



GAUTENG  
LEGISLATURE

Your View ~ Our Vision



# 2020/2021


GAUTENG PROVINCIAL LEGISLATURE  
ANNUAL REPORT

*Following up on our commitments,  
making your future work better*







A nighttime photograph of the Johannesburg skyline. The Telkom Tower, a tall telecommunications tower, is prominently featured on the left, illuminated with blue lights and displaying the 'telkom' logo. The city is filled with numerous high-rise buildings, many of which have their windows lit up, creating a warm, golden glow. The sky is a deep, dark blue. In the foreground, there are some lower-rise buildings and trees, partially obscured by the taller structures. The overall scene captures the vibrant energy of a major city at night.

COVID-19 has turned the world upside down. Everything has been impacted. The pandemic has changed how we live and interact with each other, how we work and communicate, how we move around and travel. Every aspect of our lives has been affected. The decisions we take now will be some of the most important decisions made in generations. They will affect people all around the world for years to come.

HON L N MEKGWE,  
Speaker of the Gauteng Provincial Legislature

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*Following up on our commitments,  
making your future work better*





# GENERAL INFORMATION



## 1. PREAMBLE TO THE CONSTITUTION

"We, the people of South Africa,  
Recognise the injustices of our past;  
Honour those who suffered for justice and freedom in our land;  
Respect those who have worked to build and develop our country; and  
Believe that South Africa belongs to all who live in it, united in our diversity.

We therefore, through our freely elected representatives, adopt this Constitution as  
the supreme law of the Republic so as to -

Heal the divisions of the past and establish a society based on democratic values,  
social justice and fundamental human rights;  
Lay the foundations for a democratic and open society in which government is  
based on the will of the people and every citizen is equally protected by law;

Improve the quality of life of all citizens and free the potential of each person; and  
Build a united and democratic South Africa able to take its rightful place as a  
sovereign state in the family of nations.

May God protect our people.  
Nkosi sikelel' i-Afrika. Morena boloka setjhaba sa heso.  
God seën Suid-Afrika. God bless South Africa.  
Mudzimu fhatutshedza Afurika. Hosi katekisa Afrika."





