Gauteng Province

ANNUAL REPORT | 2022/2023

GAUTENG PROVINCE
TREASURY
REPUBLIC OF SOUTH AFRICA

GGT2030
GROWING GAUTENG TOGETHER

CONTENTS

PART A: General Information **03**

PART B: Performance Information **21**

PART C: Governance **43**

PART D: Human Resources **53**

PART E: PFMA Compliance Report **77**

PART F: Financial Information **87**

PART A: GENERAL INFORMATION

Department General Information **04**

List of abbreviations/Acronyms **05**

Foreword By The MEC **06**

Report Of The Accounting Officer **08**

Statement Of Responsibility And Confirmation Of Accuracy For The Annual Report **13**

Strategic Overview **14**

Legislative and Other Mandates **15**

Organisational Structure **17**

Entity Reporting To The MEC **18**

Department General Information

PHYSICAL ADDRESS:

75 Fox Street, Imbumba House
Johannesburg
2107

POSTAL ADDRESS:

Private Bag X 12
Marshalltown
2107

TELEPHONE NUMBERS:

011 227 9000

EMAIL ADDRESS:

GPTCommunications@gauteng.gov.za

WEBSITE ADDRESS:

www.gauteng.gov.za

List of Abbreviations/ Acronyms

AFS	Annual Financial Statements
AG	Auditor General
AO	Accounting Officer
APP	Annual Performance Plan
AGSA	Auditor General of South Africa
CFO	Chief Financial Officer
COJ	City of Johannesburg
COT	City of Tshwane
DPSA	Department of Public Service & Administration
EPRE	Estimates of Provincial Revenue & Expenditure
ERM	Enterprise Risk Management
EXCO	Executive Council
FY	Financial Year
GIFA	Gauteng Infrustructure Financing Agency
GPT	Gauteng Provincial Treasury
GPG	Gauteng Provincial Government
GRAP	Generally Recognised Accounting Practice
HOD	Head of Department
HR	Human Resources
ICT	Information and Communications Technology
IDMS	Infrastructure Delivery Management System
IDP	Integrated Development Plan
IFS	Interim Financial Statement
IGR	Intergovernmental Relations
IYM	In-Year Monitoring
MEC	Member of Executive Council
MFMA	Municipal Finance Management Act
MPAT	Management Performance Assessment Tool
MTEC	Medium Term Expenditure Committee
MTEF	Medium Term Expenditure Framework
MTBPS	Medium Term Budget Policy Statement
MTSF	Medium Term Strategic Framework
NPI	Non-Profit Institution
NT	National Treasury
OoP	Office of the Premier
PBC	Premier's Budget Committee
PFMA	Public Finance Management Act
PPP	Public–Private Partnership
PSR	Public Service Regulations
QPR	Quarterly Performance Report
REMC	Risk and Ethics Management Committee
SCOA	Standard Chart of Accounts
SCM	Supply Chain Management
SDIP	Service Delivery Improvement Plan
SERO	Socio Economic Review and Outlook
SHE	Safety Health and Environment
SMME	Small Medium and Micro Enterprises
SP	Strategic Plan
TER	Township Economy Revitalisation
TMR	Transformation Modernisation and Reindustrialisation
TR	Treasury Regulations

Foreword by the MEC

Mr Jacob Mamabolo

MEC of Finance

The 2022/23 Annual Report reflects the work that Gauteng Provincial Treasury (GPT) has done to implement its mandate of providing leadership to provincial departments, entities as well as local government in the management of public finances.

This document is therefore an important aspect of public accountability as we finalise critical deliverables that were identified at the beginning of this political term of office, and the subsequent reconfiguration of Exco that took place in October 2022.

As GPT, our mandate is summarised in the following outcomes which are aligned with the provincial government's blueprint, the Growing Gauteng Together, Vision 2030 Plan, and they are as follows:

- Enhanced sound finances in the province.
- Increased compliance with legislated prescripts.
- Sustainable local government finances.
- Reduced youth unemployment.

In addition, Premier Panyaza Lesufi gave us the task of implementing the following key priorities:

- Development of a revenue model aimed at funding the e-toll debt.
- Establish a state-run pharmaceutical company.
- Establish and a state bank.
- Promote good governance and improve audit outcomes.

In the year under review, the department launched and implemented the Revenue Enhancement Strategy. The strategy is focused on maximising revenue collection to resource provincial priorities within a challenging economic and fiscal environment.

As a result of the initiatives implemented through this strategy, we reported an over collection of 3.9% of provincial own revenue in 2022/23 financial year.

In Gauteng, own revenue accounts for only 5% of the provincial budget, but these resources go a long way in supplementing funding of key priorities, hence this strategy to increase own revenue in the province.

We continued to implement various tailor-made initiatives to promote good governance and improve audit outcomes in the province.

As part of these initiatives, we hosted the Gauteng Clean Audit and Ethical Governance Seminar under the theme: "Promoting the culture of accountability in the Gauteng Province".

The Seminar was attended by more than 200 stakeholders from national, provincial and local spheres of government to share experiences on, amongst other topics, public sector auditing, governance, ethics, financial management and supply chain. We used the outcomes of the Seminar to develop strategy to inculcate the culture of good governance and improved audit outcomes both at provincial and local government levels in Gauteng.

We have made significant strides in our concerted efforts to establish both the state-owned pharmaceutical company and the state owned bank.

The legal due diligence for the state-owned pharmaceutical company has been completed. The proposed solution will address, amongst others, institutional arrangements, supply chain management, medicine procurement, facilities, distribution of medicines to the Provincial Healthcare facilities, medicines inventory and dispensary to members of the public.

We have also appointed of the Advisory Panel comprising of experts in the pharmaceutical and healthcare policy from both the public and private sector who will oversee the process of developing the business case for company.

On the state-owned bank, as at the end of the current financial, the process of conducting the legal due diligence on the bank was still ongoing. Our focus, as always, is to ensure as we move forward, we do so while complying with the necessary legal and legislative framework.

Lastly, payment to suppliers on time is one of the key priorities of the provincial government. This ensures that government honours its obligation of paying for goods and services received and enable particularly small township suppliers to maintain a healthy cash flow which is essential for the sustainability of their businesses, and the resultant potential job creation. This Annual Report therefore shows that in the period under review, the department paid 100% of valid invoices within 30 days.

Mr. Jacob Mamabolo
MEC for Finance

Report of the Accounting Officer

Ms Ncumisa Mnyani
Head of Department: Gauteng Provincial Treasury

Overview of the Operations of the Department

The Growing Gauteng Together 2030 Plan (GGT2030) is a plan of the Gauteng Provincial Government that outlines its priorities. This plan is aligned to the national 2019 – 2024 Medium Term Strategic Framework. The department supports all the priorities of the Growing Gauteng Together plan by ensuring that all priorities as per the plan are adequately resourced. The department has identified the two GGT priorities aligned to its mandate as:

- Building a capable, ethical and developmental state
- Economy, jobs and infrastructure

The department has formulated its own four key priority outcomes that are aligned to the priorities of GPG as captured on the GGT Plan and these priorities are as follows:

- Enhanced sound finances in the province
- Increased compliance with legislated prescripts
- Sustainable local government finances
- Reduced youth unemployment

In October 2022, a new provincial cabinet was pronounced in Gauteng and the newly elected Gauteng Premier, Mr. Panyaza Lesufi, outlined the plans that the Gauteng government intends to implement and prioritise in the remaining period of the 6th Administration.

The GGT 2030 Plan remains the blueprint for guiding the work of the provincial government, new priorities were elevated from the plan and these are envisioned to be implemented by the end of the current political term. These Elevated Priorities include:

- Improving living conditions in townships, informal settlements, and hostels (TISH).
- Accelerated economic recovery (prioritise townships).
- Improving the health and wellness of communities.
- Strengthen the capacity of the state to deliver services.
- Strengthen the battle against crime, corruption, vandalism, and lawlessness.
- Focus on incomplete infrastructure.

The MEC of Finance was tasked with the following priorities:

- Development of a revenue model aimed at funding the e-toll debt.
- Establish a state-run pharmaceutical company.
- Establish and a state bank.
- Promote good governance and improve audit outcomes.

These changes necessitated that the department revise its Annual Performance Plan for the 2022/23 financial year to align its plans with the Elevated Priorities. Some of the elevated priorities have found expression in this report and the 2023/24 Annual Performance Plan has encompassed relevant priorities for the department.

Performance against these priorities is outlined below:

Enhanced sound finances in the province

The objective of this key focus area is multipronged and focuses on three main elements: improving fiscal management and increased compliance that promotes clean governance and accountability; integrating and synergising budget and planning processes; and improving revenue collection. In this regard the Department tabled the main budget and 2 adjustment budgets, all in line with prescribed timeframes. The optimisation and diversification of own revenue collection is critical in augmenting the equitable share and conditional grant funding allocations that the Province receives and is even more important as it pertains to addressing the elevated priority of funding the e-toll debt. The Department continued the implementation of the Enhanced Revenue Strategy and has identified projects that have potential to open up new revenue streams and leveraged on technology to increase revenue collection, thus in the 2022/23 financial year the implementation of the strategy resulted in an over collection of 3.9% of the revenue above the appropriation.

As one of the main cost drivers for public service, the GPT is managing the compensation budget within GPG to ensure that personnel costs is maintained below 60% to ensure that personnel costs do not encroach on service delivery. Close monitoring of this expenditure has resulted in the wage bill being at 56% against the high target of 60%. Due to the implementation of prudent cash management practices and credible cash flow projections, disbursements to departments were equivalent appropriated funds.

Increased compliance with legilslated prescripts

This key focus area is critical as it aims to promote and enforce transparency and effective Supply Chain Management (SCM) in the province and enhance and protect organisational value. This was achieved by providing independent, objective assurance and consulting services that add value to the operations of GPG through systematic evaluation of governance risk management and controls that will engender a culture of good governance in the province. To improve compliance with legislated prescripts the department continued to implement SCM compliance assessments for all 14 departments and for 8 entities and further conducted monitoring and tracking of action plans for those departments and entities.

GPT strengthened internal controls throughout the province and provided assurance through implementation of internal audits with all planned internal audits conducted and 95% of reports issued by financial year end. Part of strengthening internal controls included tracking of internal audit recommendations in departments and entities and following up of AG findings, with Annual Internal Control Assessments also conducted. The department also consulted with stakeholders and developed a clean audit strategy aimed at improving audit outcomes in GPG. The department improved the level of consequence management in the province, with it being a key component for approval of condonement of historical irregular expenditure and in that regard 22% of historical irregular expenditure was condoned after implementation of consequence management. Oversight on 30 days payment of suppliers, 30% spend on township suppliers, sub-contracting and implementation of open tender was conducted and quarterly reports were produced. In supporting payment of suppliers on time, for the financial year the department ensured that 98% of supplier invoices are submitted electronically against the target of 90%. The GPT also managed to pay 100% of valid invoices received within 30 days.

Expenditure by departments and entities was monitored throughout the financial year and in line with the requirements for in year monitoring (IYM) of financial performance, the Department produced IYM Reports for departments and entities and submitted to National Treasury in line with prescribed timeframes. The department has also conducted the socio-economic review and outlook for the Province and produced the SERO report which was tabled at Legislature together with the tabling of the main budget. The MTBPS was also tabled in line with the prescribed timeframes.

Sustainable local government finances

The objective of this outcome is to build capacity and capability to strengthen financial management practices in municipalities. As part of building capacity strengthening of financial management practices in municipalities, quarterly MFMA assessments were conducted on the 8 delegated municipalities to determine MFMA compliance by the delegated municipalities and identify areas of improvement. Further to the MFMA assessments, budget assessments were conducted on draft, approved and adjustments budgets to drive implementation of funded budgets in local municipalities. Nine (9) structured and targeted training initiatives for delegated municipalities in Gauteng were also conducted, this was important to workshop SCM officials in municipalities on PPR 2022 guidelines and the department also held 30 IGR engagements with relevant stakeholders to build capacity of municipalities.

Reduced youth unemployment

The focus of youth development programmes is to expose youth to real-time hands-on work experience to be better prepared for the labour market. The department continued to implement targeted initiatives such as internships, workplace integrated learning, learnerships and external bursaries. A total of 87 youth have been placed by the department on these development programmes.

Elevated Priorities

In supporting the elevated priorities, legal due diligence reports were produced on the establishment of a state-owned bank and pharmaceutical company. The department conducted consultations with relevant stakeholders leading to the due diligence reports which were produced on establishment of the State-Owned Bank and Pharmaceutical Company to provide an analysis of the current legislative environment, assess legally enabling and licensing requirements to establish a state-owned bank and pharmaceutical company.

A Provincial task team was established to ensure the development of preferential procurement guidelines to improve compliance with preferential procurement regulations and the guidelines were developed. As part of strengthening the capacity of the state to deliver services and to promote clean governance and ethical governance in GPG a clean audit strategy was also developed. In supporting the implementation of the clean audit strategy, GPG officials were trained on GRAP Modified Cash Standard to enhance financial management and improve audit outcomes. This included the establishment of an invoice dispute resolution unit which through a centralised email system receives queries regarding unpaid invoices. On strengthening the battle against crime, corruption, vandalism and lawlessness the department has piloted a pre-compliance check on RFQ's above R500 000 up to R1 million, with the pre-compliance check implemented in 4 departments. The department has also conducted a capacity assessment in line with minimum SCM requirements for an effective supply chain management system, of which the focus was on the following:- Vacancy rate, Permanent and contract workers, relevant academic qualifications, provision for demand management, acquisition, logistics, supplier performance management. The results of this assessment will inform the training interventions that are planned for the next financial year.

Overview of the Financial Results of the Department

Departmental Receipts

Departmental Receipts	2022/2023			2021/2022		
	Estimate	Actual Amount Collected	(Over)/Under Collection	Estimate	Actual Amount Collected	(Over)/Under Collection
	R'000	R'000	R'000	R'000	R'000	R'000
Sale of goods and services other than capital assets	869	525	344	1 306	532	774
Interest, dividends and rent on land	622 806	1 108 424	(485 618)	583 009	634 031	(51 022)
Sale of capital assets					14	(14)
Financial transactions in assets and liabilities	416	473	(57)	588	998	(410)
Total	**624 091**	**1 109 422**	**(485 331)**	**584 903**	**635 575**	**(50 672)**

Revenue at the GPT consists of parking fees, commission on insurance and garnishee orders, interest on bank accounts and staff debt collections. The actual revenue collected was 78% more than what was projected at the end of the financial year. The Gauteng Provincial Government's lower spending resulted in yielding higher than anticipated positive balances in the provincial reserves causing the over collection on Interest, dividends and rent on land. The over collection on financial transactions in assets and liabilities is due to debtors that have paid more than what was anticipated.

Programme Expenditure

Programme Name	2022/2023			2021/2022		
	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
Administration	172 384	171 098	1 286	137 635	125 107	12 528
Sustainable Fiscal Resource Management	149 085	148 680	405	154 730	147 431	7 299
Financial Governance	115 276	114 375	901	121 918	109 762	12 156
Provincial Supply Chain Management	88 046	88 029	17	103 526	90 029	13 497
Municipal Financial Governance	45 903	45 414	489	44 340	38 580	5 760
Gauteng Audit Services	113 371	113 354	17	113 396	101 051	12 345
Total	**684 065**	**680 950**	**3 115**	**675 545**	**611 960**	**63 585**

The department expenditure was recorded at R680.9 million which is 99.5% of its budget. The underspending was mainly recorded under payments for capital assets due to suppliers not meeting the required specifications for procurement of laptops, which led to the cancellation of the request. See the explanation below:

ADMIN - The actual expenditure for the year 2022/23 is at 99.3%. The underspending is due to vacant posts on the new approved structure not yet filled, suppliers not meeting the required specifications for procurement of laptops, which led to the cancellation of the request.

SFRM - The actual expenditure for the year 2022/23 is at 99.7%. The programme achieved its target.

FG – The actual expenditure for the year 2022/23 is at 99.2%. The reported current year underspending is due to vacant posts on the new approved structure not yet filled.

PSCM - The actual expenditure for the year 2022/23 is at 100%. The programme achieved its target.

MFG - The actual expenditure for the year 2022/23 is at 98.9%. The current year underspending is due to late implementation of municipal hands-on support programme.

GAS - The actual expenditure for the year 2022/23 is at 100%. The programme achieved its target.

Virements / roll overs

The department shifted budget within programmes to align resources to programme expenditure at year-end. This was done in accordance to section 43 of the Public Finance Management Act (PFMA).

Unauthorised, fruitless and wasteful expenditure

The Department did not have any unauthorised, fruitless and wasteful expenditure.

Strategic focus over the short to medium term period

The implementation of elevated priorities will be the main focus towards the end of the 6th administration term. Whilst the GGT 2030 Plan remains the blueprint for guiding the work of the provincial government, new priorities were elevated from the plan and these are envisioned to be implemented by the end of the current political term. These changes necessitated that the department revise its Annual Performance Plan for the 2022/23 financial year to align its plans with the Elevated Priorities. Some of the elevated priorities have found expression in this report and the 2023/24 Annual Performance Plan has encompassed relevant elevated priorities for the department.

The Department will continue to pursue achievement of its priority outcomes as outlined in the Strategic Plan and its Annual Performance Plans.

Public Private Partnerships (PPPs)

The Department does not have any registered PPPs, as it only plays a regulatory and oversight role in this area for the Provincial government and municipalities. Through its government entity, namely GIFA, the Department plays a critical role in preparing infrastructure projects for potential funding.

Discontinued key activities / activities to be discontinued

There are no discontinued activities or activities that are planned for discontinuance.

New or proposed key activities (Future plans of the department)

There are no new or proposed activities in the department.

Supply Chain Management

There are no unsolicited bid proposals concluded for the year under review.

Procurement of goods and services is centralised in the procurement unit within the office of the Chief Financial Officer. This enables the unit to ensure that procurement is done in accordance with the legislative framework. The procurement unit also regularly meets with end users to advice on procurement matters to ensure that SCM processes and procedures which are in place are adhered to and to prevent irregular expenditure.

Procurement in the department has purely been driven by our approved demand plan which is prepared, implemented and monitored in-line with the PFMA.

Gifts and Donations Received in Kind from Non-Related Parties

For the 2022/23 financial year, there were no declarations made in the Departmental register for gifts / sponsorships / donations received.

Exemptions and deviations received from NT

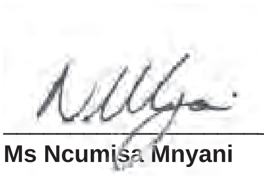
There were no exemptions that were received by the department from the National Treasury.

Events after the reporting period

There are no reportable matters falling under events occurring after the reporting period.

Acknowledgement/s or Appreciation

I would like to express my gratitude to the MEC for the support and guidance and all staff of the Gauteng Provincial Treasury for their diligence and contribution in the achievement of the department's objectives.



Ms Ncumisa Mnyani
Accounting Officer
Gauteng Provincial Treasury
Date: 31 May 2023

Statement of Responsibility and Confirmation of Accuracy for the Annual Report

To the Best of My Knowledge and Belief, I Confirm the Following:

All information and amounts disclosed throughout the annual report are consistent.

The annual report is complete, accurate and is free from any omissions.

The annual report has been prepared in accordance with the guidelines on the annual report as issued by National Treasury.

The Annual Financial Statements (Part F) have been prepared in accordance with the modified cash standard and the relevant frameworks and guidelines issued by the National Treasury.

The Accounting Officer is responsible for the preparation of the annual financial statements and for the judgements made in this information.

The Accounting Officer is responsible for establishing and implementing a system of internal control that has been designed to provide reasonable assurance as to the integrity and reliability of the performance information, the human resources information and the annual financial statements.

The external auditors are engaged to express an independent opinion on the annual financial statements.

In my opinion, the annual report fairly reflects the operations, the performance information, the human resources information and the financial affairs of the department for the financial year ended 31 March 2023.

Yours faithfully

Ms Ncumisa Mnyani
Head of Department
Date: 31 May 2023

Strategic Overview

Vision
Pioneers in fiscal prudence and good governance.

Mission
A Treasury that drives world class financial support through tight fiscal controls, upheld by a culture of good corporate governance for our stakeholders.

Impact Statement
Optimally resourced provincial priorities and enhanced fiscal control which promote good governance in the delivery of services to Gauteng citizens.

Whilst the GGT 2030 strategy will remain the blueprint for guiding the work of the provincial government, new priorities have been identified and these are envisioned to be implemented by the end of the current political term. These include:

- Economic recovery (prioritise townships).
- Strengthen the immediate fight against crime, corruption, vandalism, and lawlessness.
- Improve living standards in townships, informal settlements, and hostels (TISH).
- Build capacity of state to render services.
- Build communication capacity of the state.

The MEC of Finance has been tasked with the following priorities:

- Development of a revenue model aimed at funding the **e-toll debt**
- Establish a state-run **pharmaceutical company**,
- Establish and a **state bank**
- Recharge the campaign to achieve clean audits.

Values
Performance Driven - We are dedicated and committed to constantly deliver outstanding results and strive to always exceed expectations

Ethical – We do the right thing, in an honest, fair and responsible manner and execute our work with integrity

Accountable – We hold ourselves responsible for and answerable for our actions and work

Innovative – We seek out the best-in-class practices and procedures to execute our mandate and strive to be trendsetters and pioneers in financial management

Respect – We are a unified and compassionate team that respects and cares about the wellbeing of our employees and stakeholders

Legislative and Other Mandates

Legislative Mandates

Gauteng Provincial Treasury Derives its Mandate From the Following Legislation:

The Constitution of the Republic of South Africa (Act 108 of 1996)
The Mandate and environment within which National, Provincial and Local Government Financial Departments and Treasuries operate, is specifically described in Chapter 13: General Financial Matters.

Division of Revenue Act
To provide for the equitable division of revenue raised nationally, inclusive of conditional grants, amongst the three spheres of government and matters incidental thereto.

Basic Conditions of Employment Act, 1997 (Act 75 of 1997)
The Basic Conditions of Employment Act, 1997 gives effect to the right to fair labour practices referred to in section 23(1) of the Constitution by establishing and making provision for the regulation of basic conditions of employment.

The Public Service Act,1994 (Act No. 103 of 1994)
To provide for the organization and administration of the Treasury and for human resource management, this includes the regulation of conditions of employment, terms of office, discipline, retirement and discharge of staff members of the Treasury.

Labour Relations Act, 1995 (Act 66 of 1995)
To regulate and guide the Treasury in recognizing and fulfilling its role in effecting labour harmony and the democratization of the workplace.

Employment Equity Act, 1998 (Act 55 of 1998)
To regulate the processes and procedures of the Treasury in achieving a diverse and competent workforce broadly representative of the demographics of Gauteng and eliminating unfair discrimination in employment towards implementing employment equity.

Borrowing Powers of Provincial Government Act, 1996 (Act 48 of 1996)
To provide norms and conditions which the Treasury must adhere to in negotiating loans for the Provincial Government.

Intergovernmental Fiscal Relations Act, 1997 (Act 97 of 1997)
To define the role of the Minister of Finance and Economic Development and that of the Treasury as representatives of the Provincial Government, in promoting co-operation between other spheres of government on fiscal, budgetary and financial matters; to provide insight into the prescribed processes for the determination of the equitable share and allocation of revenue raised nationally and for matters in connection therewith.

Municipal Finance Management Act (2004)
To support and monitor financial management in municipalities.

Municipality Systems Act (2000) and Development Facilitation Act (1995)
To support and monitor municipal IDP processes.

Preferential Procurement Policy Framework Act (2000)
To provide a framework for the implementation of the preferential procurement policy.

Promotion of Access to Information Act (PAIA), 2000 (Act 2 of 2000)
To give effect to the constitutional right of access to any information held by the State and any information that is held by another person and that is required for the exercise or protection of any rights; and to provide for matters connected therewith.

The Promotion of Administrative Justice Act (PAJA), 2000 (Act No.3 of 2000)

The PAJA is the law passed to "give effect" to the right to just administrative action in the Bill of Rights. This says everyone has the right to fair, lawful and reasonable administrative action; and reasons for administrative action that affects them negatively.

Public Finance Management Act, 1999 (Act 1 of 1999)

To regulate financial management in the Treasury to ensure that all revenue, expenditure, assets and liabilities of the Treasury are managed efficiently and effectively; to provide for the responsibilities of persons entrusted with financial management in the Treasury and to provide for matters connected therewith. To fulfill all Treasury responsibilities with respect to other Departments and public entities.

Preferential Procurement Policy Framework Act, 2000 and Regulations

The Act gives effect to section 217(3) of the Constitution by providing a framework for the implementation of the procurement policy contemplated in section 217(2) of the Constitution. The Act and regulatory framework is applicable to all organs of state, and the state must advance previously disadvantaged persons.

The Gauteng Finance Management Supplementary Act, 2018

The Open Tender Process (OTP) was introduced to promote accountability, transparency, integrity and public scrutiny regarding all decisions made on tenders. The Gauteng Provincial Government must demonstrate in practice that it is committed to eradicate corruption from the procurement processes. A critical element of the OTP implemented in Gauteng is to conduct tender adjudication processes in public. It is for this reason that the regulatory framework pertaining to the OTP was promulgated. As custodians of this function and regulatory framework, the department must make regulations, instructions and ensure compliance with this framework.

Occupational Health and Safety Act,1993 (Act No. 85 of 1993)

The act governs the management of health and safety in all organisations.

The Disaster Management Act, 2002 (Act No. 57 of 2002)

This act provides for an integrated and coordinated disaster management approach in South Africa that focuses on preventing and reducing the risk of disasters, mitigating their severity, emergency preparedness, rapid and effective response to disasters and post-disaster recovery.

