

# Gauteng Provincial Treasury

## Final Annual Performance Plan for 2021/22



**GAUTENG PROVINCE**

PROVINCIAL TREASURY  
REPUBLIC OF SOUTH AFRICA

# Executive Authority Statement

This is the second Annual Performance Plan (APP) of Gauteng Provincial Treasury in this political term of office. It comes at the time when the country is still fighting the COVID-19 pandemic, with its related devastating economic and social challenges.

The APP, therefore, outlines how the department, as the custodian of financial resources, will implement its mandate to support the realisation of the 2021/22 provincial priorities, which are as follows:

- Defeating COVID-19
- Reigniting Gauteng's economic reconstruction and recovery
- Providing support and social relief to those affected by pandemics of COVID-19 and Gender Based Violence and Femicide.
- Compliance with governance matters.

To reignite the economy of Gauteng, we need to work tirelessly in partnership and as a collective to rebuild robust and resilience going into the "new normal". This position is imposed on us as Gauteng because we are a leading and sophisticated economy in South Africa, 7th largest in Africa and in the 40 in the city regions around the world which are all devastated by the pandemic.

Therefore, GPT must be innovative to ensure that our programmes are adequately funded and implemented according to specifications to avoid costs overruns and any wastage of public money.

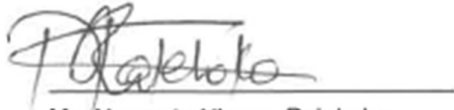
It is during difficult financial times like these that people want certainty that tax revenues are used by government to provide them with, amongst other things, clean water, electricity, healthcare, education, social services, decent job opportunities and recreational facilities. These are the necessities of modern life and are important to building safe and sustainable communities across our province.

As we re-boot the economy, we must ensure inclusion. That is why GPT must accelerate registration of particularly township enterprises and cooperatives on the Central Supplier Database for them to access opportunities. Also, we must work hard to register these companies on our electronic invoicing system so that they can be paid within 15 to 30 days for services rendered to departments.

Equally important, GPT must find innovative ways to ensure the rotation of suppliers which is a serious challenge that has continued to be sharply raised by township suppliers in their interaction with government becomes a reality. It is when we do this that we will contribute significantly to the growth of the small business sector and create much needed jobs.

GPT must also intensify monitoring to assess whether funds allocated for projects in local communities are used correctly to delivery essential public services to citizens. Such an approach will ensure that the department plays an active role in facilitating proper usage of public funds at local level and also contribute to improving relations

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A handwritten signature in black ink, appearing to read 'N. Nkomo-Ralehoko', is written over a horizontal line.

Ms. Nomantu Nkomo-Ralehoko

Executive Authority: Finance and e-Government

## Accounting Officer Statement

The emergence of the COVID-19 pandemic has had and continues to have an impact on the economic and social wellbeing of the citizens of Gauteng Province. In response to this pandemic, government has had to review its policies and plans to ensure an efficient response to the pandemic, whilst also ensuring continued service delivery.

As part of the Provincial Response Plan, Gauteng Provincial Government has set out the following priorities for the 2021/22 financial year:

- Defeating COVID-19
- Reigniting Gauteng's economic reconstruction and recovery
- Providing support and social relief to those affected by pandemics of COVID-19 and Gender Based Violence and Femicide.
- Intensify compliance with governance matters.

These priorities will ensure that the province responds to the ongoing challenges resulting from the COVID-19 pandemic, while at the same time continuing to make significant progress towards the realization of the Growing Gauteng Together, Vision 2030 plan.

With the intention of realising the deliveries in the Provincial plan, the department has adopted the following five outcomes:

- Enhanced sound finances in the province
- Increased compliance and oversight with legislative prescripts
- Sustainable local government finances
- Reduced youth unemployment
- Alternative sources of funding

In working towards the realization of the outcomes set out in the department's strategic plan, the department will focus on the following deliverables in the 2021 MTEF period:

- Improve fiscal management and increased compliance that promotes clean governance and accountability.
- Implement cost cutting practices on cost containment items through budget formulation and by increasing efficiency, effectiveness and productivity gains and provide assurance on the economic and efficient utilisation of state funds.
- Promote and enforce transparency and effective Supply Chain Management in the province and enhance and protect organisational value.
- Promotes better planning and budgeting resulting in an integrated, transparent, and credible planning framework to fund key priorities of the GGT 2030.
- Plan the implementation of optimizing existing revenue sources, and explore new sources in line with the 2019 – 2024 Own Revenue Enhancement Strategy

- Be proactive and interventionist in providing oversight and support role on the implementation of municipal budgets, implement early detection systems to proactively identify and address financial problems in and to provide technical support to delegated municipalities and guide and advice
- municipalities towards MFMA compliance; and
- Improve audit outcomes and strengthen internal controls throughout the province and provide assurance through the implementation of internal audits.

I am grateful for the MEC's support and guidance, and all staff of the Gauteng Provincial Treasury for their diligence and contribution towards the realisation of the department's vision and adopted outcomes and outputs.



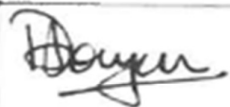

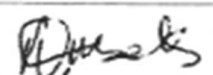
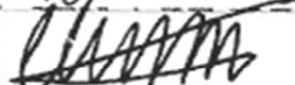

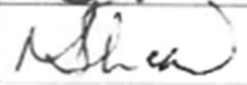
Mr. Mznedisi Vilakazi

Acting Accounting Officer: Gauteng Provincial Treasury

### Official Sign-Off

It is hereby certified that this Annual Performance Plan

- Was developed by the management of the Gauteng Provincial Treasury under the guidance of MEC of Finance, Ms. Nomantu Nkomo-Ralehoko
- Takes into account all the relevant policies, legislation and other mandates for which the Gauteng Provincial Treasury is responsible
- Accurately reflects the outcomes and outputs which the Gauteng Provincial Treasury will endeavour to achieve over the period 1<sup>st</sup> April 2021 to 31<sup>st</sup> March 2022

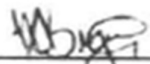
Name and Surname	Programme/ Title	Signature
Mr. Donald Onyango	Acting Deputy Director General Sustainable Fiscal Resource Management	
Ms. Ntina Themba	Deputy Director General: Financial Governance	
Ms. Nombulelo Mbeki	Deputy Director General: Provincial Supply Chain Management	
Mr. Owen Witbooi	Deputy Director General: Municipal Financial Governance	
Mr. Velle Kweyama	Deputy Director General: Gauteng Audit Services	
Ms. Nontembeko Tsiano	Head: Corporate Services	

Signature



Mr. Phakamisile Sikitshana: Chief Financial Officer

Signature



Mr. Mohammad Sule: Head Official responsible for Planning

Signature



Mr. Mncedisi Vilakazi: Acting Accounting Officer

Approved by

Signature



Ms. Nomantu Nkomo-Ralehoko: Executive Authority

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## Abbreviations

AFS	ANNUAL FINANCIAL STATEMENTS
AEPRE	ADJUSTED ESTIMATES OF PROVINCIAL REVENUE AND EXPENDITURE
AG	AUDITOR GENERAL
AU	AFRICAN UNION
APP	ANNUAL PERFORMANCE PLAN
BAC	BID ADJUDICATION COMMITTEE
BAS	BASIC ACCOUNTING SYSTEM
BI	BUSINESS INTELLIGENCE
CBA	COST BENEFIT ANALYSIS
CGE	COMPUTABLE GENERAL EQUILLIBRIUM
CFM	CASH FORECASTING MODEL
CFO	CHIEF FINANCIAL OFFICER
CoE	COMPENSATION OF EMPLOYEES
CoGTA	COOPERATIVE GOVERNANCE & TRADITIONAL AFFAIRS
CoJ	CITY OF JOHANNESBURG
CoT	CITY OF TSHWANE
COVID-19	CORONAVIRUS DISEASE
DDM	DISTRICT DEVELOPMENT MODEL
DORA	DIVISION OF REVENUE ACT
DPSA	DEPARTMENT OF PUBLIC SERVICE AND ADMINISTRATION
DTIC	DEPARTMENT OF TRADE INDUSTRY AND COMPETITION
ECE	ESTIMATES OF CAPITAL EXPEDNITURE
EPRE	ESTIMATES OF PROVINCIAL REVENUE & EXPENDITURE
EMT	EXECUTIVE MANAGEMENT TEAM
ESMT	EXTENDED SENIOR MANAGEMENT TEAM
EXCO	EXECUTIVE COUNCIL
ERM	ENTERPRISE RISK MANAGEMENT
FG	FINANCIAL GOVERNANCE
FSAPP	FRAMEWORK FOR STRATEGIC AND ANNUAL PERFORMANCE PLANS
FY	FINANCIAL YEAR
GAS	GAUTENG AUDIT SERVICES
GBV	GENDER BASED VIOLENCE
GBVF	GENDER BASED VIOLENCE AND FEMICIDE
GDOH	GAUTENG DEPARTMENT OF HEALTH
GEP	GAUTENG ENTERPRISE PROPELLER
GEYODI	GENDER YOUTH AND PEOPLE WITH DISABILITIES

GDP	GROSS DOMESTIC PRODUCT
GIFA	GAUTENG INFRASTRUCTURE FINANCING AGENCY
GPD	GAUTENG PLANNING DIVISION
GPL	GAUTENG PROVINCIAL LEGISLATURE
GPT	GAUTENG PROVINCIAL TREASURY
GPG	GAUTENG PROVINCIAL GOVERNMENT
GRAP	GENERALLY RECOGNISED ACCOUNTING PRACTICE
GS	GOODS AND SERVICES
GTIP	GAUTENG TRANSPORT IMPROVEMENT PLAN
HoD	HEAD OF DEPARTMENT
HR	HUMAN RESOURCES
HRD	HUMAN RESOURCE DEVELOPMENT
ICT	INFORMATION AND COMMUNICATIONS TECHNOLOGY
IDMS	INFRASTRUCTURE DELIVERY MANAGEMENT SYSTEM
IDP	INTERGRATED DEVELOPMENT PLAN
IFS	INTERIM FINANCIAL STATEMENTS
IGR	INTERGOVERNMENTAL RELATIONS
IMF	INTERNATIONAL MONETARY FUND
IYM	IN YEAR MONITORING
IVS	IDENTITY VERIFICATION SOLUTION
LGFS	LOCAL GOVERNMENT FINANCIAL SERVICES
LGBTQ	LESBIAN GAY BISEXUAL TRANSGENDER AND QUESTIONING
MEC	MEMBER OF EXECUTIVE COUNCIL
MFG	MUNICIPAL FINANCIAL GOVERNANCE
MFHSP	MUNICIPAL FINANCE HANDS-ON SUPPORT PROGRAMME
MFMA	MUNICIPAL FINANCE MANAGEMENT ACT
MM	MUNICIPAL MANAGER
MPAT	MANAGEMENT PERFORMANCE ASSESSMENT TOOL
MSCOA	MUNICIPAL STANDARD CHART OF ACCOUNTS
MTEC	MEDIUM TERM EXPENDITURE COMMITTEE
MTEF	MEDIUM TERM EXPENDITURE FRAMEWORK
MTBPS	MEDIUM TERM BUDGET POLICY STATEMENT
MTSF	MEDIUM TERM STRATEGIC FRAMEWORK
NA	NOT APPLICABLE
NDP	NATIONAL DEVELOPMENT PLAN
NPO	NON-PROFIT ORGANISATION
NSP	NATIONAL STRATEGIC PLAN
NT	NATIONAL TREASURY
OoP	OFFICE OF THE PREMIER

OTP	OPEN TENDER PROCESS
PBC	PREMIERS BUDGET COMMITTEE
PDO	PRE-DETERMINED OBJECTIVES
PERO	PROVINCIAL ECONOMIC REVIEW AND OUTLOOK
PERSAL	PERSONNEL AND SALARY ADMINISTRATION SYSTEM
PES	PROVINCIAL EQUITABLE SHARE
PFMA	PUBLIC FINANCE MANAGEMENT ACT
PRF	PROVINCIAL REVENUE FUND
PPE	PERSONAL PROTECTIVE EQUIPMENT
PPP	PUBLIC–PRIVATE PARTNERSHIP
QOQ	QUARTER ON QUARTER
RFQ	REQUEST FOR QUOTATION
QPR	QUARTERLY PERFORMANCE REPORT
SAP	SYSTEM APPLICATION AND PRODUCT
SARB	SOUTH AFRICAN RESERVE BANK
SCM	SUPPLY CHAIN MANAGEMENT
SDIP	SERVICE DELIVERY IMPROVEMENT PLAN
SDBIP	SERVICE DELIVERY AND BUDGET IMPLEMENTATION PLAN
SERO	SOCIO ECONOMIC REVIEW AND OUTLOOK
SEZs	SPECIAL ECONOMIC ZONES
SMMES	SMALL MEDIUM AND MICRO-SIZED ENTERPRISES
SONA	STATE OF THE NATION ADDRESS
SOP	STANDARD OPERATING PROCEDURE
SOPA	STATE OF THE PROVINCE ADDRESS
TASEZ	TSHWANE AUTOMOTIVE SPECIAL ECONOMIC ZONE
TCC	TAX CLEARANCE CERTIFICATE
TCS	TAX COMPLIANCE STATUS
TER	TOWNSHIP ECONOMY REVITALISATION
TID	TECHNICAL INDICATOR DESCRIPTOR
TMR	TRANSFORMATION, MODERNISATION AND RE-INDUSTRIALISATION
TPP	TEN PILLAR PROGRAMME
U-AMP	USER ASSET MANAGEMENT PLAN
WEO	WORLD ECONOMIC OUTLOOK

# Part A: Our Mandate

## 1. Updates to the relevant legislative and policy mandates

As from 25 October 2019, the South African Revenue Services (SARS) replaced the Tax Clearance Certificate (TCC) function with a more secure and electronic Tax Compliance Status (TCS) system. In effect, taxpayers (in context, bidders/suppliers) will no longer be able to print tax clearance certificates because they will have to provide their tax compliance status PIN in order to share their TCS electronically with third parties. The electronic TCS PIN provides a taxpayer (bidders/suppliers) with the ability to authorise any third party (an organisation or government department) to view their TCS online via eFiling by providing them with a PIN.

**Having declared a National State of Disaster on 15 March 2020, due to COVID-19, of importance are the following:**

### **DISASTER MANAGEMENT ACT, 2002 (Act No. 57 of 2002), as amended**

The amended Act makes provision for provincial matters, during the National State of Disaster, in that provinces must:

- report on the implementation of policy and legislation relating to disaster risk reduction and management in provinces
- conduct a disaster risk assessment for its provincial area
- identify and map risks, areas, ecosystems, communities and households that are exposed or vulnerable to physical and human-induced threats
- prepare a disaster management plan for the province
- provide measures and indicate how it will invest in disaster risk reduction and climate change adaptation, including ecosystem and community-based adaptation approaches; and
- develop early warning mechanisms and procedures for risks identified in its functional area

### **REGULATIONS ISSUED IN TERMS OF SECTION 27(2) OF THE DISASTER MANAGEMENT ACT, 2002 (ACT NO. 57 OF 2002)**

#### Regulations made under Alert Level 5, 4 and 3

- Only critical services within the department were required to be available during level 5 lockdown
- During level 4, essential services were required. A phased in approach of employees were permitted
- Level 3 allowed more employees to be phased in. employers have a responsibility to ensure general measures are put in place to contain the spread of COVID-19
- Further, the Regulations make provision for the release of resources which includes personnel and funding

### **COVID-19 OCCUPATIONAL HEALTH AND SAFETY MEASURES IN WORKPLACES COVID-19 (C19 OHS), 2020**

- The directive seeks to ensure that the measures taken by employers under the Occupational Health and Safety ACT are consistent with the overall national strategies and policies to minimize the spread of COVID-19. Employers must ensure a risk assessment is done, ensure measures are put in place to contain the virus, including social distancing, awareness sessions, health and safety measures, screening, provision of sanitizers and disinfectants for employees.