## 2. LIST OF ABBREVIATIONS/ACRONYMS

<b>APP</b>	Annual Performance Plan	<b>IT</b>	Information Technology
<b>BBBEE</b>	Broad-Based Black Economic Empowerment	<b>LAC</b>	Legislature Adjudication Council
<b>BEP</b>	Business Enhancement Plan	<b>LGBTI</b>	Lesbian, Gay, Bisexual, Transgender and Intersex
<b>CCTV</b>	Closed Circuit Television	<b>LSB</b>	Legislative Services Board
<b>CHEA-AR</b>	Commonwealth Hansard Editors Association Africa Region	<b>LSS</b>	Legislative Sector Support
<b>COID</b>	Compensation for Occupational Injuries and Diseases	<b>MEC</b>	Member of Executive Council
<b>COSO</b>	Committees of Sponsoring Organisations of the Treadway Commission Framework	<b>MPLs</b>	Members of the Provincial Legislature
<b>COVAC</b>	Committees Oversight and Accountability Framework	<b>MPWC</b>	Multi-Party Women's Caucus
<b>CPA</b>	Commonwealth Parliamentary Association	<b>NCOP</b>	National Council of Provinces
<b>CRC</b>	Citizens Responsibility Campaign	<b>NGO</b>	Non-Governmental Organisation
<b>CRR</b>	Capital Replacement Reserve	<b>NSF</b>	National Speakers' Forum
<b>CWP</b>	Commonwealth Women Parliamentarians	<b>OCoC</b>	Office of the Chairperson of Committees
<b>EAP</b>	Employee Assistance Programme	<b>OCPOL</b>	Oversight Committee on the Premier's Office and Legislature
<b>ECM</b>	Enterprise Composite Model	<b>O-Dep-CoC</b>	Office of the Deputy Chairperson of Committees
<b>EFT</b>	Electronic Transfer	<b>OHS</b>	Occupational Health and Safety
<b>FIS</b>	Focused Intervention Study	<b>PBMER</b>	Integrated Framework for Planning, Budgeting, Monitoring, Evaluation and Reporting
<b>FMPPLA</b>	Financial Management of Parliament and Provincial Legislatures Act	<b>PDMC</b>	Provincial Disaster Management Centre
<b>GEYODI-R</b>	Gender, Youth and People Living with Disabilities	<b>PPPf Act</b>	Preferential Procurement Policy Framework Act
<b>GPF</b>	Gauteng Partnership Fund	<b>PPE</b>	Property, Plant and Equipment
<b>GPL</b>	Gauteng Provincial Legislature	<b>PSC</b>	Public Service Commissioner
<b>GRAP</b>	Generally Recognised Accounting Practice	<b>PwD</b>	People with Disabilities
<b>GRIR</b>	Goods Received Invoice Received	<b>SADC</b>	Southern African Development Community
<b>GSF</b>	Gauteng Speakers' Forum	<b>SALSA</b>	Secretaries' Association of the Legislatures of South Africa
<b>HDIs</b>	Historically Disadvantaged Individuals	<b>SA GAAP</b>	South African Statement of Generally Accepted Accounting Practice
<b>Hon</b>	Honourable	<b>SCM</b>	Supply Chain Management
<b>HVAC</b>	Heating Ventilation and Air Conditioning	<b>SCOPA</b>	Standing Committee on Public Accounts
<b>IAS</b>	International Accounting Standards	<b>SDGs</b>	Sustainable Development Goals
<b>ICT</b>	Information and Communications Technology	<b>SOM</b>	Sector Oversight Model
<b>IPSAS</b>	International Public Sector Accounting Standards	<b>SPOF</b>	Strategic Projects Oversight Forum
<b>IPMS</b>	Integrated Performance Management System	<b>TM Policy</b>	Transversal Mainstreaming Policy
<b>IR</b>	Invoice Received	<b>TMFP</b>	Transversal Mainstreaming Audit and Training Project
		<b>UIF</b>	Unemployment Insurance Fund

**HON LN MEKGWE**

Speaker of the Gauteng Provincial Legislature

**It is indeed an honour and privilege to introduce the Annual Report of the Gauteng Provincial Legislature (GPL) for the 2020/21 financial year to the people of Gauteng.** This annual report provides an account of the GPL achievements for the period under review. This period under review marks an unprecedented time in our country and the world at large, characterised by the COVID-19 pandemic.

## FOREWORD BY THE SPEAKER

COVID-19 has turned the world upside down. Everything has been impacted. The pandemic has changed how we live and interact with each other, how we work and communicate, how we move around and travel. Every aspect of our lives has been affected. The decisions we take now will be some of the most important decisions made in generations. They will affect people all around the world for years to come.

Although many reports have been published on the pandemic, a consistency of message is clear – this has been and continues to be an unprecedented crisis, and no aspect of our lives is immune. Different aspects of public and private life ranging from economic and environmental fluctuations to changes that affect individuals in terms of income, education, employment and violence and public services such as civil aviation and postal services have been impacted in one way or the other. It is important that we remain agile to continue serving the people of Gauteng and remain resolute in keeping the people of our province first.

Despite the unprecedented socioeconomic circumstances due to the COVID-19 pandemic and its related restrictions, we, as the GPL, had continued to discharge our constitutional mandate of oversight and scrutiny, law-making, public participation and cooperative governance.



### On Oversight

**One of the core mandates of the GPL is to conduct oversight and scrutiny.** This is to hold the provincial Executive to account for the delivery of services to the citizens in line with plans and predetermined objectives. Committees continued to use tools and methodologies that have been adopted by the South African legislative sector to interrogate departmental reports. These include the Sector Oversight Model (SOM), the Budget Cycle Model and the Committees Oversight and Accountability Framework (COVAC).