Organisational Structure

MEC

HOD

Chief Directorate: Strategy Management

- Sustainable Fiscal Resource Management
- Financial Governance
- Provincial Supply Chain Management
- Office of the Chief Financial Officer
- Chief Directorate: Corporate Services
- Gauteng Audit Services
- Municipal Financial Management

Entity Reporting to the MEC

The Gauteng Infrastructure Financing Agency (GIFA) is mandated to develop infrastructure project concepts and ideas to bankable proposals. GIFA also provides innovative infrastructure financing solutions and facilitates funding sources through partnerships of private investors, development finance institutions and government. This mandate supports one of the objectives of the Gauteng Provincial Treasury, which is to ensure balanced budgeting and sustainable funding for legislative mandates and strategic priorities of the province. GPT has transferred R63 706 000 to GIFA in the 2022/23 financial year.

Name of Entity	Legislative Mandate	Financial Relationship	Nature of Operations
Gauteng Infrastructure Financing Agency (GIFA)	The GIFA is established as a government component in terms of section 7(5)(d) of the Public Service Act, 1994 following the President's Proclamation No. 69 of 2014 (Government Gazette No. 38088), within the portfolio of the MEC responsible for Finance in the Province with a mandate to: - support provincial departments and municipalities with planning, management and other technical expertise to roll out infrastructure more efficiently and effectively; - address challenges around infrastructure delivery capacity and skills where it lacks in government; - facilitate and coordinate alternative funding means for key strategic economic infrastructure projects. - develop strategic social infrastructure projects for funding through the fiscus.	GPT provides GIFA with transfer payments for their budget	Develop and implement bankable infrastructure projects prepared for alternative financing mechanisms and financed through capital investment raised from alternative sources of funding


GAUTENG

PART B: PERFORMANCE INFORMATION

1. Auditor-General's Report: Predetermined Objectives **22**

2. Overview Of Departmental Performance **22**

3. Acheivement of Institutional Impacts and Outcomes **25**

4. Institutional Programme Performance Information **26**

5. Reporting on the Institutional Response to Covid-19 Pandemic **40**

1. Auditor General's Report: Predetermined Objectives

Refer to page 88 of the Report of the Auditor General, published as Part F: Financial Information.

2. Overview of Departmental Performance

2.1 Service Delivery Environment

In October 2022, a new provincial cabinet was pronounced in Gauteng and the newly elected Gauteng Premier, Mr. Panyaza Lesufi, outlined the plans that the Gauteng government intends to implement and prioritise in the remaining period of the 6th Administration.

The GGT 2030 Plan remains the blueprint for guiding the work of the provincial government, new priorities were elevated from the plan and these are envisioned to be implemented by the end of the current political term. Thus necessitating revision of 2022/23 APP and inclusion of the new priorities in 2023/24 plans.

The environmental scan makes it clear that government, and especially Gauteng Provincial Treasury department, are grappling with and are required to navigate through complex challenges. This has been exacerbated by the COVID-19 pandemic. South Africa, and Gauteng by implication, is a society that is in distress, hard pressed financially and facing social ills, such as unemployment, crime, poverty and inequality. Another concern is in the Legislative space with regards to litigation against the state and its erosion of an already strained fiscus. Other concerns in this area are policy instability and protracted legislative processes.

The technological landscape is focused on the 4th Industrial Revolution and while GPT is optimistic about the innovation and possibility of serving Gauteng better as a result, there are also questions about the impact on job losses, the costs of ICT upgrades and overall readiness to implement the strategies of government. A review of the environment landscape brought up global warming and climate change as key concerns. With Gauteng being the historical seat of mining activity in the country, there are concerns around acid mine drainage, pollution and the water and sanitation issues in the Vaal as well as the necessary interventions to resolve these challenges. Although the challenges seem bleak and gloomy, there are opportunities identified. There are opportunities of collaborating with the private sector in terms of alternative funding models, in order to start leveraging more public private partnerships.

Provinces are pivotal to the fight for gender equality, by ensuring that the spending on and subsequent delivery of services is gender sensitive. As the province starts to mainstream this priority, the Gauteng Office of the Premier and the GPT led the Institutionalization of Gender-Responsive Planning, Budgeting, Monitoring, Evaluation and Auditing (GRPBMEA) since 2020. The role of the Provincial treasury is to ensure that GRB principles are mainstreamed in the budgeting process of the Province as part of a greater analysis of the gender responsiveness of provincial budgets in South Africa.

The GPT would need to restore confidence by addressing and reducing the noise around corruption and irregular expenditure. The open tender system is one of the key initiatives that the Gauteng government has implemented to increase public confidence and promote transparency in government's procurement processes. Other significant opportunities that the GPT can tap into are in the ICT space, embracing technology and driving innovation.

The risk of decreased provincial revenue as a result of lower economic growth 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.

2.2 Service Delivery Improvement Plan

Not Applicable – the submission of SDIP's for the financial year 2022-23 was suspended via Circular 14 of 2022 by the DPSA.

2.3 Organisational Environment

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*	826
Africans	90.43%
Women	61%
People with Disabilities	1.82%
Vacancy Rate	16.5%

Table 1: Human Resource Oversight * as at end of March 2023

The department operates on an approved organizational structure with a total staff establishment of 990 positions and 826 filled posts as at end of March 2023. Sixty-one percent of the total staff establishment is positions occupied by women and people with disabilities occupy 1.82%% of total staff establishment. Owing to the implementation of the organisational structure, the vacancy rate is above the statutory 10 percent. Recruitment will continue to ensure filling of vacant posts and that the vacancy rate is brought within acceptable levels.

The department continues to make strides in pioneering open and transparent procurement through the Open Tender process. This has continued to enhance the oversight role through pro-active assurance in monitoring compliance with SCM prescripts. Ensuring open, transparent, and compliant SCM practices will continue to be a strategic focus for the department.

Clean audits in GPG institutions continue to be a priority matter and the GPT launched a clean audit strategy, through collaborative efforts with a number of internal and external stakeholders, enhanced its oversight and support role to address findings that lead to regression in audit outcomes and improve on accountability and governance matters.

The GPT continues to set the standard in terms of clean audits within the procurement space. The department will focus on improving its performance in achieving the provincial targets of procurement spend on the designated groups. The GPT must formulate sound sourcing strategies in line with the prescripts to ensure an improved performance in empowering women, youth, people with disabilities and military-veterans owned businesses. This will ensure that the procurement spend of the department is representative of the Gauteng Province demographics and promotes equity. Furthermore, compliance with the BBBEE act on Procurement of goods and service will be prioritised.

2.4 Key Policy Developments and Legislative changes

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, 15 May 2020
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.

3. Achievement of Institutional Impacts and Outcomes

PROGRESS TOWARDS ACHIEVEMENT OF INSTITUTIONAL IMPACTS AND OUTCOMES			
STRATEGIC LINKAGES		GPT STRATEGIC PLAN	GPT STRATEGIC REPORTING
Medium Term Strategic Framework (MTSF) Priority	Growing Gauteng Together (GGT) Priority	Outcome as per approved Dept Strat Plan	Summarised Dept Performance during the 2022/23 financial year
Economic transformation and job creation	Economy, jobs and infrastructure	Enhanced sound finances in the province	The Department tabled the main budget and 2 adjustment budgets, all in line with prescribed timeframes. The optimisation and diversification of own revenue collection is critical in augmenting the equitable share and conditional grant funding allocations that the Province receives and is even more important as it pertains to addressing the elevated priority of funding the e-toll debt. The Department continued the implementation of the Enhanced Revenue Strategy and has identified projects that have potential to open up new revenue streams and leveraged on technology to increase revenue collection, thus in the 2022/23 financial year the implementation of the strategy resulted in an over collection of 3.9% of the revenue above the appropriation. As one of the main cost drivers for public service, the GPT is managing the compensation budget within GPG to ensure that personnel costs is maintained below 60% to ensure that personnel costs do not encroach on service delivery. Close monitoring of this expenditure has resulted in the wage bill being at 56% against the high target of 60%. Due to the implementation of prudent cash management practices and credible cash flow projections, disbursements to departments were equivalent appropriated funds
		Sustainable local government finances	As part of building capacity strengthening of financial management practices in municipalities, quarterly MFMA assessments were conducted on the 8 delegated municipalities to determine MFMA compliance by the delegated municipalities and identify areas of improvement. Further to the MFMA assessments, budget assessments were conducted on draft and approved budgets to drive implementation of funded budgets in local municipalities. Nine (9) structured and targeted training initiatives for delegated municipalities in Gauteng were also conducted, this was important to workshop SCM officials in municipalities on PPR 2022 guidelines and the department also held 30 IGR engagements with relevant stakeholders to build capacity of municipalities.
		Reduced youth unemployment	The department continued to implement targeted initiatives such as internships, workplace integrated learning, learnerships and external bursaries. A total of 87 youth have been placed by the department on these development programmes: • 59 Graduate Interns • 10 External Bursaries • 14 SAIPA learners • 4 Work Integrated Leaners
Capable, ethical and developmental state	Building a capable, ethical and developmental state	Increased compliance with legislated prescripts	To improve compliance with legislated prescripts the department continued to implement SCM compliance assessments for all 14 departments and for 8 entities and further conducted monitoring and tracking of action plans for those departments and entities. GPT strengthened internal controls throughout the province and provided assurance through implementation of internal audits with all planned internal audits conducted and 95% of reports issued by financial year end. Part of strengthening internal controls included tracking of internal audit recommendations in departments and entities and following up of AG findings, with Annual Internal Control Assessments also conducted. The department also consulted with stakeholders and developed a clean audit strategy aimed at improving audit outcomes in GPG. The department improved the level of consequence management in the province, with it being a key component for approval of condonement of historical irregular expenditure and in that regard 22% of historical irregular expenditure was condoned after implementation of consequence management.

Progress Towards Achievement of Institutional Impacts and Outcomes cont.

PROGRESS TOWARDS ACHIEVEMENT OF INSTITUTIONAL IMPACTS AND OUTCOMES			
STRATEGIC LINKAGES		GPT STRATEGIC PLAN	GPT STRATEGIC REPORTING
Medium Term Strategic Framework (MTSF) Priority	Growing Gauteng Together (GGT) Priority	Outcome as per approved Dept Strat Plan	Summarised Dept Performance during the 2022/23 financial year
Elevated Priorities	In supporting the elevated priorities, legal due diligence reports were produced on the establishment of a state-owned bank and pharmaceutical company. The department conducted consultations with relevant stakeholders leading to the due diligence reports which were produced on establishment of the State-Owned Bank and Pharmaceutical Company to provide an analysis of the current legislative environment, assess legally enabling and licensing requirements to establish a state-owned bank and pharmaceutical company. A Provincial task team was established to ensure the development of preferential procurement guidelines to improve compliance with preferential procurement regulations and the guidelines were developed. As part of strengthening the capacity of the state to deliver services and to promote clean governance and ethical governance in GPG a clean audit strategy was also developed. In supporting the implementation of the clean audit strategy, GPG officials were trained on GRAP Modified Cash Standard to enhance financial management and improve audit outcomes. This included the establishment of an invoice dispute resolution unit which through a centralised email system receives queries regarding unpaid invoices. On strengthening the battle against crime, corruption, vandalism, and lawlessness the department has piloted a pre-compliance check on RFQ's above R500 000 up to R1 million, with the pre-compliance check implemented in 4 departments. The department has also conducted a capacity assessment in line with minimum SCM requirements for an effective supply chain management system, of which the focus was on the following: - Vacancy rate, Permanent and contract workers, relevant academic qualifications, provision for demand management, acquisition, logistics, supplier performance management. The results of this assessment will inform the training interventions that are planned for the next financial year.		

4. 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.

Office of the Head of Department
- Purpose: To execute the mandate of the Treasury

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 services to the department.

Chief Directorate: Strategy Management and Transformation Program
- Purpose: To manage and coordinate the implementation of strategic management services.

Outcomes
- Increased compliance with legislated transcripts
- Reduced youth unemployment

Key Achievements

The department managed to continue its achievement of unqualified audit outcomes in the 2023 audit by the Auditor General. In compliance with the requirement to pay suppliers within 30 days, the department ensured that all payments to invoices were made within 30 days.

The department focused on youth development programmes to expose graduates to real-time hands-on work experience to be better prepared for the labour market. This is part of its contribution to Tshepo 1 million initiative to reduce youth unemployment, the department has ensured that 87 youth are placed on development programmes. This includes internships, learnerships and provision of external bursaries by the department to deserving students. The department has conducted 4 workshops to promote awareness on transformation agenda matters and produced reports to monitor the implementation of GEYODI programmes. In supporting the elevated priorities, legal due diligence reports were produced on the establishment of a state-owned bank and pharmaceutical company.

Indicators and Targets Revised

Outcome	Output	Output Indicator	Audited Actual Achievement 2020/2021	Audited Actual Achievement 2021/2022	Planned Annual Target 2022/2023	*Actual Achievement 2022/2023 until date of retabling	Deviation from Planned Target to Actual Achievement 2022/2023	Reasons for Deviations	Reasons for revisions to the Outputs / Output indicators / Annual Targets
Increased compliance with legislated transcripts	An approved 2023/24 Annual Performance Plan submitted to GPL as per the prescribed timelines	Number of APPs submitted to GPL on due date	2	1	1	0	-1	The 2022/23 APP was reporting in Q4	There was a need to revise the 2022/23 APP to include elevated priorities

Final APP Indicators and Targets

Outcome	Output	Output Indicator	Audited Actual Achievement 2020/2021	Audited Actual Achievement 2021/2022	Planned Annual Target 2022/2023	*Actual Achievement 2022/2023	Deviation from Planned Target to Actual Achievement 2022/2023	Reasons for Deviations
Increased compliance with legislated transcripts	Annual financial statements free from material misstatements; no material findings on performance information or noncompliance with legislation (predetermined objectives)	AG audit outcome	Unqualified audit opinion with no other matters in the audit report	Unqualified audit outcome	Unqualified audit outcome	Unqualified audit outcome	None	None
	All valid invoices paid within 30 days	% of supplier payments paid within 30 days after receipt of valid invoice	100% (749/749)	100% (672/672)	100%	100% (739/739)	None	None
	An approved 2023/24 Annual Performance Plan submitted to GPL as per the prescribed timelines	Number of APPs submitted to GPL on due date	2	1	2	2	None	None
	Approved 2023/24 Key Departmental Risk Register	Number of approved departmental risk register	N/A	1	1	1	None	None

Final APP Indicators and Targets cont.

Outcome	Output	Output Indicator	Audited Actual Achievement 2020/2021	Audited Actual Achievement 2021/2022	Planned Annual Target 2022/2023	*Actual Achievement 2022/2023	Deviation from Planned Target to Actual Achievement 2022/2023	Reasons for Deviations
Increased compliance with legislated transcripts	Four transformation agenda workshops conducted on transformation agenda matters	Number of workshops and/or training conducted to promote awareness on transformation agenda matters	N/A	3	4	4	None	None
	Four reports submitted to OoP to monitor the implementation of GEYODI programmes	Number of reports submitted to OoP to monitor the implementation of GEYODI programmes	N/A	N/A	4	4	None	None
	50% of women appointed at SMS level	% of women appointed at SMS level	N/A	48% (28/58)	50%	46% (31/68)	4%	The number of female SMS appointed was not adequate to address the deficiency, also negatively affected by female SMS resignations
	Approved due diligence report produced on the establishment of a state-owned bank	Legal due diligence report on establishment of a state-owned bank conducted	N/A	N/A	Legal due diligence report on establishment of a state-owned bank conducted	Legal due diligence report on establishment of a state-owned bank conducted	None	None
	Approved due diligence report produced on the establishment of a pharmaceutical company	Legal due diligence report on establishment of a pharmaceutical company conducted	N/A	N/A	Legal due diligence report on establishment of a pharmaceutical company conducted	Legal due diligence report on establishment of a pharmaceutical company conducted	None	None
Reduced youth unemployment	10% of youth in development programmes	% of youth in development programmes	11.1% (84/749)	10.2% (75/733)	10%	11% (87/826)	1%	The projection allowed for slight overachievement to support youth development

Strategy to Overcome Areas of Under Performance

To address the appointment of women in SMS level, head of business units with less than 50% female representation submitted plans on how they will comply with the target and advertised SMS positions specified that they are targeting female candidates.

Linking Performance with Budgets

Programme 1: ADMINISTRATION									
	2022/23							2021/22	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Sub programme									
1. Office of the MEC	11 358	(534)	(3 126)	7 698	7 693	5	99,9%	10 991	10 531
2. Office of the HOD	29 017	(17 563)	-	11 454	11 447	7	99,9%	12 051	11 531
3. Corporate Management	83 986	16 935	1 351	102 272	102 256	16	100,0%	79 261	76 128
4. Financial Management Services (CFO)	38 724	399	586	39 709	38 464	1 245	96,9%	35 332	26 910
5. Strategy Management and Transformation Program	10 421	763	67	11 251	11 238	13	99,9%	-	-
Total for sub programmes	**138 449**	**-**	**(1 122)**	**172 384**	**171 098**	**1 286**	**99,3%**	**137 635**	**125 107**

The actual expenditure for the year 2022/23 is at 99.3%. The underspending is due to vacant posts on the new approved structure not yet filled, suppliers not meeting the required specifications for procurement of laptops, which led to the cancellation of the request.

PROGRAMME 2: SUSTAINABLE FISCAL RESOURCE MANAGEMENT

SFRM Programme Support

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: Infrastucture 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

- Enhanced sound finances in the province
- Increased compliance with legislated prescripts

Key Achievements

To ensure sound and effective financial management, the department tabled 1 spatially referenced MTEF budget and 2 spatially referenced adjustment budgets. The wage bill was maintained at 56% against the target of 60%. Cash disbursements to departments did not exceed appropriation. As part of the process for conducting the socio-economic review and outlook for the Province, the Socio-Economic Review and Outlook (SERO) was tabled in line with prescribed timelines. Similarly, the Medium-Term Budget Policy Statement (MTBPS) was tabled in line with prescribed timelines.

Indicators and Targets Revised

There was no revision to indicators and targets for Programme 2.

Final APP Indicators and Targets

Outcome	Output	Output Indicator	Audited Actual chievement 2020/2021 **R'000**	Audited Actual Achievement 2021/2022 **R'000**	Planned Annual Target 2022/2023	*Actual Achievement 2022/2023 **R'000**	Deviation from Planned Target to Actual Achievement 2022/2023	Reasons for Deviations
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	53% (R76,487,284 / R143,749,056)	56% (R83, 747, 703 / R149, 487, 028)	60% or less	56% (R86, 478, 168/R155, 346, 776)	4%	Over achievement due to regular monitoring of CoE expenditure
	Main and adjustment MTEF budgets tabled	Number of spatially referenced MTEF budget and adjustment budgets tabled in line with prescribed timeframes	1 MTEF budget tabled	1 spatially referenced MTEF budget tabled	1 spatially referenced MTEF budget tabled	1 spatially referenced MTEF budget tabled	None	None
			3 adjustment budgets tabled	2 spatially referenced adjustment budgets tabled	1 spatially referenced adjustment budget tabled	2 spatially referenced adjustment budgets tabled	1 spatially referenced adjustment budget tabled	The GPG tabled the 2nd adjustment budget to accommodate changes in allocations for conditional grants
	Assessment reports of the submitted planning documents completed and submitted to the departments before the prescribed legislated timeframes	% of assessment reports of the submitted planning documents completed and submitted to the departments before the prescribed legislated timeframes	7% (15 assessments conducted on submitted planning documents, 1 completed within 10 days)	41.2% (7/17)	100%	100% (17/17)	None	None
	Cash disbursed in line with the appropriation (cash disbursement reports)	Cash disbursed to departments to not exceed appropriation	Cash disbursed to departments (R143,739,962) equivalent to appropriation funds (R143,749,057)	Cash disbursed to departments (R149,482,799) equivalent to appropriation funds (R149,487,028)	Cash disbursed to departments to not exceed appropriation	Cash disbursed to departments (R155, 346, 776) did not exceed appropriation (R155, 346, 776)	None	None
	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	None	None
	Provincial own revenue collection increase in line with inflation	% increase in provincial own revenue collection	10% (R6,553,147 / R5,949,006)	-4.5% (-R313 327/ R6, 975, 646)	6.7%	3.9% (R285, 834/ R7, 249, 930)	-2.8%	Under collection of 2.8% is mainly due to non-surrender of revenue from municipalities and SAPO.

Final APP Indicators and Targets cont.

Outcome	Output	Output Indicator	Audited Actual chievement 2020/2021 **R'000**	Audited Actual Achievement 2021/2022 **R'000**	Planned Annual Target 2022/2023	*Actual Achievement 2022/2023 **R'000**	Deviation from Planned Target to Actual Achievement 2022/2023	Reasons for Deviations
Increased compliance with legislated prescripts	SERO tabled in line with prescribed timeframes	Number of SERO tabled in line with prescribed timeframes	1 SERO tabled in line with prescribed timeframes	1	1	1	None	None
	MTBPS tabled in line with prescribed timeframes	Number of MTBPS tabled in line with prescribed timeframes	1 MTBPS tabled in line with prescribed timeframes	1	1	1	None	None
	Provincial Gazettes on allocations to schools and hospitals	Number of Provincial Gazettes on allocations to schools and hospitals	N/A	2 Gazettes	2 Gazettes on allocations to schools and hospitals	2 Gazettes on allocations to schools and hospitals	None	None
	IYM reports for departments and entities	Number of legislated provincial reports produced according to the National Treasury (NT)' timeframes (i.e., Departmental IYM reports and Entities IYM reports)	N/A	12 IYM submissions for departments	12 Consolidated IYM reports for departments	12 Consolidated IYM reports for departments	None	None
				4 IYM submissions for entities	40 Individual IYM reports for entities	40 Individual IYM reports for entities	None	None

Strategy to Overcome Areas of Under Performance

Continuous monthly bilateral with municipalities and South African Post Office (SAPO) where payment agreements will be entered into and monthly follow-up to ensure compliance and improve provincial own revenue collection.

Linking Performance with Budgets

Programme 2: SUSTAINABLE FISCAL RESOURCE MANAGEMENT									
	2022/23							2021/22	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Sub programme									
1. Programme Support/ Office of the DDG	67 874	(730)	(116)	67 028	67 011	17	100,0%	68 316	67 093
2. Budget Management	25 001	5 066	(324)	29 743	29 727	16	99,9%	26 032	24 054
3. Economic and Fiscal Policy Oversight	13 354	(337)	(222)	12 795	12 786	9	99,9%	14 137	12 721
4. Infrastructure Management	13 849	(4 023)	-	9 826	9 774	52	99,5%	14 677	14 108
5. Financial Asset and Liabilities Management	14 556	-	(497)	14 059	13 790	269	98,1%	14 376	13 389
6. Public Finance	16 528	24	(918)	15 634	15 592	42	99,7%	17 192	16 066
Total for sub programmes	**151 162**	**-**	**(2 077)**	**149 085**	**148 680**	**405**	**99,7%**	**154 730**	**147 431**

The actual expenditure for SFRM for the year 2022/23 is at 99.7%. The programme achieved its target.

PROGRAMME 3: FINANCIAL GOVERNANCE

FG Programme Support

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 enable 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: Transversal Financial Information Management Systems and SAP ERP Process and System Support
- Purpose: To provide oversight and management of transversal financial systems and ensure compliance in the implementation of new provincial automation processes.

Chief Directorate: Transversal Internal Audit and Risk Management
- Purpose: To manage and provide oversight on provincial audit and risk management services.

Chief Directorate: Provincial Accounting Services
- Purpose: To enforce the effective implementation of accounting practices and prepare accurate consolidated financial statements.

Outcome
- Increased compliance with legislated prescripts

Key Achievements
GPT coordinated the successful submission of annual financial statements by departments and entities in line with legislated requirements.

The Department continued to monitor the payment of suppliers by provincial departments to promote compliance with the 30 days supplier payment policy, with GPT managing to pay 100% of received invoices within the stipulated 30 days. In supporting payment of suppliers on time, the Department ensured that 98% of supplier invoices were submitted electronically against the target of 90%. In contributing to improved audit outcomes for GPG, a clean audit strategy was approved.

Indicators and Targets Revised

Outcome	Output	Output Indicator	Audited Actual Performance 2020/2021	Audited Actual Achievement 2021/2022	Planned Annual Target 2022/2023	*Actual Achievement 2022/2023 until date of retabling	Deviation from Planned Target to Actual Achievement 2022/2023	Reasons for Deviations	Reasons for revisions to the Outputs / Output indicators / Annual Targets
Increased compliance with legislated prescripts	Reports on the supplier invoices submitted electronically	Number of reports produced on supplier invoices submitted electronically	N/A	N/A	4	2	-2	The remaining 2 targets were reporting in the last 2 quarters of the financial year	The indicator was revised from "Number of reports produced on supplier invoices submitted electronically" to '% of supplier invoices submitted electronically'. The reason for this was to improve efficiencies within the public sector for invoice processing value chain towards timeous payment of suppliers.