#### **Directive for Public Audit Act (PAA), 25 of 2004**

- The Directive details the audit functions in terms of the PAA, audit standards, scope and nature of audits.

#### **GUIDELINES/INSTRUCTIONS APPLICABLE TO THE DEPARTMENT**

##### National Treasury Instruction 5 of 2020/2021, as amended

- The instruction pertains to emergency procurement in response to the National State of Disaster. It prescribes emergency procurement procedures during this period, with specific reference to Personal Protective Equipment items, and sets the maximum pricing for same.

#### **THE PROTECTION OF PERSONAL INFORMATION ACT 4 OF 2013, (POPIA) - COMMENCEMENT OF MOST PROVISIONS**

- Sections 2 to 38; sections 55 to 109; section 111; and section 114 (1), (2) and (3) shall commence on 1 July 2020. Entities which process personal information must ensure that it is done in a lawful way. The Act is fundamental in safeguarding persons' personal information and thus protecting them against data breaches and theft of personal information.

### **2. Updates to Institutional Policies and Strategies**

No updates applicable.

### **3. Updates to Relevant Court Rulings**

No updates applicable.

## Part B: Our Strategic Focus

### 4. Updated Situation Analysis

The Coronavirus (COVID-19) pandemic has had a profound impact, socially and economically, both on the global and national level, particularly in 2020. Although as 2020 progressed, the magnitude of the estimated trough became less as most countries managed their economies around the pandemic. Hence, the growth estimation revisions improved; the latest estimation was a contraction of 3.5 per cent globally, as per the January 2021 estimation by the International Monetary Fund (IMF). The shock of negative growth rates in 2020, aggregates the pandemic's effects on the global and the national economy. More importantly, these negative outcomes affect vulnerable people's livelihood, distressing the poor, youth, women, the informally employed, and those who work in contact-intensive sectors.

The IMF estimates global economic growth to recover in 2021, and the economy will grow by 5.5 per cent. The approvals of COVID-19 vaccines and expected additional policy support in a few large economies, have diluted the uncertainty and have supported better economic prospects for 2021 and 2022. Therefore, the recovery is expected to significantly vary across countries, depending on the accessibility of the medical interventions, effectiveness of the policy support, exposure to cross-country spill overs, and structural characteristics entering the crisis.

The National and Provincial priorities listed below forms the basis of the Gauteng Provincial Treasury. The plan of the GPT ensures that the MTSF is realised and adequately resourced. Provincial priorities as defined in the TMR and Growing Gauteng Together matrix will be executed and achieved through the outcomes defined in the department's Strategic Plan.

Medium Term Strategic Framework	Provincial Priorities – Growing Gauteng Together 2030	GPT Priorities
<ul style="list-style-type: none"><li>• Priority 1: Economic Transformation and Job Creation</li><li>• Priority 6: A Capable, Ethical and Developmental StateA better Africa and world</li></ul>	<ul style="list-style-type: none"><li>• Building a capable, ethical and developmental state</li><li>• Economy, jobs and infrastructure</li><li>• Education, skills revolution and health</li><li>• Safety, social cohesion and food security</li><li>• Integrated human settlements and land release</li><li>• Sustainable development for future generations</li><li>• A better Africa and world</li></ul>	<ul style="list-style-type: none"><li>• Enhanced sound finances in the province</li><li>• Increased oversight and compliance with legislated prescripts</li><li>• Sustainable local government finances</li><li>• Reduced youth unemployment</li><li>• Alternative sources of funding</li></ul>

Table 1: National and Provincial Priorities

## **The South African economy**

The South African economy was hard hit in 2020 as a result of the pandemic that saw poverty and unemployment reaching high levels. However, the economy recovered in the third quarter of 2020 when it grew by 66.1 per cent quarter-on-quarter (q-o-q) after a disappointing second quarter fueled by the COVID-19 pandemic crisis. The recovery was in line with the global recovery, which saw some improvement by the end of 2020. The contraction trajectory for the overall 2020 growth has remained, due to the significantly lower public, private investment. In 2021, the economy is expected to continue with its recovery, but the 2020 challenges on the economy will remain. As a result, the South African economy is expected to grow by 3.6 per cent in 2021. With the significant contraction of 2020 considered, the economy is yet to show prospects that are pre-pandemic levels. On the other hand, the Gauteng economy is expected to contract by 7.2 per cent for 2020 and recover to 3.2 per cent in 2021.

The stricter lockdown regulations in 2020 had impacted the South African labour market negatively. Although the third quarter of 2020 was less strict, unemployment continued to increase, and employment continued to decrease. The number of unemployed persons increased by 52.1 per cent q-o-q in the third quarter, and the unemployment rate reached 30.8 per cent, its highest since the Quarterly Labour Force Survey began in 2008. This was due to the depressed economy, which was unable to create adequate employment. Hence, employment decreased by 13.6 per cent q-o-q and decreased by 13.3 year-on-year.

## **Findings and challenges faced by women identified by the AU and GBVF**

The Africa Agenda 2063 details three areas of importance relating to women and gender equality. These areas are as follows:

1. *The African woman will be fully empowered in all spheres, with equal social, political and economic rights, including the rights to own and inherit property, sign contracts, register and manage businesses.*
2. *All forms of gender-based violence and discrimination (social, economic, political) against women and girls will be eliminated and the latter will fully enjoy all their human rights.*
3. *Africa of 2063 will have full gender parity, with women occupying at least 50% of elected public offices at all levels and half of managerial positions in the public and the private sectors.*

Despite these aspirations, many women in Africa still face challenges relating to, amongst other issues, economic exclusion; limited participation in political and public life; lack of access to education and gender-based violence. The President of South Africa issued a fund where private sector companies will pledge money to fight against gender-based violence in the country and in support of the implementation of the National Strategic Plan (NSP) which espouses the following six pillars:

- Pillar One: Accountability, Coordination and Leadership - that responds to GBVF strategically with clear messaging and adequate technical and financial resources.
- Pillar Two: Prevention and Rebuilding Social Cohesion – to strengthen delivery capacity in South Africa to roll out evidence-based prevention programmes.

- Pillar Three: Justice, Safety and Protection – to enable all GBV survivors to access efficient and sensitive criminal justice that is quick, accessible, responsive and gender-inclusive; and strengthen capacity within the criminal justice system.
- Pillar Four: Response, Care, Support and Healing - by the state and civil society in ways that are victim-centred and survivor-focused to facilitate recovery and healing and strengthen community and institutional responses to provide integrated care and support to GBV survivors and their families.
- Pillar Five: Economic Power – to address women’s unequal economic and social position; provision of safe workplaces that are free of violence and strengthen child maintenance and related support systems to address the economic vulnerability of women.
- Pillar Six: Research and Information Management – to improve understanding of the extent and nature of GBVF in the country and adopt GBV policies and programming intervention.

The GPT will host workshops and provide training to its employees on GBVF issues and raise awareness internally. These will focus on People with Disability and Military Veterans groups.

### **The Gauteng economy and implications on the fiscus**

The Gauteng Provincial COVID-19 Response Plan focuses on six pillars, namely:

- Comprehensive health response
- Food security and social relief
- State capacity and adaptability
- Economic response
- Social mobilization and human solidarity
- Law enforcement and compliance

The informal and private household sectors were hit particularly hard, with q-o-q decreases of 21.9 per cent and 23.6 per cent in employment. On the other hand, the formal sector experienced a relatively more minor decrease of 10.8 per cent q-o-q. The Gauteng labour market also experienced a similar trend, but with a much higher unemployment rate of 33.7 per cent. The loss of income caused by job losses exacerbates poverty and inequality risks. The food poverty rate was estimated at 20.5 per cent of the total population in Gauteng in 2019. This translates to about 3 million Gauteng residents that are living below the food poverty line. The interplay between the COVID-19 outbreak, job losses, and the contraction in demand means that households face a higher risk of slipping deeper into poverty and will likely experience more significant challenges in regaining their livelihoods during the recovery period.

The Gauteng Recovery Plan<sup>1</sup> includes plans for reviving the economy through the District Development Model (DDM) as part of spatial transformation for the province. Among other district specific interventions, investment in bulk infrastructure and Special Economic Zones (SEZs) remain at the fore. Plans for development of SEZs

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<sup>1</sup> The food poverty rate is also referred to as the extreme poverty rate and measures people that live below R585 per person per month. It implies that these individuals are unable to purchase sufficient food to provide them with an adequate diet.

<sup>3</sup> The Presidency Republic of South Africa. (2020). *Building a new economy-Highlights of the Reconstruction and Recovery Plan*.

<sup>4</sup> Gauteng Provincial Government. (2020). *Economic Recovery Workstream Report to PCC - 10-09-2020*.



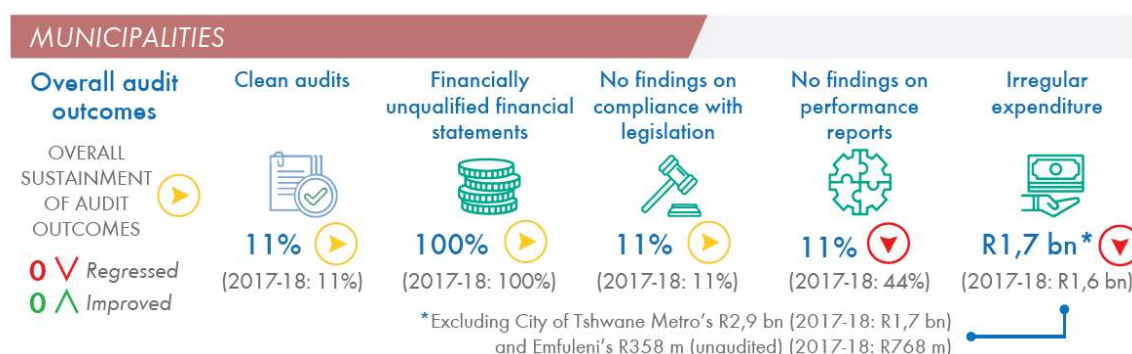
in the different districts of the province are in place. and plans put in place to revive the manufacturing sector in the province. The plans aim to focus on handling urgent issues to retain current investment/jobs and engaging the private sector in economic masterplans. A key element of the Growing Gauteng Together 2030 (GGT2030) plan is addressing the apartheid spatial legacy in the Gauteng City Region. Mega housing projects and social housing projects are planned as part of the GGT2030.

Nonetheless, the most crucial intervention in 2021 is the procurement of the COVID-19 vaccine, but this remains uncertain as the first procured vaccine's efficacy was in the spotlight. The sharp contraction in economic growth resulting from the pandemic and measures to contain it previously, coupled with the loss of income, will exacerbate the challenges of poverty, inequality and unemployment. Furthermore, the low growth environment and the fiscal measures availed to minimise the impact on economic growth, will have significant implications for public finances, which are already constrained.

## Local government

The AG's report on local government in the 2018/19 audit cycle performance in Gauteng indicated the following key matters (this is not an exhaustive list):

- Quality of the AFS has improved due to auditees capacitating finance function and regular implementation of recommendations and internal controls.
- PDO outcomes regressed and this is attributable to limitations with the portfolio of evidence
- Financial stability in municipalities has been and continues to be constrained due to the deteriorating economic climate and political and/or administrative leadership instability
- The combined assurance model and initiatives by other role players i.e. Office of the Premier, CoGTA and Provincial Treasury has not yet yielded the desired outcomes.
- Only one municipality (Midvaal) obtained a clean audit outcome i.e. unqualified financial statements with no material findings on the quality of the performance report or compliance with key legislation, thanks to its high level of institutional knowledge.



Source: AGSA Consolidated General Report on the local government audit outcomes MFMA 2018 - 19 \*information relates to audits completed at nine municipalities as at 31 January 2020 and thus excludes Emfuleni and the City of Tshwane metro

\*audit results for the 2019/20 FY are not yet published as audit is still in process.

The extract from the Auditor General's report indicate that the nine municipalities in Gauteng where the annual audits were completed, managed to maintain the eight unqualified audit opinions and the one clean audit. Whilst

the audits for the City of Tshwane and Emfuleni which were not concluded by the time the Auditor General published the general report, these have since been concluded. The City of Tshwane managed to maintain its unqualified audit opinion for the 2018/19 financial year and Emfuleni obtained a qualified audit outcome.

Whilst the municipalities in Gauteng achieved relatively good audit opinions, the report of the Auditor General pointed out continuous financial challenges in local government in South Africa and in Gauteng. Some of the key indicators that were highlighted was the loss of revenues that result in liquidity challenges for municipalities which then result in municipalities failing to pay their creditors on time. The Auditor General also reported significant challenges with the supply chain management environment and indicated an increase in irregular expenditure across the country.

The department, in its oversight role and function, will continue to formulate strategies and interventions through collaborative efforts with relevant stakeholders, that will focus on the four critical elements of: governance, institution, financial health and service delivery.

#### **4.1. External Environment Analysis**

The stimulus policy interventions to deal with the impact of the COVID-19 pandemic were mainly concentrated in the second quarter of 2020 (a stimulus worth R500 billion in total). Moreover, for the rest of 2020 and the beginning of 2021, policies were mainly focused on the lockdown regulations to manage the virus's spread and prepare the country's health systems to deal with infections. The government launched the Reconstruction and Recovery plan in the last quarter of 2020 to deal with these challenges.<sup>2</sup> This recovery plan will put employment growth as a focal point. It intends to promote accelerated inclusive growth through boosting the private sector economic activity by improving energy supply, digital infrastructure, and regulatory policy barriers that increase costs and create inefficiencies. The government has implemented a Presidential Employment Stimulus that will support livelihoods in the creative sector, the agricultural sector and for the early childhood development sector. The national departments and all nine provinces are responsible for implementing programmes supported through this employment stimulus.

The GPT will focus on enhancing oversight in general procurement to respond to acts and allegations of fraudulent activities happening in procurement, especially those related to PPE procurement and focus on improving and modernising its business system solutions to improve SCM compliance and reduce non-compliance.

The risk of decreased provincial revenue as a result of lower economic growth and the impact of COVID-19 as well as the adverse impact of fraud, corruption and irregular expenditure on institutional credibility, investor confidence and service delivery would potentially trigger an expenditure reprioritization as revenue generation is expected to remain sluggish. Focus will be on prioritising revenue sources and collection wherein GPT will explore with main revenue collecting departments ways of improving collection efficiencies as per the revenue

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<sup>2</sup> IHS Markit. (2021). *Regional Explorer*.

enhancement strategy. Additionally, the department is collaborating with OoP and COGTA to table a budget that is spatially referenced and gender responsive.

#### 4.2. Internal Environment Analysis

The GPT is strong in many significant areas such as skills, professionalism, leadership, financial management and technology. GPT's mandate (PFMA and MFMA) revolves mainly around budget control and providing support and monitoring compliance in relation to financial management matters and without these core capabilities in place, the department would be rendered technically incapable of executing a critical component of its mandate.

Description	Number
Total Staff Complement*	788
Africans	695/788 (88%)
Women	475/788 (60%)
People with Disabilities	18/788 (2.28%)
Vacancy Rate	75/863 (8.69%)

Table 5: Human Resource Oversight \* as at 31 March 2020

The department operates on an interim organizational structure with a total staff establishment of 863 and 788 filled posts as at the 1st of April 2020. Sixty percentage of the total staff establishment is positions occupied by women. People with disabilities occupy 2.28% of total staff establishment. The department has managed to keep its vacancy rate at 8.69 percentage, well below the statutory 10 percent rate.

The concurred generic structure is envisaged to be implemented in the year after following the necessary change management processes. The main feature of the new structure is addition of capacity in Municipal Financial Governance, alignment of the structure to the generic structure of Provincial Treasuries and the removal of the migrated function of Forensic Services. The proposed budget cuts over the MTEF would affect the overall capacity in terms of new posts that can be created in the concurred organizational structure.

The department continues to make efforts to improve how government procurement is viewed and ensuring that SCM is a key catalyst in improving the life of the Gauteng citizens. Continued efforts that enhance oversight in general procurement to monitor compliance with SCM prescripts will continue to be a key focus area for the department.

