No.0463 - 2023: Fifth Session, Sixth Legislature

**GAUTENG PROVINCIAL LEGISLATURE**

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**ANNOUNCEMENTS,**

**TABLINGS AND**

**COMMITTEE REPORTS**

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

Tuesday, 05 December 2023

# ANNOUNCEMENTS

none

# TABLINGS

none

**COMMITTEE REPORTS**

**1. The Acting-Chairperson of the Co-operative Governance, Traditional Affairs, Research, Development and e-Government Portfolio Committee, Hon. B P Mncube, tabled the Committee’s Oversight Report on** **the Annual Report of the Department of e-Government for the 2022/2023 financial year, as attached:**

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**Oversight Committee on Co-operative Governance, Traditional Affairs; Research and Development & e-Government**

**Report on the 2022/23FY Annual Report of the**

**Department of e-Government**

| **Committee Details** | | **Department Details** | |
| --- | --- | --- | --- |
| **Name of Committee** | **Co-operative governance, Traditional affairs; Research & development & e-Government Portfolio Committee** | **Name of Department** | **e-Government** |
| **Which Financial Year** | **2021/22FY** | **Dept. Budget Vote Nr.** | **Vote 13** |
| **Chairperson** | **B. Mncube (Acting)** | **Hon. MEC** | **M. Khumalo** |
| **Adoption and Tabling** | | | |
| **Date of Final Adoption by Committee** | | **Scheduled date of House Tabling** | |
| **01 December 2023** | | **06 December 2023** | |

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# ABBREVIATIONS

|  |  |
| --- | --- |
| **Abbreviation** | **Full Wording** |
| AGSA | Auditor General SA |
| DAV | Design and Validation Centre |
| DPSA | Department of Public Service and Administration |
| FIS | Focused Intervention Study |
| FMDC | Fully Managed Data Centre |
| FY | Financial Year |
| ICT | Information Communication Technology |
| GAS | Gauteng Audit Service |
| GBN | Gauteng Broadband Network |
| GCR | Gauteng City Region |
| GGT | Growing Gauteng Together |
| GPG | Gauteng Provincial Government |
| HRS | Human Resource Services |
| LAN | Local Area Network |
| PFMA | Public Finance Management Act |
| SAP | Systems and Applications Processes |
| SITA | State Information Technology Agency |
| SOM | Sector Oversight Model |
| TMR | Transformation, Modernisation and Re-industrialisation |
| VoIP | Voice over Internet Protocol |
| WAN | Wide Area Network |

# EXECUTIVE SUMMARY

This Committee Oversight report provides an overview of the performance of the Gauteng Department of e-Government (herein referred to Department) for the 2022/23 Financial Year (FY) and seeks to measure progress in the implementation of projects and efficiency in the utilisation of the allocated budget.

The core mandate of the Department of e-Government is to modernise the public service by rolling out and maintaining the Gauteng Broadband Network (GBN) with the aim to promote service delivery efficiencies for the Gauteng Provincial Government (GPG) and community centres. The GBN project is implemented under Programme 2, ICT Shared Services.

To achieve its objectives, the Department was appropriated an amount of R1 735 961 000, to fund three programmes namely, Administration, ICT Shared Services and Human Resources Services with expenditure amounting to R1 589 834 000 which is 92% of the allocation. The under-expenditure is attributed mainly to the vacant funded posts across all programmes and delayed procurement processes for goods and services relating to the GBN. The bulk of the Department’s expenditure was realised in Programme2: ICT Shared Services mainly for the provision of ICT Services through the GBN.

The Department reported an achievement of numerous milestones, albeit at a slow pace since the roll-out of the GBN project. These includes among others roll-out of ICT infrastructure, development, testing and roll out of e-services as well as providing identified sites with Wi-Fi, LAN, VoIP and WAN. The implementation of Voice over Internet Protocol (VoIP) connection has reduced telephone communication costs between departments. Progress has also been made on the implementation of the Common Platform that allows citizens to access a wide range of government services through a single window at the click of a button. To build a capable state, provincially developed applications are periodically tested at the Design and Validation Centre to eliminate crashes thereby minimising disrupted connectivity.