Final APP Indicators and Targets

Outcome	Output	Output Indicator	Audited Actual Performance 2020/2021	Audited Actual Performance 2021/2022	Planned Annual Target 2022/2023	*Actual Achievement 2022/2023	Deviation from Planned Target to Actual Achievement 2022/2023	Reasons for Deviations
Increased compliance with legislated prescripts	AFS submitted by all departments	% of Annual Financial Statements submitted by departments	100% (14/14)	100% (14/14)	100%	100% (14/14)	None	None
	AFS submitted by entities	% of Annual Financial Statements submitted by entities	100% (7/7)	100% (7/7)	100%	100% (14/14)	None	None
	Consolidated Annual Financial Statements tabled within prescribed timelines	Consolidated Annual Financial Statements tabled in line with prescribed timelines	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	21/22 Consolidated Annual Financial Statements tabled at Legislature in line with prescribed timelines	None	None
	Reports on 30 days payment compliance produced	Number of departmental 30-day suppliers' payment compliance reports produced	4	4	4	4	None	None
	Supplier invoices submitted electronically	% of supplier invoices submitted electronically	83% (237 097 / 286 229)	94% (254 209 / 270 687)	90%	98% (281 710/286 899)	8%	More suppliers prefer submitting invoices electronically.
	A clean audit strategy	Approved clean audit strategy	N/A	N/A	Approved clean audit strategy	Approved clean audit strategy	None	None

Strategy to Overcome Areas of Under Performance

None

Linking Performance with Budgets

Programme 3: FINANCIAL GOVERNANCE									
	2022/23							2021/22	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Sub programme									
1. Programme Support/ Office of the DDG	1 849	(40)	(138)	1 671	1 483	188	88,7%	4 366	3 374
2. Provincial Accounting Services	56 750	(606)	-	56 144	55 444	700	98,8%	59 470	55 193
3. Transversal Internal Audit and Risk Management	18 580	512	42	19 134	19 125	9	100,0%	18 413	17 795
4. Norms and Standards	4 098	26	20	4 144	4 143	1	100,0%	3 319	3 003
5. Financial Information Management Systems	34 703	108	(628)	34 183	34 180	3	100,0%	36 350	30 397
Total for sub programmes	**115 980**	**-**	**(704)**	**115 276**	**114 375**	**901**	**99,2%**	**121 918**	**109 762**

The actual expenditure for the year 2022/23 is at 99.2%. The reported current year underspending is due to vacant posts on the new approved structure not yet filled.

PROGRAMME 4: PROVINCIAL SUPPLY CHAIN MANAGEMENT

PSCM Programme Support

Purpose

To promote and enforce transparency and effective Supply Chain Management.

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

Chief Directorate: Supply Chain Management 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 mechanisms.

Outcome

- Increased compliance with legislated prescripts

Key Achievements

To promote and enforce transparency and effective supply chain management processes in the Province, the department conducted SCM compliance assessments on all 14 departments and 8 entities and continued its oversight by tracking implementation of identified action plans. As part of the oversight function of the GPT, payment of township suppliers and sub-contracting were monitored, and the required reports were produced on a quarterly basis. To improve performance and open opportunities for township suppliers, the department continued its supplier development drive by conducting more training workshops than planned, with 11 workshops conducted against a target of 4. The department monitored the implementation of Open Tender by the departments and Entities quarterly. 22% of historical irregular expenditure was condoned within the GPG departments and entities exceeding the target by 7%. GPG Preferential Procurement Guidelines were developed.

Indicators and Targets Revised

There was no revision to indicators and targets for Programme 4.

Final APP Indicators and Targets

Outcome	Output	Output Indicator	Audited Actual Performance 2020/21	Audited Actual Achievement 2021/22	Planned Annual Target 2022/2023	*Actual Achievement 2022/23 **R'000**	Deviation from Planned Target to Actual Achievement 2022/2023	Reasons for Deviations
Increased compliance with legislated prescripts	Consolidated SCM compliance registers	Number of consolidated SCM compliance registers produced for departments	N/A	N/A	4	4	None	None
		Number of consolidated SCM compliance registers produced for public entities	N/A	N/A	4	4	None	None
	Spending reports on township suppliers	Number of reports produced on 30% spend on township suppliers	4	4	4	4	None	None
	Reports on subcontracted contracts captured	Number of reports produced on subcontracted contracts	N/A	4	4	4	None	None
	Training provided to Gauteng township-based suppliers	Number of training workshops provided to Gauteng township-based suppliers	N/A	5	4	11	7	November was declared PwD month, and more workshops were conducted for suppliers living with disabilities
	Reports on monitoring implementation of Open Tender (OTP)	Number of reports produced on monitoring implementation of Open Tender Process (OTP) by departments	N/A	N/A	4	4	None	None
		Number of reports produced on monitoring implementation of Open Tender Process (OTP) by entities	N/A	N/A	4	4	None	None
Increased compliance with legislated prescripts	Reports on monitoring implementation of procurement plans	Number of reports produced on monitoring implementation of procurement plans by departments	N/A	N/A	2	2	None	None
	Preferential procurement guidelines developed	Development of preferential procurement guidelines	N/A	N/A	Preferential procurement guidelines developed	Preferential procurement guidelines developed	None	None
	Historical irregular expenditure condoned within the provincial sphere (GPG departments and entities)	% of historical irregular expenditure condoned within the provincial sphere (GPG departments and entities)	N/A	N/A	15%	22% (R10 739 732/R48 888 781)	7%	Increase in submission of applications for condonations from departments and entities attributed by information sharing / clarification provided on the condonation process.

Strategy to Overcome Areas of Under Performance

None

Linking Performance with Budgets

Programme 4: PROVINCIAL SUPPLY CHAIN MANAGEMENT									
	2022/23							2021/22	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Sub programme									
1. Programme Support/ Office of the DDG	8 113	145	(1 260)	6 998	6 988	10	99,9%	23 644	16 569
2. SCM Policy, Norms and Standards	14 727	892	918	16 537	16 534	3	100,0%	12 601	11 977
3. SCM Client Support	37 561	(559)	99	37 101	37 099	2	100,0%	36 666	34 794
4. Contract Management and Strategic Procurement	27 878	(478)	10	27 410	27 408	2	100,0%	30 615	26 689
Total for sub programmes	**88 279**	**-**	**(233)**	**88 046**	**88 029**	**17**	**100,0%**	**103 526**	**90 029**

The actual expenditure for the year 2022/23 is at 100%. The programme achieved its target.

PROGRAMME 5: MUNICIPAL FINANCIAL MANAGEMENT

MFM Programme Support

Purpose
To ensure efficient and effective management in Municipalities and municipal entities and coordinate the provisioning of capacity building.

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

Chief Directorate: Local Government Financial Services
- Purpose: Ensure optimal and sustainable budget management and monitor the effective and efficient compliance with financial assets and liabilities management.

Chief Directorate: Municipal Accounting, Reporting and Asset Management
- Purpose: Monitor compliance with financial management and annual reporting frameworks. Enhance, monitor and enforce transparent and effective asset management and coordinate, monitor and report on MFMA implementation.

Chief Directorate: Municipal Compliance and Financial Management Support
- Purpose: Ensure municipal compliance on financial management.

Outcome
- Sustainable local government finance

Key Achievements
The Department held intergovernmental relations (IGR) engagements with relevant stakeholders on a continuous basis, resulting in 30 engagements in the 2022/23 financial year, this was mainly aided by use of online platforms which enable quick turnarounds for engagements.

Quarterly MFMA compliance assessments were conducted on all 8 delegated municipalities to assess their MFMA compliance. The department conducted 9 training initiatives with municipalities, thus exceeding the target mainly due to the need to workshop SCM officials on PPR 2022 guidelines

Indicators and Targets Revised

There was no revision to indicators and targets for Programme 5.

Final APP Indicators and Targets

Outcome	Output	Output Indicator	Audited Actual Performance 2020/21	Audited Actual Performance 2021/22	Planned Annual Target 2022/2023	*Actual Achievement 2022/23	Deviation from Planned Target to Actual Achievement 2022/2023	Reasons for Deviations
Sustainable local government finances	Annual IGR engagements	Number of IGR engagements with relevant stakeholders	31	52	16	30	14	Usage of virtual platforms (MS Teams) has enabled more engagements.
	Annual trainings conducted	Number of structured and targeted capacity building initiatives provided to municipalities in Gauteng	N/A	9	6	9	3	There was a need to workshop SCM officials on PPR 2022 guidelines.
	MFMA Compliance assessments	Number of assessments conducted on MFMA compliance by delegated municipalities in Gauteng	32	32	32	32	None	None
	Budget assessments	Number of municipal budgets assessments conducted	24	24	24	16	-8	There were delays in communicating adjusted budget assessments to 7 municipalities with 1 assessment for Mogale City not completed as the municipality did not submit documents.
	Published provincial grants	Number of publications on provincial grants allocated to Gauteng Municipalities	3	3	3	5	2	The municipalities made applications to transferring provincial departments for additional funding which led to tabling of extraordinary gazettes

Strategy to Overcome Areas of Under Performance

Escalated to MEC for COGTA to seek intervention in line with section 27.5 of the MFMA and improve processes for communicating assessments to the municipalities in 2023/24 financial year.

Linking Performance with Budgets

Programme 5: MUNICIPAL FINANCIAL MANAGEMENT									
	2022/23							2021/22	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Sub programme									
1. Programme Support/ Office of the DDG	15 876	(359)	(1 443)	14 074	13 610	464	96,7%	18 716	16 939
2. Local Government Financial Services	14 030	292	451	14 773	14 770	3	100,0%	14 998	12 880
3. Municipal Accounting and Asset Management	5 759	1 620	59	7 438	7 436	2	100,0%	1 864	-
4. Municipal Compliance and Financial Management Support	11 128	(1 553)	43	9 618	9 598	20	99,8%	8 762	8 761
Total for sub programmes	**46 793**	**-**	**(890)**	**45 903**	**45 414**	**489**	**98,9%**	**44 340**	**38 580**

The actual expenditure for the year 2022/23 is at 98.9%. The current year underspending is due to late implementation of municipal hands-on support programme.

PROGRAMME 6: GAUTENG AUDIT SERVICES

GAS Programme Support

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: 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 and report to the relevant Audit Committees about internal control in the GPG.

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

- Purpose: Manage and ensure performance of risk and compliance audit for the GPG.

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

- Purpose: Manage and ensure performance of risk and compliance audit for the GPG.

Chief Directorate: Performance and Computer Audit Services

- Purpose: Manage and conduct performance and computer audits for GPG.

Outcome

- Increased compliance with legislated prescripts

Key Achievements

The GPT worked to strengthen internal controls in departments and entities by continuing to provide assurance through conducting internal audits, with 95% of audit reports issued to clients against the planned target of 95%. Follow-up audits on AG recommendations, recommendations from internal audits and internal control assessments were also conducted.

Indicators and Targets Revised

There was no revision to indicators and targets for Programme 6.

Final APP Indicators and Targets

Outcome	Output	Output Indicator	Audited Actual Performance 2020/21	Audited Actual Performance 2021/22	Planned Annual Target 2022/2023	*Actual Achievement 2022/23	Deviation from Planned Target to Actual Achievement 2022/2023	Reasons for Deviations
Increased compliance with legislated prescripts	Approved audit reports issued against the approved audit plans	% of audit reports issued to departments and trading entities	93% (192/206)	92.2% (235/255)	95%	95% (242/255)	None	None
	Audit Committee approved audit plans	Number of AC approved audit plans issued to departments and trading entities	19	19	19	19	None	None
	Recommen-dation s tracked as implemented at departments and trading entities	% of internal audit recommen-dations tracked at departments and trading entities	100% (1135/1135)	100% (810/810)	100%	100% (1068/1068)	None	None
	Follow-up reports issued on Auditor General's significant findings to departments and trading entities	% of Auditor General's management letter key findings followed up through a follow-up audit	N/A	N/A	100%	100% (19/19)	None	None
	Annual Internal Control Assessments	Number of annual internal control assessments compiled	19	19	19	19	None	None

Strategy to Overcome Areas of Under Performance

None

Linking Performance with Budgets

Programme 6: GAUTENG AUDIT SERVICES									
	2022/23							2021/22	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Sub programme									
1. Programme Support/ Office of the DDG	15 157	-	601	15 758	15 755	3	100,0%	18 212	12 728
2. Risk and Compliance Audit Services (Cluster 1, 2, 3)	37 272	19	472	37 763	37 757	6	100,0%	34 540	29 399
3. Risk and Compliance Audit Services (Cluster 4, 5, 6)	22 867	(56)	1 588	24 399	24 396	3	100,0%	32 556	31 978
4. Performance and Computer Audit Services	33 049	37	2 365	35 451	35 446	5	100,0%	28 088	26 946
Total for sub programmes	**108 345**	**-**	**5 026**	**113 371**	**113 354**	**17**	**100,0%**	**113 396**	**101 051**

The actual expenditure for the year 2022/23 is at 100%. The programme achieved its target.

5. Transfer Payments

Transfer Payments to Public Entity

Name of Public Entity	Key Outputs of the Public Entity	Amount transferred to the Public Entity R000	Amount Spent by the Public Entity R000	Achievements of the Public Entity
Gauteng Infrastructure Financing Agency	Develop and implement bankable infrastructure projects prepared for alternative financing mechanisms and financed through capital investment raised from alternative sources of funding	63 706	62 026	2 projects at initiation stage - PWV 15 Freeway and Gauteng Broad Network (GBN) 4 projects at feasibility study - Gauteng Provincial Legislature, AIDC Rail & Freight/ Pyramid, State-owned Bank and State-owned Pharmaceutical Co. 6 projects at market release - COJ: AWTT, Gauteng Schools Programme, Sedibeng Agro-processing Hub (VFPM), Merafong Bio-energy Park, West Rand Agri-Parks, Krugersdorp Game Reserve Theme Park 2 projects at procurement - Kopanong Precinct and Merafong Solar Farm Cluster 3 projects at financial close - Rooftop Solar PV – Phase 1, Innovation Hub: EB 2 and Innovation Hub: EB3 2 projects at implementation - Jewellery Manufacturing Precinct (JMP) and West Rand Logistics Hub

PART C: GOVERNANCE

1. Introduction **44**

2. Risk Management **44**

3. Fraud And Corruption **44**

4. Minimising Conflict Of Interest **44**

5. Code Of Conduct **44**

6. Health, Safety And Environmental Issues **45**

7. Portfolio Committees **45**

8. Prior Modifications To Audit Reports **45**

9. Internal Control Unit **45**

10. Internal Audit and Audit Committees **45**

11. Audit Committee Report **47**

12. B-BBEE Compliance Performance Information **50**

1. Introduction

Chapter 13, Section 215(1) of the Constitution states that, "National, Provincial, and Municipal budgets and budgetary processes must promote transparency, accountability, and the effective financial management of the economy, debt and the public sector". These principles are embedded in the responsibilities of both, the Internal Audit and Risk Management functions, to evaluate controls, risk management and governance processes.

The Audit Committee and the Risk and Ethics Management Committee are also established to provide assurance on compliance and governance issues as oversight structures. The Department has a functional governance system, with the highest decision-making authority being the Executive Management Team (EMT) that oversees the effective and efficient management of the Department.

2. Risk Management

Departmental Risk Management Processes are guided by its Risk Management Policies and Risk Management Framework; these are reviewed on a regular basis to ensure alignment to risk management standards. In line with the Treasury Regulation 3 2.1; the Department identifies emerging risks on a regular basis; these are assessed and managed on an ongoing basis.

The Accounting Officer has appointed a Risk and Ethics Management Committee (the Committee) to assist her in discharging responsibilities pertaining to risk management and ethics management. The Committee is chaired by an independent Chairperson; and its members are Senior Officials employed by the Department; formally appointed by the AO. The Committee met four times during the financial year under review and provided oversight to the risk and ethics management processes. On a quarterly basis, the Chair of the REMC reports to the AO and the Audit Committee, escalating matters needing intervention where applicable.

3. Fraud and Corruption

There is continuous communication of messages regarding what fraud and corruption are and the procedures to be followed when reporting fraud and corruption.

4. Minimising Conflict of Interest

Chapter 3 of the Public Service Regulations requires that all Senior Management Service (SMS) members must declare their financial interests and submit these by the end of April of each year and that the Executive Authority should submit these to the Public Service Commission by the end of May. The GPT was in full compliance with both legislated deadlines for the year under review.

The Accounting Officer has in line with the directive on PSR 2016 submitted a report to the DPSA on the outcome on financial disclosures by all categories timeously.

5. Code of Conduct

The revision of Public Service Regulations in 2016 has resulted in changes to the Public-Sector Code of Conduct. The Department enrolled officials with the National School of Governance for an Ethics Online Course dealing with the Code of Conduct through their eLearning programme.

6. Health, Safety and Environmental Issues

The Department aligned its OHS practices and implemented the prescribed Regulations and guidelines.

7. Portfolio Committees

The Department engaged with the Finance Portfolio Committee on the following matters:

- 2022/23 Provincial Adjustment Bill
- Division of Revenue Amendment Bill 2022
- 2022/23 Quarterly Reports
- 2021/22 Annual Report
- 2022/23 Quarterly State of Finances Reports
- 2023/24 Departmental Vote 14 Budget
- 2023/24 Provincial Appropriation Bill

Any issues raised by the Committee were addressed through Legislature processes.

8. Prior Modifications to Audit Reports

The Department obtained a clean audit outcome, there were no prior modifications to audit reports.

9. Internal Control Unit

The implementation of effective internal control helps in the achievement of the objectives of the Department. Effective controls also ensure sustainable and improved performance, in that potential risks are identified and mitigated to reduce the impact thereof on the performance of the organisation.

On a quarterly basis, the Department conducts self- assessment of key controls wherein control deficiencies are identified and mitigating actions put in place to strengthen the control. Internal Audit also conducts independent reviews, following up on significant audit findings raised by both internal and external audit thereby providing assurance to the Accounting Officer and oversight that controls are being implemented, monitoring of implementation of audit recommendations is continuous.

10. Internal Audit and Audit Committee

Objective of Internal Audit
Gauteng Audit Services (GAS) provides internal audit services to all GPG Departments. The objective of GAS is to promote sound corporate governance in the province through ensuring an effective internal control environment.

Key Activities of Internal Audit

Risk based Internal Audit Plans were developed by GAS and approved by the respective Cluster Audit Committees which exercise oversight over the activities of GAS.

GAS performs independent evaluations of internal control systems; governance and risk management processes and makes recommendations on their continuous improvement, in order to provide reasonable assurance that the GPG Departmental objectives will be achieved.

Audit Committee

The table below discloses the relevant information on the audit committee members

Name	Qualifications	Internal or External member	Position, if internal, position in the Department	Date Appointed	Date Resigned	No. of meetings attended
Mandla Ncube	• Certified Internal Auditor (CIA • Diploma in Accounting (AAT) • Certified Corporate Fraud Manager (CCFM • Certified Quality Assessment Reviewer (QAR) • Certificate of Training in USAID funded Projects • ACCA (Association of Certified Chartered Accountants) • Certified Fraud Examiner (CFE)	External	Chairperson	01 August 2022	Current	05
Luyanda Mangquku	• Chartered Accountant (South Africa) • Master of Business Leadership • Advanced Company Law I&II • Honours Bachelor of Accounting Sciences • Bachelor in Commerce Honours (Accounting)	External	Member	11 August 2020	Current	05
Sizo Mzizi	• ACGISA • Post Graduate Diploma in Corporate Law • Post Graduate Certificate in Corporate Governance • Professional Qualification: CIMA (ACMA CGMA) • BCom Hons (Financial Management) • BTech: Cost and Management Accounting • Higher Diploma in Education (Economic Sciences)		Member	11 August 2022	Current	04

11. Report of the Audit Committee - Cluster 02

Gauteng Provincial Treasury

We are pleased to present our report for the financial year ended 31 March 2023.

Audit Committee and attendance

The Audit Committee consists of the external Members listed hereunder and is required to meet a minimum of at least two times per annum as per the provisions of the Public Finance Management Act, 1999 (Act Number 1 of 1999) (PFMA). In terms of the approved Terms of Reference (GPG Audit Committee Charter),
Five meetings were held during the current year i.e., three meetings to consider the Quarterly Performance Reporting (financial and non-financial) and two meetings to review and discuss the Annual Financial Statements and the Auditor-General of South Africa's (AGSA) Audit and Management Reports.

Non-Executive members

Name of member	Number of meetings attended
Mr. Mandla Ncube	05
Mr. Luyanda Mangquku	05
Ms. Thebi Moja*	01
Ms. Sizo Mzizi	04

*stand-in member from another cluster

Executive members

In terms of the GPG Audit Committee Charter, officials listed hereunder are obliged to attend meetings of the Audit Committee:

Compulsory attendees	Number of meetings attended
Ms. Ncumisa Mnyani (Accounting Officer)	05
Mr. Phakamisile Sikitshana (Chief Financial Officer)	05
Ms. Keolebogile Nkadimeng (Chief Risk Officer)	05
Mr. Kweyama Velile (Chief Audit Executive)	05

The Audit Committee noted that the Accounting Officer attended all scheduled Audit Committee meetings. The Audit Committee is therefore satisfied that the Department adhered to the provisions of the GPG Audit Committee Charter.

The members of the Audit Committee met with the Senior Management of the Department, Internal Audit and the AGSA, individually and collectively to address risks and challenges facing the Department. No in-committee meetings were held to address control weaknesses and deviations within the Department.

Audit Committee responsibility

The Audit Committee reports that it has complied with its responsibilities arising from section 38(1)(a) of the PFMA and Treasury Regulation 3.1.13. The Audit Committee also reports that it has adopted appropriate formal terms of reference as its Audit Committee Charter, has regulated its affairs in compliance with this Charter and has discharged all its responsibilities as contained therein.

The effectiveness of internal control and Information and Communication Technology (ICT) Governance

Based on the results of the audits performed and the follow up reviews conducted, the overall opinion on the internal control design was Adequate to ensure that the Department objectives will be achieved.

Our review of the findings of the Internal Audit work, which was based on the risk assessments conducted in the department revealed certain weaknesses, which were then raised with the Department.

It is recommended that management should pay special attention to the following areas to ensure that the overall control environment is improved:

- Follow up - OHS Compliance, COVID 19 Regulations and Security Management
- Foreign Exchange Transactions
- Provincial Supply Chain Management
- Follow up audits on significant AG findings
- Risk Management
- Corporate Governance

The Audit Committee recommend that Management should pay special attention to the following areas to ensure that the overall control environment is improved:

- Peformance of the Department against Predetermined Objectives

Internal Audit

Internal Audit was effective during the financial year. The Audit Committee is satisfied that the Internal Audit Plan represents a clear alignment with the key risks, has adequate information systems coverage, and a good balance across the different categories of audits, i.e., risk based, standard/transversal, performance, and computer audits. From a resource point of view, Internal Audit needs to be equipped to provide assurance on a greater number of risks.

The Audit Committee has noted considerable improvement in the communication between the Executive Management, the AGSA and the Internal Audit Function, which has strengthened the Corporate Governance initiatives within the Department. Combined assurance has taken off the ground, however, management need to ensure that it is implemented, monitored, and reported regularly.

The coordination of efforts between internal audit and AGSA have been enhanced further during the year in the provision of assurance services. The Audit Committee believes this is an important step towards a fully effective combined assurance.

Internal Audit was assessed to be Generally Conformant with the International Standards for Professional Practice of Internal Auditing. The Audit Committee continues to monitor the implementation of the Quality Assurance Improvement Program in line with its responsibilities.

The following internal audit work was completed during the year under review:

- Follow up - OHS Compliance, COVID 19 Regulations and Security Management
- Foreign Exchange Transactions
- GPG Consolidated Annual Financial Statements
- Provincial Supply Chain Management
- Follow up audits on significant Auditor General's findings
- Risk Management
- Corporate Governance
- Review of Draft Annual Performance Report
- Performance of the Department against Predetermined Objectives
- Draft Annual Performance Plan Review
- Review of Effectiveness of Open Tender System
- SAP ESS & PERSAL leave reconciliation
- Data Analysis – Ethics / Finance / Human Resources (1 Jan 2022 – 30 June 2022)
- User account management review
- 2023-24 IT risk assessment
- Data Analysis – Ethics / Finance / Human Resources (1 July 2022 – 31 December 2022)
- Follow Up: Auditor General's (IT) Findings

The Audit Committee will continue to monitor the resources and capabilities of the Internal Audit function as this has an impact on the performance, functioning and effectiveness of GAS as an assurance provider.

Risk Management

Progress on the departmental risk management was reported to the Audit Committee on a quarterly basis. The Audit Committee is satisfied that the actual management of risk is receiving attention. Management should take full responsibility for the entire Enterprise Risk Management process and continue to support the Chief Risk Officer to enhance the performance of the Department even further.

Forensic Investigations

There was no new case received by Gauteng Forensic Services for the year under review. The Audit Committee commends management for implementing 100% of disciplinary actions.

The quality of quarterly reports submitted in terms of the PFMA and the Division of Revenue Act

The Audit Committee is satisfied with the content and quality of the financial and non-financial quarterly reports prepared and submitted by the Accounting Officer of the Department during the year under review and confirms that the reports were in compliance with the statutory reporting framework.

Evaluation of the Annual Financial Statements

The Audit Committee undertook the following activities related to Annual Financial Statements:

- Reviewed and discussed the audited annual financial statements to be included in the Annual Report with the AGSA and the Accounting Officer
- Reviewed the Audit Report of the AGSA
- Reviewed the AGSA's Management Report and Management's response thereto
- Reviewed the Departments compliance with legal and regulatory provisions
- Reviewed significant adjustment resulting from the audit.

The Audit committee monitored the key commitment of assurance providers throughout the four reporting quarters with the annual statement as at reporting period be reported in the table below.

The Audit Committee concurs with and accepts the AGSA's conclusions on the Annual Financial Statements and is of the opinion that the audited Annual Financial Statements be accepted and read together with the Report of the AGSA.

One-on-One meetings with the Accounting Officer

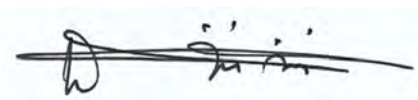
The Audit Committee has periodically met with the Accounting Officer for the Department to address unresolved issues.

One-on-One meetings with the Executive Authority

The Audit Committee has periodically met with the Executive Authority for the Department to apprise the MEC on the performance of the Department.

Auditor-General of South Africa

The Audit Committee has periodically met with the AGSA to ensure that there are no unresolved issues.



