intends mitigating against the continued delays in the delivery of projects and the associated impact of such on service delivery;** | Written Response | 31/01/2024 |
| FIN/Q2PR / 002 | **That GPT should develop a retention strategy focusing solely on female staff in light of the failure to achieve the required percentage of women appointed at SMS positions; and** | Written Response | 31/01/2024 |
| FIN/Q2PR / 003 | **That GPT should devise and submit a strategy outlining how it intends ensuring representativity of people living with disabilities in its staff complement to the required 5%.** | Written Response | 31/01/2024 |
|  | | | |
| **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 2nd Quarter Performance Report process goes to all Members of the Finance Portfolio Dr. M.R. Phaladi-Digamela; Dr. B. Masuku; Ms. R. Mogale; Mr. S. Khanyile; Ms. A. Randall; Ms. D Mdlankomo; 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; Senior Information Officer Mr. W. Nsibande; Media Officer Mr. A. Dikola; Committee Support Unit Intern Ms. T Mangole, PPP Intern Mr. Canwel Nkosi, Service Officer Ms. R. Msimanga, and Hansard Recorder Ms. R. Singh.

# 15 ADOPTION

After due consideration, the Finance Portfolio Committee unanimously adopted the 2nd Quarter Performance Report on the Gauteng Provincial Treasury for the 2023/24 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 2nd Quarter Performance Report on the Gauteng Provincial Treasury for the 2023/24 financial year.

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