In terms of procurement practices, the GPT has implemented Section 10(1) of the B-BBEE Act which requires that every organ of state must apply the relevant codes. The GPT has achieved this through ensuring compliance with PPPFA (and its regulations) in all its procurement activity. This has also enabled the GPT to empower designated groups including women-owned businesses. The GPT will continue to give opportunities to all designated groups including women-owned businesses to ensure that the procurement spend of the department is representative of the Gauteng Province demographics and promotes equity.

With regards to Employment Equity, the department has met its target in the 2019/20 financial of having 50% of female representation at senior management level.

### **The department's capacity to deliver**

The GPT structure has been concurred by the Minister of the Department of Public Service and Administration and approved by the MEC. Whilst the implementation of the structure was factored in the MTEF budget, the latest budget cuts on Compensation of Employees would require a review and reprioritisation of posts in order to come in on budget. The next steps that enable the implementation of the approved structure include consultation with stakeholders (organised labour) and the implementation of change, communications and project management processes.

Through the provision of progressive support services, the department will provide effective and ethical leadership, management and administrative support, to enable delivery of its mandate. The GPT strives to be an organisation that promotes a positive working environment and a unified and collaborative approach in the fulfilment of its mandate.

In its contribution towards youth employment and skills development (and in support of the Tshepo 1 million initiative), the department has adopted a multipronged approach to youth development (internship/learnership) spanning several key programmes, namely, Supply Chain Management, Internal Audit, Corporate Services (HRD component), Financial Governance and Municipal Financial Governance. The focus of youth development programme is to expose the graduates to real-time, hands on work experience to be better prepared for the labour market and to acquire professional accounting and audit related qualifications.

Efforts will be made to build capacity in provincial supply chain to promote uniformity in the application of SCM prescripts and to also increase capacity and improve capability to strengthen financial management practices in delegated municipalities. This will be achieved through the provision of ongoing training and development to keep abreast of newly introduced prescripts and regulation and having an impactful municipal advisory support programme.

Building capacity and capability to strengthen financial management practices in municipalities will be prioritized to improve local government finances. The department will also strengthen municipal finance capacity to monitor and review Section 71 reports so as to improve pro-activeness in supporting municipalities. Furthermore, the department will provide ongoing training and development to delegated municipalities to keep abreast of newly introduced prescripts and regulations.

The GPT will continue its support to GIFA, a government component in establishing strategic partnership association bodies as part of the roadmap to support identified infrastructure projects to reach financial close, explore other partnerships to augment project development capacity and co-funding and also explore project development funding and capacity support through partnerships with Grant Funding Institutions.

The success of the implementation of the strategic plan will require collaborative efforts amongst stakeholders at all three government spheres and partnerships with private sector, civil society and non-government organisations. Obtaining buy-in from officials and labour is also a key step towards realising the impact and outcomes espoused in the plan.

## Part C: Measuring Our Performance

### 5. Institutional programme performance information

#### PROGRAMME 1: ADMINISTRATION

**Purpose:** To provide effective and ethical leadership, management and administrative support to enable the department to deliver on its mandate.

The Administration programme is divided into various sub-programmes that enables it to achieve its outcomes. The sub-programmes are as follows:

##### **Office of the Member of Executive Council**

- Purpose: To provide proactive political, strategic and administrative support to the MEC

##### **Directorate: Internal Risk and Integrity Management**

- Purpose: To manage and facilitate the provision of organisational risk and integrity management.

##### **Directorate: Executive Support**

- Purpose: To manage and facilitate the provision of executive support and stakeholder management services.

##### **Chief Directorate: Financial Management Services**

- Purpose: To ensure sound financial management in the GPT.

##### **Chief Directorate: Corporate Management**

- Purpose: To ensure compliance to good governance principles by providing corporate support services to the department.

##### **Chief Directorate: Strategy Management and Transformation Program**

- Purpose: To manage and coordinate the implementation of strategic management services.

### Outcomes, Outputs, Output Indicators and Targets

Outcome	Outputs	Output Indicators	Audited performance			Estimated performance	MTEF targets		
			2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24
Increased compliance with legislated prescripts	Annual financial statements free from material misstatements; no material findings on performance information or non-compliance with legislation (pre-determined objectives)	AG audit outcome	Unqualified audit opinion with no other matters for the previous financial year	Unqualified audit opinion with no other matters in the audit report	Unqualified audit opinion with no other matters in the audit report	Unqualified audit outcome	Unqualified audit outcome	Unqualified audit outcome	Unqualified audit outcome
	All invoices paid within 30 days	% of supplier payments paid within 30 days after receipt of correct invoice	97% (1655/1701) of supplier payments paid within 15 days after receipt of correct invoice	100% (1526/1526)	100% (1397/1397)	100%	100%	100%	100%
	An approved 2021/22 Annual Performance Plan submitted to GPL as per the prescribed	Number of APP submitted to GPL on due	N/A	2019/20 Annual Performance Plan	2020/21 Annual Performance Plan	2	1	1	1

Outcome	Outputs	Output Indicators	Audited performance			Estimated performance	MTEF targets		
			2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24
	timelines	date		submitted to GPL in line with prescribed timelines					
	Approved 2022/2023 Key Departmental Risk Register	Number of approved departmental risk register	N/A	N/A	N/A	New Indicator	1	1	1
	Three (3) workshops conducted	Number of workshops and/or training conducted to promote awareness on Gender Based Violence, Femicide and LGBTQ	N/A	N/A	N/A	New Indicator	3	3	3
	50% or more women in SMS	% of women appointed at	N/A	N/A	N/A	New Indicator	50% and above	50% and above	50% and above



Outcome	Outputs	Output Indicators	Audited performance			Estimated performance	MTEF targets		
			2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24
		SMS level							
Reduced youth unemployment	80 youth in development programmes	% of youth in development programmes against the staff establishment	55 youth developed	145 youth developed	150 youth developed	10%	10%	10%	10%

### Output Indicators: Annual and Quarterly Targets

Output Indicators		Annual Target	Q1	Q2	Q3	Q4
1.1	AG audit outcome	Unqualified audit outcome	N/A	Unqualified audit outcome	N/A	N/A
1.2	% of supplier payments paid within 30 days after receipt of correct invoice	100%	100%	100%	100%	100%
1.3	Number of APP submitted to GPL on due date	1	N/A	N/A	N/A	1
1.4	Number of approved departmental risk register	1	N/A	N/A	N/A	1
1.5	Number of workshops and/or training conducted to promote	3	N/A	1	1	1

	awareness on Gender Based Violence, Femicide and LGBTQ					
1.6	% of women appointed at SMS level	50% and above	50% and above	50% and above	50% and above	50% and above
1.7	% of youth in development programmes against the staff establishment	10%	N/A	N/A	N/A	10%

## 6. Explanation of planned performance over the medium-term period

The provision of effective and ethical leadership, management and administrative enables the department to deliver on its mandate, core functions and the modernisation of financial systems improves efficiencies, promotes proactiveness and data credibility. This is at the core of the Administration programme. A clean audit outcome for the department is an indication of implementation of effective governance structures, monitoring and reporting mechanisms (credible data and evidence) are put in place and a high regard for internal controls to address potential audit finding. Timeous payment of correct invoices to service providers is important in ensuring sustainability for these suppliers and in the long run, boosting the economy. To this effect, the GPT will pay its suppliers within 30 days after having receive correct invoices. The usage of the EIS is a critical step towards this achievement as the automated process of electronic submission improves turnaround times and efficiencies. The department will contribute to youth employment and skills development (and support the Tshepo 1 million initiative) through learnership programmes that promote skills development and workplace experiential learning and endeavours to appoint youth as part of its staff establishment. Various workshops and/or trainings will be conducted to promote and raise awareness on gender-based violence, femicide and LGBTQ, people with disabilities and military veterans. The appointment of women in senior management positions will remain a priority in ensuring attainment of the 50% target stipulated by government.

## 7. Programme Resource Considerations

### B1.2 Reconciling performance targets with the Budget and MTEF

TABLE 3: SUMMARY OF PAYMENTS AND ESTIMATES: PROGRAMME 1: ADMINISTRATION

	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
R thousand	2017/18	2018/19	2019/20	2020/21			2021/22	2022/23	2023/24
1. Office of the MEC	6 910	6 456	9 630	7 830	11 470	11 470	8 297	8 675	9 064
2. Office of the HoD	19 133	18 771	20 250	15 167	22 883	22 192	16 045	16 782	17 536
3. Corporate Management	79 466	79 087	81 667	112 293	88 551	84 853	108 795	109 762	114 702
4. Financial Management Services (CFO)	27 352	27 880	29 644	36 076	30 706	30 706	28 312	27 997	34 271
Total payments and estimates	132 861	132 194	141 191	171 366	153 610	149 221	161 449	163 216	175 573

TABLE 4: SUMMARY OF PAYMENTS AND ESTIMATES BY ECONOMIC CLASSIFICATION: PROGRAMME 1: ADMINISTRATION

	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
R thousand	2017/18	2018/19	2019/20	2020/21			2021/22	2022/23	2023/24
Current payments	127 669	127 310	134 764	168 546	145 281	140 670	160 310	162 578	169 893
Compensation of employees	87 154	90 807	94 512	133 905	111 425	109 141	127 648	134 463	140 513
Goods and services	40 515	36 503	40 252	34 641	33 856	31 529	32 662	28 115	29 380
Interest and rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies to:	995	405	330	1 133	1 260	1 260	695	457	478
Provinces and municipalities	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	995	405	330	1 133	1 260	1 260	695	457	478
Payments for capital assets	4 196	4 460	6 097	1 687	7 069	7 291	444	181	5 202
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	4 168	4 460	6 097	1 687	7 069	7 291	444	181	5 202
Heritage Assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	28	-	-	-	-	-	-	-	-
Payments for financial assets	1	19	-	-	-	-	-	-	-

Total economic classification	132 861	132 194	141 191	171 366	153 610	149 221	161 449	163 216	175 573
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The programme allocation over the 2021 MTEF has increased from the revised estimate of R149.22 million in the 2020/21 financial year to R175.57 million in 2023/24. This equates to an average nominal increase of 5.62 per cent per annum. The programme cost drivers are mainly property payments, communication costs and Information Technology solutions, equipment and related licensing for the whole department. The programme also hosts the learnership and internship programme aimed at providing skills and employment access for the youth. The programme needs to reprioritise funding the key projects.

## 8. Updated Key Risks and Mitigation from the SP

Outcome	Key Risks	Risk Mitigations
<b>Programme 1: Administration</b>		
Increased compliance with legislated prescripts	<ul style="list-style-type: none"> <li>Limited ability to continue with business operations</li> </ul>	<ul style="list-style-type: none"> <li>Review and update Business Continuity Plans</li> <li>Review and update Disaster Recovery Plans</li> <li>Development of the monitoring mechanisms within business units</li> </ul>

## **PROGRAMME 2: SUSTAINABLE FISCAL RESOURCE MANAGEMENT**

**Purpose:** To enforce the effective and efficient administration of fiscal resources at provincial institutions.

The Sustainable Fiscal Resource Management programme is divided into various sub-programmes that enable it to achieve its outcomes. The sub-programmes are as follows:

- **Chief Directorate: Economic and Fiscal Policy Oversight**

Purpose: To provide socio-economic research and analysis as well as ensure effective oversight over revenue.

- **Chief Directorate: Budget Management**

Purpose: To develop and manage the implementation of policy frameworks.

- **Chief Directorate: Infrastructure Management**

Purpose: To enhance and monitor infrastructure performance of provincial departments, entities and municipalities.

- **Chief Directorate: Financial Assets and Liabilities Management**

Purpose: To promote and enforce transparency and effective management of provincial financial assets portfolio.

- **Chief Directorate: Public Finance**

Purpose: To monitor and report on financial and non-financial performance in provincial institutions.

### Outcomes, Outputs, Output Indicators and Targets

Outcome	Outputs	Output Indicators	Audited performance			Estimated performance	MTEF targets		
			2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24
Enhanced sound finances in the province	GPG wage bill contained at not more than 60% of GPG allocated budget	% of GPG wage bill against allocated budget	56% (R62 914 923/R11 2 459 393) of GPG wage bill against allocated budget	55% of GPG wage bill against allocated budget (R67,236,3 31 / R121,761,9 29)	Wage bill was maintained at 55% of GPG allocated budget (R73,013,560 / R132,452,119)	60% or less	60% or less	59% or less	59% or less
	5% increase in the budget allocated for non-personnel non-capital expenditure	% increase in the budget allocated for non-personnel non-capital expenditure	N/A	N/A	New Indicator	5% increase	7% increase	10% increase	10% increase
	Main and adjustment MTEF budgets tabled	Number of credible spatially referenced MTEF budgets tabled in line with prescribed timeframes	1 MTEF budget that resources the TMR programme tabled	1 MTEF budget that resources the TMR programme tabled	1 MTEF budget that resources the TMR programme tabled	1 MTEF budget tabled	1 MTEF budget tabled	1 MTEF budget tabled	1 MTEF budget tabled
			1 adjustment budget that	2 adjustment	2 adjustment budgets that	2 adjustment budgets tabled	1 adjustment budget tabled	1 adjustment budget tabled	1 adjustment budget tabled

Outcome	Outputs	Output Indicators	Audited performance			Estimated performance	MTEF targets		
			2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24
			resources the TMR programme tabled	budgets that resources the TMR programme tabled	resources the TMR programme tabled				
	Assessment reports of the submitted planning documents completed within 10 working days	% of assessment reports of the submitted planning documents completed within 10 working days	N/A	N/A	New Indicator	100%	100%	100%	100%
	Cash disbursed in line with the appropriation (cash disbursement reports)	Cash disbursements to departments in line with appropriation	Disbursements to departments did not exceed appropriated funds	Disbursements to departments did not exceed appropriated funds	Cash disbursement to departments (R132,546,569 ) did not exceed appropriated funds	Cash disbursed to departments equivalent to appropriation	Cash disbursed to departments equivalent to appropriation	Cash disbursed to departments equivalent to appropriation	Cash disbursed to departments equivalent to appropriation



Outcome	Outputs	Output Indicators	Audited performance			Estimated performance	MTEF targets		
			2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24
					(R132,942,505 )				
	AG Audit outcome for the Provincial Revenue Fund Management Report	AG Audit outcome for the Provincial Revenue Fund	Unqualified audit opinion with no other matters	Unqualified audit opinion with no other matters	Unqualified audit opinion with no other matters	Unqualified audit opinion with no other matters	Unqualified audit opinion with no other matters	Unqualified audit opinion with no other matters	Unqualified audit opinion with no other matters
	Provincial own revenue collection increase in line with inflation	% increase in provincial own revenue collection	13% increase in own revenue collected (R6,087,032 /R5,382 370)	11.4% (R 6,845,276 / R6,144,380 )	7.2% (R7,153,550/ R6,670,454)	5.3%	6.0%	6.7%	7.5%
Increased compliance with legislated prescripts	SERO tabled in line with prescribed timeframes	Number of SERO tabled	1 SERO publication tabled	1 SERO publication tabled	1 SERO publication tabled	1 SERO publication tabled	1 SERO publication tabled	1 SERO publication tabled	1SERO publication tabled
	MTBPS tabled in line with prescribed timeframes	Number of MTBPS tabled	1 MTBPS tabled	1 MTBPS tabled	1 MTBPS tabled	1 MTBPS tabled	1 MTBPS tabled	1 MTBPS tabled	1 MTBPS tabled

Outcome	Outputs	Output Indicators	Audited performance			Estimated performance	MTEF targets		
			2017/18	2018/19	2019/20		2020/21	2021/22	2022/23
	Provincial Gazettes on allocations to schools and hospitals	Number of Provincial Gazettes on allocations to schools and hospitals	N/A	N/A	N/A	New Indicator	2 Gazettes	2 Gazettes	2 Gazettes
	IYM reports for departments and entities	Number of legislated provincial reports produced according to the National Treasury (NT) timeframes (i.e. Departments' and entities IYM reports)	N/A	N/A	N/A	New Indicator	12 IYM submissions for departments	12 IYM submissions for departments	12 IYM submissions for departments
							4 IYM submissions for entities	4 IYM submissions for entities	4 IYM submissions for entities