Mr. Mandla Ncube
Chairperson of the Audit Committee
Date: 01 August 2023

12. BBBEE Compliance Performance Information

Has the Department / Public Entity applied any relevant Code of Good Practice (B-BBEE Certificate Levels 1 – 8) with regards to the following:

Criteria	Response Yes / No	Discussion (include a discussion on your response and indicate what measures have been taken to comply)
Determining qualification criteria for the issuing of licences, concessions or other authorisations in respect of economic activity in terms of any law?	No	GPT did not issue licences concessions or other authorisations in respect of economic activity in terms of any law.
Developing and implementing a preferential procurement policy?	Yes	All GPT procurement is done in line PPPFA and its regulations and these are embedded in the GPT Preferential Procurement Policy and SCM policy.
Determining qualification criteria for the sale of state-owned enterprises?	No	GPT did not sell and was not involved in the sale of state-owned enterprises.
Developing criteria for entering into partnerships with the private sector?	No	GPT has not entered into partnerships with the private sector.
Determining criteria for the awarding of incentives, grants and investment schemes in support of Broad Based Black Economic Empowerment?	No	Not Applicable

PART D: HUMAN RESOURCES

1. Introduction **54**

2. Overview Of Human Resources **54**

3. Human Resources Oversight Statistics **55**

1. Introduction

The information contained in this part of the annual report has been prescribed by the Minister for the Public Service and Administration for all departments in the public service.

2. Overview of Human Resources

The Status of Human Resources in the Department

As at 31 March 2023, the total number of posts was 990 of which 826 were filled and 164 vacant. The overall vacancy rate for the Department was 16,57%. The number of employees with disability was 15. This represents 1.82% of the GPT staff complement.

The Department planned to train 240 employees for the financial year in question and exceeded such to 351 because of 169 bursaries awarded of which 103 are newly awarded bursaries and 4 employees registered for SAIPA learnership.

Workforce Planning and Key Strategies to Attract and Recruit a Skilled and Capable Workforce

The department submitted the HR Plan approved in 2020/21 for 2022/23 financial year as it was still valid. All vacant positions in the Department were advertised to encourage open competition. Headhunting was utilised in instances where suitable candidates could not be attracted through the normal recruitment process.

The Department provided training opportunities to staff members to obtain new qualifications and improve their skills and knowledge. An internship programme was established to provide young graduates with opportunities to gain knowledge and experience in the workplace, in order to be able to compete for jobs in the labour market.

Employee Performance Management

A total of 755 out of 759 employee performance agreements were captured, translating to 99% concluded performance agreements in line with prescripts. Final performance assessments for the 2021/22 cycle were finalised and rewards related to this process were paid to 567 eligible employees.

3. Human Resources Oversight Statistics

3.1. Personnel Related Expenditure

3.1.1 Personnel Expenditure by Programme for the period 1 April 2022 and 31 March 2023

Programme	Total Expenditure (R'000)	Personnel Expenditure (R'000)	Training Expenditure (R'000)	Professional and Special Services Expenditure (R'000)	Personnel expenditure as a % of total expenditure	Average personnel cost per employee (R'000)
Administration	171 098	109 584	725	0	64,05	350
Sustainable Fiscal Resource Management	148 680	71 376	0	0	48,00	820
Financial Governance	114 375	105 353	51	0	92,11	589
Provincial Supply Chain Management	88 029	82 832	132	0	94.10	528
Municipal Financial Governance	45 414	40 071	73	0	88,23	729
Gauteng Audit Services	113 354	104 212	426	0	91,94	560
Total	**680 950**	**513 428**	**1 407**	**0**	**75,40**	**526**

3.1.2 Personnel Costs by Salary Band for the period 1 April 2022 and 31 March 2023

Salary Band	Personnel expenditure (R'000)	% of total personnel cost	No. of employees	Average personnel cost per employee (R'000)
Contract (levels 13-16)	21 500	4	16	134 375
Contract (levels 3-5)	0	0	4	0
Contract (levels 6-8)	1 422	0	8	17 775
Contract (levels 9-12)	828	0	8	10 350
Contract (levels 1-2)	21	0	1	2 100
Contract other	6 041	1	97	6 228
Lower skilled (Levels 1-2)	8 257	2	42	19 660
Skilled (levels 3-5)	7 088	1	24	29 533
Highly skilled production (levels 6-8)	122 998	24	342	35 964
Highly skilled supervision (levels 9-12)	275 794	54	383	72 009
Senior and Top management (levels 13-16)	67 328	13	51	132 016
Legislators	2 151	0	1	215 100
Total	**513 428**	**100**	**977**	**52 551**

3.1.3 Salaries, Overtime, Home Owners' Allowance and Medical Aid by Programme for the period 1 April 2022 and 31 March 2023

Programme	Salaries		Overtime		Home Owners' Allowance		Medical Aid	
	Amount (R'000)	Salaries as % of Personnel Costs	Amount (R'000)	Overtime as % of Personnel Costs	Amount (R'000)	HOA as % of Personnel Cost	Amount (R'000)	Medical Aid as % of Personnel Costs
Administration	75 306	21	281	51	3 010	25	5 295	27
Sustainable Fiscal Resource Management	48 771	14	246	45	1 270	11	1 631	8
Financial Governance	73 911	21	5	1	2 545	21	4 688	24
Provincial Supply Chain Management	55 726	16	19	3	2 287	19	3 899	20
Municipal Financial Governance	28 508	8	0	0	1 000	8	702	4
Gauteng Audit Services	74 959	21	0	0	1 959	16	3 400	17
Total	**357 181**	**100**	**551**	**100**	**12 071**	**100**	**19 615**	**100**

3.1.4 Salaries, Overtime, Home Owners' Allowance and Medical Aid by Salary Band for the period 1 April 2022 and 31 March 2023

Salary bands	Salaries		Overtime		Home Owners' Allowance		Medical Aid	
	Amount (R'000)	Salaries as % of Personnel Cost	Amount (R'000)	Overtime as % of Personnel Cost	Amount (R'000)	HOA as % of Personnel Cost	Amount (R'000)	Medical Aid as % of Personnel Costs
Lower Skilled (levels 1-2)	4 500	1	86	16	585	5	1 394	7
Skilled (levels 3-5)	4 454	1	85	15	443	4	693	4
Highly skilled production (levels 6-8)	87 513	25	39	7	4 473	37	8 184	42
Highly skilled supervision (levels 9-12)	197 152	55	331	60	5 114	42	8 712	44
Senior management (level 13-16)	44 047	12	0	0	838	7	563	3
Contract (levels 1-2)	9	0	0	0	0	0	0	0
Contract (levels 3-5)	0	0	0	0	0	0	0	0
Contract (levels 6-8)	994	0	0	0	0	0	0	0
Contract (levels 9-12)	559	0	10	2	0	0	0	0
Contract (levels 13-16)	12 008	3	0	0	618	5	62	0
Contract other	4 686	1	0	0	0	0	0	0
Legilsators	1 258	0	0	0	0	0	7	0
Total	**357 180**	**100**	**551**	**100**	**12 071**	**100**	**19 615**	**100**

3.2 Employment and Vacancies

3.2.1 Employment and Vacancies by Programme as on 31 March 2023

Programme	Number of Posts on approved establishment	Number of Posts Filled	Vacancy Rate (%)	Number of employees additional to the Establishment
Administration, Permanent	253	208	11,69	1
Financial Governance, Permanent	202	176	12,87	0
Gauteng Audit Services. Permanent	187	173	7,49	0
Municipal Financial Governance, Permanent	89	51	42,70	0
Provincial Supply Chain Management, Permanent	160	136	15,00	0
Sustainable Fiscal Resource Management, Permanent	99	82	17,17	0
Total	**990**	**826**	**16,57**	**1**

3.2.2. Employment and Vacancies by Salary Band as on 31 March 2023

Salary Band	Number of Posts on approved establishment	Number of Posts Filled	Vacancy Rate % (Including frozen posts)	Number of employees additional to the Establishment
Lower Skilled (Levels 1-2)	47	46	2,13	0
Skilled (Levels 3-5)	24	23	4,17	0
Highly skilled production (Levels 6-8)	347	298	14,12	0
Highly skilled supervision (Levels 9-12)	468	378	19,23	1
Senior management (Levels 13-16)	77	54	29,87	0
Other, Permanent	1	1	0	0
Contract (Levels 1-2)	1	1	0	0
Contract (Levels 3-5)	1	1	0	0
Contract (Levels 6-8)	4	4	0	0
Contract (Levels 9-12), Permanent	7	7	0	0
Contract (Levels 13-16), Permanent	13	13	0	0
Total	**990**	**826**	**16,57**	**1**

3.2.3 Employment and Vacancies by Critical Occupations as on 31 March 2023

Critical Occupations	Number of Posts on approved Establishment	Number of Posts Filled	Vacancy Rate %	Number of employees additional to the Establishment
Administrative related, Permanent	10	5	50,00	1
Authors, journalism and other writers	12	6	50,00	0
Cleaners in offices, workshops, hospitals etc.	44	44	0.00	0
Client information clerks (swichboard, reception, information clerks), Permanent	5	4	20,00	0
Communication and information related, Permanent	11	10	9,09	0
Computer system designers and analysts, Permanent	4	4	0,00	0
Finance and economics related, Permanent	1	1	0,00	0
Financial and related professionals, Permanent	32	26	18,75	0
Financial clerks and credit controllers, Permanent	75	63	16,00	0
Food services aids and waiters, Permanent	6	6	0,00	0
General legal administration and related professionals	1	1	0,00	0
Head of Department/Chief Executive Officer, Permanent	1	1	0,00	0
Human Resources & organisational development & related professionals, Permanent	30	27	10,00	0
Human Resources clerks, Permanent	2	2	0,00	0
Human Resources related, Permanent	14	10	28,57	0
Legal related, Permanent	2	2	0,00	0
Library mail and related clerks, Permanent	6	5	16,67	0
Logistical support personnel, Permanent	2	2	0,00	0
Material-recording and transport clerks	1	1	0,00	0
Mathematicians and related professionals, Permanent	3	3	0,00	0
Messengers, porters and deliverers, Permanent	6	6	0,00	0
Middle managers: administrative related	233	200	14,16	0
Middle managers: finance and economic related	175	128	26,86	0
Other administrative & related clerks and organisers, Permanent	84	71	15,48	0
Other information technology personnel	7	5	28,57	0
Other occupations, Permanent	1	1	0,00	0
Risk management and security services, Permanent	79	78	1,27	0
Secretaries & other keyboard operating clerks, Permanent	49	44	10,20	0
Senior managers, Permanent	89	68	23,60	0
Trade related	2	2	0,00	0
Total	**990**	**826**	**16,57**	**1**

3.3 Filling of SMS Posts

3.3.1 SMS Post Information as on 31 March 2023

SMS Level	Total number of funded SMS posts	Total number of SMS posts filled	% of SMS posts filled	Total number of SMS posts vacant	% of SMS posts vacant
Director-General/ Head of Department	1	1	100,00	0	0,00
Salary Level 16	0	0	0,00	0	0,00
Salary Level 15	5	4	80,00	1	20,00
Salary Level 14	19	15	78,95	4	21,05
Salary Level 13	65	48	73,84	17	26,15
Total	**90**	**68**	75,56	**22**	**24,44**

3.3.2 SMS Post Information as at 30 September 2022

SMS Level	Total number of funded SMS posts	Total number of SMS posts filled	% of SMS posts filled	Total number of SMS posts vacant	% of SMS posts vacant
Director-General/ Head of Department	1	1	100	0	0
Salary Level 16	0	0	0	0	0
Salary Level 15	5	4	80,00	1	20,00
Salary Level 14	19	15	78,95	4	21.05
Salary Level 13	66	45	68,18	21	31,82
Total	**91**	**65**	71,43	**26**	**28,57**

**Number of filled positions excludes SMS out of adjustment.*

3.3.3 Advertising and Filling of SMS Posts for the period 1 April 2022 to 31 March 2023

SMS Level	Advertising	Filling of Posts	
	Number of vacancies per level advertised in 6 months of becoming vacant	Number of vacancies per level filled in 6 months of becoming vacant	Number of vacancies per level not filled in 6 months but filled in 12 months
Director-General/ Head of Department	0	0	0
Salary Level 16	0	0	0
Salary Level 15	1	0	0
Salary Level 14	2	0	0
Salary Level 13	13	1	13
Total	**16**	**1**	**13**

3.3.4 Reasons For Not Having Complied with the Filling of Funded Vacant SMS - Advertised Within 6 Months and Filled Within 12 Months After Becoming Vacant for the period 1 April 2022 to 31 March 2023

Reasons for vacancies not advertised within six months
N/A

Reasons for vacancies not filled within twelve months
No suitable candidates were appointable
Implementation of new structure

3.3.5 Disciplinary Steps Taken For Not Complying with the Prescribed Timeframes for Filling SMS Posts Within 12 Months for the period 1 April 2022 to 31 March 2023

Reasons for vacancies not advertised within six months
N/A

Reasons for vacancies not filled within six months
No disciplinary action was taken as reasons for not filling the positions within the stipulated timeframes were beyond the control of the department.

3.4 Job Evaluation

The following table summarises the number of jobs that were evaluated during the year under review. The table also provides statistics on the number of posts that were upgraded or downgraded.

3.4.1 Job Evaluation by Salary band for the period 1 April 2022 to 31 March 2023

Salary Band	Number of Posts on approved establishment	Number of jobs evaluated	% of Posts evaluated per salary band	Posts upgraded		Posts downgraded	
				Number	% of posts evaluated	Number	% of posts downgraded
Lower Skilled (Levels 1-2)	48	47	97,92	0	0	0	0
Skilled (Levels 3-5)	25	21	84	0	0	0	0
Highly skilled production (Levels 6-8)	351	344	98	0	0	2	0.57
Highly skilled supervision (Levels 9-12)	474	459	96,94	0	0	0	0
Senior Management Service Band A	66	54	81,82	0	0	0	0
Senior Management Service Band B	19	17	89,47	0	0	0	0
Senior Management Service Band C	5	4	80	0	0	0	0
Senior Management Service Band D	2	1	50	0	0	0	0
Total	**990**	**947**	**95,65**	**0**	**0**	**2**	**0.57**

3.4.2 Profile of Employees Whose Positions Were Upgraded Due to Their Posts Being Upgraded for the period 1 April 2022 to 31 March 2023

Gender	African	Asian	Coloured	White	Total
Female	1	0	0	0	1
Male	2	0	0	0	2
Total	**3**	**0**	**0**	**0**	**3**

3.4.3 Employees with Salary Levels Higher than those Determined by Job Evaluation by Occupation for the period 1 April 2022 to 31 March 2023

Occupation	Number of employees	Job evaluation level	Remuneration level	Reason for deviation
Lower Skilled (Level 2)	6	2	4	Setting of higher salary in terms of the Public Service Regulations, 2001, Part V.C5 and C6.
Skilled (Level 3)	1	3	4	Setting of higher salary in terms of the Public Service Regulations, 2001, Part V.C5 and C6.
Skilled (Level 4)	2	4	6	Setting of higher salary in terms of the Public Service Regulations, 2001, Part V.C5 and C6.
Skilled (Level 5)	1	5	12	Setting of higher salary in terms of the Public Service Regulations, 2001, Part V.C5 and C6.
Skilled (Level 5)	1	5	8	Setting of higher salary in terms of the Public Service Regulations, 2001, Part V.C5 and C6.
Highly skilled production (Level 6)	1	6	7	Setting of higher salary in terms of the Public Service Regulations, 2001, Part V.C5 and C6.
Highly skilled production (Level 7)	16	7	8	Setting of higher salary in terms of the Public Service Regulations, 2001, Part V.C5 and C6.
Highly skilled production (Level 7)	2	7	9	Setting of higher salary in terms of the Public Service Regulations, 2001, Part V.C5 and C6.
Highly skilled production (Level 7)	1	7	10	Setting of higher salary in terms of the Public Service Regulations, 2001, Part V.C5 and C6.
Highly skilled production (Level 8)	2	8	10	Setting of higher salary in terms of the Public Service Regulations, 2001, Part V.C5 and C6.
Highly skilled production (Level 8)	1	8	7	Setting of higher salary in terms of the Public Service Regulations, 2001, Part V.C5 and C6.
Highly skilled supervision (Level 9)	62	9	10	Setting of higher salary in terms of the Public Service Regulations, 2001, Part V.C5 and C6.
Highly skilled supervision (Level 11)	12	11	12	Setting of higher salary in terms of the Public Service Regulations, 2001, Part V.C5 and C6.
Total	**108**	**82**		
Total number of employees whose salaries exceeded the level determined by job evaluation	**107**			
Percentage of total employed	**10.83**			

3.4.4 Profile of Employees Who Have Salary Levels Higher than those Determined by Job Evaluation for the period 1 April 2022 to 31 March 2023

Gender	African	Asian	Coloured	Indian	White	Total
Female	45	0	5	3	3	56
Male	42	0	4	1	4	51
Total	**87**	**0**	**9**	**4**	**7**	**107**
Employees with a disability	**0**	**0**	**1**	**0**	**0**	**1**

3.5 Employment Changes

3.5.1 Annual Turnover Rates by Salary Band for the period 1 April 2022 to 31 March 2023

Salary Band	Number of employees at Beginning of Period (1 April 2022)	Appointments and transfers into the department	Terminations and transfers out of the department	Turnover Rate %
Lower skilled (Levels 1-2)	38	4	0	0
Skilled (Levels 3-5)	27	2	0	0
Highly skilled production (Levels 6-8)	249	91	10	4,02
Highly skilled supervision (Levels 9-12)	345	33	24	6,96
Senior Management Band A	26	4	2	7,69
Senior Management Band B	9	0	0	0
Senior Management Band C	1	0	0	0
Senior Management Band D	0	0	0	0
Other, permanent	1	0	0	0
Contract (Levels 1-2)	0	1	0	0
Contract (Levels 3-5)	3	2	1	33,33
Contract (Levels 6-8)	2	4	1	50,00
Contract (Levels 9-12), Permanent	10	1	9	90,00
Contract Senior Management Band A	13	1	2	15,38
Contract Senior Management Band B	5	0	1	20,00
Contract Senior Management Band C	3	0	0	0
Contract Senior Management Band C	1	0	0	0
Total	**733**	**143**	**50**	**6,82**

3.5.2 Annual Turnover Rates by Critical Occupation for the period 1 April 2022 to 31 March 2023

Critical Occupation	Number of employees at beginning of period (1 April 2022)	Appointments and transfers into the department	Terminations and transfers out of the department	Turnover Rate %
Administrative related, Permanent	106	5	11	10,38
Archivists, curators and related professionals, Permanent	4	0	1	25,00
Cleaners in offices, workshops, hospitals etc, Permanent	43	4	0	0
Authors, journalists and other writers	0	2	0	0
Client information clerks (switchboard, reception, information clerks), Permanent	2	0	0	0
Communication and information related, Permanent	5	0	1	20
Computer system designers and analysts., Permanent	8	1	0	0
Economists, permanent	6	0	0	0
Finance and economics related, Permanent	156	0	13	8,33
Financial and related professionals, Permanent	68	5	4	588
Financial clerks and credit controllers, Permanent	63	6	1	1,59
Food services aids and waiters, Permanent	6	1	0	0
Head of Department/ Chief Executive Officer, Permanent	1	0	0	0
Human Resources & organisational development & related professional, Permanent	35	5	3	8,58
Human Resources clerks, Permanent	33	1	2	6,06
Human resources related, Permanent	11	0	3	27,27
Language practitioners, interpreters & other communicators, Permanent	1	0	0	0
Legal related, Permanent	1	1	0	0
Library mail and related clerks, Permanent	6	1	1	16,67
Logistical support personnel, Permanent	23	1	0	0
Material-recording and transport clerks, Permanent	8	0	0	0
Mathematicians and related professionals, Permanent	3	0	0	0
Messengers, porters and deliverers, Permanent	6	0	0	0
Middle managers: administrative related	0	19	0	0
Middle managers: finance and economic related	0	7	0	0
Other administrative & related clerks and organisers, Permanent	15	15	2	13,33
Other information technology personnel, Permanent	0	0	0	0
Other occupations, Permanent	1	0	0	0
Risk management and security services, Permanent	25	59	2	8,00
Secretaries & other keyboard operating clerks, Permanent	40	5	1	2,5
Senior managers, Permanent	57	5	5	8,77
Total	**733**	**143**	**50**	**6,82**

3.5.3 Reasons Why Staff Left the Department for the period 1 April 2022 to 31 March 2023

Termination Type	Number	% of Total Resignations
Resignation	25	50
Expiry of contract	1	2
Retirement	6	12
Transfer to other Public Service Departments	18	36
Total	**50**	**100,00**
Total number of employees who left as a % of total employment	**6,82**	

3.5.4 Promotions by Critical Occupation for the period 1 April 2022 to 31 March 2023

Occupation	Number of employees	Promotions to another Salary Level	Salary Level Promotions as a % of Employees by occupation	Progressions to another Notch within Salary Level	Notch progressions as a % of Employees by occupation
Administrative related , Permanent	106	0	0	4	3,77
Archivists, curators and related professionals, Permanent	4	0	0	0	0,00
Cleaners in offices, workshops, hospitals etc. Permanent	43	0	0	33	76,74
Authors, journalists and other writers	0	0	0	3	0,00
Client information clerks (switchboard, reception, information clerks), Permanent	2	0	0	1	50,00
Communication and information related, Permanent	5	0	0	10	200,00
Computer system designers and analysts, Permanent	8	0	0	2	25,00
Economists, Permanent	6	0	0	0	0,00
Finance and economics related, Permanent	156	0	0	1	0,64
Financial and related professionals, Permanent	68	0	0	21	30,88
Financial clerks and credit controllers, Permanent	63	6	0,10	50	79,37
Food services aids and waiters, Permanent	6	0	0	5	83,33
Head of department/chief executive officer, Permanent	1	0	0	0	0,00
Human resources & organisational development & related professionals, Permanent	35	0	0	13	37,14
Human resources clerks, Permanent	33	1	3,03	1	3,03
Human resources related, Permanent	11	2	18,18	9	81,82
Language practitioners, interpreters & other communicators, Permanent	1	0	0	0	0,00
Legal related, Permanent	1	0	0	2	200,00
Library mail and related clerks, Permanent	6	0	0	2	33,33
Logistical support personnel, Permanent	23	0	0	1	4,35
Material-recording and transport clerks, Permanent	8	0	0	1	12,50
Mathematicians and related professionals, Permanent	3	1	33,33	3	100,00
Messengers, porters and deliverers, Permanent	5	0	0	4	80,00
Middle managers: administrative related	0	35	0	106	0,00
Middle managers: finance and economics related	0	15	0	92	0,00
Other administrative & related clerks and organisers, Permanent	15	8	53,33	49	326,67
Other information technology personnel, Permanent	0	0	0	5	0,00
Other occupations, Permanent	1	0	0	0	0,00
Risk management and security services, Permanent	25	4	16,00	9	36,00
Secretaries & other keyboard operating clerks, Permanent	40	1	2,50	34	85,00
Senior managers, Permanent	57	14	24,56	42	73,68
Trade related	1	1	100,00	2	200,00
Total	**733**	**88**	**12,01**	**505**	**68,89**

3.5.5 Promotion by Salary Band for the period 1 April 2022 to 31 March 2023

Salary Band	Employees 1 April 2022	Promotions to another Salary Level	Salary bands Promotions as a % of Employees by salary level	Progressions to another Notch within Salary Level	Notch progressions as a % of Employees by salary band
Lower skilled (Levels 1-2)	38	0	0	31	81,58
Skilled (Levels 3-5)	23	2	8,70	17	73,91
Highly skilled production (Levels 6-8)	249	11	4,42	183	73,49
Highly skilled supervision (Levels 9-12)	348	62	17,82	232	66,67
Senior management (Levels 13-16)	36	13	36,11	24	66,67
Other, Permanent	1	0	0,00	0	0,00
Contract (Levels 3-5)	3	0	0,00	2	66,67
Contract (Levels 6-8)	3	0	0,00	1	33,33
Contract (Levels 9-12), Permanent	10	0	0,00	1	10,00
Contract (Levels 13-16), Permanent	22	0	0,00	14	63,64
Total	**733**	**88**	**12,01**		**68,89**

3.6 Employment Equity

3.6.1 Total Number of Employees (Including Employees with Disabilities) Per Occupational Categories for the period 1 April 2022 to 31 March 2023

Occupational Category	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Legislators, senior officials and managers	32	5	1	0	29	1	0	1	**69**
Professionals	114	7	1	7	152	5	3	6	**295**
Technicians and associate professionals	73	2	3	2	122	3	2	1	**208**
Clerks	39	2	3	0	104	13	6	5	**172**
Service and sales workers	11	0	0	0	12	0	0	0	**23**
Laboured and related workers	22	0	0	0	37	0	0	0	**59**
Total	**291**	**16**	**8**	**9**	**456**	**22**	**11**	**13**	**826**
Employees with disabilities	**4**	**2**	**0**	**0**	**7**	**1**	**0**	**1**	**15**

3.6.2 Total Number of Employees (Including Employees with Disabilities) Per Occupational Bands for the period 1 April 2022 to 31 March 2023

Occupational band	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top Management	0	1	0	0	0	0	0	0	**1**
Senior Management	23	4	1	0	23	1	0	1	**53**
Professionally qualified and experienced specialists and mid-management	103	6	3	7	122	4	4	5	**254**
Skilled technical and academically qualified workers, junior management, supervisors, foreman and superintendents	128	5	4	2	255	17	7	7	**425**
Semi-skilled and discretionary decision making	10	0	0	0	15	0	0	0	**25**
Contract semi-skilled and discretionary decision making	0	0	0	0	4	0	0	0	**4**
Unskilled (Levels 1-2)	15	0	0	0	25	0	0	0	**40**
Contract top management, Permanent	2	0	0	0	2	0	0	0	**4**
Contract (Senior Management), Permanent	6	0	0	0	4	0	0	0	**10**
Contract Professionally qualified and experienced specialists and mid-management, Permanent	2	0	0	0	0	0	0	0	**2**
Contract (Skilled Technical)	1	0	0	0	5	0	0	0	**6**
Contract (Unskilled (level1-2))	0	0	0	0	1	0		0	**1**
Other	1	0	0	0	0	0	0	0	**1**
Total	**291**	**16**	**8**	**9**	**456**	**22**	**11**	**13**	**826**

