No.0440 - 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 Standing Committee on Public Accounts, Hon. S Khanyile, tabled the Committee’s Oversight Report on the Report of the Auditor-General of South Africa to the Gauteng Provincial Legislature on Financial Statements of the Gauteng Infrastructure Financing Agency (GIFA) for year ended 31 March 2023, as attached:**

**STANDING COMMITTEE ON PUBLIC ACCOUNTS OVERSIGHT REPORT ON THE REPORT OF THE AUDITOR-GENERAL OF SOUTH AFRICA TO THE GAUTENG PROVINCIAL LEGISLATURE ON THE FINANCIAL STATEMENTS OF GAUTENG INFRUSTRUCTURE FINANCING AGENCY FOR THE YEAR ENDED 31 MARCH 2023**

**23 NOVEMBER 2023**

**Table of Contents Page No**

1. Introduction 4
2. Process Followed 4 - 5
3. Findings by the Auditor-General of South Africa in the report 6
4. Committee findings and conclusions 6
5. Matters for noting 6
6. Committee recommendations 6 - 7
7. Conclusion 7
8. Acknowledgements 8
9. Adoption of the report 8

**Acronyms**

AGSA Auditor-General of South Africa

APP Annual Performance Plan

CFO Chief Financial Officer

CSD Central Supplier Database

CRO Chief Risk Officer

DPME Directorate Planning Monitoring and Evaluation

GPT Gauteng Provincial Treasury

GDF Gauteng Department of Finance

GMA Gautrain Management Agency

HOD Head of Department

MEC Member of the Executive Council

MTEF Medium Term Expenditure Framework

MPL Member of the Provincial Legislature

OoP Office of the Premier

PFMA Public Finance Management Act

PPR Preferred Procurement Regulations

SARS South African Revenue Services

SLA Service Level Agreement

TCC Tax Clearance Certificate

TR Treasury Regulations

1. **INTRODUCTION**

The Standing Committee on Public Accounts (SCOPA) has examined the Report of the Auditor-General of South Africa (AGSA) to the Gauteng Provincial Legislature (GPL) on the Financial Statements of Gauteng Infrastructure Financing Agency (GIFA) for the year ended 31 March 2022. This was done as per GPL Rule 178 (3).

The function of SCOPA is to examine the financial statements of the Legislature, all executive organs of the province and other Provincial organs of state, including any reports issued by the AGSA on the affairs of GPL, Office of Premier (OoP) and the departments and entities of Gauteng Provincial Government (GPG). SCOPA is required to do this on behalf of the Legislature, to ensure accountable utilization of resources and prudent financial management, and to make recommendations to the Legislature.

In the process of examining the financial statements and reports of an organ of state, SCOPA must ensure that they comply with of the Constitution of RSA, the Public Financial Management Act, and the requirements of the Public Audit Act No 5 of 2018. SCOPA must also consider the previous statements and reports of such an organ and report on the degree to which shortcomings have been rectified as required by GPL Rule 178 (3).

1. **PROCESS FOLLOWED**

The Report of the AGSA on the financial statements of Gauteng Infrastructure Financing Agency (GIFA) for the year ended 31 March 2023, was tabled together with its 2022/23 Annual Report on 30 August 2023. This was done in terms of Sections 188(1) and (2) of the Constitution of the Republic of South Africa, Act No. 108 of 1996), read with Sections 4, 20, and 21 of the Public Audit Act No 5 of 2018.

The report was referred by the Speaker to SCOPA on 31 August 2023 for consideration, as per Rule 149 read with Rule 233 of the Standing Rules of the GPL.

On Thursday, 19 October 2023, the Committee was briefed by the Auditor-General of South Africa on the audit outcome of Gauteng Infrastructure Financing Agency (GIFA).

In the process of SCOPA considering the reports of the AGSA, the following reports were received from the Stakeholders of the Committee on 19 October 2023:

* The report by the Office of the Premier on Gauteng Forensic Unit report on progress made on special focus cases and investigations referred by Departments;
* The report by the MEC for Finance on the Assessment of consolidated AFS and consolidated Audit Outcomes;
* The report by the Office of the Public Service Commission in Gauteng on GPG Departments Public Administration Practices; and
* The report by Gauteng Office of the Public Protector on Investigations related to Gauteng for the period 2022/23 and outstanding for prior years.

The Committee analysed the report of AGSA and decided not to send preliminary questions to Gauteng Infrastructure Financing Agency (GIFA) for responses because all the details were provided in the annual report and the report of the AGSA. Therefore, no public hearing was held with the entity.