During the period under review, all Sector Oversight Model (SOM) imperatives in support of committee work were achieved. The GPL has put in place innovative and progressive mechanisms to continue overseeing the Executive, despite the COVID-19 restrictions.

Successful House Sitzings were conducted using the hybrid model. The House Sitzings are conducted both physically and virtually. During these House sittings, quarterly oversight reports, committee budget oversight reports and focused intervention studies (FIS) reports were tabled and subsequently adopted.

Oversight visits are conducted to identify and investigate actual service delivery progress and related challenges at various service delivery sites throughout the province. These oversight visits were mostly unannounced to obtain a real picture of the level of service delivery on the ground and for the committees to obtain a candid picture of the challenges experienced in the province. Of noteworthy mention is that most of the oversight visits were conducted on COVID-19-related matters in assessing the various departmental achievements



insofar as the provincial responses to the pandemic are concerned, such as personal protective equipment (PPE), South African Social Services Agency (SASSA) grant distribution, social distancing in queues and so forth. The oversight visits culminated in committee reports, which were tabled before the House for adoption and resolution.

Further, the GPL had continued to oversee the work of the Executive through oral and written Motions on matters of service delivery and thus ensuring that the Executive is accountable on its achievements in line with its plans and approved budgets.



#### On Law-Making

**By its very nature, law-making is another one of the core mandates of the GPL as a law-making institution in the province.** The GPL is committed to ensuring that its law-making processes are conducted in an unbiased manner to ensure that people's needs are addressed, and in a manner responsive to the needs of the people. It had also continued to develop and implement laws that create an enabling environment to better the lives of the people of Gauteng, through consultation processes or public hearings, and by consolidating law-making processes and all the feedback from citizens.



#### On Public Participation

**Despite the COVID-19 restrictions, notable improvements have been made in creating various innovative digital platforms for the public to remain meaningfully involved**

**in the business of the legislature and to have their voices heard, thereby guaranteeing all people a say in the governance of the province.** Members of the public participated by making submissions to departmental performance reports, committee assessment reports and through various sector engagements. These are all aimed at soliciting feedback and creating a platform for meaningful engagement between public representatives and the related sectors on issues of service delivery and challenges.



#### On Cooperative Governance

**The GPL continued to work and partner with different organs of State in relation to the discharge of its mandates.** During the period under review, we had participated in legislative sector forums, such as the Secretaries' Association of the Legislatures (SALS), the Commonwealth Parliamentary Association (CPA) and the Gauteng Speakers Forum (GSF), to improve the implementation of the memorandum of understanding through a customised cooperative governance framework that governs the legislature's engagement with organs of State. These engagements were mostly conducted virtually due to the COVID-19 restrictions.

The National Council of Provinces (NCOP) Taking Parliament to the People programme was conducted from 16 – 20 March 2020 under the theme, "Impact of migration – Deepening co-operative governance for accelerated service delivery and development". Members of the National Council of Provinces (NCOP) educated the public about the Coronavirus (COVID-19) pandemic. Various site visits were conducted where members of the public were engaged on various COVID-19-related issues.



#### On Administrative support, good governance and fiduciary compliance

**We are pleased to have reclaimed our "clean audit status" by having scrutinised the Auditor-General of South Africa's (AGSA) recommendations and we have implemented the recommendations to enhance and improve our good governance, internal controls, and fiduciary compliance.** This is strong testament to the seriousness with which we take our good governance, internal controls and fiduciary processes. We remain confident that our clean audit status will be maintained going forward. Our move away from strategic objectives towards outcomes has progressed well and positive results are already showing in terms of aligning strategy with operations.