3.6.3 Recruitment for the period 1 April 2022 to 31 March 2023

Occupational Band	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Senior Managers	1	0	0	0	3	0	0	0	**4**
Professionally qualified and experienced specialists and mid-management	7	0	0	0	10	0	1	0	**18**
Skilled technical and academically qualified workers, junior management, supervisors, foreman and superintendents	39	0	0	0	65	2	0	0	**106**
Semi-skilled and discretionary decision making	1	0	0	0	1	0	0	0	**2**
Unskilled and defined decision making	2	0	0	0	2	0	0	0	**4**
Contract (Senior Management) permanent	1	0	0	0	0	0	0	0	**1**
Contract (Professionally qualified and experienced specialists and mid-management)	1	0	0	0	0	0	0	0	**1**
Contract (Skilled technical and academically qualified workers, junior management, supervisors, foreman and superintendents)	1	0	0	0	3	0	0	0	**4**
Contract (Semi-skilled and discretionary decision making)	0	0	0	0	2	0	0	0	**2**
Contract (Unskilled and defined decision making)	0	0	0	0	1	0	0	0	**1**
Total	**53**	**0**	**0**	**0**	**87**	**2**	**1**	**0**	**143**

3.6.4 Promotions for the period 1 April 2022 to 31 March 2023

Occupational Band	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Senior Management	5	1	0	0	7	0	0	0	**13**
Professionally qualified and experienced specialists and mid-management	16	0	0	0	46	0	0	0	**62**
Skilled technical and academically qualified workers, junior management, supervisors, foreman and superintendents	4	0	0	0	7	0	0	0	**11**
Semi-skilled, Permanent	1	0	0	0	1	0	0	0	**2**
Total	**26**	**1**	**0**	**0**	**61**	**0**	**0**	**0**	**88**
Employees with disabilities	**1**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**1**

3.6.5 Terminations for the period 1 April 2022 to 31 March 2023

Occupational Bands	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Senior Management	0	0	0	0	3	1	1	0	**5**
Professionally qualified and experienced specialists and mid-management	14	1	0	2	8	0	0	0	**25**
Skilled technical and academically qualified workers, junior management, supervisors, foremen and superintendents	5	0	0	0	13	1	0	0	**19**
Semi-skilled, Permanent	1	0	0	0	0	0	0	0	**1**
Total	**20**	**1**	**0**	**2**	**24**	**2**	**1**	**0**	**50**
Employees with Disabilities	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**

3.6.6 Disciplinary Action for the Period 01 April 2022 to 31 March 2023

Disciplinary action	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Total	**5**	**0**	**0**	**0**	**2**	**0**	**0**	**0**	**7**

3.6.7 Skills Development for the Period 01 April 2022 to 31 March 2023

Occupational category	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Legislators, senior officials and managers	70	3	0	0	120	1	0	0	**194**
Professionals	18	0	0	0	49	0	0	0	**67**
Technicians and associate professionals	11	0	0	0	26	2	0	0	**39**
Clerks	1	0	0	0	3	0	0	0	**4**
Elementary occupations	18	0	0	0	29	0	0	0	**47**
Total	**118**	**10**	**0**	**0**	**227**	**3**	**0**	**0**	**351**
Employees with disabilities	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**

3.7 Signing of Performance Agreements by SMS Members

3.7.1 Signing of Performance Agreements by SMS members as on 31 May 2022

SMS Level	Total number of funded SMS posts	Total number of SMS members	Total number of signed performance agreements	Signed performance agreements as % of total number of SMS members
Director-General/ Head of Department	1	1	1	100
Salary Level 15	5	4	4	100
Salary Level 14	19	15	15	100
Salary Level 13	66	43	41	95
Total	**91**	**63**	**61**	**97**

3.7.2 Reasons for Not Having Concluded Performance Agreements for All SMS Members as on 31 May 2022

Reasons
Two SMS members were still within their first 3 months of their appointment in terms of Regulation 72 (1

3.7.3 Disciplinary Steps Taken Against SMS Members for not Having Concluded Performance Agreements as on 31 May 2023

Reasons
Not applicable because SMS Members were still within the prescribed period of contracting.

3.8 Performance Rewards

3.8.1 Performance Rewards by Race, Gender and Disability for the Period 01 April 2022 to 31 March 2023

Race and Gender	Beneficiary Profile			Cost	
	Number of beneficiaries	Number of employees	% of total within group	Cost (R'000)	Average cost per employee
African					
Male	2	287	0,70	12	6
Female	6	449	1,34	30	5
Asian					
Male	0	8	0,00	0	0
Female	1	11	9,09	10	10
Coloured					
Male	1	13	7,69	9	9
Female	0	22	0,00	0	0
White					
Male	0	9	0,00	0	0
Female	0	12	0,00	0	0
Employees with Disabilities	0	15	0,00	0	0
Total	**10**	**826**	**1,21**	**61**	**6,10**

*Performance bonuses paid are for the period 1 April 2020 to 31 March 2021

3.8.2 Performance Rewards by Salary Band for Personnel Below Senior Management Service for the Period 01 April 2022 to 31 March 2023

Salary band	Beneficiary Profile			Cost		Total cost as a % of the total personnel expenditure
	Number of beneficiaries	Number of employees	% of total within salary bands	Total Cost (R'000)	Average cost per employee	
Lower skilled (level 1-2)	0	40	0,00	0	0	0
Skilled (level 3-5)	0	25	0,00	0	0	0
Highly skilled production (level 6-8)	2	296	0,68	10	5	0,001
Highly skilled supervision (level 9-12)	3	384	0,78	16	5,33	0,001
Contract (Level 1-2)	0	1	0,00	0	0	0
Contract (Level 3-5)	0	3	0,00	0	0	0
Contract (Level 6-8)	0	6	0,00	0	0	0
Contract (Level 9-12)	0	2	0,00	0	0	0
Other	0	1	0,00	0	0	0
Total	**5**	**758**	**0,66**	**26**	**5,20**	**0,001**

3.8.3 Performance Rewards by Critical Occupation for the Period 01 April 2022 to 31 March 2023

Critical Classification	Beneficiary Profile			Cost	
	Number of beneficiaries	Number of employees	% of total within occupation	Total Cost (R'000)	Average cost per employee (R)
Administrative related, permanent	2	6	33,33	10	500
Authors, journalism and other writers	0	6	0,00	0	0
Cleaners in offices, workshops, hospitals etc.	0	44	0,00	0	0
Client information clerks (switchboard, reception, information clerks), permanent	0	4	0,00	0	0
Communication and information related, permanent	0	10	0,00	0	0
Computer system designers and analysts, permanent	0	4	0,00	0	0
Finance and economics related, permanent	0	1	0,00	0	0
Financial and related professionals, permanent	0	26	0,00	0	0
Financial clerks and credit controllers, permanent	0	63	0,00	0	0
Food services aids and waiters, permanent	0	6	0,00	0	0
General legal administration and related professionals	0	1	0,00	0	0
Head of Department/ Chief Executive Officer, permanent	0	1	0,00	0	0
Human resources & organisation development & related professionals, permanent	0	27	0,00	0	0
Human resources clerks, permanent	0	2	0,00	0	0
Human resources related, permanent	0	10	0,00	0	0
Legal related, permanent	0	2	0,00	0	0
Library mail and related clerks, permanent	0	5	0,00	0	0
Logistical support personnel, permanent	0	2	0,00	0	0
Material-recording and transport clerks, permanent	0	1	0,00	0	0
Mathematicians and related professionals, permanent	0	3	0,00	0	0
Messengers porters and deliverers, permanent	0	6	0,00	0	0
Middle managers: administrative related	3	200	1,50	16	533
Middle managers: finance and economic related	0	128	0,00	0	0
Other administrators & related clerks and organisers, permanent	0	71	0,00	0	0
Other information technology personnel	0	5	0,00	0	0
Other occupations, permanent	0	1	0,00	0	0
Risk management and security services, permanent	0	78	0,00	0	0
Secretaries & other keyboard operating clerks, permanent	0	44	0,00	0	0
Senior managers, permanent	5	67	7,46	35	700
Trade related	0	2	0,00	0	0
Total	**10**	**826**	**1,21**	**61**	**610**

*Performance bonuses paid are for the period 1 April 2020 to 31 March 2021

3.8.4 Performance Related Rewards (Cash Bonus), by Salary Band for Senior Management Service for the Period 01 April 2022 to 31 March 2023

Salary Band	Beneficiary Profile			Cost		Total cost as a % of the total personnel expenditure
	Number of beneficiaries	Number of employees	% of total within salary bands	Total Cost (R'000)	Average cost per employee	
Band A	2	47	4,26	14	7	0,003
Band B	1	16	6,250	5	5	0,001
Band C	2	4	50,00	16	8	0,003
Band D	0	1	0	0	0	0,000
Total	**5**	**68**	**7,35**	**35**	**20**	**0,007**

3.9 Foreign Workers

The tables below summarise the employment of foreign nationals in the department in terms of salary band and major occupation.

3.9.1 Foreign Workers by Salary Band for the period 1 April 2022 to 31 March 2023

Salary band	01 April 2022		31 March 2023		Change	
	Number	% of total	Number	% of total	Number	% Change
Senior Management (Levels 13-16)	1	100.00	1	100.00	0	0
Total	**1**	**100.00**	**1**	**100.00**	**0**	**0**

3.9.2 Foreign Workers by Major Occupation for the period 1 April 2022 to 31 March 2023

Major occupation	01 April 2022		31 March 2023		Change	
	Number	% of total	Number	% of total	Number	% Change
Professionals and managers	1	100.00	1	100.00	0	0
Total	**1**	**100.00**	**1**	**100.00**	**0**	**0**

3.10. Leave Utilisation

3.10.1 Sick Leave for the Period 1 January 2022 to 31 December 2022

Salary band	Total days	% Days with Medical certification	Number of Employees using sick leave	% of total employees using sick leave	Average days per employee	Estimated Cost (R'000)
Contract (Levels 13-16)	16	93,80	5	1	3	73
Contract (Levels 6-8)	7	71,40	4	0,79	2	8
Contract (Levels 9-12)	2	100,00	1	0,20	2	6
Contract other	59	61,00	17	3,35	3	19
Highly skilled production (levels 6-8)	1 302	80,30	188	37,08	7	2 098
Highly skilled supervision (levels 9 -12)	1 149	72,80	216	42,60	5	3 194
Lower skilled (levels 1-2)	315	95,90	36	7,10	9	173
Senior management (levels 13-16)	137	81,80	24	4,73	6	648
Skilled (levels 3-5)	87	80,50	16	3,16	5	74
Total	**3 074**	**78,80**	**507**	**100**	**6**	**6 294**

3.10.2 Disability Leave (Temporary and Permanent) for the Period 1 January 2022 to 31 December 2022

Salary band	Total days	% Days with Medical certification	Number of Employees using disability leave	% of total employees using disability leave	Average days per employee	Estimated Cost (R'000)
Highly skilled production (Levels 6-8)	337	100	1	50	337	491
Highly skilled supervision (Levels 9-12)	28	100	1	50	2	76
Total	**365**	**100**	**2**	**100**	**183**	**567**

The table below summarises the utilisation of annual leave. The wage agreement concluded with trade unions in the PSCBC in 2000 requires management of annual leave to prevent high levels of accrued leave being paid at the time of termination of service.

3.10.3 Annual Leave for the Period 1 January 2022 to 31 December 2022

Salary band	Total days taken	Number of Employees using annual leave	Average per employee
Contract (Levels 13-16)	412	20	21
Contract (Levels 3-5)	34	3	11
Contract (Levels 6-8)	43	6	7
Contract (Levels 9-12)	51	5	10
Contract other	500	79	6
Highly skilled production (Levels 6-8)	6 260	329	19
Highly skilled supervision (Levels 9-12)	8 545	399	21
Lower skilled (Levels 1-2)	839	42	20
Senior management (Levels 13-16)	1 064	51	21
Skilled (Levels 3-5)	453	25	18
Total	**18 201**	**959**	**19**

3.10.4 Capped Leave for the Period 1 January 2022 to 31 December 2022

Salary band	Total days of capped leave taken	Number of Employees using capped leave	Average number of days taken per employee	***Average capped leave per employee as on 31 March 2023
Contract (Level 13-16)	0	0	0	102
Highly skilled production (Levels 6-8)	0	0	0	35
Highly skilled supervision (Levels 9-12)	0	0	0	31
Senior management (Levels 13-16)	0	0	0	21
Total	**0**	**0**	**0**	**32**

***The average capped leave per employee is calculated by dividing the number of employees with capped per salary band by the number of capped leave available in that salary band at the end of the financial year. The calculation is only shown in full in the original oversight report and not required for purposes of this table.

3.10.5 Leave Payouts for the Period 1 April 2022 and 31 March 2023

Reason	Total amount (R'000)	Number of employees	Average per employee (R'000)
Leave payout for 2022/23 due to non-utilisation of leave for the previous cycle	1 838	22	84
Total	**1 838**	**22**	**84**

3.11 HIV/AIDS & Health Promotion Programmes

3.11.1 Steps Taken to Reduce the Risk of Occupational Exposure

Units/categories of employees identified to be at high risk of contracting HIV & related diseases (if any)	Key steps taken to reduce the risk
• Youth (young employees) • Interns and learners • First Aiders • Cleaners	• Ongoing HIV/AIDSs awareness session • Promotion of HCT (voluntary HIV counselling and testing. • Education on behaviour change • Awareness and Education on PrEP and adherence to treatment • Promoted consistence use of condoms • Stigma mitigation

3.11.2 Details of Health Promotion and HIV/AIDS Programmes

Question	Yes	No	Details, if yes	
1.Has the department designated a member of the SMS to implement the provisions contained in Chapter 4, Part 3, Regulation 55 of the Public Service Regulations, 2016? If so, provide her/his name and position.	Yes		Ms Mmakgabo Mashabela Director: HRD, ER & EHWP	
2. Does the department have a dedicated unit, or has it designated specific staff members to promote the health and well-being of your employees? If so, indicate the number of employees who are involved in this task and the annual budget that is available for this purpose.	Yes		Number of employees: 4 and 2 vacant Overall budget for unit: R340 000	
3. Has the department introduced an Employee Assistance or Health Promotion Programme for your employees? If so, indicate the key elements/services of this Programme.	Yes		The EHWP offers therapeutic and psychosocial support to employees and their immediate family members through the internal coordinators and outsourced service provider (Zinakekele).	
4. Has the department established (a) committee(s) as contemplated in Chapter 4, Part 3, Regulation 55 of the Public Service Regulations, 2016? If so, please provide the names of the members of the committee and the stakeholder(s) that they represent.	Yes		Ms Ledile Dlangalala Mr. Thabo Moloi Ms. Miranda Henry Ms. Onica Mazibuko Ms. Lerato Bilankulu Mr. Mazwamahle Gwebu Ms. Andiswa Thantamiso Mr. Thabang Letsholo Ms. Margaret Nhlapo Ms. Njabulo Ntuli Ms. Mmasape Phasha	Ms. Refiloe Halata Ms. Hleziphikhona Dhlamini Ms Patricia Rikhotso Ms Dimakatso Makgoba Ms Tumelo Molathegi Ms Thelma Maswanganye Ms Sibongile Zwane Ms Vuyiwe Lavisa Ms Idah Mogale Ms Tiisetso Mosate
5. Has the department reviewed its employment policies and practices to ensure that these do not unfairly discriminate against employees on the basis of their HIV status? If so, list the employment policies/practices so reviewed.	Yes		SHERQ Management policy H & P Management Policy Wellness Management Policy HIV, AIDS, TB & STI Policy	
6. Has the department introduced measures to protect HIV-positive employees or those perceived to be HIV-positive from discrimination? If so, list the key elements of these measures.	Yes		The Departmental HIV/AIDS, TB &STI's policy adheres to anti-discriminatory values and does not coerce employees to disclose their diagnosis. Secondly, the Employee Health & Wellness unit adheres to strict confidentiality code to ensure employees are protected.	
7. Does the department encourage its employees to undergo Voluntary Counselling and Testing? If so, list the results that you have you achieved.	Yes		Government Employees Medical Scheme and other stakeholders conduct HIV Counselling and Testing (HCT) during Health Screening Campaigns in the department.	
8. Has the department developed measures/indicators to monitor & evaluate the impact of its health promotion programme? If so, list these measures/indicators.	Yes		The measures are based on medical reports received from the outsourced EHWP service provider, GEMS and other stakeholder's engagements after conducting health screenings Reporting quarterly on the programs implemented, indicating the achievements, gaps, and proposed solutions to identified gaps.	

3.12 Labour Relations

3.12.1 Collective Agreements for the Period 01 April 2022 to 31 March 2023

Total number of Collective agreements	**None**

3.12.2 Misconduct and Disciplinary Hearings Finalised for the Period 01 April 2022 to 31 March 2023

Outcome of Disciplinary Hearings	Number	% of Total
Written warning	2	40
Final written warning	3	60
Total	**5**	**100**

**The table accounts for all misconduct finalised (either through a hearing or progressive steps)

3.12.3 Types of Misconduct Addressed at Disciplinary Hearings for the Period 01 April 2022 to 31 March 2023

Type of Misconduct	Number	% of Total
None	0	0
Total	**0**	**0**

3.12.4 Grievances Logged for the Period 1 April 2022 and 31 March 2023

Grievances	Number	% of Total
Number of grievances resolved	5	71,43
Number of grievances not resolved	2	28,57
Total number of grievances lodged	**7**	**100**

**Grievances captured reflect the number of individuals involved as per Resolution B 1 (C), Public Service Commission guidelines on new grievance rules.*

3.12.5 Disputes Logged with Councils for the Period 1 April 2022 and 31 March 2023

Disputes	Number	% of Total
Number of disputes upheld	0	0
Number of disputes dismissed	02	75
Number of disputes pending outcome	01	25
Number of disputes settled	0	0
Total number of disputes lodged	**03**	**100**

3.12.6 Strike Actions for the Period 1 April 2022 and 31 March 2023

Total number of persons working days lost	02
Total costs working days lost	01
Amount recovered as a result of no work no pay (R'000)	R2892.26

3.12.7 Precautionary Suspensions for the Period 1 April 2022 to 31 March 2023

Number of people suspended	0
Number of people whose suspension exceeded 30 days	0
Average number of days suspended	0
Cost of suspension (R'000)	R0

3.13 Skills Development

3.13.1 Training Needs Identified for the Period 01 April 2022 to 31 March 2023

Occupational category	Gender	Number of employees as at 1 April 2022	Training needs identified at start of the reporting period			
			Learnerships	Skills Programmes & other short courses	Other forms of training	Total
Legislators, senior officials and managers	Female	31	0	15	0	15
	Male	31	0	11	0	11
Professionals	Female	128	0	0	0	0
	Male	113	0	0	0	0
Technicians and associate professionals	Female	234	0	57	0	57
	Male	122	0	32	0	32
Clerks	Female	11	0	45	0	45
	Male	5	0	40	0	40
Elementary occupations	Female	36	0	29	0	29
	Male	21	0	11	0	11
Sub Total	**Female**	**440**	**0**	**146**	**0**	**146**
	Male	**293**	**0**	**94**	**0**	**94**
Total		**733**	**0**	**240**	**0**	**240**

3.13.2 Training Provided for the Period 01 April 2022 to 31 March 2023

Occupational category	Gender	Number of employees as at 1 April 2022	Training provided within the reporting period			
			Learnerships	Skills Programmes & other short courses	Other forms of training	Total
Legislators, senior officials and managers	Female	31	0	67	54	121
	Male	31	0	37	36	73
Professionals	Female	128	4	18	27	49
	Male	113	0	9	9	18
Technicians and associate professionals	Female	234	0	6	7	13
	Male	122	0	4	22	26
Clerks	Female	11	0	0	3	3
	Male	5	0	0	1	1
Elementary occupations	Female	36	0	23	6	29
	Male	21	0	14	4	18
Sub Total	**Female**	**440**	**4**	**114**	**97**	**215**
	Male	**293**	**0**	**64**	**72**	**136**
Total		**733**	**4**	**178**	**169**	**351**

3.14 Injury on Duty

3.14.1 Injury on Duty for the Period 01/04/2022 - 31/03/2023

Nature of injury on duty	Number	% of total
Required basic medical attention only	5	100
Temporary Total Disablement	0	0
Permanent Disablement	0	0
Fatal	0	0
Total	**5**	**100**

3.15 Utilisation of Consultants

3.15.1 Report on Consultant Appointments Using Appropriated Funds for the Period 2022/23

Project title	Total number of consultants that worked on project	Duration (work days)	Contract value in Rand
Probity Audit **(58 probity audits)**	17	5 040	R 21 095 626,97
Internal Audit **(20 internal audit assignments)**	103	2 322	R 8 283 471,18
IDMS- Engineer (Civil/structural or mechanical) **(1 project)**	1	360	R 7 963 058,16
IDMS-Organisational Development **(1 project)**	1	360	R 8 089 573,60
IDMS-Quantity surveyor **(1 project)**	1	360	R 8 485 793,79
Automation of Financial Statements **(1 projects)**	7	240	R 3 165 928,00

Total number of projects	Total individual consultants	Total duration work days	Total contract value in Rand
Probity Audit	17	5 040	R 21 095 626,97
Internal Audit	103	2 322	R 8 283 471,18
IDMS- Engineer (Civil/structural or mechanical)	1	360	R 7 963 058,16
IDMS-Organisational Development	1	360	R 8 089 573,60
IDMS-Quantity surveyor	1	360	R 8 485 793,79
Automation of Financial Statements **(1 projects)**	7	240	R 3 165 928,00

3.15.2 Analysis of Consultant Appointments Using Appropriated Funds, in Terms of Historically Disadvantaged Individuals (HDIs) for the Period 2021/22

Project title	% ownership by HDI groups	% management by HDI groups	Number of consultants from HDI groups that work on the project
Probity Audit	78	16	14
Internal Audit	95	24	36
MSCOA	100	100	1
General Advisor	100	100	1
Automation of Financial Statements	0	0	0

3.15.3 Report on consultant appointments using Donor funds

Project title	Total number of consultants that worked on project	Duration (work days)	Donor and contract value in Rand
N/A	N/A	N/A	N/A

Total number of projects	Total individual consultants	Total duration work days	Total contract value in Rand
N/A	N/A	N/A	N/A

3.15.4 Analysis of Consultant Appointments using Donor funds, in terms of Historically Disadvantaged Individuals (HDIs)

Project title	Percentage ownership by HDI groups	Percentage management by HDI groups	Number of consultants from HDI groups that work on the project
N/A	N/A	N/A	N/A

3.16 Severance Packages

3.16.1 Granting of Employee Initiated Severance Packages

PART E: PFMA COMPLIANCE REPORT

1. Irregular, Fruitless and Wasteful, Unauthorised Expenditure and Material Losses **78**

2. Late and/or Non-Payment of Suppliers **83**

3. Supply Chain Management **83**

1. Irregular, Fruitless and Wasteful, Unauthorised Expenditure and Material Losses

1.1. Irregular Expenditure

a) Reconciliation of Irregular Expenditure

Description	2022/2023	2021/2022
	R'000	R'000
Opening balance	-	-
Add: Irregular expenditure confirmed	-	-
Less: Irregular expenditure condoned	-	-
Less: Irregular expenditure not condoned and removed	-	-
Less: Irregular expenditure recoverable	-	-
Less: Irregular expenditure not recovered and written off	-	-
Closing balance	**-**	**-**

Reconciling notes

Description	2022/2023	2021/2022
	R'000	R'000
Irregular expenditure that was under assessment in 2022/23	-	-
Irregular expenditure that relates to 2022/23 and identified in 2023/24	-	-
Irregular expenditure for the current year	-	-
Total	**-**	**-**

b) Details of current and previous year irregular expenditure (under assessment, determination, and investigation)

Description	2022/2023	2021/2022
	R'000	R'000
Irregular expenditure that was under assessment	-	-
Irregular expenditure under determination	-	-
Irregular expenditure under investigation	-	-
Total	**-**	**-**

c) Details of current and previous year irregular expenditure condoned

Description	2022/2023	2021/2022
	R'000	R'000
Irregular expenditure condoned	-	-
Total	**-**	**-**

d) Details of current and previous year irregular expenditure removed - (not condoned)

Description	2022/2023	2021/2022
	R'000	R'000
Irregular expenditure NOT condoned and removed	-	-
Total	**-**	**-**

e) Details of current and previous year irregular expenditure recovered

Description	2022/2023	2021/2022
	R'000	R'000
Irregular expenditure recovered	-	-
Total	**-**	**-**

f) Details of current and previous year irregular expenditure written off (irrecoverable)

Description	2022/2023	2021/2022
	R'000	R'000
Irregular expenditure written off	-	-
Total	**-**	**-**

Additional disclosure relating to Inter-Institutional Arrangements

g) Details of non-compliance cases where an institution is involved in an inter-institutional arrangement (where such institution is not responsible for the non-compliance)

Description	2022/2023	2021/2022
	R'000	R'000
	-	-
	-	-
	-	-
Total	**-**	**-**

h) Details of non-compliance cases where an institution is involved in an inter-institutional arrangement (where such institution is responsible for the non-compliance)

Description	2022/2023	2021/2022
	R'000	R'000
	-	-
	-	-
	-	-
	-	-
Total	**-**	**-**

i) Details of current and previous year disciplinary or criminal steps taken as a result of irregular expenditure