To build an enabling ICT infrastructure, the Department modernised upgraded core network nodes thereby increasing connectivity to provincial services. A number of open data sets were published and data analytics projects were executed. Through the development of ICT standards and ICT life cycle roadmaps, the Department is able to strengthen governance on the province’s ICT.

To promote the use of e-government services, the Department conducted e-services advocacy workshops and conducted customer satisfaction surveys with client departments on service offerings. Further, to promote the use of e-government services, the Department has a strategic objective to stimulate the ICT economy. This is achieved by facilitating incubation and innovation as well as encouraging public-private partnerships for the development and roll-out of e-government services.

Through the Human Resource Services Programme, which is assigned to optimise, digitise and promote HR Services related business processes, the Department conducted advocacy workshops at GPG entities. The purpose of the workshops was to promote the use of e-services in order to promote business processes efficiencies which shows commitment to constantly modernise transversal Human Resources business processes within the province.

Even with the recorded successes, there are persistent challenges ascribed to vacant funded posts across all programmes, underspending due to delayed implementation of projects and protracted negotiations to conclude contracts especially in Programme 2. This is corroborated by the reported delays in implementing projects. Plans have been put in place, following the implementation of House Resolutions, to address the challenges and improve performance.

The Auditor General awarded the Department a clean audit without any matters of emphasis and did not identify any significant deficiencies in internal controls.

# INTRODUCTION

The Co-operative governance, Traditional affairs; Research and Development & e-Government Portfolio Committee exercises oversight and scrutiny on planning, budgeting, financial management and reporting over the Gauteng Department of e-Government; herein referred to as the Department. The oversight is conducted through the prescripts of the Sector Oversight Model (SOM) and the Public Finance Management Act (1999) (PFMA). SOM prescribes three elements of legislative oversight which are: the evaluation of the efficacy of the public service; the appropriateness of financial resource allocation and management and the relationship between these key elements. The PFMA creates the basis on which oversight by Legislatures should be exercised. The PFMA clearly outlines areas of service delivery that should be reported on, including the responsibilities of officials and the timelines for reporting. This report, therefore, outlines the Portfolio Committee’s analysis of the financial and non-financial performance of programmes and operations.

# PROCESS FOLLOWED

The Speaker formally referred the Annual Performance Report of the Department of e-Government for the 2022/23 FY to the Portfolio Committee for consideration and reporting.

The Committee Researcher tabled an analysis of the performance report and this was followed by engagement with the Auditor General on the audit outcomes for the year under review. The Department, led by MEC M. Khumalo, presented the Annual Performance Report to the Portfolio Committee focusing on the departmental financial and non-financial performance.

On 30 November 2023, the Portfolio Committee deliberated and adopted the oversight report on the Gauteng Department of e-Government Annual Performance 2022/23 FY. The report was subsequently submitted to the Proceedings Unit for tabling and consideration by the House.

# COMPLIANCE AND QUALITY

In line with the GPL Standing Rules, the Department timeously submitted the Annual Performance Report for the 2022/23 FY and reported on its financial and non-financial performance in accordance with the requirements of the Public Finance Management Act (PFMA) 1999.

# OVERSIGHT ON STRATEGIC PRIORITIES

The Department responds to three (3) Growing Gauteng Together (GGT) priorities that link to the NDP through building a capable, ethical and developmental state; economy, Jobs and Infrastructure and lastly, education, Skills Revolution and Health. Targets are to realise outcomes in response to the national and provincial priorities.

The Department is mandated to implement the e-government strategy of Gauteng City Region (GCR), which aims to consolidate back-end systems and processes to bring about better front-line service delivery to the Gauteng Province community. The goal of the strategy is to create connectedness amongst government entities, citizens and businesses, increase collaboration and make it easier and more efficient to interact with government. This is achieved through the development of ICT (Information Communication Technology) policies and standards and the rollout of the Gauteng Broadband Network (GBN), which connects all government buildings and various public service access points.