### Output Indicators: Annual and Quarterly Targets

Output indicators		Annual Target	Q1	Q2	Q3	Q4
2.1	% of GPG wage bill against allocated budget	60% or less	N/A	N/A	N/A	60% or less
2.2	% increase in the budget allocated for non-personnel non-capital expenditure	7%	N/A	N/A	N/A	7%
2.3	Number of credible spatially referenced MTEF budgets tabled in line with prescribed timeframes	1 spatially referenced MTEF budget tabled	N/A	N/A	1 spatially referenced adjustment budget tabled	1 spatially referenced MTEF budget tabled
		1 spatially referenced adjustment budgets tabled				
2.4	Number of Provincial Gazettes on allocations to schools and hospitals	2 Gazettes	1 Main appropriation gazette tabled	N/A	N/A	1 Adjustment gazette tabled
2.5	Number of legislated provincial reports produced according to the National Treasury (NT) timeframes (i.e. Departments' and entities IYM reports)	12 IYM submissions for departments	3	3	3	3
		4 IYM submissions for entities	1	1	1	1
2.6	% of assessment reports of the submitted planning documents completed within 10 working days	100%	N/A	N/A	N/A	100%

Output indicators		Annual Target	Q1	Q2	Q3	Q4
2.7	Cash disbursements to departments in line with appropriation	Cash disbursed to departments equivalent to appropriation funds	Cash requisitions do not exceed provincial liquid assets (PRF cash and cash equivalents plus external investments)	Cash requisitions do not exceed provincial liquid assets (PRF cash and cash equivalents plus external investments)	Cash requisitions do not exceed provincial liquid assets (PRF cash and cash equivalents plus external investments)	Cash disbursed to departments equivalent to appropriate funds
2.8	AG Audit outcome for the Provincial Revenue Fund	Unqualified audit opinion with no other matters	N/A	N/A	Unqualified audit opinion with no other matters	N/A
2.9	% increase in provincial own revenue collection	6.0%	N/A	N/A	N/A	6.0%
2.10	Number of SERO tabled	1	N/A	N/A	N/A	SERO tabled in line with prescribed timeframes
2.11	Number of MTBPS tabled	1	N/A	N/A	MTBPS tabled in line with prescribed time frames.	N/A

## 9. Explanation of planned performance over the medium-term period

The SFRM programme will ensure the effective and efficient administration of provincial and fiscal resources and obtain value for money through redirecting existing limited fiscal envelope towards service delivery and tabling a spatial-referenced MTEF budget. The continued slow economic growth resulting from the impact of COVID-19 pandemic is anticipated to result in less revenue collection because of anticipated low GDP growth rate, downgrading by Moody's and

Fitch and low own revenue collections by municipalities. The publications of the SERO and MTBPS are critical in providing an overview of economic and socio-economic developments at global, national and provincial levels. It supports the provincial budgeting processes by providing a wide range of analyses that informs policy decision makers, on progress on development challenges and service delivery within the different spheres of provincial government. A synergized approach and collaboration amongst all spheres of government is critical in the delivery of services to Gauteng communities. An enhanced and integrated planning and budgeting process will result in improved service delivery as credible budgets that fulfil the provincial key priorities, will be tabled. Having credible cash flow projections will ensure that cashflows are in line with revenue streams and thus, the provincial liquidity position remains at sustainable levels. Provincial expenditure will be monitored and reported on to ensure that money is spent on deliverables that fulfil the vision of the Gauteng Provincial Government Plan (GGT2030) and drives demographic and district profiling, governance and financial management, integrated services provisioning, infrastructure engineering, spatial restructuring and economic positioning.

## 10. Programme Resource Considerations

### B2.2. Reconciling performance targets with the Budget and MTEF

TABLE 5: SUMMARY OF PAYMENTS AND ESTIMATES: PROGRAMME 2: SUSTAINABLE FISCAL RESOURCE MANAGEMENT

	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
R thousand	2017/18	2018/19	2019/20	2020/21			2021/22	2022/23	2023/24
1. Programme Support/Office of the DDG	60 241	62 670	106 113	71 824	65 340	65 148	69 016	68 793	71 296
2. Budget Management	24 096	26 182	26 061	29 541	27 841	27 841	29 668	30 336	31 701
3. Economic and Fiscal Policy Oversight	14 349	13 136	13 461	13 795	13 795	13 395	14 619	15 321	16 012
4. Infrastructure Management	12 865	12 744	12 906	22 042	13 174	13 174	14 541	14 036	14 668
5. Financial Asset and Liabilities Management	12 960	11 994	12 385	14 981	13 881	13 481	15 876	16 639	17 388
6. Public Finance	16 047	18 404	19 113	18 830	18 790	18 790	20 732	21 726	22 704
Total payments and estimates	140 558	145 130	190 039	171 013	152 821	151 829	164 452	166 851	173 769

TABLE 6: SUMMARY OF PAYMENTS AND ESTIMATES BY ECONOMIC CLASSIFICATION: PROGRAMME 2: SUSTAINABLE FISCAL RESOURCE MANAGEMENT

	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2017/18	2018/19	2019/20				2021/22	2022/23	2023/24
R thousand					2020/21				
Current payments	85 098	86 532	87 909	104 141	91 315	90 323	100 408	103 145	108 301
Compensation of employees	66 955	68 154	69 530	86 495	74 727	73 053	84 873	88 296	92 782
Goods and services	18 143	18 378	18 379	17 646	16 588	17 270	15 535	14 849	15 519
Interest and rent on land	–	–	–	–	–	–	–	–	–
Transfers and subsidies to:	55 460	58 598	102 130	66 872	61 506	61 506	64 044	63 706	65 468
Provinces and municipalities	–	–	–	–	–	–	–	–	–
Departmental agencies and accounts	55 385	58 544	101 940	66 872	61 406	61 406	64 044	63 706	65 468
Higher education institutions	–	–	–	–	–	–	–	–	–
Foreign governments and international organisations	–	–	–	–	–	–	–	–	–
Public corporations and private enterprises	–	–	–	–	–	–	–	–	–
Non-profit institutions	–	–	–	–	–	–	–	–	–
Households	75	54	190	–	100	100	–	–	–
Payments for capital assets	–	–	–	–	–	–	–	–	–
Buildings and other fixed structures	–	–	–	–	–	–	–	–	–
Machinery and equipment	–	–	–	–	–	–	–	–	–
Heritage Assets	–	–	–	–	–	–	–	–	–
Specialised military assets	–	–	–	–	–	–	–	–	–
Biological assets	–	–	–	–	–	–	–	–	–
Land and sub-soil assets	–	–	–	–	–	–	–	–	–
Software and other intangible assets	–	–	–	–	–	–	–	–	–
Payments for financial assets	–	–	–	–	–	–	–	–	–
Total economic classification	140 558	145 130	190 039	171 013	152 821	151 829	164 452	166 851	173 769

|

The allocation over the 2021 MTEF increases from the revised estimate of R151.83 million in the 2020/21 to R173.77 million in the 2023/24 financial year. This equates to an average nominal increase of 4.64 per cent per annum. The main cost drivers under this programme are infrastructure delivery management system (IDMS) in the province, system development projects for supporting the integrity of budget allocation and monitoring processes, as well as printing and communication of provincial budget to the citizens of the province. The programme needs to reprioritise funding the key projects.

## 11. Updated Key Risks and Mitigation from the SP

Outcome	Key Risks	Risk Mitigations
Enhanced sound finances in the province	<ul style="list-style-type: none"> <li>Limited resourcing of the Growing Gauteng Together (GGT) 2030 Provincial Plan</li> </ul>	<ul style="list-style-type: none"> <li>Implementation of the Revenue Enhancement Strategy</li> </ul>



## **PROGRAMME 3: FINANCIAL GOVERNANCE**

**Purpose:** 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 Financial Governance Programme is divided into various sub-programmes that enables it to achieve its set outcomes. The sub-programmes are as follows:

### **Directorate: Compliance**

Purpose: To provide advisory services, monitor and enforce compliance with the PFMA.

### **Directorate: Financial Information Management Systems**

Purpose: To provide oversight and managements of transversal financial systems

### **Directorate: Financial Automation Management Services**

Purpose: To ensure compliance in the implementation of new provincial automation processes.

### **Chief Directorate: Transversal Risk Management and Internal Audit Committees**

Purpose: To manage and provide oversight on provincial audit and risk management services.

### **Chief Directorate: Provincial Accounting Services**

Purpose: To enforce the effective implementation accounting practices and prepare accurate consolidated financial statements.

## Outcomes, Outputs, Output Indicators and Targets

Outcome	Outputs	Output Indicators	Audited performance			Estimated performance	MTEF targets		
			2017/18	2018/19	2019/20		2020/21	2021/22	2022/23
Increased compliance with legislated prescripts	AFS submitted by all departments	% of Annual Financial Statements submitted by departments	N/A	N/A	New Indicator	100%	100%	100%	100%
	AFS submitted by entities	% of Annual Financial Statements submitted by entities	N/A	N/A	New Indicator	100%	100%	100%	100%
	Consolidated Annual Financial Statements tabled within prescribed timelines	Consolidated Annual Financial Statements tabled at Legislature in line with prescribed timelines	N/A	Consolidated AFS tabled	Consolidated AFS tabled	19/20 Consolidated Annual Financial Statements tabled at Legislature in line with prescribed timelines	20/21 Consolidated Annual Financial Statements tabled at Legislature in line with prescribed timelines	21/22 Consolidated Annual Financial Statements tabled at Legislature in line with prescribed timelines	22/23 Consolidated Annual Financial Statements tabled at Legislature in line with prescribed timelines

Outcome	Outputs	Output Indicators	Audited performance			Estimated performance	MTEF targets		
			2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24
							timelines		
	Quarterly departmental 30-days payment compliance reports	Number 30-day suppliers' payment compliance reports produced	4	4	4	4	4	4	4
	Reports on the supplier invoices submitted electronically	% of supplier invoices submitted electronically	N/A	N/A	New Indicator	70%	80%	90%	95%

### Output Indicators: Annual and Quarterly Targets

Output indicators		Annual Target	Q1	Q2	Q3	Q4
3.1	% of Annual Financial Statements submitted by departments	100%	100%	N/A	N/A	N/A
3.2	% of Annual Financial Statements submitted by entities	100%	100%	N/A	N/A	N/A
3.3	Consolidated Annual Financial Statements tabled within prescribed timelines	20/21 Consolidated Annual Financial Statements tabled	N/A	N/A	20/21 Consolidated Annual Financial	N/A

Output indicators		Annual Target	Q1	Q2	Q3	Q4
		at Legislature in line with prescribed timelines			Statements tabled at Legislature in line with prescribed timelines	
3.4	Number of departmental 30-day suppliers' payment compliance reports produced	4	1	1	1	1
3.5	% of supplier invoices submitted electronically	80%	80%	80%	80%	80%

## 12. Explanation of planned performance over the medium-term period

Provincial departments and entities will be supported to promote improved legislative compliance in line with financial regulations and improved audit outcomes. Consolidated AFS will be prepared and submitted to the GPL in compliance to the prescribed timelines. Continued reporting on 30 days payment will be reported on in promoting compliance to the timelines by GPG departments. The institutionalisation of risk management in GPG institutions will lead towards the realisation of the implementation of the combined risk assurance models in Gauteng.

## 13. Programme Resource Considerations

### B3.2 Reconciling performance targets with the Budget and MTEF

TABLE 7: SUMMARY OF PAYMENTS AND ESTIMATES: PROGRAMME 3: FINANCIAL GOVERNANCE

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2017/18	2018/19	2019/20	2020/21			2021/22	2022/23	2023/24

1. Programme Support/Office of the DDG	4 091	4 524	5 102	4 346	3 884	3 884	4 537	4 729	4 942
2. Provincial Accounting Services	52 093	50 995	54 149	62 548	61 048	58 716	66 699	74 897	78 268
3. Transversal Internal Audit and Risk Management	15 696	16 047	16 886	20 685	18 717	18 717	20 811	22 001	22 991
4. Norms and Standards	3 849	3 593	3 504	5 286	5 286	4 826	6 289	6 589	6 885
5. Financial Information Management Systems	29 164	30 576	31 435	38 762	36 462	35 732	41 939	41 650	43 525
Total payments and estimates	104 893	105 735	111 076	131 627	125 397	121 875	140 275	149 866	156 611

TABLE 8: SUMMARY OF PAYMENTS AND ESTIMATES BY ECONOMIC CLASSIFICATION: PROGRAMME 3: FINANCIAL GOVERNANCE

	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
R thousand	2017/18	2018/19	2019/20	2020/21			2021/22	2022/23	2023/24
Current payments	104 593	105 205	111 039	131 627	124 957	121 435	140 275	149 866	156 611
Compensation of employees	96 336	98 770	103 109	123 649	117 441	111 606	131 976	141 143	147 494
Goods and services	8 257	6 435	7 930	7 978	7 516	9 829	8 299	8 723	9 117
Interest and rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies to:	300	530	37	-	440	440	-	-	-
Provinces and municipalities	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	300	530	37	-	440	440	-	-	-
Payments for capital assets	-	-	-	-	-	-	-	-	-
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	-	-	-	-	-	-	-	-	-
Heritage Assets	-	-	-	-	-	-	-	-	-

	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2017/18	2018/19	2019/20	2020/21			2021/22	2022/23	2023/24
<b>R thousand</b>									
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	-	-	-	-	-	-	-
Payments for financial assets	-	-	-	-	-	-	-	-	-
<b>Total economic classification</b>	<b>104 893</b>	<b>105 735</b>	<b>111 076</b>	<b>131 627</b>	<b>125 397</b>	<b>121 875</b>	<b>140 275</b>	<b>149 866</b>	<b>156 611</b>

The allocation over the 2021 MTEF has increased from the revised estimate of R121.88 million in 2020/21 to R156.61 million in the 2023/24 financial year. This equates to an average nominal growth of 8.81 per cent per annum. The budget for goods and services is to fund key projects that include various systems developments and enhancements projects as a commitment to modernise the public service for effective service delivery. Spending focus over MTEF will be on P-Card and E-Invoicing software licenses. These initiatives are expected to improve efficiencies in both the department and the province.

#### 14. Updated Key Risks and Mitigation from the SP

Outcome	Key Risks	Risk Mitigations
Increased compliance with legislated prescripts	<ul style="list-style-type: none"> <li>Material misstatement of the Annual Financial Statements</li> </ul>	<ul style="list-style-type: none"> <li>Monthly review of the disclosure notes (100% population)</li> <li>Quarterly IFS review</li> <li>Targeted training as per the weaknesses identified during the review</li> <li>Monitoring of implementation of recommendations</li> <li>Review of AFS prior submission to AGSA</li> </ul>

## **PROGRAMME 4: PROVINCIAL SUPPLY CHAIN MANAGEMENT**

**Purpose:** To promote and enforce transparency and effective Supply Chain Management.

The Provincial Supply Chain Management Programme is divided into various sub-programmes that enables it to achieve its outcomes. The sub-programmes are as follows:

- **Chief Directorate: Supply Chain Management Policy, Norms and Standards, Governance, Compliance and Monitoring & Evaluation**

Purpose: To establish uniform SCM policy, norms & standards, governance mechanisms and enforce compliance.

- **Chief Directorate: Supply Chain Management Client Support**

Purpose: To provide SCM client support within the GPG.

- **Chief Directorate: Contract Management and Strategic Procurement**

Purpose: To establish SCM transversal contract management mechanisms and strategic procurement.



