No.0439 - 2023: Fifth Session, Sixth Legislature

**GAUTENG PROVINCIAL LEGISLATURE**

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

**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 Provincial Treasury (GPT) 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 PROVINCIAL TREASURY (VOTE 14) FOR THE YEAR ENDED 31 MARCH 2023**

**23 NOVEMBER 2023**

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**Acronyms**

AGSA Auditor-General of South Africa

APP Annual Performance Plan

CFO Chief Financial Officer

CSD Central Supplier Database

CRO Chief Risk Officer

DPSA Department of Public Service and Administration

GPT Gauteng Provincial Treasury

GDF Gauteng Department of Finance

HOD Head of Department

IT Information Technology

MEC Member of the Executive Council

MPL Member of the Provincial Legislature

PAA Public Audit Act

PFMA Public Finance Management Act

PO’s Purchase Orders

PPR Preferred Procurement Regulations

RTDS Research Development and Technology Services

SCM Supply Chain Management

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 Provincial Treasury (GPT) for the year ended 31 March 2023. This was done as per GPL Rule 178 (2).

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 & 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 Provincial Treasury (GPT) 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 Provincial Treasury (GPT).

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 Provincial Treasury (GPT) 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 Gauteng Provincial Treasury (GPT).

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 Provincial Treasury (GPT) 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 Provincial Treasury (GPT) with no findings on predetermined objectives and non-compliance findings.

The Gauteng Provincial Treasury (GPT) 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 nor raise any material findings or significant deficiencies in the Gauteng Provincial Treasury in the following areas of the 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 Provincial Treasury (GPT) through preliminary questions. The Committee analyzed the report of the Gauteng Provincial Treasury (GPT) and was satisfied that there were no material findings or significant deficiencies raised by the AGSA.

**5. COMMITTEE CONCERNS**

The Committees raises the following concerns with which the AGSA has also concurred:

5.1 The numerous indicators as reported in the Annual Performance Plan of Gauteng Provincial Treasury are more statistical and are without complementary indicators focusing on the outcomes of the planned initiatives.

5.2 Though the open tender process has been decentralized there is still a great number of departments and entities which are not subjecting tenders to this process and is in fact contravening the Act that makes the process mandatory for tenders above R2 million.

5.3 The critical status of municipal infrastructure assets and the impact of the budget assessments Gauteng Provincial Treasury is conducting on delegated municipalities.

**6. COMMITTEE RECOMMENDATIONS**

6.1 The department must investigate the possibility of revising its performance targets to move away from being more statistical to focus on impact of planned initiatives, and that in terms of Rule 179(4), provide SCOPA and the Finance Portfolio Committee with a report by 30 April 2024.

6.3 That the department must conduct regular assessment of the implementation of resolutions between the Provincial Supply Chain Management Unit and the probity auditors to ensure that maximum value is derived of the probity services and that the probity auditors are positioned appropriately within the departments and entities, and report by 30 April 2024.

6.4 That the department must investigate the possibility of it influencing appropriate maintenance budgets through its budget assessments conducted on delegated municipalities and report progress by 30 April 2024.

6.5 That the department 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.

**7. CONCLUSION**

In conclusion, the Committee noted that the audit outcomes for the Gauteng Provincial Treasury (GPT) has remained the same with a clean audit opinion on the financial statements with no findings on predetermined objectives and non-compliance findings.

**8. 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 of Finance, J Mamabolo and officials of the Gauteng Provincial Treasury; the Gauteng Business Unit Leader of the Office of Auditor-General South Africa (AGSA), Mr. Dumisani Cebekhulu and his team; 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.

**9. ADOPTION OF THE REPORT**

After due deliberations, the Standing Committee on Public Accounts (SCOPA) unanimously adopted its Oversight Report on the Report of the Auditor-General of South Africa to the Gauteng Provincial Legislature on the financial statements of Gauteng Provincial Treasury (GPT) 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**