During the 2022/23FY, the Portfolio Committee engaged the Department to probe the progress regarding the attainment of goals of the GCR ICT Strategy as well as on progress regarding the implementation of management audit action plans towards the attainment of the ICT Strategy goals. **The Portfolio Committee notes that the Department is making progress in consolidating back-end systems and processes to bring about better front-line service delivery to the Gauteng Province community through the roll-out of the Gauteng Broadband Network (GBN) although at a slow pace.** **The network is rolled out to attain the goal** **of the GCR which is to create connectedness amongst government entities, citizens and businesses, increase collaboration and make it easier and more efficient to interact with the government.**

# OVERSIGHT ON TECHNICAL PERFORMANCE

The Department has three programmes namely: Administration; Information Communication Technology Shared Services (ICT Shared Services) and Human Resources Services. The Department had set 33 targets and achieved 24 the targets, underperforming on 9 targets translating to 73% achievement across the three programmes.

**Programme 1: Administration**

The purpose of this programme is to provide executive leadership, oversight and accountability for the performance and outcomes of the department and to render corporate support services that create an enabling environment for effective, efficient & economical and controlled departmental operation. Its strategic objective is to efficiently administer and manage the Department. The programme received an allocation of R294 544 000 with expenditure amounting to R279 635 000 which is 95% of the appropriation.

The Department reported on achievements that include the approval of the Departmental risk register, paying suppliers within 10 days of receipt of invoices, spending above target of procurement spend on township economy and designated GEYODI groups as well as conducting service evaluations.

During in year monitoring of performance, the Department perpetually underperformed in achieving targets relating to military veterans. The main reason for the underperformance was the lack of an approved policy to guide the implementation of the set targets. The Portfolio Committee recommended that the targets be revised until such time that the policy and implementation plans on targets on military veterans are adopted. The Department did engage the Office of the Premier and revised its targets. Engagements on performance showed some progress on the targets the Department reported that the policy on military veterans has been developed and is being vetted for achievement. **The Portfolio Committee commends the Department for implementing House resolutions and acknowledging the importance of oversight.**

At the end of the financial year, the headcount of the Department stood at 818 of the 896 post establishment which translates into an 8.7% vacancy rate and 78 vacancies. The Department processed 15 terminations due to various reasons such as death, resignation, contract expiry and retirement. During engagement on the annual performance, **the Portfolio Committee raised concerns regarding the number of vacancies in Highly skilled Production and Highly skilled Supervision**. The Department responded that the compensation of employees’ allocation is not sufficient to reimburse the incumbents with the kind of skills needed within the department, as such those skills cannot be retained. Even so, there are no performance implications as obligations are still met and the Department continually strives to fill vacant posts. **The Portfolio Committee will monitor the process of filling vacant positions periodically.**

**Programme2:** **Information Communication Technology Shared Services**

The purpose of this programme is to establish a GCR e-Governance structure to drive priorities, policies, standards, and Regulations. The programme, which is the core function of the Department, received an allocation of R1 309 052 000 and spent R 1 183 138 000 of the allocated amount which is 90% of the allocation.

To modernise the provincial ICT infrastructure through connectivity, the Department planned to connect sites to LAN, WAN, Wi-Fi and VoIP. It is reported that all the targets were not achieved. The reasons for deviation, which were advanced to the Portfolio Committee since the 2nd Quarter of the year, were mainly limited budget, delayed delivery of equipment and no access to identified sites. During oversight of the 3rd Quarter performance, the Portfolio Committee recommended that the Department should synchronise project and procurement planning with the overall performance planning to avoid delayed procurement processes and non-compliance to project timelines and specifications by client departments. The Department reported that an extended executive committee was established to align the APP and operational plans and results in performance would be realised from the next financial year. **The Portfolio Committee will continue to conduct robust oversight over the Department**.

One of the strategic objectives of the Department is to ensure that Gauteng is a hub of the 4th industrial revolution skills. The objective is met through ICT skills development and stimulation. To achieve this, the Department had planned to support previously disadvantaged ICT entrepreneurs. The target is reported as partially achieved as the Department could not receive all the contracts from the implementing partners. The target to train GPG staff on the online platform and provide ICT skills development through the Action Lab programme was fully achieved. The Portfolio Committee is of the view that the achievements are a step forward in achieving the objective of building the ICT skills base needed to drive digital transformation in the province.