## Outcomes, Outputs, Output Indicators and Targets

Outcome	Outputs	Output Indicators	Audited performance			Estimated performance	MTEF targets		
			2017/18	2018/19	2019/20		2021/22	2022/23	2023/24
Increased compliance with legislated prescripts	SCM compliance assessment per institution	Number of SCM compliance assessments completed for Departments	N/A	N/A	New Indicator	14	14	14	14
		Number of SCM compliance assessments completed for Public Entities	N/A	N/A	N/A	New Indicator	8	8	8
	100% of action plans tracked (tracking list)	% of SCM compliance action plans tracked within 14 departments	N/A	N/A	New Indicator	100%	100%	100%	100%
		% of SCM compliance action plans tracked within 14 Entities	N/A	N/A	N/A	New Indicator	100%	100%	100%
	Spending reports on	Number of reports produced on 30%	N/A	New Indicator	4	4	4	4	4

	township supplier	spend on township suppliers including those participating in the high value contracts							
	Reports on subcontracted contracts captured on the SRM/SAP system	Number of reports produced on subcontracted contracts captured on the SRM/SAP system by GPG departments	N/A	N/A	N/A	New indicator	4	4	4
	Training provided to Gauteng township-based suppliers	Number of training workshops provided to Gauteng township-based suppliers	N/A	N/A	N/A	New indicator	4	4	4

### Output Indicators: Annual and Quarterly Targets

Output indicators		Annual Target	Q1	Q2	Q3	Q4
4.1.	Number of SCM compliance assessment completed for Departments	14	N/A	N/A	N/A	14
4.2	Number of SCM compliance assessment completed for Entities	8	N/A	N/A	N/A	8

4.3	% of SCM compliance action plans tracked within 14 departments	100%	N/A	N/A	N/A	100%
4.4	% of SCM compliance action plans tracked within 8 Entities	100%	N/A	N/A	N/A	100%
4.5	Number of reports produced on 30% spend on township suppliers including those participating in the high value contracts	4	1	1	1	1
4.6	Number of reports produced on subcontracted contracts captured on the SRM/SAP system by GPG departments	4	1	1	1	1
4.7	Number of training workshops provided to Gauteng township-based suppliers	4	1	1	1	1

## 15. Explanation of planned performance over the medium-term period

The GPT intends to promote and enforce transparency and effective Supply Chain Management in the Gauteng Province through functions in the PSCM programme. The PSCM programme will provide oversight on the implementation of the open tender process by provincial departments and entities, produce monitoring reports on township spend and subcontracted contracts in support of the TER strategy. Training workshops will also be provided to Gauteng township-based suppliers in support of supplier development and raising awareness of township suppliers on government procurement opportunities. The workshops will include military veteran businesses as identified by departments and struggling corridors and designated groups.

## 16. Programme Resource Considerations

### B4.2 Reconciling performance targets with the Budget and MTEF

TABLE 9: SUMMARY OF PAYMENTS AND ESTIMATES: PROGRAMME 4: PROVINCIAL SUPPLY CHAIN MANAGEMENT

	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
R thousand	2017/18	2018/19	2019/20	2020/21			2021/22	2022/23	2023/24
1. Programme Support/Office of the DDG	19 154	26 333	34 344	30 583	19 595	24 931	12 915	13 518	14 127
2. SCM Policy, Norms and Standards	15 659	15 634	15 119	20 080	16 871	16 543	21 042	21 285	22 243
3. Governance, Compliance, Monitoring and Evaluation	–	–	–	–	–	–	–	–	–
4. SCM Client Support	26 568	38 649	29 609	42 988	31 504	28 803	36 748	37 973	39 680
5. Strategic Procurement	15 453	16 954	17 673	21 381	18 172	18 172	20 664	21 251	22 207
6. Transversal Contract Management	19 814	10 426	9 780	13 085	13 085	13 085	13 870	14 535	15 189
Total payments and estimates	96 648	107 996	106 525	128 117	99 227	101 534	105 239	108 562	113 446

TABLE 10: SUMMARY OF PAYMENTS AND ESTIMATES BY ECONOMIC CLASSIFICATION: PROGRAMME 4: PROVINCIAL SUPPLY CHAIN MANAGEMENT

	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
R thousand	2017/18	2018/19	2019/20	2020/21			2021/22	2022/23	2023/24
Current payments	86 427	97 794	103 380	128 117	99 127	101 434	105 239	108 562	113 446
Compensation of employees	72 542	76 465	76 952	105 507	86 305	81 110	102 322	105 522	110 269
Goods and services	13 885	21 329	26 428	22 610	12 822	20 324	2 917	3 040	3 177
Interest and rent on land	–	–	–	–	–	–	–	–	–
Transfers and subsidies to:	10 214	10 202	3 145	–	100	100	–	–	–
Provinces and municipalities	–	–	–	–	–	–	–	–	–
Departmental agencies and accounts	–	–	–	–	–	–	–	–	–
Higher education institutions	–	–	–	–	–	–	–	–	–
Foreign governments and international organisations	–	–	–	–	–	–	–	–	–

	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
R thousand	2017/18	2018/19	2019/20	2020/21			2021/22	2022/23	2023/24
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Non-profit institutions	10 000	10 000	-	-	-	-	-	-	-
Households	214	202	3 145	-	100	100	-	-	-
Payments for capital assets	-	-	-	-	-	-	-	-	-
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	-	-	-	-	-	-	-	-	-
Heritage Assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	-	-	-	-	-	-	-
Payments for financial assets	7	-	-	-	-	-	-	-	-
Total economic classification	96 648	107 996	106 525	128 117	99 227	101 534	105 239	108 562	113 446

The allocation over the 2021 MTEF has increased from the revised budget estimate of R101.53 million in 2020/21 to R113.45 million in 2023/24 financial year. This equates to an average nominal growth of 3.77 per cent per annum. The programme is responsible for some of the new initiatives in the department, such as open tender processes and other critical programmes for the unit are the implementation of the TER, supplier development and towards the development automation of market price data collection business application solution.

## 17. Updated Key Risks and Mitigation from the SP

Outcome	Key Risks	Risk Mitigations
Increased compliance with legislated prescripts	<ul style="list-style-type: none"> <li>Inadequate compliance monitoring to GPG Departments</li> </ul>	<ul style="list-style-type: none"> <li>Develop the Standard Operating Procedures for the procurement process</li> <li>Identify and recommend training based on analysis of SCM Helpdesk request and audit outcomes</li> <li>Review and final SCM checklist that guides practitioners on the procurement processes</li> </ul>

## **PROGRAMME 5: MUNICIPAL FINANCIAL GOVERNANCE**

**Purpose:** To oversee, assist and support all delegated municipalities with the implementation of the Municipal Finance Management Act.

The Municipal Financial Governance programme is divided into various sub-programmes that enables it to achieve its outcomes. The sub-programmes are as follows:

- **Directorate: Municipal Fiscal Planning and Policy**

Purpose: To promote, assist and support all delegated municipalities with better fiscal and long term financial planning and policy development across all spheres of government and ensure the development of policies.

- **Chief Directorate: Local Government Financial Services**

Purpose: To oversee, assist, support all delegated municipalities in the development and the implementation of municipal budgets.

- **Chief Directorate: Municipal Accounting, Reporting and Asset Management**

Purpose: To oversee, assist, support all delegated municipalities on municipal accounting, auditing, internal audit and asset management.

- **Chief Directorate: Municipal Compliance and Financial Management Support**

Purpose: To oversee, assist, support all delegated municipalities with the implementation of the Municipal Finance Management Act.

## Outcomes, Outputs, Output Indicators and Targets

Outcome	Outputs	Output Indicators	Audited performance			Estimate d performa nce	MTEF targets		
			2017/18	2018/19	2019/20		2020/21	2021/22	2022/23
Sustainable local government finances	Annual IGR engagements	Number of IGR engagements with relevant stakeholders	N/A	N/A	New Indicator	20	20	15	20
	Annual trainings conducted.	Number of training initiatives for delegated municipalities in Gauteng.	N/A	N/A	N/A	New Indicator	5	5	5
	MFMA compliance assessments	Number of assessments conducted on MFMA compliance by delegated municipalities in Gauteng	N/A	N/A	New Indicator	32	32	32	32
	Budget assessments	Number of municipal budget assessments conducted	16 budget assessments were conducted at local municipalities	16 budgets assessments were conducted at local	23 (16 budgets Assessments and 7 municip al	24	24	24	24



				municipalities	SDBIP assessments				
	Published Provincial grants	Number of publications on provincial grants allocated to Gauteng Municipalities	N/A	N/A	New Indicator	3	3	3	3

### Output Indicators: Annual and Quarterly Targets

Output indicators		Annual Target	Q1	Q2	Q3	Q4
5.1	Number of IGR engagements with relevant stakeholders	20	6	8	3	3
5.2	Number of training initiatives for delegated municipalities in Gauteng.	5	N/A	2	1	2
5.3	Number of assessments conducted on MFMA compliance by delegated municipalities in Gauteng	32	8	8	8	8
5.4	Number of municipal budget assessments conducted	24	8 draft budgets	8 adopted budgets	N/A	8 adjustment budgets
5.5	Number of publications on provincial grants allocated to Gauteng Municipalities	3	1	N/A	1	1

### 18. Explanation of planned performance over the medium-term period

The MFG programme endeavours to be proactive in providing oversight and support to the eight delegated municipalities in Gauteng on the implementation of the MFMA. The programme will participate in and host IGR stakeholder engagements through various fora and provide training initiatives. MFMA compliance assessments will be conducted to monitor the level of implementation by the delegated municipalities of the MFMA and its Regulations, identify gaps and provide support where needed. Furthermore, the programme will conduct budget assessments on the tabled, adopted and adjusted budgets of the 8 delegated municipalities in Gauteng to improve compliance with the MFMA and the MFMA Regulations and to improve the number of funded municipal budgets in Gauteng.

## 19. Programme Resource Considerations

### B5.2 Reconciling performance targets with the Budget and MTEF

TABLE 11: SUMMARY OF PAYMENTS AND ESTIMATES: PROGRAMME 5: MUNICIPAL FINANCIAL GOVERNANCE

	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
R thousand	2017/18	2018/19	2019/20	2020/21			2021/22	2022/23	2023/24
1. Programme Support/Office of the DDG	43 471	44 955	50 741	10 939	46 506	43 173	12 353	12 935	13 517
2. Local Government Financial Services	-	-	-	23 568	-	-	24 982	22 181	23 180
3. Municipal Accounting and Asset Management	-	-	-	21 129	-	-	14 397	14 472	15 124
4. Municipal Compliance and Financial Management Support	-	-	-	20 649	-	-	14 716	15 205	15 890
Total payments and estimates	43 471	44 955	50 741	76 285	46 506	43 173	66 448	64 793	67 711

TABLE 12: SUMMARY OF PAYMENTS AND ESTIMATES BY ECONOMIC CLASSIFICATION: PROGRAMME 5: MUNICIPAL FINANCIAL GOVERNANCE

	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
R thousand	2017/18	2018/19	2019/20	2020/21			2021/22	2022/23	2023/24
Current payments	43 428	44 944	50 741	76 285	46 406	43 073	66 448	64 793	67 711
Compensation of employees	40 307	42 250	43 958	71 890	44 418	41 085	62 798	60 979	63 725
Goods and services	3 121	2 694	6 783	4 395	1 988	1 988	3 650	3 814	3 986
Interest and rent on land	-	-	-	-	-	-	-	-	-

	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
R thousand	2017/18	2018/19	2019/20	2020/21			2021/22	2022/23	2023/24
Transfers and subsidies to:	43	5	-	-	100	100	-	-	-
Provinces and municipalities	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	43	5	-	-	100	100	-	-	-
Payments for capital assets	-	-	-	-	-	-	-	-	-
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	-	-	-	-	-	-	-	-	-
Heritage Assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	-	-	-	-	-	-	-
Payments for financial assets	-	6	-	-	-	-	-	-	-
Total economic classification	43 471	44 955	50 741	76 285	46 506	43 173	66 448	64 793	67 711

The allocation over the 2021 MTEF has increased from the revised estimate of R43.17 million in the 2020/21 financial year to R66.45 million in 2021/22 and R67.71 million in 2023/24. The significant increase is on compensation of employees' budget which increases from R44.42 million in 2020/21 to R62.80 million in 2021/22. This equates to the nominal growth of 18.64 per cent per annum. The increase in compensation of employees is to cater for additional positions and the Municipal Hands-on-Support Programme. The use of goods and services budget is to provide funding for various interventions at municipalities i.e. helping Municipalities to improve and promote sound Financial Governance; financial management and administration to optimise revenue; ensuring and monitoring the reduction of confirmed provincial government debt; improving municipal audit outcomes and addressing institutional challenges.

## 20. Updated Key Risks and Mitigation from the SP

Outcome	Key Risks	Risk Mitigations
Sustainable local government finances	<ul style="list-style-type: none"> <li>Inability to fully support and monitor compliance in Municipalities</li> </ul>	<ul style="list-style-type: none"> <li>Assess governance non-compliances and escalate identified gaps through the relevant structures</li> <li>Engage National Treasury to withhold equitable share for municipalities that do not implement compliance recommendations (after following all escalation measures, when non-compliance is confirmed)</li> </ul>

## **PROGRAMME 6: GAUTENG AUDIT SERVICES**

**Purpose:** To render audit services in the GPG departments.

The Gauteng Audit Services Programme is divided into various sub-programmes that enable it to achieve its outcomes. The sub-programmes are as follows:

- **Directorate: Internal Audit Quality and Assurance**

Purpose: To conduct quality assurance reviews to ensure audit compliance with the international standards for the professional practice of internal auditing of the Institute of Internal Auditors.

- **Chief Directorate: Risk and Compliance Audit Services Clusters 1,2,3**

Purpose: To manage and ensure performance of risk and compliance audit for the GPG.

- **Chief Directorate: Risk and Compliance Audit Services Clusters 4,5,6**

Purpose: To manage and ensure performance of risk and compliance audit for the GPG.

- **Chief Directorate: Performance and Computer Audit Services**

Purpose: To manage and conduct performance and computer audits for GPG.

## Outcomes, Outputs, Output Indicators and Targets

Outcome	Outputs	Output Indicators	Audited performance			Estimated performance	MTEF targets		
			2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24
Increased compliance with legislated prescripts	Approved audit reports issued	% of audit reports issued to departments and entities	N/A	N/A	New Indicator	85%	85%	95%	95%
	Audit Committee approved audit plans	Number of Audit Committee approved audit plans issued to departments and entities	N/A	N/A	New Indicator	19	19	19	19
	Recommendations tracked as implemented at departments and entities	% of internal audit recommendations tracked at departments and entities	100% (1354/1354)	100% (1223/1223)	100% (1341/1341)	100%	100%	100%	100%
	AG follow-up reports issued	Number of AG follow-up reports produced	N/A	N/A	New Indicator	19	19	19	19
	Annual Internal Control Assessments	Number of annual internal control assessments conducted	N/A	New Indicator	19	19	19	19	19

## Output Indicators: Annual and Quarterly Targets

Output indicators		Annual Target	Q1	Q2	Q3	Q4
6.1	% of audit reports issued to departments and entities	85%	N/A	N/A	N/A	85%
6.2	Number of AC approved audit plans issued to departments and entities	19	N/A	N/A	N/A	19
6.3	% of internal audit recommendations tracked at departments and entities	100%	25%	50%	75%	100%
6.4	Number of AG follow-up reports produced	19	N/A	N/A	N/A	19
6.5	Number of annual internal control assessments conducted	19	N/A	19	N/A	N/A

## 21. Explanation of planned performance over the medium-term period

The GAS programme aims to provide independent, objective assurance and consulting services that are designed to add value to and improve the operations of GPG institutions. This will be done through a systematic evaluation of governance risk management and controls and to enhance and protect organisational value by providing risk based and objective assurance, advice and insight to fuel a culture of good governance in the province. To realise the outputs indicated above, the programme will, amongst other activities, measure the effectiveness of internal audit as a function by issuing audit reports to its client departments and entities, monitor the implementation of the internal audit recommendations to ensure that the clients processes and control environment improves and give assurance to the audit committee and management of GPG departments and entities on the state of the internal control environment by issuing internal control assessments.