Disciplinary steps taken

1.2. Fruitless and Wasteful Expenditure

a) Reconciliation of fruitless and wasteful expenditure

Description	2022/2023	2021/2022
	R'000	R'000
Opening balance	-	-
Add: Fruitless and wasteful expenditure confirmed	-	-
Less: Fruitless and wasteful expenditure written off	-	-
Less: Fruitless and wasteful expenditure recoverable	-	-
Closing balance	**-**	**-**

Reconciling notes

Description	2022/2023	2021/2022
	R'000	R'000
Fruitless and wasteful expenditure that was under assessment in 2022/23	-	-
Fruitless and wasteful expenditure that relates to 2022/23 and identified in 2023/24	-	-
Fruitless and wasteful expenditure for the current year	-	-
Total	**-**	**-**

b) Details of current and previous year fruitless and wasteful expenditure (under assessment, determination, and investigation)

Description	2022/2023	2021/2022
	R'000	R'000
Fruitless and wasteful expenditure under assessment	-	-
Fruitless and wasteful expenditure under determination	-	-
Fruitless and wasteful expenditure under investigation	-	-
Total	**-**	**-**

c) Details of current and previous year fruitless and wasteful expenditure recovered

Description	2022/2023	2021/2022
	R'000	R'000
Fruitless and wasteful expenditure recovered	-	-
Total	**-**	**-**

d) Details of current and previous year fruitless and wasteful expenditure not recovered and written off

Description	2022/2023	2021/2022
	R'000	R'000
Fruitless and wasteful expenditure written off	-	-
Total	**-**	**-**

e) Details of current and previous year disciplinary or criminal steps taken as a result of fruitless and wasteful expenditure

Disciplinary steps taken

1.3. Unauthorised Expenditure

a) Reconciliation of unauthorised expenditure

Description	2022/2023	2021/2022
	R'000	R'000
Opening balance	-	-
Add: unauthorised expenditure confirmed	-	-
Less: unauthorised expenditure approved with funding	-	-
Less: unauthorised expenditure approved without funding	-	-
Less: unauthorised expenditure recoverable		
Less: unauthorised not recovered and written off		
Closing balance	**-**	**-**

Reconciling notes

Description	2022/2023	2021/2022
	R'000	R'000
Unauthorised expenditure that was under assessment in 20XX/YY	-	-
Unauthorised expenditure that relates to 20XX/YY and identified in 20YY/ZZ	-	-
Unauthorised expenditure for the current year	-	-
Total	**-**	**-**

b) Details of current and previous year unauthorised expenditure (under assessment, determination, and investigation)

Description	2022/2023	2021/2022
	R'000	R'000
Unauthorised expenditure under assessment	-	-
Unauthorised expenditure under determination	-	-
Unauthorised expenditure under investigation	-	-
Total	**-**	**-**

1.4. Additional Disclosure Relating to Material Losses in Terms of PFMA Section 40(3)(b)(i) &(iii))

a) Details of current and previous year material losses through criminal conduct

Material losses through criminal conduct	2022/2023	2021/2022
	R'000	R'000
Theft	-	-
Other material losses	-	-
Less: Recovered	-	-
Less: Not recovered and written off	-	-
Total	**-**	**-**

b) Details of other material losses

Nature of other material losses	2022/2023	2021/2022
	R'000	R'000
	-	-
	-	-
	-	-
	-	-
Total	**-**	**-**

c) Other material losses recovered

Nature of losses	2022/2023	2021/2022
	R'000	R'000
	-	-
	-	-
	-	-
	-	-
Total	**-**	**-**

d) Other material losses written off

Nature of losses	2022/2023	2021/2022
	R'000	R'000
	-	-
	-	-
	-	-
	-	-
Total	**-**	**-**

2. Late and/or Non-Payment of Suppliers

Description	Number of Invoices	Consolidated Value R'000
Valid invoices received	811	77 745
Invoices paid **within** 30 days or agreed period	811	77 745
Invoices paid **after** 30 days or agreed period	-	-
Invoices older than 30 days or agreed period ***(unpaid and without dispute)***	-	-
Invoices older than 30 days or agreed period ***(unpaid and in dispute)***	56	5 979

3. Supply Chain Management

3.1. Procurement by Other Means

Project Description	Name of Supplier	Type of Procurement by Other Means	Contract Number	Value of Contract Rands/Dollars
Live Broadcasting of budget speech	Africa Business News	Sole Source	4251033589	R 590,000.00
Training	Compliance Institute of Southern Africa	Single sourcing	4251060144	R 43,560.00
Facilitation of training interventions to Accountant Trainees (GAP Training interventions)	South African Institute of Proffessional Accountants	Single sourcing	4251098990	R 1,181,280.00
Supply of water Bottles	Skeythem	Single sourcing	4251073653	R 59,200.00
One -hour live broadcasting of the budget speech and pre-promos on Ukhozi and Lesedi FM	SABC	Single sourcing	4550285716	R 590,000.00
Subscription to Online Press Reader Newspaper and Magazines	Newspaper Direct - Calandria	Single sourcing	4251085417	R 89,950.00
One -hour live broadcasting of the budget speech and pre-promos on Ukhozi and Lesedi FM	SABC	Single sourcing	4251095063	R 678,500.00
Training on performing an effective Qulaity Assuarace for Auditors	Leadership Academy	Single sourcing	4251099005	R 93,150.00
Dynamic data and Information Platform Subscription	Bloomberg Finance L.P	Single sourcing	N/A	$ 60 000 excluding VAT
Support and maintenance services for the Kofax e-Invoicing processing system	Impilo Technologies	Sole Source	4251098386	R2,726,016.46
Total				**R 6,051,656.00 + $ 60 000 excluding VAT**

3.2. Contract Variations and Expansions

Project Description	Name of Supplier	Contract Modification Type (Expansion or Variation)	Contract Number	Original Contract Value Rands	Value of previous contract expansion/s or variation/s (if applicable) Rands	Value of current contract expansion or variation Rands
Hygiene Services (Procurement of hygiene solutions)	Supex Hygiene Services	Expansion	4251033919	R 399,027,43	R 57,451.13	R 19,605.00
GPG Banking Services Transaction	Seanego Attorneys	Expansion	4251043282	R 387,872.00	N/A	R350,000.00
Catering	Kharishumisani Trading Enterprise	Expansion	4251076428	R 24,955.00	N/A	R 14,662.62
Recording Services	Uqhakaziso Trading and Projects	Expansion	4251076465	R 28,960.00	N/A	R 13,790.00
Venue and Confrence facilities for the Launch of operation Clean Audit	Munghana Leisure and Tourism	Expansion	4251099022	R 315,052.50	N/A	R189,031.50
Total				**R 1,107158.28**	**R 57,451.13**	**R 587,089.62**


GAUTENG PROVINCE
TREASURY
REPUBLIC OF SOUTH AFRICA
Facts
Validation
Analysis
CAGS
CLEAN AUDIT & GOVERNANCE SEMINAR
Promoting the culture of accountability in the Gauteng Province.
29 MARCH 2023
Inspection
Hotline: 08600 11000
www.gautengonline.gov.za

PART F: FINANCIAL INFORMATION

Report Of The Auditor-General **88**

Annexure to the Auditor’s Report **91**

Compliance with legislation – selected legislative requirements **92**

Annual Financial Statements **94**

Report of the auditor-general to Gauteng Provincial Legislature on vote no.14: Gauteng Provincial Treasury

Report on the audit of the financial statements

Opinion

1. I have audited the financial statements of the Gauteng Provincial Treasury set out on pages 93 to 124, which comprise the appropriation statement, statement of financial position as at 31 March 2023, the statement of financial performance, statement of changes in net assets and cash flow statement for the year then ended, as well as notes to the annual financial statements, including a summary of significant accounting policies.

2. In my opinion, the financial statements present fairly, in all material respects, the financial position of the Gauteng Provincial Treasury as at 31 March 2023, and its financial performance and cash flows for the year then ended in accordance with the Modified Cash Standard (MCS) as prescribed by the National Treasury and the requirements of the Public Finance Management Act 1 of 1999 (PFMA) and the Division of Revenue Act of 5 of 2022 (Dora).

Basis for opinion

3. I conducted my audit in accordance with the International Standards on Auditing (ISAs). My responsibilities under those standards are further described in the responsibilities of the auditor-general for the audit of the annual financial statements section of my report.

4. I am independent of the department in accordance with the International Ethics Standards Board for Accountants' International code of ethics for professional accountants (including International Independence Standards) (IESBA code) as well as other ethical requirements that are relevant to my audit in South Africa. I have fulfilled my other ethical responsibilities in accordance with these requirements and the IESBA code.

5. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Responsibilities of the accounting officer for the financial statements

6. The accounting officer is responsible for the preparation and fair presentation of the annual financial statements in accordance with the MCS prescribed and the requirements of the PFMA, and for such internal control as the accounting officer determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

7. In preparing the annual financial statements, the accounting officer is responsible for assessing the department's ability to continue as a going concern; disclosing, as applicable, matters relating to going concern; and using the going concern basis of accounting unless the appropriate governance structure either intends to liquidate the department or to cease operations or has no realistic alternative but to do so.

Responsibilities of the auditor-general for the audit of the financial statements

8. My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error; and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with the ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

9. A further description of my responsibilities for the audit of the financial statements is included in the annexure to this auditor's report.

Report on the audit of the annual performance report

10. In accordance with the Public Audit Act 25 of 2004 (PAA) and the general notice issued in terms thereof, I must audit and report on the usefulness and reliability of the reported performance information against predetermined objectives for selected programmes presented in the annual performance report. The accounting is responsible for the preparation of the annual performance report.

11. I selected the following programmes presented in the annual performance report for the year ended 31 March 2023 for auditing. I selected programmes that measure the department's performance on its primary mandated functions and that are of significant national, community or public interest.

Programme	Page numbers	Purpose
Sustainable fiscal resource management	29 - 31	To enforce the effective and efficient administration of fiscal resources at provincial institutions
Provincial supply chain management	34 - 36	To promote and enforce transparency and effective supply chain management
Municipal finance management	36 - 38	To ensure efficient and effective management in municipalities and municipal entities and coordinate the provisioning of capacity building

12. I evaluated the reported performance information for the selected programmes against the criteria developed from the performance management and reporting framework, as defined in the general notice. When an annual performance report is prepared using these criteria, it provides useful and reliable information and insights to users on the department's planning and delivery on its mandate and objectives.

13. I performed procedures to test whether:

- the indicators used for planning and reporting on performance can be linked directly to the department's mandate and the achievement of its planned objectives
- the indicators are well defined and verifiable to ensure that they are easy to understand and apply consistently and that I can confirm the methods and processes to be used for measuring achievements
- the targets can be linked directly to the achievement of the indicators and are specific, time bound and measurable to ensure that it is easy to understand what should be delivered and by when, the required level of performance as well as how performance will be evaluated
- the indicators and targets reported on in the annual performance report are the same as what was committed to in the approved initial or revised planning documents
- the reported performance information is presented in the annual performance report in the prescribed manner
- there are adequate supporting evidence for the achievements reported and for the reasons provided for any over- or underachievement of targets.

14. I performed the procedures for the purpose of reporting material findings only; and not to express an assurance opinion.

15. I did not identify any material findings on the reported performance information for the selected programmes.

Other matter

16. I draw attention to the matter below.

Achievement of planned targets

17. The annual performance report includes information on reported achievements against planned targets and provides explanations for over- and under-achievements.

Report on the audit of compliance with legislation

18. In accordance with the PAA and the general notice issued in terms thereof, I must audit and report on compliance with applicable legislation relating to financial matters, financial management and other related matters. The accounting officer is

responsible for the department's compliance with legislation.

19. I performed procedures to test compliance with selected requirements in key legislation in accordance with the findings engagement methodology of the Auditor-General of South Africa (AGSA). This engagement is not an assurance engagement. Accordingly, I do not express an assurance opinion or conclusion.

20. Through an established AGSA process, I selected requirements in key legislation for compliance testing that are relevant to the financial and performance management of the department, clear to allow consistent measurement and evaluation, while also sufficiently detailed and readily available to report in an understandable manner. The selected legislative requirements are included in the annexure to this auditor's report.

21. I did not identify any material non-compliance with the selected legislative requirements.

Other information in the annual report

22. The accounting officer is responsible for the other information included in the annual report. The other information referred to does not include the annual financial statements, the auditor's report and those selected programmes presented in the annual performance report that have been specifically reported on in this auditor's report.

23. My opinion on the annual financial statements, the report on the audit of the annual performance report and the report on compliance with legislation, do not cover the other information included in the annual report and I do not express an audit opinion or any form of assurance conclusion on it.

24. My responsibility is to read this other information and, in doing so, consider whether it is materially inconsistent with the annual financial statements and the selected programmes presented in the annual performance report, or my knowledge obtained in the audit, or otherwise appears to be materially misstated.

25. The other information I obtained prior to the date of this auditor's report is the annual financial statements and the draft annual report. The MEC foreword and audit committee report are expected to be made available to us after 31 July 2023.

26. If, based on the work I have performed on the other information that I obtained prior to the date of this auditor's report, I conclude that there is a material misstatement of this other information, I am required to report that fact. I have nothing to report in this regard.

27. When I do receive and read the other information, if I conclude that there is a material misstatement therein, I am required to communicate the matter to those charged with governance and request that the other information be corrected. If the other information is not corrected, I may have to retract this auditor's report and re-issue an amended report as appropriate. However, if it is corrected this will not be necessary.

Internal control deficiencies

28. I considered internal control relevant to my audit of the annual financial statements, annual performance report and compliance with applicable legislation; however, my objective was not to express any form of assurance on it.

29. I did not identify any significant deficiencies in internal control.

Auditor General

Johannesburg
31 July 2023

AUDITOR-GENERAL
SOUTH AFRICA

Auditing to build public confidence

Annexure to the auditor's report

The annexure includes the following:

- the auditor-general's responsibility for the audit
- the selected legislative requirements for compliance testing.

Auditor-general's responsibility for the audit

Professional judgement and professional scepticism

As part of an audit in accordance with the ISAs, I exercise professional judgement and maintain professional scepticism throughout my audit of the financial statements and the procedures performed on reported performance information for selected programmes and on the department's compliance with selected requirements in key legislation.

Financial statements

In addition to my responsibility for the audit of the financial statements as described in this auditor's report, I also:

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error; design and perform audit procedures responsive to those risks; and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the department's internal control
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made
- conclude on the appropriateness of the use of the going concern basis of accounting in the preparation of the financial statements. I also conclude, based on the audit evidence obtained, whether a material uncertainty exists relating to events or conditions that may cast significant doubt on the ability of the department to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements about the material uncertainty or, if such disclosures are inadequate, to modify my opinion on the financial statements. My conclusions are based on the information available to me at the date of this auditor's report. However, future events or conditions may cause a department to cease operating as a going concern
- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and determine whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Communication with those charged with governance

I communicate with the accounting officer regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

I also provide the accounting officer with a statement that I have complied with relevant ethical requirements regarding independence and to communicate with them all relationships and other matters that may reasonably be thought to bear on my independence and, where applicable, actions taken to eliminate threats or safeguards applied.

Compliance with legislation – selected legislative requirements

The selected legislative requirements are as follows:

Legislation	Sections or regulations
Public Finance Management Act No.1 of 1999 (PFMA)	Section 1 Section 38(1)(a)(iv); 38(1)(b);38(1)(c);38(1)(c)(i); 38(1)(c)(ii); 38(1)(d); 38(1)(h)(iii); Section 39(1)(a); 39(2)(a); Section 40(1)(a); 40(1)(b); 40(1)(c)(i) Section 43(4); 44; 44 (1) and (2) ; 45(b); Section 50(3); 50(3)(a)
Treasury Regulations for departments, trading entities, constitutional institutions and public entities (TR)	Treasury Regulation 4.1.1; 4.1.3 Treasury Regulation 5.1.1; 5.2.1; 5.2.3(a); 5.2.3(d); 5.3.1 Treasury Regulation 6.3.1(a); 6.3.1(b); 6.3.1(c'); 6.3.1(d); 6.4.1(b) Treasury Regulation 7.2.1 Treasury Regulation 8.1.1; 8.2.1; 8.2.2; 8.2.3; 8.4.1 Treasury Regulation 9.1.1; 9.1.4 Treasury Regulation 10.1.1(a); 10.1.2 Treasury Regulation 11.4.1; 11.4.2; 11.5.1 Treasury Regulation 12.5.1 Treasury Regulation 15.10.1.2(c') Treasury Regulation 16A3.1 ; 16A 3.2; 16A 3.2(a); 16A 6.1; 16A6.2(a) ,(b) & (e) ; 16A 6.3(a); 16A 6.3(a)(i);16A 6.3(b); 16A 6.3(c);16A6.3(d) ; 16A 6.3(e); 16A 6.4; 16A 6.5; 16A 6.6; 16A7.1; 16A.7.3; 16A.7.6; 16A.7.7; TR 16A8.2 (1) and (2); 16A 8.3 16A8.3 (d); 16A 8.4; 16A9; 16A9.1; 16A9.1(b)(ii);16A9.1 (c); 16A 9.1(d); 16A 9.1(e); 116A9.2; 16A9.2(a)(ii) &(iii); 16A9.1(f). Treasury Regulation 17.1.1 Treasury Regulation 18.2 Treasury Regulation 19.8.4
Division of Revenue Act No. 5 of 2022	DoRA 11(6)(a) DoRA 12(5) DoRA 16(1) DoRA 16(3) DoRA 16(3)(a)(i) DoRA 16(3)(a)(ii)(bb)
Public service regulation	Public service regulation 13(c);18; 18 (1) and (2); 25(1)(e)(i); 25(1)(e)(iii)
Prevention and Combating of Corrupt Activities Act No.12 of 2004 (PRECCA)	Section 29 Section 34(1)
Construction Industry Development Board Act No.38 of 2000 (CIDB)	Section 18(1)
Construction Industry Development Board Regulations	CIDB regulation 17; 25(1); 25 (5) & 25(7A)
PPPFA	Section 1(i); 2.1(a); 2.1(b); 2.1(f)
PPR 2017	Paragraph 4.1; 4.2 Paragraph 5.1; 5.3; 5.6; 5.7 Paragraph 6.1; 6.2; 6.3; 6.5; 6.6; 6.8 Paragraph 7.1; 7.2; 7.3; 7.5; 7.6; 7.8 Paragraph 8.2; 8.5 Paragraph 9.1; 9.2 Paragraph 10.1; 10.2 Paragraph 11.1; 11.2 Paragraph 12.1 and 12.2
PPR 2022	Paragraph 3.1 Paragraph 4.1; 4.2; 4.3; 4.4 Paragraph 5.1; 5.2; 5.3; 5.4
SITA ACT	Section 7(3) Section 7(6)(b) Section 20(1)(a)(I)
SITA regulations	Regulation 8.1.1 (b); 8.1.4; 8.1.7 Regulation 9.6; 9.4 Regulation 12.3 Regulation 13.1 (a) Regulation 14.1; 14.2

Compliance with legislation...cont.

Legislation	Sections or regulations
PFMA SCM Instruction no. 09 of 2022/2023	Paragraph 3.1; 3.3 (b); 3.3 (c); 3.3 (e); 3.6
National Treasury Instruction No.1 of 2015/16	Paragraph 3.1; 4.1; 4.2
NT SCM Instruction Note 03 2021/22	Paragraph 4.1; 4.2 (b); 4.3; 4.4; 4.4 (a);4.4 (c) -(d); 4.6 Paragraph 5.4 Paragraph 7.2; 7.6
NT SCM Instruction 4A of 2016/17	Paragraph 6
NT SCM Instruction Note 03 2019/20	Par 5.5.1(vi); Paragraph 5.5.1(x);
NT SCM Instruction Note 11 2020/21	Paragraph 3.1; 3.4 (a) and (b); 3.9; 6.1;6.2;6.7
NT SCM Instruction note 2 of 2021/22	Paragraph 3.2.1; 3.2.2; 3.2.4(a) and (b) ; 3.3.1; 3.2.2 Paragraph 4.1
PFMA SCM Instruction 04 of 2022/23	Paragraph 4(1); 4(2); 4(4)
Practice Note 5 of 2009/10	Paragraph 3.3
PFMA SCM instruction 08 of 2022/23	Paragraph 3.2 Paragraph 4.3.2 and 4.3.3
Competition Act	Section 4(1)(b)(ii)
NT instruction note 4 of 2015/16	Paragraph 3.4
NT instruction 3 of 2019/20 - Annexure A	Section 5.5.1 (iv) and (x)
Second amendment of NTI 05 of 2020/21	Paragraph 4.8; 4.9 ; 5.1 ; 5.3

ANNUAL FINANCIAL STATEMENTS

For The Year Ended 31 March 2022

Appropriation Statement **95**

Notes To The Appropriation Statement **102**

Statement Of Financial Performance **104**

Statement Of Financial Position **105**

Statement Of Changes In Net Assets **106**

Cash Flow Statement **107**

Notes To The Annual Financial Statements **108**
Part A: Accounting Policies **108**
Part B: Explanatory Notes **113**

Annexures to the Annual Financial Statements **127**

Appropriation Statement
For The Year Ended 31 March 2023

Appropriation per programme									
	2022/23							2021/22	
	Approved Budget	Shifting of Funds	Virement	Final Budget	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Budget	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Programme									
1. Administration	173 506	-	(1 122)	172 384	171 098	1 286	99.3	137 635	125 107
2. Sustainable Fiscal Resource Management (SFRM)	151 162	-	(2 077)	149 085	148 680	405	99.7	154 730	147 431
3. Financial Governance (FG)	115 980	-	(704)	115 276	114 375	901	99.2	121 918	109 762
4. Provincial Supply Chain Management (PSCM)	88 279	-	(233)	88 046	88 029	17	100.0	103 526	90 029
5. Municipal Financial Governance (MFG)	46 793	-	(890)	45 903	45 414	489	98.9	44 340	38 580
6. Gauteng Audit Services (GAS)	108 345	-	5 026	113 371	113 354	12 17	100.00	113 396	101 051
Subtotal	**684 065**	**-**	**-**	**684 065**	**680 950**	**3 115**	**99.5**	**675 545**	**611 960**
Statutory Appropriation									
TOTAL	**684 065**	**-**	**-**	**684 065**	**680 950**	**3 115**	**99.5**	**675 545**	**611 960**

Reconciliation with Statement of Financial Performance	2022/233				2021/22	
	Final Budget	Actual Expenditure			Final Budget	Actual Expenditure
Total (brought forward)	**684 065**	**680 950**			675 545	**611 960**
Reconciliation to the statement of Financial Perforrmance						
ADD						
Departmental receipts	1 109 423				635 575	
Actual amounts per statement of financial performance (total revenue)	**1 311 120**				**1 311 120**	
Actual amounts per statement of financial performance (total expenditure)		**680 950**				**611 960**

Appropriation per economic classification									
	2022/23							2021/22	
	Approved Budget	Shifting of Funds	Virement	Final Budget	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Budget	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Economic classification									
Current payments	**605 768**	**(237)**	**(366)**	**605 165**	**603 303**	**1 862**	**99.7**	**601 762**	**545 238**
Compensation of employees	515 121	(193)	(319)	514 609	513 428	1 181	99.8	513 718	473 399
Goods and services	90 647	(44)	(47)	90 556	89 875	681	99.2	88 044	71 839
Transfers and subsidies	**66 328**	**191**	**319**	**66 838**	**66 827**	**11**	**100.0**	**66 269**	**66 146**
Departmental agencies and accounts	63 706	-	-	63 706	63 706	-	100.00	64 044	64 044
Households	2 622	191	319	3 132	3 121	11	99.6	2 225	2 102
Payments for capital assets	**11 969**	**-**	**-**	**11 969**	**10 728**	**1 241**	**89.6**	**7 476**	**538**
Machinery and equipment	11 969	-	-	11 969	10 728	1 241	89.6	7 476	538
Payments for financial assets	**-**	**46**	**47**	**93**	**92**	**1**	**98.9**	**38**	**38**
Total	**684 065**	**-**	**-**	**684 065**	**680 950**	**3 115**	**99.5**	**675 545**	**611 960**

Appropriation Statement
For The Year Ended 31 March 2023

Programme 1: ADMINISTRATION									
	2022/23							2021/22	
	Approved Budget	Shifting of Funds	Virement	Final Budget	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Budget	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Sub programme									
1. Office of the MEC	11 358	(534)	(3 126)	7 698	7 693	5	99.9	10 991	10 531
2. Office of the HOD	29 017	(17 563)	-	11 454	11 447	7	99.9	12 051	11 538
3. Corporate Management	83 986	16 935	1 351	102 272	102 256	16	100.0	79 261	76 128
4. Financial Management Services (CFO)	38 724	399	586	39 709	38 464	1 245	96.9	35 332	26 910
5. Strategy Management and Transformation Program	10 421	763	67	11 251	11 238	13	99.9	-	-
Total for sub programmes	**173 506**	**-**	**(1 122)**	**172 384**	**171 098**	**1 286**	**99.3**	**137 635**	**125 107**
Economic classification									
Current payments	**159 970**	**1**	**(1 066)**	**158 905**	**158 861**	**44**	**100.0**	**129 360**	**123 886**
Compensation of employees	114 342	(1)	(4 726)	109 615	109 584	31	100.0	100 768	96 118
Goods and services	45 628	2	3 660	49 290	49 277	13	100.0	28 592	27 768
Transfers and subsidies	**1 567**	**(1)**	**(77)**	**1 489**	**1 488**	**1**	**99.9**	**761**	**645**
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	1 567	(1)	(77)	1 489	1 488	1	99.9	761	645
Payments for capital assets	**11 969**	**-**	**-**	**11 969**	**10 728**	**1 241**	**89.6**	**7 476**	**538**
Machinery and equipment	11 969	-	-	11 969	10 728	1 241	89.6	7 476	538
Payments for financial assets	**-**	**-**	**21**	**21**	**21**	**-**	**100.0**	**38**	**38**
Total	**173 506**	**-**	**(1 122)**	**172 384**	**171 098**	**1 286**	**99.3**	**137 635**	**125 107**