To have government services on digital platforms and enable GCR entities to deliver e-government services, the Department reported having developed and tested new e-services. The testing of the services was conducted at the DAV Centre. **The Portfolio Committee appreciates that the new e-services were developed to benefit and support the GPG and entities to conduct tasks seamlessly.** The Department reported having published ten (10) Open data sets where citizens can access information at the click of a button and have executed nineteen (19) Data Analytics Projects to improve decision-making.

The Department established the GCR e-government governance structures that drive and enable priorities, through the development of ICT policies, standards, and framework. This was done to enhance provincial ICT oversight and governance. **The Portfolio Committee commends the Department for developing and implementing policies that govern ICT in the province.**

It is reported that seven (7) customer satisfaction surveys and five (5) research studies were conducted to solicit feedback on the services offered and ten (10) awareness campaigns were conducted to promote e-services. **The Portfolio Committee supports the initiatives by the Department to constantly seek to improve its offering.**

**Programme 3: Human Resources Services**

The purpose of this Programme is to modernise HR business processes within the GPG through the provision of ICT systems and promoting their optimal utilisation as well as to produce analytical HR information useful for purposes of decision-making. The programme was allocated an amount of R132 365 000 and expended R127 056 000 which is 96% of the allocation. The Department reported having achieved all targets set for the programme.

Through this programme, the Department was able to digitise and optimise human resource services affording the GPG to be efficient in conducting business. The rollout of the ESS modules allowed departments and their entities to conduct human resources services with ease thereby reducing the turnaround time to conclude tasks. **The Portfolio Committee notes the reported achievements on the rollout of the ESS modules to ensure uniformity in transversal human resource processes.**

# OVERSIGHT ON BUDGET EXPENDITURE

The Department funds three programmes namely, Administration, ICT Shared Services and Human Resources Services. The Department was appropriated an amount of R1 735 961 000 and expended R1 589 834 806 which is 92% of the allocation. The under-expenditure is attributed to vacant funded posts across all programmes and delayed build process of the GBN at identified sites.

The Department’s expenditure is classified in terms of Economic Classification which has three main categories namely: Current Payments-comprising Compensation *of Employees and Goods and Services*, Transfers and Subsidies, Payment for Capital Assets and Payment for Financial Assets.

The Department allocated R494 080 000 for the Compensation of employees and the actual expenditure amounted to R464 714 000 which is 94% of the total allocation. The Committee takes note of the reasons advanced by the Department which are staff terminations, as a result, posts perpetually remain vacant.

With regards to Goods and Services, the Department spent 100% of the allocated of R943 791 000 with the main cost drivers being Computer services. Transfers and Subsidies was allocated an amount of R26 404 000 year with expenditure at 100%. The bulk of the expenditure for the allocation was a transfer to the Development and Validation Centre (DAV) for the testing of new applications.

Capital Payments was allocated R271 413 000 with expenditure at R154 700 000 which is 57% of the allocation. The Department reported that the under-expenditure is due to delayed project build processes of the GBN. **The Portfolio notes the reasons provided for the under-expenditure and the measures put in place to finalise the build process.**

The Department has four main revenue sources namely; Sales of goods and services other than capital assets (tender documents), interest, dividends and rent on land, Sales of capital assets and transactions in financial assets and liabilities. The Department generated generated revenue totalling R1 037 000 in the 2022/23 financial year.

The Portfolio Committee engaged the AG, a partner in oversight, on the audit outcomes on the financial performance of the Department. The AG reported to have audited the financial statement of the Gauteng Department of e-Government and indicated that the financial statements presented fairly, in all material respects, the financial position of the Gauteng Department of e-Government as of 31 March 2023.

# OVERSIGHT ON PUBLIC INVOLVEMENT

The Portfolio Committee invited stakeholders to its meetings to observe Committee proceedings and later make verbal or written submissions. No submissions were received.