## 22. Programme Resource Considerations

### B6.2 Reconciling performance targets with the Budget and MTEF

TABLE 13: SUMMARY OF PAYMENTS AND ESTIMATES: PROGRAMME 6: GAUTENG AUDIT SERVICES

	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
R thousand	2017/18	2018/19	2019/20	2020/21			2021/22	2022/23	2023/24
1. Programme Support/Office of the DDG	6 956	11 465	12 309	15 417	10 827	10 827	10 717	10 857	11 346
2. Risk and Compliance Audit Services (Cluster 1,2,3)	23 238	26 131	26 291	44 785	28 902	28 562	39 704	39 606	41 388
3. Risk and Compliance Audit Services (Cluster 4,5,6)	25 143	28 018	30 274	28 437	33 437	32 650	23 386	24 522	25 625
4. Performance and Computer Audit Services	21 462	22 915	24 510	40 731	26 731	25 462	43 175	41 247	43 103
5. Audit Centre of Excellence	–	–	–	–	–	–	–	–	–
6. Financial Audit and Risk Compliance	–	–	–	–	–	–	–	–	–
<b>Total payments and estimates</b>	<b>76 799</b>	<b>88 529</b>	<b>93 384</b>	<b>129 370</b>	<b>99 897</b>	<b>97 501</b>	<b>116 982</b>	<b>116 232</b>	<b>121 462</b>

TABLE 14: SUMMARY OF PAYMENTS AND ESTIMATES BY ECONOMIC CLASSIFICATION: PROGRAMME 6: GAUTENG AUDIT SERVICES

	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
R thousand	2017/18	2018/19	2019/20	2020/21			2021/22	2022/23	2023/24
<b>Current payments</b>	<b>76 412</b>	<b>87 583</b>	<b>92 779</b>	<b>129 370</b>	<b>99 797</b>	<b>97 376</b>	<b>116 982</b>	<b>116 232</b>	<b>121 462</b>
Compensation of employees	71 439	77 290	81 556	125 756	92 873	90 428	110 776	111 086	116 084
Goods and services	4 973	10 293	11 223	3 614	6 924	6 948	6 206	5 146	5 378
Interest and rent on land	–	–	–	–	–	–	–	–	–
<b>Transfers and subsidies to:</b>	<b>387</b>	<b>908</b>	<b>605</b>	<b>-</b>	<b>100</b>	<b>125</b>	<b>-</b>	<b>-</b>	<b>-</b>
Provinces and municipalities	–	–	–	–	–	–	–	–	–
Departmental agencies and accounts	–	–	–	–	–	–	–	–	–
Higher education institutions	–	–	–	–	–	–	–	–	–
Foreign governments and international organisations	–	–	–	–	–	–	–	–	–
Public corporations and private enterprises	–	–	–	–	–	–	–	–	–
Non-profit institutions	–	–	–	–	–	–	–	–	–
Households	387	908	605	-	100	125	-	-	-



	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
R thousand	2017/18	2018/19	2019/20	2020/21			2021/22	2022/23	2023/24
<b>Payments for capital assets</b>	-	-	-	-	-	-	-	-	-
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	-	-	-	-	-	-	-	-	-
Heritage Assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	-	-	-	-	-	-	-
<b>Payments for financial assets</b>	-	38	-	-	-	-	-	-	-
<b>Total economic classification</b>	<b>76 799</b>	<b>88 529</b>	<b>93 384</b>	<b>129 370</b>	<b>99 897</b>	<b>97 501</b>	<b>116 982</b>	<b>116 232</b>	<b>121 462</b>

The allocation over the MTEF has increased from the revised estimate of R97.50 million in 2020/21 to R116.98 million in 2021/22 and R121.46 million in the 2023/24 financial year. The significant increase is on compensation of employee's budget which increases from R92.87 million in 2020/21 to R110.78 million in 2021/22. This equates to an increase of 22.5 per cent in the first year of the MTEF and thereafter the nominal growth is 7.95 per cent per annum. Over the MTEF, the programme envisaged to increase its staff complement. The programme is actively recruiting in the audit market and adopting various strategies to attract and retain audit talent. The budget for the programme's goods and services is gradually declining from R6.94 million in 2020/21 to R5.37 million in 2023/24. Taking into consideration the previous year's expenditure trends and the current budget cuts, the programme may be unable to outsource specialised audits due to lack of resources on goods and services.

### 23. Updated Key Risks and Mitigation from the SP

Outcome	Key Risks	Risk Mitigations
Increased compliance with legislated prescripts	<ul style="list-style-type: none"> <li>Limited audit assurance to GPG Departments</li> </ul>	<ul style="list-style-type: none"> <li>Assist the department with the implementation of the Combined Assurance</li> <li>Assess the combined Assurance Plan</li> <li>Review the effectiveness of the combined assurance implementation</li> <li>SLA Compliance Reporting to OoP</li> </ul>

## 24. Public Entities

Name of Public Entity	Mandate	Key Outputs	Current Annual Budget
Gauteng Infrastructure Financing Agency	To develop infrastructure project concepts and ideas to bankable proposals and to provide innovative infrastructure financing solutions and facilitates funding sources through partnerships of private investors, development finance institutions and government	Alternative sources of funding	R68, 875m

## Part D: Technical Indicator Descriptions (TID)

### ADMINISTRATION

<b>1.1 Indicator Title</b>	AG audit outcome
<b>Definition</b>	Refers to the department obtaining unqualified audit opinion for the 2020/21 financial year.
<b>Source of data</b>	Annual report of the department
<b>Method of Calculation / Assessment</b>	Qualitative - audit outcome expressed by the AG in the published departmental annual report
<b>Means of verification</b>	Auditor General's Report
<b>Assumptions</b>	None
<b>Disaggregation of Beneficiaries (where applicable)</b>	Not applicable
<b>Spatial Transformation (where applicable)</b>	Not applicable
<b>Calculation Type</b>	Non-cumulative
<b>Reporting Cycle</b>	Annually
<b>Desired performance</b>	Unqualified audit outcome
<b>Indicator Responsibility</b>	Financial Management Services
	Strategy Management

<b>1.2 Indicator Title</b>	% of supplier payments paid within 30 days after receipt of correct invoice
<b>Definition</b>	This indicator refers to the percentage of suppliers who have been paid within 30 days after the department has received a correct invoice.
<b>Source of data</b>	Invoices from SAP process directory and Document Management Centre
<b>Method of Calculation / Assessment</b>	Quantitative - $[\text{No. of invoices paid within 30 days} / \text{No. of invoices received}] \times 100$
<b>Means of verification</b>	Monthly 30 days payment report
<b>Assumptions</b>	None
<b>Disaggregation of Beneficiaries (where applicable)</b>	Not applicable
<b>Spatial Transformation (where applicable)</b>	Not applicable

<b>Calculation Type</b>	Non-Cumulative
<b>Reporting Cycle</b>	Quarterly
<b>Desired performance</b>	100% of supplier payments paid within 30 days after receipt of final and correct invoice
<b>Indicator Responsibility</b>	Office of the CFO: Financial Management Services

<b>1.3 Indicator Title</b>	Number of APP submitted to GPL on due date.
<b>Definition</b>	The indicator refers to the approved departmental 2021/22 APP submitted to the GPL on the stipulated timelines.
<b>Source of data</b>	Submission letter/memo from the Office of the MEC.
<b>Method of Calculation / Assessment</b>	Quantitative – the department's approved APP submitted to the GPL.
<b>Means of verification</b>	Acknowledgement of receipt of the departmental APP from the GPL and/or Letter of submission from OoMEC to GPL
<b>Assumptions</b>	None.
<b>Disaggregation of Beneficiaries (where applicable)</b>	None.
<b>Spatial Transformation (where applicable)</b>	Not applicable.
<b>Calculation Type</b>	Non-cumulative.
<b>Reporting Cycle</b>	Annually.
<b>Desired performance</b>	An approved APP submitted to the GPL on due date.
<b>Indicator Responsibility</b>	Strategic Planning.

<b>1.4 Indicator Title</b>	Number of approved departmental risk register
<b>Definition</b>	Register governing and mitigating risk annually approved
<b>Source of data</b>	The approved Departmental Risk Register
<b>Method of Calculation / Assessment</b>	Quantitative – approved departmental risk register
<b>Means of verification</b>	Head of Department's signature on the risk register
<b>Assumptions</b>	None
<b>Disaggregation of Beneficiaries (where applicable)</b>	None
<b>Spatial Transformation (where applicable)</b>	None
<b>Calculation Type</b>	Non-cumulative

<b>Reporting Cycle</b>	Annually
<b>Desired performance</b>	An approved departmental risk register that ensures that the department is aware and mitigates all potential risks
<b>Indicator Responsibility</b>	Internal Risk management

<b>1.5 Indicator Title</b>	Number of workshops and/or training conducted to promote awareness on Gender Based Violence, Femicide and LGBTQ
<b>Definition</b>	The indicator refers to the number of workshops provided to raise awareness internally on issues associated to gender-based violence, femicide and LGBTQ
<b>Source of data</b>	Communique, attendance register
<b>Method of Calculation / Assessment</b>	Simple count – actual number of workshops/trainings conducted
<b>Means of verification</b>	Communique, attendance register, workshop material
<b>Assumptions</b>	None
<b>Disaggregation of Beneficiaries (where applicable)</b>	Women, men, youth and people with disability
<b>Spatial Transformation (where applicable)</b>	Not applicable
<b>Calculation Type</b>	Non-cumulative
<b>Reporting Cycle</b>	Quarterly (except for q1)
<b>Desired performance</b>	3 workshops provided
<b>Indicator Responsibility</b>	Corporate Services - GEYODI

<b>1.6 Indicator Title</b>	% of women appointed at SMS level
<b>Definition</b>	The indicator refers to the percentage of women appointed at senior management position in the department
<b>Source of data</b>	Establishment report extracted from PERSAL
<b>Method of Calculation / Assessment</b>	Quantitative – $[\text{total number of female SMS} / \text{total number SMS}] \times 100$
<b>Means of verification</b>	Establishment report extracted from PERSAL
<b>Assumptions</b>	The target achievement will vary depending on the whether there were any resignations and the status of the recruitment process to fill in vacant posts during the reporting period
<b>Disaggregation of Beneficiaries (where applicable)</b>	Women

applicable)	
<b>Spatial Transformation (where applicable)</b>	Not applicable
<b>Calculation Type</b>	Non-cumulative
<b>Reporting Cycle</b>	Quarterly
<b>Desired performance</b>	50%, however, the actual target will depend on resignations and state of recruitment process on a quarterly basis
<b>Indicator Responsibility</b>	Corporate Services – Human Resources Administration

<b>1.7 Indicator Title</b>	% of youth in development programmes against the staff establishment
<b>Definition</b>	<p>The number of youth engaged in development programmes like Internship, Workplace Integrated Learning, Learnerships and External Bursaries in contribution to Tshepo 1 million</p> <ul style="list-style-type: none"> <li>The explanation of technical terms used in the indicator  Internship: Graduates without experience  WIL: Technical and Vocational Education and Training (TVET) students requiring experiential learning to obtain their qualification.  Learnership: Structured workplace learning leading to attainment of a qualification (professional or academic)</li> <li>Duration of the programmes - The WIL and internship programmes run for 24 months per intake. Learnership runs for 36 consecutive months per intake. External Bursaries for the duration of the qualification (3 or 4 years).</li> </ul>
<b>Source of data</b>	PERSAL report
<b>Method of Calculation / Assessment</b>	Quantitative – $[\text{No. of youth in development programmes} / \text{No. of filled posts on the establishment}] \times 100$
<b>Means of verification</b>	PERSAL report Employment contracts Bursary letters
<b>Assumptions</b>	Budget will be allocated to implement programme Department will have access to the unemployed youth
<b>Disaggregation of Beneficiaries (where applicable)</b>	Target for Youth: 80 48 – female 32 – male

	(Note - the numbers represent the ideal gender split and actual achievement is dependent on the applications received)
<b>Spatial Transformation (where applicable)</b>	Not applicable
<b>Calculation Type</b>	Cumulative (year-end)
<b>Reporting Cycle</b>	Annually
<b>Desired performance</b>	10% (8.5% Human Resource Development and 1.5% Capacity Building)
<b>Indicator Responsibility</b>	Corporate Services
	Capacity Building

## SUSTAINABLE FISCAL RESOURCE MANAGEMENT

<b>2.1 Indicator Title</b>	% of GPG wage bill against allocated budget
<b>Definition</b>	The indicator aims to measure the percentage of the GPG Budget that is spent on 'Compensation of Employees' Compensation of Employees' - Compensation of employees includes remuneration in cash, including social contributions by employers, and represents salaries paid to GPG employees
<b>Source of data</b>	MTEF Database, BAS, Estimates of Provincial Revenue and Expenditure
<b>Method of Calculation / Assessment</b>	Quantitative – Share of 'Compensation of Employees' in the GPG budget [Compensation of Employees budget / Main Appropriation budget] x 100
<b>Means of verification</b>	MTEF Database, published Estimates of Provincial Revenue and Expenditure
<b>Assumptions</b>	None
<b>Disaggregation of Beneficiaries (where applicable)</b>	None
<b>Spatial Transformation (where applicable)</b>	Gauteng Province
<b>Calculation Type</b>	Cumulative (Year-to-Date)
<b>Reporting Cycle</b>	Annually
<b>Desired performance</b>	It is desirable that the percentage share of 'Compensation of Employees' budget and expenditure be lower than the desired target
<b>Indicator Responsibility</b>	Public Finance



<b>2.2 Indicator Title</b>	% increase in the budget allocated for non-personnel non-capital expenditure
<b>Definition</b>	<p>This indicator aims to measure the extent to which the total budget is being re-oriented from consumption to investment, composition of spending by reducing compensation of employees and protecting infrastructure and goods and services</p> <p>'Compensation of Employees' - Compensation of employees includes remuneration in cash, including social contributions by employers, and represents salaries paid to GPG employees</p> <p>'Goods and Services' - This item includes payments for all goods and services to be used by a government unit, excluding purchases for capital assets.</p> <p>Infrastructure - Capital Assets includes all kinds of property, movable or immovable, tangible or intangible, fixed or circulating.</p>
<b>Source of data</b>	MTEF Budget Database, Basic Accounting System (BAS)
<b>Method of Calculation / Assessment</b>	Quantitative - Percentage change in the share of the economic classifications (Compensation of Employees, Goods and Services as compared to the whole budget
<b>Means of verification</b>	MTEF Budget Database, BAS, published Estimates of Revenue and Expenditure
<b>Assumptions</b>	None
<b>Disaggregation of Beneficiaries (where applicable)</b>	None
<b>Spatial Transformation (where applicable)</b>	Gauteng Province - The Goods and Services and Capital Expenditure budgets should impact on the areas in the province that are characterised by unemployment, poverty and inequality
<b>Calculation Type</b>	Non-Cumulative
<b>Reporting Cycle</b>	Annually
<b>Desired performance</b>	It is desirable that the share of Compensation of Employees begin to reduce, while that of other economic classifications begins to increase
<b>Indicator Responsibility</b>	Public Finance

<b>2.3 Indicator Title</b>	Number of credible MTEF budgets tabled in line with prescribed timeframes
<b>Definition</b>	The annual tabling of the spatially-referenced provincial main and adjustment appropriation

<b>Source of data</b>	Allocation letters issued to departments and budget database received from departments
<b>Method of Calculation / Assessment</b>	Simple count (number of provincial budgets tabled at GPL)
<b>Means of verification</b>	The appropriation bills Published budget books (i.e. EPRE AEPRE) Letter of budget tabling
<b>Assumptions</b>	None
<b>Disaggregation of Beneficiaries (where applicable)</b>	Not applicable
<b>Spatial Transformation (where applicable)</b>	None
<b>Calculation Type</b>	Non-Cumulative
<b>Reporting Cycle</b>	July, November and March
<b>Desired performance</b>	1 spatially referenced MTEF budget tabled 1 spatially referenced adjustment budget tabled
<b>Indicator Responsibility</b>	Budget Management