Appropriation Statement
For The Year Ended 31 March 2023

Programme 2: SUSTAINABLE FISCAL RESOURCE MANAGEMENT									
	2022/23							2021/22	
	Approved Budget	Shifting of Funds	Virement	Final Budget	Actual Expenditure	Variance	Expenditure as % of final budget	Final Budget	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Sub programme									
1. SFRM Programme Support	67 874	(730)	(116)	67 028	67 011	17	100.0	68 316	67 093
2. Budget Management	25 001	5 066	(324)	29 743	29 727	16	99.9	26 032	24 054
3. Economic and Fiscal Policy Oversight	13 354	(337)	(222)	12 795	12 786	9	99.9	14 137	12 721
4. Infrastructure Management	13 849	(4 023)	-	9 826	9 774	52	99.5	14 677	14 108
5. Financial Asset and Liabilities Management	14 556	-	(497)	14 059	13 790	269	98.1	14 376	13 389
6. Public Finance	16 528	24	(918)	15 634	15 592	42	99.7	17 192	16 066
Total for sub programmes	**151 162**	**-**	**(2 077)**	**149 085**	**148 680**	**405**	**99.7**	**154 730**	**147 431**
Economic classification									
Current payments	**87 443**	**(184)**	**(2 077)**	**85 182**	**84 779**	**403**	**99.5**	**90 668**	**83 370**
Compensation of employees	73 594	(184)	(1 677)	71 733	71 376	357	99.5	75 873	70 309
Goods and services	13 849	-	(400)	13 449	13 403	46	99.7	14 795	13 061
Transfers and subsidies	**63 719**	**184**	**-**	**63 903**	**63 901**	**2**	**100.0**	**64 062**	**64 061**
Departmental agencies and accounts	63 706	-	-	63 706	63 706	-	100.0	64 044	64 044
Households	13	184	-	197	195	2	99.0	18	17
Payments for financial assets	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Total	**151 162**	**-**	**(2 077)**	**149 085**	**148 680**	**405**	**99.7**	**154 730**	**147 431**

Appropriation Statement
For The Year Ended 31 March 2023

Programme 3: FINANCIAL GOVERNANCE									
	2022/23							2021/22	
	Adjusted Budget	Shifting of Funds	Virement	Final Budget	Actual Expenditure	Variance	Expenditure as % of final budget	Final Budget	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Sub programme									
1. FG Programme Support	1 849	(40)	(138)	1 671	1 483	188	88.7	4 366	3 374
2. Provincial Accounting Services	56 750	(606)	-	56 144	55 444	700	98.8	59 470	55 193
3. Transversal Internal Audit and Risk Management	18 580	512	42	19 134	19 125	9	100.0	18 413	17 795
4. Compliance	4 098	26	20	4 144	4 143	1	100.0	3 319	3 003
5. Transversal Financial Information Management Systems and SAP ERP Prrocess and System Support	34 703	108	(628)	34 183	34 180	3	100.0	36 350	30 397
Total for sub programmes	**115 980**	**-**	**(704)**	**115 276**	**114 375**	**901**	**99.2**	**121 918**	**109 762**
Economic classification									
Current payments	**115 859**	**(48)**	**(781)**	**115 030**	**114 131**	**899**	**99.2**	**121 257**	**109 105**
Compensation of employees	106 136	(8)	-	106 128	105 353	775	99.3	111 926	101 345
Goods and services	9 723	(40)	(781)	8 902	8 778	124	98.6	9 331	7 760
Transfers and subsidies	**121**	**8**	**77**	**206**	**205**	**1**	**99.5**	**661**	**657**
Households	121	8	77	206	205	1	99.5	661	657
Payments for financial assets	**-**	**40**	**-**	**40**	**39**	**1**	**97.5**	**-**	**-**
Total	**115 980**	**-**	**(704)**	**115 276**	**114 375**	**901**	**99.2**	**121 918**	**109 762**

Appropriation Statement
For The Year Ended 31 March 2023

Programme 4: PROVINCIAL SUPPLY CHAIN MANAGEMENT	2022/23							2021/22	
	Adjusted Budget	Shifting of Funds	Virement	Final Budget	Actual Expenditure	Variance	Expenditure as % of final budget	Final Budget	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Sub programme									
1. PSCM Programme Support	8 113	145	(1 260)	6 998	6 988	10	99.9	23 644	16 569
2. SCM Norms and Standards, Governance, Compliance, Monitoring and Evaluation	14 727	892	918	16 537	16 534	3	100.0	12 601	11 977
3. SCM Client Support	37 561	(559)	99	37 101	37 099	2	100.0	36 666	34 794
4. Contract Management and Strategic Procurement	27 878	(478)	10	27 410	27 408	2	100.0	30 615	26 689
Total for sub programmes	**88 279**	**-**	**(233)**	**88 046**	**88 029**	**17**	**100.0**	**103 526**	**90 029**
Economic classification									
Current payments	**87 458**	**(6)**	**(342)**	**87 110**	**87 096**	**14**	**100.0**	**103 279**	**89 783**
Compensation of employees	81 918	-	918	82 836	82 832	4	100.0	84 592	76 431
Goods and services	5 540	(6)	(1 260)	4 274	4 264	10	99.8	18 687	13 352
Transfers and subsidies	**821**	**-**	**109**	**930**	**927**	**3**	**99.7**	**247**	**246**
Households	821	-	109	930	927	3	99.7	247	246
Payments for capital assets									
Payments for financial assets	**-**	**6**	**-**	**6**	**6**	**-**	**100.0**	**-**	**-**
Total	**88 279**	**-**	**(233)**	**88 046**	**88 029**	**17**	**100.0**	**103 526**	**90 029**

Appropriation Statement

For The Year Ended 31 March 2023

Programme 5: MUNICIPAL FINANCIAL GOVERNANCE	2022/23							2021/22	
	Adjusted Budget	Shifting of Funds	Virement	Final Budget	Actual Expenditure	Variance	Expenditure as % of final budget	Final Budget	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Sub programme									
1. MFG Programme Support	15 876	(359)	(1 443)	14 074	13 610	464	96.7	18 716	16 939
2. Local Government Financial Services	14 030	292	451	14 773	14 770	3	100.0	14 998	12 880
3. Municipal Accounting Reporting and Asset Management	5 759	1 620	59	7 438	7 436	2	100.0	1 864	-
4. Municipal Compliance and Financial Management Support	11 128	(1 553)	43	9 618	9 598	20	99.8	8 762	8 761
Total for sub programmes	**46 793**	**-**	**(890)**	**45 903**	**45 414**	**489**	**98.9**	**44 340**	**38 580**
Economic classification									
Current payments	**46 793**	**-**	**(1 003)**	**45 790**	**45 303**	**487**	**98.9**	**44 116**	**38 356**
Compensation of employees	39 635	-	440	40 075	40 071	4	100.0	41 498	37 294
Goods and services	7 158	-	(1 443)	5 715	5 232	483	91.5	2 618	1 062
Transfers and subsidies	**-**	**-**	**113**	**113**	**111**	**2**	**98.2**	**224**	**224**
Households	-	-	-	113	111	2	98.2	224	224
Payments for capital assets	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Payments for financial assets	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Total	**46 793**	**-**	**(890)**	**45 903**	**45 414**	**489**	**98.9**	**44 340**	**38 580**

Appropriation Statement

For The Year Ended 31 March 2023

Programme 6: GAUTENG AUDIT SERVICES									
	2022/23							2021/22	
	Adjusted Budget	Shifting of Funds	Virement	Final Budget	Actual Expenditure	Variance	Expenditure as % of final budget	Final Budget	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Sub programme									
1. GAS Programme Support	15 157	-	601	15 758	15 755	3	100.0	18 212	12 728
2. Risk and Compliance Audit Services (Cluster 1, 2, 3)	37 272	19	472	37 763	37 757	6	100.0	34 540	29 399
3. Risk and Compliance Audit Services (Cluster 4, 5, 6)	22 867	(56)	1 588	24 399	24 396	3	100.0	32 556	31 978
4. Performance and Computer Audit Services	33 049	37	2 365	35 451	35 446	5	100.0	28 088	26 946
Total for sub programmes	**108 345**	**-**	**5 026**	**113 371**	**113 354**	**17**	**100.0**	**113 396**	**101 051**
Economic classification									
Current payments	**108 245**	**-**	**4 903**	**113 148**	**113 133**	**15**	**100.0**	**113 082**	**100 738**
Compensation of employees	99 496	-	4 726	104 222	104 212	10	100.0	99 061	91 902
Goods and services	8 749	-	177	8 926	8 921	5	99.9	14 021	8 836
Transfers and subsidies	**100**	**-**	**97**	**197**	**195**	**2**	**99.0**	**314**	**313**
Household	100	-	97	197	195	2	99.0	314	313
Payments for capital assets	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Payments for financial assets	**-**	**-**	**26**	**26**	**26**	**-**	**100.0**	**-**	**-**
Total	**108 345**	**-**	**5 026**	**113 371**	**113 354**	**17**	**100.0**	**113 396**	**101 051**

Notes to the Appropriation Statement
For the Year ended 31 March 2023

1. Detail of transfers and subsidies as per Appropriation Act (after Virement)

Detail of these transactions can be viewed in the note on Transfers and Subsidies, and Annexure 1 (A-H) of the Annual Financial Statements.

2. Detail of specifically and exclusively appropriated amounts voted (after Virement)

Detail of these transactions can be viewed in the note on Annual Appropriation to the Annual Financial Statements.

3. Detail on payments for financial assets

Detail of these transactions per programme can be viewed in the note on Payments for financial assets to the Annual Financial Statements.

4. Explanations of material variances from Amounts Voted (after Virement)

4.1 Per programme	Final Budget	Actual Expenditure	Variance	Variance as a % of Final Budget
	R'000	R'000	R'000	%
Administration	172 384	171 098	1 286	1
The programme expenditure is in line with budget.				
Sustainable Fiscal Resource Management	149 085	148 680	405	0
The programme expenditure is in line with budget.				
Financial Governance	115 276	114 375	901	1
The programme expenditure is in line with budget.				
Provincial Supply Chain Management	88 046	88 029	17	0
The programme expenditure is in line with budget.				
Municipal Financial Governance	45 903	45 414	489	1
The programme expenditure is in line with budget.				
Gauteng Audit Services	113 371	113 354	17	0
The programme expenditure is in line with budget.				
TOTAL	**684 065**	**680 950**	**3 115**	**0**

Notes to the Appropriation Statement
For The Year Ended 31 March 2023

4.2 Per economic classification	Final Budget	Actual Expenditure	Variance	Variance as a % of Final Budget
	R'000	R'000	R'000	%
Current payments				
Compensation of employees	514 609	513 428	1 181	0
Goods and services	90 556	89 875	681	1
Interest and rent on land	-	-	-	-
Transfers and subsidies				
Provinces and municipalities	-	-	-	-
Departmental agencies and accounts	63 706	63 706	-	0
Higher education institutions				
Public corporations and private enterprises				
Foreign governments and international organisations				
Non-profit institutions				
Households	3 132	3 121	11	0
Payments for capital assets				
Buildings and other fixed structures				
Machinery and equipment	11 969	10 728	1 241	10
Heritage assets				
Specialised military assets				
Biological assets				
Land and subsoil assets				
Intangible assets				
Payments for financial assets				
TOTAL	**684 065**	**680 950**	**3 115**	**0**

The departmental expenditure for the year is in line with the budget. The variance in capital expenditure was due to computer equipment purchases that could not be delivered by year end.

Statement of Financial Performance

For The Year Ended 31 March 2023

	Note	2022/23 R'000	2021/22 R'000
REVENUE			
Annual appropriation	*1*	684 065	675 545
Departmental revenue	*2*	1 109 423	635 575
TOTAL REVENUE		**1 793 488**	**1 311 120**
EXPENDITURE			
Current expenditure			
Compensation of employees	*3*	513 428	473 398
Goods and services	*4*	89 874	71 840
Transfers and subsidies			
Transfers and subsidies	*6*	66 827	66 146
Expenditure for capital assets			
Tangible assets	*7*	10 728	538
Payments for financial assets	*5*	**92**	**38**
TOTAL EXPENDITURE		**680 949**	**611 960**
SURPLUS/(DEFICIT) FOR THE YEAR		**1 112 539**	**699 160**
Reconciliation of Net Surplus/(Deficit) for the year			
Voted funds		3 116	63 585
Annual appropriation		3 116	63 585
Departmental revenue and PRF Receipts	*18*	1 109 423	635 575
SURPLUS/(DEFICIT) FOR THE YEAR		**1 112 539**	**699 160**

Statement of Financial Position
As At 31 March 2023

	Note	2022/23 R'000	2021/22 R'000
ASSETS			
Current assets		**4 954**	**69 911**
Cash and cash equivalents	8	1 880	66 685
Prepayments and advances	9	7	-
Receivables	10	3 067	3 226
TOTAL ASSETS		**4 954**	**69 911**
LIABILITIES			
Current liabilities		**3 675**	**69 271**
Voted funds to be surrendered to the Revenue Fund	11	3 189	63 585
Departmental revenue and PRF Receipts to be surrendered to the Revenue Fund	12	102	1 914
Payables	13	384	3 772
TOTAL LIABILITIES		**3 675**	**69 271**
NET ASSETS		**1 279**	**640**
Represented by:			
Recoverable revenue		1 279	640
TOTAL		**1 279**	**640**

Statement of Changes in Net Assets

For the year ended 31 march 2023

	Note	2022/23 R'000	2021/22 R'000
Recoverable revenue			
Opening balance		640	528
Transfers:		**639**	**112**
Debts recovered (included in departmental revenue)		(49)	(186)
Debts raised		688	298
Closing balance		**1 279**	**640**
TOTAL		**1 279**	**640**

Cash Flow Statement

For The Year Ended 31 March 2023

	Note	2022/23 R'000	2021/22 R'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts		**1 793 488**	**1 311 106**
Annual appropriated funds received	*1.1*	684 065	675 545
Departmental revenue received	*2*	999	1 530
Interest received	*2.2*	1 108 424	634 031
Net (increase)/decrease in working capital		(3 236)	2 916
Surrendered to Revenue Fund		(1 174 747)	(694 969)
Current payments		(603 302)	(545 238)
Payments for financial assets	*5*	(92)	(38)
Transfers and subsidies paid		(66 827)	(66 146)
Net cash flow available from operating activities	*13*	**(54 716)**	**7 631**
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for capital assets	*7*	(10 728)	(538)
Proceeds from sale of capital assets	*2.3*	-	14
Net cash flows from investing activities		**(10 728)**	**(524)**
CASH FLOWS FROM FINANCING ACTIVITIES			
Increase/(decrease) in net assets		639	112
Net cash flows from financing activities		**639**	**112**
Net increase/(decrease) in cash and cash equivalents		(64 805)	7 219
Cash and cash equivalents at beginning of period		66 685	59 466
Cash and cash equivalents at end of period	*8*	**1 880**	**66 685**

Notes to the Annual Financial Statements

For The Year Ended 31 March 2023

PART A: ACCOUNTING POLICIES

Summary of significant accounting policies

The financial statements have been prepared in accordance with the following policies, which have been applied consistently in all material aspects, unless otherwise indicated. Management has concluded that the financial statements present fairly the department's primary and secondary information.

The historical cost convention has been used, except where otherwise indicated. Management has used assessments and estimates in preparing the annual financial statements. These are based on the best information available at the time of preparation.

Where appropriate and meaningful, additional information has been disclosed to enhance the usefulness of the financial statements and to comply with the statutory requirements of the Public Finance Management Act (PFMA), Act 1 of 1999 (as amended by Act 29 of 1999), and the Treasury Regulations issued in terms of the PFMA and the annual Division of Revenue Act.

1	**Basis of preparation** The financial statements have been prepared in accordance with the Modified Cash Standard.
2	**Going concern** The financial statements have been prepared on a going concern basis.
3	**Presentation currency** Amounts have been presented in the currency of the South African Rand (R) which is also the functional currency of the department.
4	**Rounding** Unless otherwise stated financial figures have been rounded to the nearest one thousand Rand (R'000).
5	**Foreign currency translation** Cash flows arising from foreign currency transactions are translated into South African Rands using the spot exchange rates prevailing at the date of payment / receipt.
6	**Comparative information**
6.1	**Prior period comparative information** Prior period comparative information has been presented in the current year's financial statements. Where necessary figures included in the prior period financial statements have been reclassified to ensure that the format in which the information is presented is consistent with the format of the current year's financial statements.
6.2	**Current year comparison with budget** A comparison between the approved, final budget and actual amounts for each programme and economic classification is included in the appropriation statement.
7	**Revenue**
7.1	**Appropriated funds** Appropriated funds comprises of departmental allocations as well as direct charges against the revenue fund (i.e. statutory appropriation). Appropriated funds are recognised in the statement of financial performance on the date the appropriation becomes effective. Adjustments made in terms of the adjustments budget process are recognised in the statement of financial performance on the date the adjustments become effective. The net amount of any appropriated funds due to / from the relevant revenue fund at the reporting date is recognised as a payable / receivable in the statement of financial position.
7.2	**Departmental revenue** Departmental revenue is recognised in the statement of financial performance when received and is subsequently paid into the relevant revenue fund, unless stated otherwise. Any amount owing to the relevant revenue fund at the reporting date is recognised as a payable in the statement of financial position.

Notes to the Annual Financial Statements

For The Year Ended 31 March 2023

7.3 Accrued departmental revenue

Accruals in respect of departmental revenue (excluding tax revenue) are recorded in the notes to the financial statements when:

- it is probable that the economic benefits or service potential associated with the transaction will flow to the department; and
- the amount of revenue can be measured reliably.

The accrued revenue is measured at the fair value of the consideration receivable.

Accrued tax revenue (and related interest and / penalties) is measured at amounts receivable from collecting agents.

Write-offs are made according to the department's debt write-off policy

8 Expenditure

8.1 Compensation of employees

8.1.1 Salaries and wages

Salaries and wages are recognised in the statement of financial performance on the date of payment.

8.1.2 Social contributions

Social contributions made by the department in respect of current employees are recognised in the statement of financial performance on the date of payment.

Social contributions made by the department in respect of ex-employees are classified as transfers to households in the statement of financial performance on the date of payment.

8.2 Other expenditure

Other expenditure (such as goods and services, transfers and subsidies and payments for capital assets) is recognised in the statement of financial performance on the date of payment. The expense is classified as a capital expense if the total consideration paid is more than the capitalisation threshold.

8.3 Accruals and payables not recognised

Accruals and payables not recognised are recorded in the notes to the financial statements at cost at the reporting date.

8.4 Leases

8.4.1 Operating leases

Operating lease payments made during the reporting period are recognised as current expenditure in the statement of financial performance on the date of payment.

The operating lease commitments are recorded in the notes to the financial statements.

8.4.2 Finance leases

Finance lease payments made during the reporting period are recognised as capital expenditure in the statement of financial performance on the date of payment.

The finance lease commitments are recorded in the notes to the financial statements and are not apportioned between the capital and interest portions.

Finance lease assets acquired at the end of the lease term are recorded and measured at the lower of:

- cost, being the fair value of the asset; or
- the sum of the minimum lease payments made, including any payments made to acquire ownership at the end of the lease term, excluding interest.

9. Cash and cash equivalents

Cash and cash equivalents are stated at cost in the statement of financial position.

Bank overdrafts are shown separately on the face of the statement of financial position as a current liability.

For the purposes of the cash flow statement, cash and cash equivalents comprise cash on hand, deposits held, other short-term highly liquid investments and bank overdrafts.

Notes to the Annual Financial Statements
For The Year Ended 31 March 2023

10.	**Prepayments and advances** Prepayments and advances are recognised in the statement of financial position when the department receives or disburses the cash. Prepayments and advances are initially and subsequently measured at cost.
11.	**Loans and receivables** Loans and receivables are recognised in the statement of financial position at cost plus accrued interest, where interest is charged, less amounts already settled or written-off. Write-offs are made according to the department's write-off policy.
12.	**Financial assets**
12.1	**Financial assets (not covered elsewhere)** A financial asset is recognised initially at its cost plus transaction costs that are directly attributable to the acquisition or issue of the financial asset. At the reporting date, a department shall measure its financial assets at cost, less amounts already settled or written-off, except for recognised loans and receivables, which are measured at cost plus accrued interest, where interest is charged, less amounts already settled or written-off.
12.2	**Impairment of financial assets** Where there is an indication of impairment of a financial asset, an estimation of the reduction in the recorded carrying value, to reflect the best estimate of the amount of the future economic benefits expected to be received from that asset, is recorded in the notes to the financial statements.
13.	**Payables** Payables recognised in the statement of financial position are recognised at cost.
14.	**Capital Assets**
14.1	**Immovable capital assets** Immovable assets reflected in the asset register of the department are recorded in the notes to the financial statements at cost or fair value where the cost cannot be determined reliably. Immovable assets acquired in a non-exchange transaction are recorded at fair value at the date of acquisition. Immovable assets are subsequently carried in the asset register at cost and are not currently subject to depreciation or impairment. Subsequent expenditure of a capital nature forms part of the cost of the existing asset when ready for use. Additional information on immovable assets not reflected in the assets register is provided in the notes to financial statements.
14.2	**Movable capital assets** Movable capital assets are initially recorded in the notes to the financial statements at cost. Movable capital assets acquired through a non-exchange transaction is measured at fair value as at the date of acquisition. Where the cost of movable capital assets cannot be determined reliably, the movable capital assets are measured at fair value and where fair value cannot be determined; the movable assets are measured at R1. All assets acquired prior to 1 April 2002 (or a later date as approved by the OAG) may be recorded at R1. Movable capital assets are subsequently carried at cost and are not subject to depreciation or impairment. Biological assets are subsequently carried at fair value. Subsequent expenditure that is of a capital nature forms part of the cost of the existing asset when ready for use.

Notes to the Annual Financial Statements
For The Year Ended 31 March 2023

14.3 Intangible assets

Intangible assets are initially recorded in the notes to the financial statements at cost. Intangible assets acquired through a non-exchange transaction are measured at fair value as at the date of acquisition.

Internally generated intangible assets are recorded in the notes to the financial statements when the department commences the development phase of the project.

Where the cost of intangible assets cannot be determined reliably, the intangible capital assets are measured at fair value and where fair value cannot be determined; the intangible assets are measured at R1.

All assets acquired prior to 1 April 2002 (or a later date as approved by the OAG) may be recorded at R1.

Intangible assets are subsequently carried at cost and are not subject to depreciation or impairment.

Subsequent expenditure of a capital nature forms part of the cost of the existing asset when ready for use.

15. Provisions and Contingents

15.1 Provisions

Provisions are recorded in the notes to the financial statements when there is a present legal or constructive obligation to forfeit economic benefits as a result of events in the past and it is probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation and a reliable estimate of the obligation can be made. The provision is measured as the best estimate of the funds required to settle the present obligation at the reporting date.

15.2 Contingent liabilities

Contingent liabilities are recorded in the notes to the financial statements when there is a possible obligation that arises from past events, and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not within the control of the department or when there is a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation or the amount of the obligation cannot be measured reliably.

15.3 Capital commitments

Capital commitments are recorded at cost in the notes to the financial statements.

16 Unauthorised expenditure

Unauthorised expenditure is recognised in the statement of financial position until such time as the expenditure is either:

- approved by Parliament or the Provincial Legislature with funding and the related funds are received; or
- approved by Parliament or the Provincial Legislature without funding and is written off against the appropriation in the statement of financial performance; or
- Transferred to receivables for recovery.

Unauthorised expenditure is measured at the amount of the confirmed unauthorised expenditure.

17 Fruitless and wasteful expenditure

Fruitless and wasteful expenditure is recorded in the notes to the financial statements when confirmed. The amount recorded is equal to the total value of the fruitless and or wasteful expenditure incurred.

Fruitless and wasteful expenditure is removed from the notes to the financial statements when it is resolved or transferred to receivables or written off.

Fruitless and wasteful expenditure receivables are measured at the amount that is expected to be recoverable and are de-recognised when settled or subsequently written-off as irrecoverable.

18 Irregular expenditure

Irregular expenditure is recorded in the notes to the financial statements when confirmed. The amount recorded is equal to the value of the irregular expenditure incurred unless it is impracticable to determine, in which case reasons therefor are provided in the note.

Irregular expenditure is removed from the note when it is either condoned by the relevant authority, transferred to receivables for recovery, not condoned and removed or written-off.

Irregular expenditure receivables are measured at the amount that is expected to be recoverable and are de-recognised when settled or subsequently written-off as irrecoverable.

Notes to the Annual Financial Statements

For The Year Ended 31 March 2023

19	**Changes in accounting estimates and errors** Changes in accounting estimates are applied prospectively in accordance with MCS requirements. Correction of errors is applied retrospectively in the period in which the error has occurred in accordance with MCS requirements, except to the extent that it is impracticable to determine the period-specific effects or the cumulative effect of the error. In such cases the department shall restate the opening balances of assets, liabilities and net assets for the earliest period for which retrospective restatement is practicable.
20	**Events after the reporting date** Events after the reporting date that are classified as adjusting events have been accounted for in the financial statements. The events after the reporting date that are classified as non-adjusting events after the reporting date have been disclosed in the notes to the financial statements.
21	**Recoverable revenue** Amounts are recognised as recoverable revenue when a payment made in a previous financial year becomes recoverable from a debtor in the current financial year. Amounts are either transferred to the National/Provincial Revenue Fund when recovered or are transferred to the statement of financial performance when written-off.
22	**Related party transactions** Related party transactions within the Minister/MEC's portfolio are recorded in the notes to the financial statements when the transaction is not at arm's length. The number of individuals and the full compensation of key management personnel is recorded in the notes to the financial statements.
23	**Employee benefits** The value of each major class of employee benefit obligation (accruals, payables not recognised and provisions) is disclosed in the Employee benefits note.