# OVERSIGHT ON RESOLUTION MANAGEMENT

| **RESOLUTIONS MANAGEMENT** | | |
| --- | --- | --- |
| **RESOLUTIONS PASSED DURING THE PREVIOUS FINANCIAL YEAR** | **RESOLUTIONS / ACTIONS DUE DURING THIS FINANCIAL YEAR** | **RESOLUTIONS CLOSED** |
| ***Number of Resolutions passed during the Previous Financial Year*** | ***Number of Resolution Responses / Action due in this Financial Year*** | ***From those due in this Financial Year, how many Resolutions are now closed*** |
| 2 | 0 | 2 |
| ***Nature of Resolutions*** | ***How many new and how many outstanding*** | ***Reasons for Resolutions not yet closed*** |
| Good Governance 1  Administration 1 | 0 |  |
| ***With respect to the Resolutions / Action due during this Financial Year but still Open, what measures has the Committee taken to ensure speedy Closure of these Resolutions*** | | |
|  | | |

# OVERSIGHT ON PERFORMANCE VERIFICATION

The Portfolio Committee conducted an oversight visit at the Security Operations Centre to verify reporting on the measures put in place to curb cyber-attacks on the provincial network. Cyber-attacks threaten any ICT environment, however, the portfolio Committee found that the GPG remains one of the most secure spaces through the cyber security services rendered at the Security Operations Centre.

During engagements with the AGSA on the performance of the Department, the AGSA indicated that during their audit, the SOC was assessed through the Gauteng Network and penetration test. The AGSA found that there were some slight loopholes for cyber-attacks. To respond to the concerns raised by the AGSA, the Department reported that penetration test findings have been meticulously divided into more manageable, individual components. The breakdown allows a more focused and efficient approach to addressing each identified security gap. Segmenting the findings ensures that every potential vulnerability is thoroughly examined and appropriately rectified. Further, the Department has established an Operation Clean Audit Committee, which convenes bi-weekly to monitor the progress of resolving the audit findings. **The Portfolio Committee welcomes the establishment of the Audit Committee and implores the Audit Committee to conduct thorough oversight and timely action on the identified issues, maintaining a vigilant approach to cybersecurity**.

# FINDINGS, RECOMMENDATIONS AND IMPLICATIONS ON LAW-MAKING

**Concerns**

The Portfolio Committee conducted oversight and monitored the performance of the Department quarterly as per the prescripts of the Public Sector Model. As such recommendations to assist the Department in achieving set objectives and realising outcomes were advanced during in year monitoring of performance and the results will be noticeable in the next financial year.

**Recommendations**

The Portfolio Committee encourages the Department to continue adhering to set project plans to achieve targets.

# ACKNOWLEDGEMENTS

The Portfolio Committee extends gratitude to the Honourable MEC M. Khumalo and officials of the Gauteng Department of e-Government for their cooperation during the consideration of the report.

Appreciation for diligence, dedication and commitment shown during deliberations on the Annual Performance Report 2022/23FY process goes to all Members of the Co-operative governance, Traditional Affairs; Research and Development & e-Government Portfolio Committee, Mr. P. Malema, Mr. N. De Jager, Mr. S. Msimanga, Ms. N. Njokwe, Mr. P. Makwala, Ms. A. De Lange, Mr. B. Dhlamini and Ms. I. Cilliers.

The Committee’s gratitude is extended to the following support staff: Group Committee Coordinator Ms. Z. Pantshwa-Mbalo, Senior Committee Coordinator Ms. M. Molote, Committee Coordinator Ms. J. Nyembe, Researchers Mr. M. Tshehla, Mr. S. Nene, Media Officer, Ms. P. Bulasigobo; Information Officer Mr. L. Ncume, Committee Administrators Ms. N. Mthembu, Ms. C. DeBeer, Service Officer Ms. C. Mnethwa and Hansard Recorder Mr. N. Mbonani.

# ADOPTION

After due consideration, the Co-operative Governance, Traditional Affairs; Research and Development & e-Government Portfolio Committee adopted the Annual Performance Report of the Department of e-Government for the 2022/23 Financial Year.

In terms of Rule 117(2)(c) read with Rule 164, the Co-operative Governance, Traditional Affairs; Research & development & e-Government Portfolio Committee presents to this House and recommends the adoption of the Committee’s Report on the Annual Performance Report of the Department of e-Government for the 2022/23 Financial Year.