<b>2.4 Indicator Title</b>	Number of Provincial Gazettes on allocations to schools and hospitals
<b>Definition</b>	Consolidated Provincial Gazette
<b>Source of data</b>	Departmental submissions
<b>Method of Calculation / Assessment</b>	Consolidation of departmental submissions
<b>Means of verification</b>	Alignment to Tabled budget
<b>Assumptions</b>	None
<b>Disaggregation of Beneficiaries (where applicable)</b>	Schools and hospitals
<b>Spatial Transformation (where applicable)</b>	Schools and Hospitals
<b>Calculation Type</b>	Cumulative
<b>Reporting Cycle</b>	Biannual (Main and Adjusted budgets)
<b>Desired performance</b>	Timeous tabling of the Gazette
<b>Indicator Responsibility</b>	Budget Management

<b>2.5 Indicator Title</b>	Number of legislated provincial reports produced according to the National Treasury (NT) timeframes (i.e. Entities' and Departments IYM reports)
<b>Definition</b>	Consolidated Departmental IYM datafile and Individual Entity IYM submissions
<b>Source of data</b>	Departmental IYM submissions and BAS and/or Vulindlela reports
<b>Method of Calculation / Assessment</b>	Consolidation of individual departmental IYM reports
<b>Means of verification</b>	Departmental IYM is verified against BAS and/or Vulindlela reports
<b>Assumptions</b>	None
<b>Disaggregation of Beneficiaries (where applicable)</b>	Not Applicable
<b>Spatial Transformation (where applicable)</b>	Not Applicable
<b>Calculation Type</b>	Cumulative (year to date)
<b>Reporting Cycle</b>	Departments (Monthly); Entities (Quarterly)
<b>Desired performance</b>	Submission completed accurately and timeously
<b>Indicator Responsibility</b>	Budget Management

<b>2.6 Indicator Title</b>	% of assessment reports of the submitted planning documents completed within 10 working days
<b>Definition</b>	The departments submit the infrastructure planning documents to inform the budget process. GPT conducts assessments and provide assessment report to the departments. End of the Year Evaluation Report, Infrastructure Asset Management Plan and Infrastructure Programme Management Plan are the planning documents that GPT receives from the departments in one financial year. On average GPT receives 24 planning documents. The 24 is made up of three (3) documents for each of the eight (8) departments.
<b>Source of data</b>	Signed off planning documents by the HODs.
<b>Method of Calculation / Assessment</b>	The number of planning documents received on time against the assessment reports.
<b>Means of verification</b>	Assessment reports.
<b>Assumptions</b>	None
<b>Disaggregation of Beneficiaries (where applicable)</b>	Not applicable

applicable)	
<b>Spatial Transformation (where applicable)</b>	The projects to be implemented have the spatial reference to reflect the location.
<b>Calculation Type</b>	<ul style="list-style-type: none"> <li>• Cumulative (Year-End)</li> <li>• Cumulative (Year-to-Date)</li> </ul> Non-Cumulative
<b>Reporting Cycle</b>	Annually
<b>Desired performance</b>	Assessment completed on time
<b>Indicator Responsibility</b>	Infrastructure Management

<b>2.7 Indicator Title</b>	Cash disbursements to departments in line with appropriation
<b>Definition</b>	Annual cash requisitioned by departments not to exceed allocated budget
<b>Source of data</b>	Estimates of Provincial Expenditure and Revenue, Estimates of Capital Expenditure and National Treasury Payment Schedule
<b>Method of Calculation / Assessment</b>	Weekly/monthly cash requisitions deducted from the main appropriation
<b>Means of verification</b>	In-house tools like excel spreadsheets, bank statements, PERSAL, BAS & SAP reports
<b>Assumptions</b>	Estimates of monthly departmental revenue and annual surrenders before being reconciled by Cashbook Services and audited by AG; respectively
<b>Disaggregation of Beneficiaries (where applicable)</b>	None
<b>Spatial Transformation (where applicable)</b>	None
<b>Calculation Type</b>	Cumulative (Year-to-Date)
<b>Reporting Cycle</b>	Quarterly
<b>Desired performance</b>	At least 25% spending per quarter
<b>Indicator Responsibility</b>	Financial Assets and Liabilities

<b>2.8 Indicator Title</b>	AG Audit outcome for the Provincial Revenue Fund
<b>Definition</b>	The PRF must achieve an unqualified audit opinion by the AG to ensure compliance to PFMA and to ensure reliable information that is trustworthy

	for users of the financial statements
<b>Source of data</b>	GPG Departments' annual financial statements, BAS and Bank Statements (Audit File)
<b>Method of Calculation / Assessment</b>	Simple count (audit outcome expressed by the AG in the AG report)
<b>Means of verification</b>	AG Report and the Management Report
<b>Assumptions</b>	None
<b>Disaggregation of Beneficiaries (where applicable)</b>	None
<b>Spatial Transformation (where applicable)</b>	None
<b>Calculation Type</b>	Non-Cumulative
<b>Reporting Cycle</b>	Annually
<b>Desired performance</b>	Unqualified audit opinion with no other matters
<b>Indicator Responsibility</b>	Financial Assets and Liabilities

<b>2.9 Indicator Title</b>	% increase in provincial own revenue collection
<b>Definition</b>	Measures percentage increase of the main appropriation against actual revenue collected
<b>Source of data</b>	Consolidated IYMs PRF pay over reports
<b>Method of Calculation / Assessment</b>	Quantitative – $[\text{Year end actual own revenue collection} / \text{Main appropriation}] \times 100$
<b>Means of verification</b>	Consolidated IYMs PRF pay over reports
<b>Assumptions</b>	Global economy is showing signs of significant decline and the South Africa's economy is now forecast to grow at 0.5 percent from initial 1.5 percent at the beginning of the year and is expected to remain subdued over the 2020 Medium Term Expenditure Framework. This potentially impact on government tax revenue collection negatively.
<b>Disaggregation of Beneficiaries (where applicable)</b>	None
<b>Spatial Transformation (where applicable)</b>	None

<b>Calculation Type</b>	Cumulative (Year-to-Date)
<b>Reporting Cycle</b>	Annually
<b>Desired performance</b>	6% - Own revenue collection above baseline estimates (i.e. main appropriation)
<b>Indicator Responsibility</b>	Economic and Fiscal Policy Oversight

<b>2.10 Indicator Title</b>	Number of SERO tabled
<b>Definition</b>	An annual publication that provides an overview of economic and socio-economic developments at global, national and provincial levels. It aims to support the provincial Budgeting processes through providing a wide range of analyses that informs policy decision makers, on progress on development challenges and service delivery within the different spheres of provincial government.
<b>Source of data</b>	Statistics South Africa, World Bank, International Monetary Fund, IHS Markit, Quantec Research and various national, provincial and local government publications.
<b>Method of Calculation / Assessment</b>	Quantitative and qualitative
<b>Means of verification</b>	Internal and external reviews of the draft Chapters
<b>Assumptions</b>	None
<b>Disaggregation of Beneficiaries (where applicable)</b>	N/A
<b>Spatial Transformation (where applicable)</b>	N/A
<b>Calculation Type</b>	N/A
<b>Reporting Cycle</b>	Annual
<b>Desired performance</b>	SERO timeously published and tabled
<b>Indicator Responsibility</b>	EFPO

<b>2.11 Indicator Title</b>	Number of MTBPS tabled
<b>Definition</b>	Tabling of Medium-Term Budget Policy Statement at legislature according to the prescribed timeframes
<b>Source of data</b>	GPG departments publications aimed at providing an outline of provincial performance within the prevailing policy environment with resource allocation made available to the province and how resources

	have been expanded towards delivering service.
<b>Method of Calculation / Assessment</b>	Quantitative and Qualitative
<b>Means of verification</b>	Previous MTBPS and EPRE
<b>Assumptions</b>	None
<b>Disaggregation of Beneficiaries (where applicable)</b>	Not Applicable
<b>Spatial Transformation (where applicable)</b>	Not applicable
<b>Calculation Type</b>	Non-Cumulative
<b>Reporting Cycle</b>	Annually
<b>Desired performance</b>	MTBPS tabled timeously
<b>Indicator Responsibility</b>	<b>Economic &amp; Fiscal Policy Oversight</b>

## FINANCIAL GOVERNANCE

<b>3.1 Indicator Title</b>	% of Annual Financial Statements submitted by all departments
<b>Definition</b>	Annual Financial Statements submitted by departments
<b>Source of data</b>	SAP BAS
<b>Method of Calculation/ Assessment</b>	Quantitative – [ Annual Financial Statements submitted / total number of departments] x 100
<b>Means of verification</b>	Actual sets of consolidated financial statements from departments
<b>Assumptions</b>	None
<b>Disaggregation of Beneficiaries (where applicable)</b>	None
<b>Spatial Transformation (where applicable)</b>	None
<b>Calculation Type</b>	Non-cumulative
<b>Reporting Cycle</b>	Annually
<b>Desired performance</b>	100%
<b>Indicator Responsibility</b>	Accounting and Reporting

<b>3.2 Indicator Title</b>	% of Annual Financial Statements submitted by entities
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<b>Definition</b>	Annual Financial Statements submitted by departments
<b>Source of data</b>	SAP Caseware
<b>Method of Calculation/ Assessment</b>	Quantitative – [ Annual Financial Statements submitted / number of entities] x 100
<b>Means of verification</b>	Actual sets of consolidated financial statements from entities
<b>Assumptions</b>	None
<b>Disaggregation of Beneficiaries (where applicable)</b>	None
<b>Spatial Transformation (where applicable)</b>	None
<b>Calculation Type</b>	Non-cumulative
<b>Reporting Cycle</b>	Annually
<b>Desired performance</b>	100%
<b>Indicator Responsibility</b>	Accounting and Reporting

<b>3.3 Indicator Title</b>	Consolidated Annual Financial Statements tabled at Legislature in line with prescribed timelines
<b>Definition</b>	A consolidation of the Annual financial statements to be tabled at legislature.
<b>Source of data</b>	Consolidated Financial Statements Annual Report and audited financial statements from departments and entities
<b>Method of Calculation / Assessment</b>	Quantitative - Actual set of consolidated financial statements for departments and entities in GPG
<b>Means of verification</b>	A letter to the GPL speaker.
<b>Assumptions</b>	Availability of all Annual financial statements from all departments and entities in GPG. Finalisation of the audits
<b>Disaggregation of Beneficiaries (where applicable)</b>	None
<b>Spatial Transformation (where applicable)</b>	None
<b>Calculation Type</b>	Non-cumulative
<b>Reporting Cycle</b>	Annually
<b>Desired performance</b>	A consolidation of all department and entities financial statements, tabled



	at legislature within prescribed timelines
<b>Indicator Responsibility</b>	Accounting and Reporting

<b>3.4 Indicator Title</b>	Number of departmental 30-day suppliers' payment compliance reports produced
<b>Definition</b>	The indicator refers to the number of Departmental 30-day payment reports produced as a means to monitor compliance
<b>Source of data</b>	E-Invoicing – Process Director/ SAP system
<b>Method of Calculation / Assessment</b>	Simple count - 30-day payment compliance reports produced for departments on a monthly basis
<b>Means of verification</b>	ESMT Reports
<b>Assumptions</b>	All targeted departments', departmental 30-day payment compliance reports produced
<b>Disaggregation of Beneficiaries (where applicable)</b>	None
<b>Spatial Transformation (where applicable)</b>	None
<b>Calculation Type</b>	Cumulative (year-to-date)
<b>Reporting Cycle</b>	Quarterly
<b>Desired performance</b>	For departments to provide 30-day payment compliance reports
<b>Indicator Responsibility</b>	Financial Automation Management Systems

<b>3.5 Output Indicator Title</b>	% of supplier invoices submitted electronically
<b>Definition</b>	An increase in the number of invoices submitted electronically from the baseline (noted as the previous FY's performance).
<b>Source of data</b>	E-Invoicing – Process Director/SAP system
<b>Method of Calculation / Assessment</b>	Quantitative – [ number of invoices submitted electronically / the total number of invoices received] X 100.
<b>Means of verification</b>	EIS onboarding report Post session reports Online registration active
<b>Assumptions</b>	A visible increase in the number of supplier invoices submitted electronically
<b>Disaggregation of</b>	None

<b>Beneficiaries (where applicable)</b>	
<b>Spatial Transformation (where applicable)</b>	None
<b>Calculation Type</b>	Cumulative (year-to-date)
<b>Reporting Cycle</b>	Quarterly (cumulative per month)
<b>Desired performance</b>	To have an annual 10% increase in invoices submitted electronically
<b>Indicator Responsibility</b>	Director: Financial Automation Management Systems.

## PROVINCIAL SUPPLY CHAIN MANAGEMENT

<b>4.1 Output Indicator Title</b>	Number SCM compliance assessment completed for departments
<b>Definition</b>	1 SCM compliance assessment for departments
<b>Source of data</b>	Tender Bulletin SAP Transactional Report Management Reports (AG reports) Deviation registers Contract registers
<b>Method of Calculation / Assessment</b>	Simple count - actual number of assessments conducted for departments
<b>Means of verification</b>	Contract document, purchase order register, management reports
<b>Assumptions</b>	Departments have implemented action plans on the compliance registers
<b>Disaggregation of Beneficiaries (where applicable)</b>	N/A
<b>Spatial Transformation (where applicable)</b>	N/A
<b>Calculation Type</b>	Non-cumulative
<b>Reporting Cycle</b>	Annually
<b>Desired performance</b>	14 assessments conducted for departments
<b>Indicator Responsibility</b>	Chief Director: Compliance

<b>4.2 Output Indicator Title</b>	Number SCM compliance assessment completed for 8 entities
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<b>Definition</b>	1 SCM compliance assessment for entities
<b>Source of data</b>	Tender Bulletin SAP Transactional Report Management Reports (AG reports) Deviation registers Contract registers  Excel spread sheet templates (For entities as we do not have access to their financial systems)
<b>Method of Calculation / Assessment</b>	Simple count – actual number of assessments conducted for entities
<b>Means of verification</b>	Contract document, purchase order register, management reports
<b>Assumptions</b>	Entities have implemented action plans on the compliance registers
<b>Disaggregation of Beneficiaries (where applicable)</b>	N/A
<b>Spatial Transformation (where applicable)</b>	N/A
<b>Calculation Type</b>	Non-cumulative
<b>Reporting Cycle</b>	Annually
<b>Desired performance</b>	8 assessments conducted for entities
<b>Indicator Responsibility</b>	Chief Director: Compliance

<b>4.3 Output Indicator Title</b>	% of SCM compliance action plans tracked within 14 departments
<b>Definition</b>	100% of SCM compliance assessment for departments tracked
<b>Source of data</b>	Previous year's assessment
<b>Method of Calculation / Assessment</b>	Simple count - actual number of assessments conducted for departments
<b>Means of verification</b>	SCM compliance implementation reports
<b>Assumptions</b>	Departments have implemented action plans on the compliance registers
<b>Disaggregation of Beneficiaries (where applicable)</b>	N/A
<b>Spatial Transformation (where applicable)</b>	N/A
<b>Calculation Type</b>	Non-cumulative
<b>Reporting Cycle</b>	Annually

<b>Desired performance</b>	100% SCM compliance action plans tracked within departments
<b>Indicator Responsibility</b>	Chief Director: Compliance

<b>4.4 Output Indicator Title</b>	% of SCM compliance action plans tracked within 8 entities
<b>Definition</b>	100% of SCM compliance assessment for departments tracked
<b>Source of data</b>	Previous year's assessment
<b>Method of Calculation / Assessment</b>	Simple count of number of assessments conducted for entities
<b>Means of verification</b>	SCM compliance implementation reports
<b>Assumptions</b>	Entities have implemented action plans on the compliance registers
<b>Disaggregation of Beneficiaries (where applicable)</b>	N/A
<b>Spatial Transformation (where applicable)</b>	N/A
<b>Calculation Type</b>	Non-cumulative
<b>Reporting Cycle</b>	Annually
<b>Desired performance</b>	100% SCM compliance action plans tracked within entities
<b>Indicator Responsibility</b>	Chief Director: Compliance