On Friday, 23 November 2023, the Standing Committee on Public Accounts (SCOPA) considered and adopted its Oversight Report on the report of the Auditor-General of South Africa for Gauteng Infrastructure Financing Agency (GIFA) for the year ended 31 March 2023.

1. **FINDINGS BY THE AGSA ON THE REPORT**
   1. **Audit Opinion**

The Auditor-General of South Africa issued an unqualified audit opinion (clean audit) on the financial statements of Gauteng Infrastructure Financing Agency (GIFA).

The Gauteng Infrastructure Financing Agency (GIFA) has retained the clean audit. This is an unchanged audit opinion, from that which it received in the previous four financial years (2021/22; 2021/20; 2020/19 and 2019/18).

* 1. **Audit Findings**

The AGSA did not identify any material findings or significant deficiencies in the following areas of audit:

* Audit of financial statements;
* Audit of annual performance report;
* Audit of compliance with legislation;
* Audit of internal controls; and
* Other reports.

1. **COMMITTEE FINDINGS AND CONCLUSIONS BY AGSA**

As reported earlier, the Committee did not engage the Gauteng Infrastructure Financing Agency (GIFA) through preliminary questions. The Committee analyzed the report of Gauteng Infrastructure Financing Agency (GIFA) and was satisfied that there were no material findings or significant deficiencies raised by the AGSA.

1. **MATTERS FOR NOTING**

The Committees noted the following matter which the AGSA has also concurred:

5.1 That GIFA was implementing key projects in the province as well as implementing the audit action plans to address to the corrections made to annual performance report.

1. **COMMITTEE RECOMMENDATIONS**

6.1 That the entity must provide the Committee with a report detailing the status of the implementation of the following key projects; West Rand Mega Park, Rooftop Solar PV Phase 1 and Merafong Bio-energy Park and the West Rand Agri-Park, State-owned Bank and Pharmaceutical Company, by 30 April 2024.

6.2 That the entity must provide the Committee with a report detailing the progress made in the implementation of Its audit action plan by 30 April 2024.

6.3 That the entity must develop and implement a plan to maintain clean audit outcomes in the financial and performance management, as well as the status of compliance, thereby ensuring good governance and administration of public funds and provide the Committee with a report by 30 April 2024.

1. **CONCLUSION**

In conclusion, the Committee noted that the audit outcomes of the Gauteng Infrastructure Financing Agency (GIFA) for the five-year period have remained constant as an unqualified audit opinion with no findings on compliance and performance information audit opinion. The consistent outcome regarding the audit outcomes can be attributed to the stability of key positions within the finance and supply chain management, adequate internal controls and effective implementation measures taken to enforce compliance with existing policies and procedures.

1. **ACKNOWLEDGEMENTS**

I would like to thank the following Members: MJ Kanyane; RJ Kekana; BP Mncube; MJ Modise; DP Malema; A De Lange; P Atkinson; AW Cilliers; and P Mdlankomo for their diligent deliberations during this process.

I would also like to express my appreciation to the MEC. J Mamabolo and officials of the Gauteng Department of Finance; the Gauteng Business Unit Leader of the Office of Auditor-General South Africa (AGSA), Mr. Dumisani Cebekhulu and his team; officials from the Gauteng Provincial Treasury; Group Committee Co-ordinator, Monica Vaas for tabling the report; Senior Committee Co-ordinators, Simon Magolego, and Mompati Gaonnwe; Committee Co-ordinator, Catherine Thobejane; Committee Researchers, Bongi Dlamini and Lerato Mofokeng; Administrative Assistants, Sizakele Mthembu Media Officer, Pfano Bulasigobo; Senior Information Officer, Jacky Letsoalo; Legal & Procedural Advisor, Winnie Ngubane; Service Officer, Lithemba Simon, PPP Lerato Bodman and the Hansard Operator, Sylvester Baloyi without whom this process would not have been successfully completed.

1. **ADOPTION OF THE REPORT**

After due deliberations, the Standing Committee on Public Accounts (SCOPA) unanimously adopted its report on the Report of the Auditor-General of South Africa to the Gauteng Provincial Legislature on the financial statements of Gauteng Infrastructure Financing Agency (GIFA) for the year ended 31 March 2023.

In terms of Standing Rule 117 (2)(c) read together with 164, the Committee presents to this House the above-mentioned report for consideration and adoption.

**Mr Sochayile Khanyile, MPL**

**Chairperson: Standing Committee on Public Accounts**