Notes to the Annual Financial Statements
For The Year Ended 31 March 2023

PART B: EXPLANATORY NOTES

1. Annual Appropriation

1.1 Annual Appropriation
Included are funds appropriated in terms of the Appropriation Act (and the Adjustments Appropriation Act) for National Departments (Voted funds) and Provincial Departments:

	2022/23			2021/22		
	Final Budget	Actual Funds Received	Funds not requested/ not received	Final Budget	Appropriation received	Funds not requested/ not received
	R'000	R'000	R'000	R'000	R'000	R'000
Administration	172 384	172 384	-	138 449	138 449	-
Sustainable Fiscal Resource Management	149 085	149 085	-	154 712	154 712	-
Financial Governance	115 276	115 276	-	121 307	121 307	-
Provincial Supply Chain Management	88 046	88 046	-	103 479	103 479	-
Municipal Financial Governance	45 903	45 903	-	44 416	44 416	-
Gauteng Audit Services	113 371	113 371	-	113 182	113 182	-
Total	**684 065**	**684 065**	**-**	**675 545**	**675 545**	**-**

	Note	2022/23 R'000	2021/22 R'000
2. Departmental revenue			
Sales of goods and services other than capital assets	2.1	525	532
Interest, dividends and rent on land	2.2	1 108 424	634 031
Sales of capital assets	2.3	-	14
Transactions in financial assets and liabilities	2.4	474	998
Total revenue collected		**1 109 423**	**635 575**
Departmental revenue collected		**1 109 423**	**635 575**
2.1 Sales of goods and services other than capital assets			
Sales of goods and services produced by the department		525	532
Other sales		525	532
Total	2	**525**	**532**
2.2 Interest, dividends and rent on land			
Interest		1 108 424	634 031
Total	2	**1 108 424**	**634 031**
2.3 Sales of capital assets			
Tangible capital assets		**-**	**14**
Buildings and other fixed structures			
Machinery and equipment		-	14
Total	2	**-**	**14**

Notes to the Annual Financial Statements
For The Year Ended 31 March 2023

	Note	2022/23 R'000	2021/22 R'000
2.4 Transactions in financial assets and liabilities			
Other Receipts including Recoverable Revenue		474	998
Total	*2*	**474**	**998**

3. Compensation of employees

	Note	2022/23 R'000	2021/22 R'000
3.1 Analysis of balance			
Basic salary		357 180	329 580
Performance award		717	2 188
Service Based		24 304	22 676
Compensative/circumstantial		1 562	1 988
Periodic payments		1 903	-
Other non-pensionable allowances		60 428	57 749
Total		**446 094**	**414 181**
3.2 Social contributions			
Employer contributions			
Pension		47 629	41 067
Medical		19 615	18 070
Bargaining council		90	80
Total		**67 334**	**59 217**
Total compensation of employees		**513 428**	**473 398**
Average number of employees		895	795

Notes to the Annual Financial Statements

For The Year Ended 31 March 2023

	Note	2022/23 R'000	2021/22 R'000
4. Goods and services			
Administrative fees		924	896
Advertising		11 331	4 910
Minor assets	*4.1*	62	26
Bursaries (employees)		3 238	3 945
Catering		877	398
Communication*		3 156	2 845
Computer services	*4.2*	11 035	10 987
Consultants: Business and advisory services	*4.8*	18 861	28 128
Legal services		3 977	1 121
Contractors		1 330	607
Agency and support / outsourced services		165	149
Audit cost – external	*4.3*	3 811	3 807
Fleet services		1 127	798
Consumables	*4.4*	2 737	977
Operating leases		6 093	3 957
Property payments	*4.5*	13 844	3 468
Travel and subsistence	*4.6*	1 152	550
Venues and facilities		2 283	558
Training and development		1 407	1 485
Other operating expenditure	*4.7*	2 464	2 228
Total		**89 874**	**71 840**

*Included in Communication is cell phone and data expenditure of about R40 000 relating to officials that transferred to the Gauteng Department of Health. The claim in currently being processed.

4.1 Minor assets

	Note	2022/23 R'000	2021/22 R'000
Tangible capital assets		**62**	**26**
Buildings and other fixed structures		-	-
Machinery and equipment		62	26
Total	*4*	**62**	**26**

4.2 Computer services

	Note	2022/23 R'000	2021/22 R'000
SITA computer services		5 938	4 844
External computer service providers		5 097	6 143
Total	*4*	**11 035**	**10 987**

Notes to the Annual Financial Statements
For The Year Ended 31 March 2023

	Note	2022/23 R'000	2021/22 R'000
4.3 Audit cost – External			
Regularity audits		3 811	3 807
Total	*4*	**3 811**	**3 807**
4.5 Consumables			
Consumable supplies		1 553	299
Uniform and clothing		371	30
Household supplies		1 088	185
Communication accessories		40	38
IT consumables		45	2
Other consumables		9	44
Stationery, printing and office supplies		1 184	678
Total	*4*	**2 737**	**977**
4.5 Property payments			
Municipal services		13 844	3 468
Total	*4*	**13 844**	**3 468**
4.6 Travel and subsistence			
Local		1 024	550
Foreign		128	-
Total	*4*	**1 152**	**550**
4.7 Other operating expenditure			
Professional bodies, membership and subscription fees		739	593
Resettlement costs		388	210
Other		1 337	1 425
Total	*4*	**2 464**	**2 228**
4.8. Remuneration of members of a commission or committee of inquiry (Included in Consultants: Business and advisory services)	*4*		
Name of Commission / Committee of Inquiry			
Audit Committee		2 912	2 383
Total		**2 912**	**2 383**

Notes to the Annual Financial Statements

For The Year Ended 31 March 2023

	Note	2022/23 R'000	2021/22 R'000
5. Payments for financial assets			
Debts written off	*5.1*	92	38
Total		**92**	**38**

5.1 Debts written off

	Note	2022/23 R'000	2021/22 R'000
Nature of debts written off			
Other debt writtten off		92	38
Total		92	38
Total debt written off	*5*	**92**	**38**

	Note	2022/23 R'000	2021/22 R'000
6. Transfers and subsidies			
Departmental agencies and accounts	*Annex 1B*	63 706	64 044
Households	*Annex 1G*	3 121	2 102
Total		**66 827**	**66 146**

	Note	2022/23 R'000	2021/22 R'000
7. Expenditure for capital assets			
Tangible capital assets		**10 728**	**538**
Machinery and equipment	*24*	10 728	538
Total		**10 728**	**538**

7.1 Analysis of funds utilised to acquire capital assets 2022/23

	Voted Funds R'000	Aid assistance R'000	Total R'000
Name of entity			
Tangible capital assets	10 728	**-**	10 728
Machinery and equipment	10 728	-	10 728
Total	**10 728**	**-**	**10 728**

7.2 Analysis of funds utilised to acquire capital assets 2020/21

	Voted Funds R'000	Aid assistance R'000	Total R'000
Name of entity			
Tangible capital assets	**538**	**-**	**538**
Machinery and equipment	538	-	538
Total	**538**	**-**	**538**

Notes to the Annual Financial Statements

For The Year Ended 31 March 2023

	Note	2022/23 R'000	2021/22 R'000
8. Cash and cash equivalents			
Consolidated Paymaster General Account		2 040	66 692
Disbursements		(180)	(27)
Cash on hand		20	20
Total		**1 880**	**66 685**
9. Prepayments and advances			
Travel and subsistence		7	-
Total		**7**	**-**
Analysis of Total Prepayments and advances			
Current Prepayments and advances		7	-
Total		**7**	**-**

10. Receivables

	Note	2022/23 Current R'000	2022/23 Non-current R'000	2022/23 Total R'000	2021/22 Current R'000	2021/22 Non-current R'000	2021/22 Total R'000
Claims recoverable	*10.1*	1 603	-	1 603	2 426	-	2 426
Staff debt	*10.2*	1 463	-	1 463	758	-	758
Other receivables	*10.3*	1	-	1	42	-	42
Total		**3 067**	**-**	**3 067**	**3 226**	**-**	**3 226**

	Note	2022/23 R'000	2021/22 R'000
10.1 Claims recoverable			
National departments		176	198
Provincial departments		1 427	2 228
Total	*10*	**1 603**	**2 426**
10.2 Staff debt			
Debt Account		1 463	758
Total	*10*	**1 463**	**758**
10.3 Other receivables			
Salary Tax Debt		1	2
Sal: Reversal Control Acc		-	40
Total	*10*	**1**	**42**

Notes to the Annual Financial Statements

For The Year Ended 31 March 2023

	Note	2022/23 R'000	2021/22 R'000
11. Voted funds to be surrendered to the Revenue Fund			
Opening balance		63 585	61 257
As restated		63 585	61 257
Transferred from statement of financial performance (as restated)		3 116	63 585
Voted funds not requested/not received	*1.1*	-	-
Paid during the year		(63 512)	(61 257)
Closing balance		**3 189**	**63 585**
12. Departmental revenue and PRF Receipts to be surrendered to the Revenue Fund			
Opening balance		1 914	51
As restated		1 914	51
Transferred from statement of financial performance (as restated)		1 109 423	635 575
Paid during the year		(1 111 235)	(633 712)
Closing balance		**102**	**1 914**
13. Payables – current			
Clearing accounts	*13.1*	225	130
Other payables	*13.2*	159	3 642
Total		**384**	**3 772**
13.1 Clearing accounts			
SAL: GEHS Refund Control Acc		225	130
Total	*13*	**225**	**130**
13.2 Other payables			
Description			
Sal: Income Tax: CL		88	222
Salary: Finance Other Institution		61	28
Salary: ACB Recalls		8	603
Salary: Pension Fund		2	-
Salary: Bargain Council		-	2
Salary: Finance Institution		-	16
Salary: Insurance Deduction		-	62
Salary: Medical		-	2 709
Total	*13*	**159**	**3 642**

Notes to the Annual Financial Statements

For The Year Ended 31 March 2023

	Note	2022/23 R'000	2021/22 R'000
14. Net cash flow available from operating activities			
Net surplus/(deficit) as per Statement of Financial Performance		1 112 539	699 160
Add back non- cash/cash movements not deemed operating activities		(1 167 255)	(691 529)
(Increase)/decrease in receivables		159	(83)
(Increase)/decrease in prepayments and advances		(7)	-
(Increase)/decrease in payables - current		(3 388)	2 999
Proceeds from sale of capital assets		-	(14)
Expenditure on capital assets		10 728	538
Surrenders to Revenue Fund		(1 174 747)	(694 969)
Net cash flow generating		**(54 716)**	**7 631**
15. Reconciliation of cash and cash equivalents for cash flow purposes			
Consolidated Paymaster General account		2 040	66 692
Disbursements		(180)	(27)
Cash on hand		20	20
Total		**1 880**	**66 685**
16. Contingent liabilities and contingent assets			
16.1 Contingent liabilities			
Liable to			
Claims against the department	*Annex 3B*	39 132	33 153
Total		**39 132**	**33 153**
17. Capital Commitments			
Machinery and equipment		-	5 515
Total		**-**	**5 515**

Notes to the Annual Financial Statements

For The Year Ended 31 March 2023

	Note	2022/23 R'000	2021/22 R'000

18. Accruals and payables not recognised

18.1 Accruals

Listed by economic classification

	30 Days R'000	30+ Days R'000	Total R'000	Total R'000
Goods and services	4 996	-	4 996	3 496
Total	**4 996**	**-**	**4 996**	**3 496**

Listed by programme level		
Administration	3 583	2 894
Sustainable Fiscal Resource Management	394	501
Financial Governance	179	76
Provincial Supply Chain Management	34	25
Municipal Financial Governance	404	-
Gauteng Audit Services	402	-
Total	**4 996**	**3 496**

18.2 Payables not recognised

Listed by economic classification

	30 Days R'000	30+ Days R'000	Total R'000	Total R'000
Goods and services	1 310	-	1 310	2 958
Total	**1 310**	**-**	**1 310**	**2 958**

Listed by programme level			
Administration		1 310	1 227
Sustainable Fiscal Resource Management		-	618
Financial Governance		-	553
Provincial Supply Chain Management		-	258
Municipal Financial Governance		-	-
Gauteng Audit Services		-	302
Total		**1 310**	**2 958**
Included in the above totals are the following:			
Confirmed balances with other departments	*Annex 5*	18	373
Confirmed balances with other government entities	*Annex 5*	228	296
Total		**246**	**669**

Notes to the Annual Financial Statements

For The Year Ended 31 March 2023

	Note	2022/23 R'000	2021/22 R'000

19. Employee benefits

Leave entitlement		28 027	26 218
Service bonus		13 586	11 903
Performance awards		-	9
Capped leave		5 478	5 686
Other		307	588
Total		**47 398**	**44 404**

20. Lease commitments

20.1 Operating leases

	2022/23		
	Buildings and other fixed structures R'000	Machinery and equipment R'000	Total R'000
Not later than 1 year	2 836	6 867	9 703
Later than 1 year and not later than 5 years	3 781	10 664	14 446
Total lease commitments	**6 618**	**17 531**	**24 149**

21. Accrued departmental revenue

Interest		148 556	65 888
Total		**148 556**	**65 888**

20.1 Analysis of accrued departmental revenue

Opening balance		65 888	55 148
Less: amounts received		(65 888)	(55 148)
Add: amounts recorded		148 556	65 888
Closing balance		**148 556**	**65 888**

Notes to the Annual Financial Statements

For The Year Ended 31 March 2023

	2022/23 R'000	2021/22 R'000

22. Related party transactions

Gauteng Infrastructure Financing Agency (GIFA) was established as a government component in terms of section 7 (5) (d) of the Public Service Act, 1994 following the President's proclamation no. 69 of 2014 (Government Gazette No 38088) within the portfolio of the MEC responsible for finance in the province with effect from 17 October 2014.

GIFA receives an annual transfer payment from Gauteng Provincial Treasury (GPT), the controlling department of GIFA. This transfer payment is used to cover the operating costs and project preparation facility of the GIFA for the year.

**Transactions relating to transfers and subsidies to other government entities have been disclosed under Annexure 1B of the financial statements.*

23. Key management personnel

		2022/23 R'000	2021/22 R'000
Political office bearers (provide detail below)		2 150	2 000
Officials:			
Level 15 to 16	6	10 708	10 249
Level 14	18	25 322	24 166
Total		**38 180**	**36 415**

24. Movable Tangible Capital Assets

MOVEMENT IN MOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2023

	2022/23				
	Opening balance R'000	Value adjustments R'000	Additions R'000	Disposals R'000	Closing Balance R'000
MACHINERY AND EQUIPMENT	49 587	-	10 728	73	60 242
Transport assets	1 330	-	-	-	1 330
Computer equipment	29 731	-	10 694	73	40 352
Furniture and office equipment	14 739	-	-	-	14 739
Other machinery and equipment	3 787	-	34	-	3 821
TOTAL MOVABLE TANGIBLE CAPITAL ASSETS	**49 587**	**-**	**10 728**	**73**	**60 242**

Included in Movable Tangible Assets are transport assets and computer equipment to the value of R904 246 that are in the process of being transferred to the Gauteng Department of Health.

Movable Tangible Capital Assets under investigation

	Number	Value R'000
Included in the above total of the movable tangible capital assets per the asset register that are under investigation:		
Machinery and equipment	8	189
Total	**8**	**189**

Notes to the Annual Financial Statements
For The Year Ended 31 March 2023

24.1 Movement for 2020/21

MOVEMENT IN TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2022

	2021/22				
	Opening balance	Prior period error	Additions	Disposals	Closing Balance
	R'000	R'000	R'000	R'000	R'000
MACHINERY AND EQUIPMENT	49 250	-	582	245	49 587
Transport assets	1 330	-	-	-	1 330
Computer equipment	29 932	-	44	245	29 731
Furniture and office equipment	14 201	-	538	-	14 739
Other machinery and equipment	3 787	-	-	-	3 787
TOTAL MOVABLE TANGIBLE CAPITAL ASSETS	**49 250**	**-**	**582**	**245**	**49 587**

24.2 Minor assets

MOVEMENT IN MINOR CAPITAL ASSETS PER THE ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2023

	2022/23					
	Specialised military equipment	Intangible assets	Heritage assets	Machinery and equipment	Biological assets	Total
		R'000	R'000	R'000	R'000	R'000
Opening balance	-	2	-	6 601	-	6 603
Additions	-	-	-	61	-	61
TOTAL MINOR ASSETS	**-**	**2**	**-**	**6 662**	**-**	**6 664**

	Specialised military equipment	Intangible assets	Heritage assets	Machinery and equipment	Biological assets	Total
Number of minor assets at cost	-	2	-	3 540	-	3 542
TOTAL NUMBER OF MINOR ASSETS	**-**	**2**	**-**	**3 540**	**-**	**3 542**

MOVEMENT IN MINOR ASSETS PER THE ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2022

	Specialised military assets	Intangible assets	Heritage assets	Machinery and equipment	Biological assets	Total
	R'000	R'000	R'000	R'000	R'000	R'000
Opening balance	-	2	-	6 576	-	6 578
Additions	-	-	-	27	-	27
Disposals	-	-	-	2	-	2
TOTAL MINOR ASSETS	**-**	**2**	**-**	**6 601**	**-**	**6 603**

Notes to the Annual Financial Statements

For The Year Ended 31 March 2023

	Specialised military assets	Intangible assets	Heritage assets	Machinery and equipment	Biological assets	Total
Number of minor assets at cost	-	2	-	3 527	-	3 529
TOTAL NUMBER OF MINOR ASSETS	**-**	**2**	**-**	**3 527**	**-**	**3 529**

24.3 Movable tangible assets written off

MOVABLE ASSETS WRITTEN OFF FOR THE YEAR ENDED 31 MARCH 2023

	2022/23					
	Specialised military assets	Intangible assets	Heritage assets	Machinery and equipment	Biological assets	Total
Assets written off	-	-	-	73	-	73
TOTAL MOVABLE ASSETS WRITTEN OFF	**-**	**-**	**-**	**73**	**-**	**73**

MOVABLE ASSETS WRITTEN OFF FOR THE YEAR ENDED 31 MARCH 2022

	2021/22					
	Specialised military assets	Intangible assets	Heritage assets	Machinery and equipment	Biological assets	Total
Assets written off	-	-	-	135	-	135
TOTAL MOVABLE ASSETS WRITTEN OFF	**-**	**-**	**-**	**135**	**-**	**135**

25. Intangible Capital Assets

MOVEMENT IN INTANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2023

	2022/23			
	Opening balance	Additions	Disposals	Closing Balance
	R'000	R'000	R'000	R'000
SOFTWARE	308	-	-	308
TOTAL INTANGIBLE CAPITAL ASSETS	**308**	**-**	**-**	**308**

24.1 MOVEMENT IN INTANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2022

	Opening balance	Prior period error	Additions	Disposals	Closing Balance
	R'000	R'000	R'000	R'000	R'000
SOFTWARE	308	-	-	-	308
TOTAL INTANGIBLE CAPITAL ASSETS	**308**	**-**	**-**	**-**	**308**

Notes to the Annual Financial Statements

For The Year Ended 31 March 2023

	Note	2022/23 R'000	2021/22 R'000

26. Broad Based Black Economic Empowerment Performance

Information on compliance with the B-BBEE Act is included in the annual report under the section titled B-BBEE Compliance Performance Information.

27. Covid 19 response expenditure

	Note	2022/23 R'000	2021/22 R'000
Goods and services		-	147
Total	*Annex 11*	**-**	**147**

Annexures to the Annual Financial Statements

For The Year Ended 31 March 2023

ANNEXURE 1B

STATEMENT OF TRANSFERS TO DEPARTMENTAL AGENCIES AND ACCOUNTS

	2022/23						2021/22	
	TRANSFER ALLOCATION				TRANSFER			
DEPARTMENTAL AGENCY OR ACCOUNT	Adjusted Budget	Roll Overs	Adjustments	Total Available	Actual Transfer	% of Available funds Transferred	Final Budget	Actual transfer
	R'000	R'000	R'000	R'000	R'000	%	R'000	
Gauteng Infrastructure Financing Agency	63 706	-	-	63 706	63 706	100	64 044	64 044
Total	**63 706**	**-**	**-**	**63 706**	**63 706**	**100**	**64 044**	**64 044**

ANNEXURE 1G

STATEMENT OF TRANSFERS TO HOUSEHOLDS

HOUSEHOLD	TRANSFER ALLOCATION FOR 2021/22				EXPENDITURE 2021/22		2020/21	
	Adjusted Appropriation Act	Roll Overs	Adjustments	Total Available	Actual Transfer	% of Available funds Transferred	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Transfers								
Injury on duty	77	-	-	77	77	100	23	23
Leave gratuity	1 838	-	-	1 838	1 827	99	1 726	1 726
Bursaries: Non-Employees	1 217	-	-	1 217	1 217	100	353	353
Total	**3 132**	**-**	**-**	**3 132**	**3 121**	**99**	**2 102**	**2 102**
Subsidies								
TOTAL	**3 132**	**-**	**-**	**3 132**	**3 121**	**99**	**2 102**	**2 102**

Annexures to the Annual Financial Statements

For The Year Ended 31 March 2023

National Dep
Labour

ANNEXURE 3B

STATEMENT OF CONTINGENT LIABILITIES AS AT 31 MARCH 2023

Nature of Liability	Opening Balance 1 April 2022	Liabilities incurred during the year	Liabilities paid/ cancelled/ reduced during the year	Liabilities recoverable	Closing Balance 31 March 2023
	R'000	R'000	R'000		R'000
Claims against the department					
Labour court matter on the upgrade of posts, previously dismissed by the Bargaining Council	32 000	-	-	-	32 000
Labour court matter by an aggrieved employee, unhappy with the decision of the Public Service Commission on same matter	-	-	-	-	-
Terminated contract with a supplier, claims of damages for loss of profits.	1 076	-	-	-	1 076
SA Du Toit/ MEC: Finance & E-Gov, alleged motor vehicle accident	77	-	-	-	77
Invoices received without confirmation of rendering of services.	-	5 979	-	-	5 979
TOTAL	**33 153**	**5 979**	**-**	**-**	**39 132**

ANNEXURE 4

CLAIMS RECOVERABLE

Government Entity	Confirmed balance outstanding		Unconfirmed balance outstanding		Total	
	31/03/2023	31/03/2022	31/03/2023	31/03/2022	31/03/2023	31/03/2022
	R'000	R'000	R'000	R'000	R'000	R'000
Departments						
Current						
Gauteng Department of E-Government	879	1 682	-	-	879	1 682
Office of the Chief Justice	-	58	-	-	-	58
National Department of Forestry, Fisheries & Environment	176	-	-	102	176	102
Gauteng Department of Roads and Transport	-	30	-	-	-	30
North - West Treasury	-	37	-	-	-	37
Gauteng Department of Sports	519	-	-	517	519	517
Gauteng Department of Education	-	-	29	-	29	-
Total Departments	**1 574**	**1 807**	**29**	**619**	**1 603**	**2 426**

Annexures to the Annual Financial Statements

For The Year Ended 31 March 2023

artment of

ANNEXURE 5
INTER-GOVERNMENT PAYABLES

Government Entity	Confirmed balance outstanding		Unconfirmed balance outstanding		Total	
	31/03/2023	31/03/2022	31/03/2023	31/03/2022	31/03/2022	31/03/2022
	R'000	R'000	R'000	R'000	R'000	R'000
Departments						
Current						
Department of E-Government	18	373	-	-	18	373
Deparment of Justice	-	58	-	-	-	58
Gauteng Office of the Premier	-	26	-	-	-	26
National Department of Health	-	-	-	21	-	21
National Department of Forestry, Fisheries & Environment	-	47	-	-	-	47
Gauteeng Department of Health	25	-	-	-	25	-
Gauteng Department of Roads and Transport	162	-	-	-	162	-
National Treasurry	56	-	-	-	56	-
Subtotal	**261**	**504**	**-**	**21**	**261**	**525**
Other Government Entity						
Gauteng G-Fleet	228	296	-	-	228	296
Government Pensions Administration Agency	-	-	-	23	-	23
Subtotal	**228**	**296**	**-**	**23**	**228**	**319**
TOTAL	**489**	**800**	**-**	**44**	**489**	**844**

ANNEXURE 11
COVID 19 RESPONSE EXPENDITURE
PER QUARTER AND IN TOTAL

Expenditure per economic classification	2022/23					2021/22 TOTAL
	Q1	Q2	Q3	Q4	TOTAL	
	R'000	R'000	R'000	R'000	R'000	R'000
Compensation of employees						
						147
Goods and Services	-	-	-	-	-	147
	-	-	-	-	-	-
TOTAL COVID 19 RESPONSE EXPENDITURE	**-**	**-**	**-**	**-**	**-**	**147**

Notes

Contact Information:

Physical Address:
75 Fox Street, Imbumba House,
Johannesburg
2107

Postal Address:
Private Bag X12,
Marshalltown,
Johannesburg,
2107

Switchboard:
011 227 9000

Email address:
GPTCommunications@gauteng.gov.za

Website Address:
www.gauteng.gov.za

FC Image:
Author Unknown, [ONLINE]. https://wallpaperaccess.com/finance

PR234/2023
ISBN: 978-0-621-51401-8

GAUTENG PROVINCE
TREASURY
REPUBLIC OF SOUTH AFRICA

GGT2030
GROWING GAUTENG TOGETHER