<b>4.5 Output Indicator Title</b>	Number of reports produced on 30% spend on township suppliers including those participating in the high value contracts
<b>Definition</b>	<p>The number of monitoring reports produced by Supplier Management and Development on township spend in support of TER, including high value contracts, against a target of 30% of Total Spend per GPG department.</p> <p>Township Economy Revitalisation (TER) is the adopted Gauteng strategy that aims to improve economic, physical and social well-being of Gauteng Township communities by strengthening local business and encouraging investment by business owners and government, also providing work and living opportunities that respond to people's needs across a spectrum of ages and interests.</p>
<b>Source of data</b>	<ul style="list-style-type: none"> <li>SAP, BAS, CSD, Qlikview</li> </ul>

<b>Method of Calculation / Assessment</b>	Simple count: actual number of reports produced
<b>Means of verification</b>	A portfolio of evidence required to verify the validity of data comprises of the records of all data from SAP, BAS, CSD and Qlikview.
<b>Assumptions</b>	The validity and accuracy of the information provided on Qlikview, BAS and SAP by departments
<b>Disaggregation of Beneficiaries (where applicable)</b>	None
<b>Spatial Transformation (where applicable)</b>	In transforming cities, which were designed to deny spatial and socio-economic access and to prevent urban land and property ownership, Gauteng corridors are also included. Corridors are listed as Central, North, East, West and South.
<b>Calculation Type</b>	Cumulative
<b>Reporting Cycle</b>	Quarterly
<b>Desired performance</b>	Actual performance higher than targeted performance of 30% is desirable.
<b>Indicator Responsibility</b>	Supplier Management and Development (PSCM)

<b>4.6 Output Indicator Title</b>	Number of reports produced on subcontracted contracts captured on the SRM/SAP system by GPG departments
<b>Definition</b>	Subcontracted contracts above the value of R30m to be captured in SRM/SAP System to monitor compliance with reg 9 of the preferential Procurement Regulations 2017 by the provincial departments.
<b>Source of data</b>	Sub-contracts uploaded on SRM/SAP contract register
<b>Method of Calculation / Assessment</b>	Simple count - number of reports produced on subcontracted contracts
<b>Means of verification</b>	Subcontracting reports (inclusive of expenditure analysis and value of contracts per department)

<b>Assumptions</b>	That departments capture all sub-contracted contracts and there are no unknown contracts concluded by the departments and not uploaded on the SRM/SAP system.
<b>Disaggregation of Beneficiaries (where applicable)</b>	Not applicable
<b>Spatial Transformation (where applicable)</b>	Not applicable
<b>Calculation Type</b>	Non-Cumulative
<b>Reporting Cycle</b>	Quarterly
<b>Desired performance</b>	4 reports on subcontracted contracts captured on the SRM/SAP system by GPG departments
<b>Indicator Responsibility</b>	Contract Management Unit (PSCM)

<b>4.7 Output Indicator Title</b>	Number of training workshops provided to Gauteng township-based suppliers
<b>Definition</b>	Township suppliers that are part of a supplier development training programme inclusive of suppliers not on the database (new entrance and military veterans), identified by departments, entities, and municipalities. This is done to empower township suppliers to compete for mainstream business in the public, municipal and private sector space and thereby reaching the 30% TER target and to impact transformation
<b>Source of data</b>	Attendance registers and training material
<b>Method of Calculation / Assessment</b>	Simple count (number of trainings conducted)
<b>Means of verification</b>	Attendance registers and training material
<b>Assumptions</b>	

<b>Disaggregation of Beneficiaries (where applicable)</b>	Training to include military veteran businesses as identified by departments and struggling corridors and designated groups.
<b>Spatial Transformation (where applicable)</b>	None
<b>Calculation Type</b>	Non-Cumulative
<b>Reporting Cycle</b>	Quarterly
<b>Desired performance</b>	4 training workshops provided to Gauteng township-based suppliers
<b>Indicator Responsibility</b>	Supplier Management and Development Unit (PSCM)

## MUNICIPAL FINANCIAL GOVERNANCE

<b>5.1 Indicator Title</b>	Number of IGR engagements conducted with relevant stakeholders.
<b>Definition</b>	This indicator refers to the number of intergovernmental relations engagements the MFG Unit intends to have and participate in, with relevant stakeholders in the local government arena. It can be formal and or informal, physical or via online platforms
<b>Source of data</b>	Attendance registers, letters of invitation, agendas, minutes of meetings.
<b>Method of Calculation / Assessment</b>	Simple count - the actual number of engagements conducted.
<b>Means of verification</b>	Attendance registers, letters of invitation, agendas, minutes, or recordings of meetings.
<b>Assumptions</b>	Dependent on the availability of all the relevant stakeholders. Participants in some engagements and host of some other engagements.
<b>Disaggregation of Beneficiaries (where applicable)</b>	None
<b>Spatial Transformation (where applicable)</b>	None
<b>Calculation Type</b>	Cumulative (year-end)
<b>Reporting Cycle</b>	Quarterly
<b>Desired performance</b>	Actual performance that is higher than targeted performance is desirable.
<b>Indicator Responsibility</b>	All MFG sub-programmes.

<b>5.2 Indicator Title</b>	Number of training initiatives for delegated municipalities in Gauteng.
<b>Definition</b>	This indicator refers to the number of training initiatives the MFG Unit intends to roll out or provide to the 8 delegated municipalities in Gauteng.
<b>Source of data</b>	Attendance registers, training material, training programme.
<b>Method of Calculation / Assessment</b>	Simple count – actual number of training workshops provided.
<b>Means of verification</b>	Attendance registers, training material, training programme.
<b>Assumptions</b>	Dependent on budget availability.
<b>Disaggregation of Beneficiaries (where applicable)</b>	None.
<b>Spatial Transformation (where applicable)</b>	Sedibeng district area West Rand district area (dependent on COVID-19 lockdown conditions and various on-line platforms)



<b>Calculation Type</b>	Cumulative (Year-End)
<b>Reporting Cycle</b>	Quarterly (with the exception for quarter 1)
<b>Desired performance</b>	Actual performance that is higher than targeted performance is desirable.
<b>Indicator Responsibility</b>	Local Government Financial Services Chief Directorate.

<b>5.3 Indicator Title</b>	Number of assessments conducted on MFMA compliance by delegated municipalities in Gauteng.
<b>Definition</b>	This indicator refers to the number of assessments the MFG Unit intends to conduct on the level of compliance by the 8 delegated municipalities in Gauteng. The objective is to monitor the level of implementation by the delegated municipalities of the MFMA and its Regulations, identify gaps and provide support where needed.
<b>Source of data</b>	MFMA assessment reports Communication – emails, letters, feedback to municipalities. In-year reports submitted by municipalities.
<b>Method of Calculation / Assessment</b>	Simple count – actual number of assessments.
<b>Means of verification</b>	MFMA assessment reports. Communication – emails, letters, feedback to municipalities.
<b>Assumptions</b>	Access to reliable data source to effectively monitor municipalities. Municipalities implementing the recommendations of the Provincial Treasury.
<b>Disaggregation of Beneficiaries (where applicable)</b>	None
<b>Spatial Transformation (where applicable)</b>	None
<b>Calculation Type</b>	Cumulative (year-end)
<b>Reporting Cycle</b>	Quarterly
<b>Desired performance</b>	Actual performance that is higher than targeted performance is desirable.
<b>Indicator Responsibility</b>	Compliance and Intergovernmental Relations

<b>5.4 Indicator Title</b>	Number of municipal budget assessments conducted.
<b>Definition</b>	This indicator refers to the number of budget assessments the MFG Unit will conduct on the tabled, adopted, and adjusted budgets of the 8 delegated municipalities in Gauteng. This is to improve compliance with the MFMA and the MFMA Regulations and the number of funded municipal budgets in Gauteng.

<b>Source of data</b>	Budget assessment reports. Communication – emails, letters, feedback to municipalities. Budget documents of the 8 Delegated Municipalities in Gauteng.
<b>Method of Calculation / Assessment</b>	Quantitative - number of budget assessments.
<b>Means of verification</b>	Budget assessment reports. Communication – emails, letters, feedback to municipalities. Budget documents of the 8 Delegated Municipalities in Gauteng.
<b>Assumptions</b>	Dependent on municipalities timeously submitting the required annual budget documents to the Provincial Treasury.
<b>Disaggregation of Beneficiaries (where applicable)</b>	None
<b>Spatial Transformation (where applicable)</b>	None
<b>Calculation Type</b>	Cumulative (Year-End)
<b>Reporting Cycle</b>	Quarterly, with the exception of quarter 3
<b>Desired performance</b>	Actual performance that is higher than targeted performance is desirable.
<b>Indicator Responsibility</b>	Municipal Budgets

<b>5.5 Indicator Title</b>	Number of publications on provincial grants allocated to Gauteng municipalities.
<b>Definition</b>	The indicator refers to the number of publications of provincial conditional grants allocated to municipalities, to improve planning and budgeting in municipalities in Gauteng.
<b>Source of data</b>	Publications – in the form of government gazettes or GPG websites or newspapers. List of allocations and transferring frameworks obtained from transferring departments.
<b>Method of Calculation / Assessment</b>	Simple count – actual number of publications.
<b>Means of verification</b>	Publications – in the form of government gazettes or publications on GPG websites or in newspapers. List of allocations and transferring frameworks obtained from transferring departments.
<b>Assumptions</b>	Dependent on the list of allocations, transferring frameworks and related documents being timeously received from the transferring departments.  Dependent on the timeous printing of government gazettes and uptime of GPG

	websites.
<b>Disaggregation of Beneficiaries (where applicable)</b>	None
<b>Spatial Transformation (where applicable)</b>	Not applicable
<b>Calculation Type</b>	Cumulative (year-end)
<b>Reporting Cycle</b>	Quarterly (with the exception of quarter 2)
<b>Desired performance</b>	Actual performance that is higher than targeted performance is desirable.
<b>Indicator Responsibility</b>	Local Government Resource Management

## GAUTENG AUDIT SERVICES

<b>6.1 Indicator Title</b>	% of audit reports issued to departments and entities
<b>Definition</b>	<p>This is the number of audit reports issued in terms of the approved risk based internal audit plan and ad-hoc assignments as approved by the Audit Committee.</p> <p>The purpose of the indicator is to measure the effectiveness of internal audit as a function. The Audit Committee measures the performance of the internal audit function against the plan as approved in terms of the Audit Committee Charter.</p>
<b>Source of data</b>	Internal audit reports
<b>Method of Calculation / Assessment</b>	Simple Count - the actual number of audit reports issued
<b>Means of verification</b>	Internal audit reports and audit committee progress reports
<b>Assumptions</b>	Client availability, provision of information, client cooperation and internal resources (human, financial and otherwise)
<b>Disaggregation of Beneficiaries (where applicable)</b>	N/A
<b>Spatial Transformation (where applicable)</b>	N/A
<b>Calculation Type</b>	Cumulative (year-to-date)
<b>Reporting Cycle</b>	Quarterly
<b>Desired performance</b>	85% of audit reports issued as per the approved plan
<b>Indicator Responsibility</b>	Gauteng Audit Services

<b>6.2 Indicator Title</b>	Number of AC approved audit plans issued to departments and entities
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<b>Definition</b>	<p>This is the number of three-year risk based internal audit rolling plans approved by the Audit Committee for all the GPG departments and entities. These plans are prepared on an annual basis in consultation with the relevant departments and entities for approval by the Audit Committee and cover a three-year period.</p> <p>The purpose of the indicator is to provide an independent, objective assurance and consulting services designed to add value and improve the departments' operations. Additionally, the indicator assists the departments to accomplish their objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control, and governance processes.</p>
<b>Source of data</b>	Approved internal audit plans
<b>Method of Calculation / Assessment</b>	Simple Count - the actual number of approved audit plans issued
<b>Means of verification</b>	Approved internal audit plans
<b>Assumptions</b>	Client availability, provision of information, client cooperation and internal resources (human, financial and otherwise)
<b>Disaggregation of Beneficiaries (where applicable)</b>	N/A
<b>Spatial Transformation (where applicable)</b>	N/A
<b>Calculation Type</b>	Non-cumulative
<b>Reporting Cycle</b>	Annually
<b>Desired performance</b>	19 AC approved audit plans issued to departments and entities
<b>Indicator Responsibility</b>	Gauteng Audit Services

<b>6.3 Indicator Title</b>	% of internal audit recommendations tracked at departments and entities
<b>Definition</b>	<p>The proportion of tracked/ followed-up internal audit recommendations according to the internal audit tracking reports on internal audit findings.</p> <p>The purpose of the indicator is to monitor the implementation of the internal audit recommendations to ensure that clients' processes and control environment improve.</p>
<b>Source of data</b>	<p>Previous year issued internal audit reports.</p> <p>List of internal audits tracked.</p>
<b>Method of Calculation / Assessment</b>	Quantitative - $\left[ \frac{\text{Total number of audit recommendations tracked}}{\text{Total number of audit recommendations by depts. and trading entities}} \right] \times 100$

<b>Means of verification</b>	Internal audit tracking reports on internal audit findings
<b>Assumptions</b>	The achievement of the indicator relies on clients implementing the internal audit recommendations; therefore, internal audit has limited influence on the achievement of the target. Internal audit will monitor the implementation of the recommendations.
<b>Disaggregation of Beneficiaries (where applicable)</b>	N/A
<b>Spatial Transformation (where applicable)</b>	N/A
<b>Calculation Type</b>	Cumulative
<b>Reporting Cycle</b>	Annually
<b>Desired performance</b>	100% of internal audit recommendations tracked as implemented by departments and entities
<b>Indicator Responsibility</b>	Gauteng Audit Services

<b>6.4 Indicator Title</b>	Number of AG follow-up reports produced
<b>Definition</b>	Number of internal audit reports on the audits of the follow up on AG Management Report for each client
<b>Source of data</b>	Internal audit reports
<b>Method of Calculation / Assessment</b>	Simple count – actual number of internal audit reports issued to clients
<b>Means of verification</b>	Audit reports
<b>Assumptions</b>	Client availability, provision of information, client cooperation and internal resources (human, financial and otherwise)
<b>Disaggregation of Beneficiaries (where applicable)</b>	N/A
<b>Spatial Transformation (where applicable)</b>	N/A
<b>Calculation Type</b>	Non-cumulative
<b>Reporting Cycle</b>	Annually
<b>Desired performance</b>	19 AG follow-up reports produced
<b>Indicator Responsibility</b>	Gauteng Audit Services

<b>6.5 Indicator Title</b>	Number of annual internal control assessments conducted
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<b>Definition</b>	<p>This is number of annual internal control assessments issued to the GPG departments and entities which indicates the state of the internal control environment.</p> <p>The purpose of the indicator is to give assurance to the audit committee and management of GPG departments and entities on the state of the internal control environment.</p>
<b>Source of data</b>	Internal audit reports
<b>Method of Calculation / Assessment</b>	Simple count - the actual number of annual internal control assessment issued
<b>Means of verification</b>	Internal control assessments
<b>Assumptions</b>	Dependent on the performance of audits (client availability, access to records, internal resources)
<b>Disaggregation of Beneficiaries (where applicable)</b>	N/A
<b>Spatial Transformation (where applicable)</b>	N/A
<b>Calculation Type</b>	Non-Cumulative
<b>Reporting Cycle</b>	Annual
<b>Desired performance</b>	19 annual internal control assessments conducted
<b>Indicator Responsibility</b>	Gauteng Audit Services

## **Annexures to the Annual Performance Plan**

The following annexures must be included in the Annual Performance Plans of institutions where applicable:

### **Annexure A: Amendments to the Strategic Plan**

Not applicable

### **Annexure B: Conditional Grants**

Not applicable

### **Annexure C: Consolidated Indicators**

Not applicable