Having summarised some of the achievements we have recorded during the period under review, with further specific and technical details in the report that follows, I state with pride that we have made substantial achievements on the delivery of our mandates despite the restrictions and challenges of the COVID-19 pandemic. We have become agile and innovative and ensured that we delivered on our constitutional mandates thereby ensuring that our service to the people of Gauteng will never be on lockdown.

**Hon Lentheng Ntombi Mekgwe**  
Speaker of the Gauteng Provincial Legislature



**MR PETER SKOSANA**  
Accounting Officer of the  
Gauteng Provincial Legislature

**The 2020/2021 financial year was an unprecedented year characterised by adjustments and vast collateral effects on the economy, the world of work and society.** The year was heralded by COVID-19, a public health crisis, which necessitated the declaration of a national state of disaster by the President of the Republic of South Africa in order to set in motion measures to deal with the effects and impacts of the COVID-19 pandemic.

## REPORT OF THE ACCOUNTING OFFICER

The GPL put response measures in place to safeguard the welfare of the Members, staff and other stakeholders alike. These measures incorporated the approval of the revised Standing Rules to provide a lawful and structured approach to deliver on our constitutional mandate. This meant leapfrogging into the Fourth Industrial Revolution, through the adoption of remote working, adjusting the plans and budget to effectively respond to the changing circumstances, limiting public access to the precinct, and ensuring continuous support to the Members who still needed to oversee the work of the Executive amidst challenges posed by COVID-19. Although the full impact of COVID-19 is still to be determined, the agility of our systems and tenacity of our people were put to the test.

Despite the interruptions experienced in the way we work, the Members and staff alike remained resolute to deliver on our mandate. The GPL achieved an unqualified audit outcome with no material findings, which is an improvement from the previous year's performance, and we have all the intentions to ensure that our systems are sufficiently robust to maintain the status quo. This is a demonstration that the GPL has enhanced its compliance with fiduciary requirements and maintained its good governance record and adhered to good

financial reporting standards. It should be noted that the overall institutional performance has sadly dropped to 68%, whereby 15 out of the 22 planned performance indicators/targets were achieved. The performance of the GPL is not only viewed from an administrative support alone but it is integrated into a holistic view in line with our constitutional mandate.

Notwithstanding the dip in overall non-financial performance, our constitutional mandate was discharged in an efficient and effective manner, given the new way of operations. The House passed the revised Standing Rules to incorporate special procedures to enable it to meet in a manner compliant with COVID-19 regulations. Whilst a hybrid system installation to the House and its committee rooms could have been delivered earlier, it was eventually actualised by the end of the reporting period.

As such, the Members adapted to the virtual operations in line with the revised Standing Rules, **resulting in 26 hybrid House Sittings and 421 committee meetings (that is, 294 virtual and 127 physical meetings) being held.** At these Sittings, the House and its committees applied oversight tools at their disposal to hold the Executive accountable. These mechanisms included Motions, questions for oral and written reply, regulations as well as resolutions.

To fully comply with the new regulations impacting on the operations of government as a whole, the GPL considered 16 NCOP Bills and seven provincial Bills. Of the seven provincial Bills, five of them were considered and subsequently passed. The remaining two provincial





Bills will be concluded in the next reporting period. This is an effort to ensure increased responsiveness to the laws that meet the needs of the people of Gauteng.

Our public participation activities were curtailed to comply with the COVID-19 regulations. The face-to-face reach was quickly adapted to digital access as part of our continuous effort to enhance meaningful public participation in the GPL business. As such, our systems were adjusted to extend reach through digital platforms such as YouTube, Facebook, Twitter and Instagram. The number of people reached surpassed our initial expectations, and the GPL is further investing in this mode of reach to ensure that momentum is not lost. Affordability issues are being addressed through the reverse data billing mechanism, which allows the public to participate in the processes of the legislature without a data cost barrier.

Furthermore, petitions submitted, over the various reporting periods, were considered and this ensured that key matters raised by the people of Gauteng are addressed.

Since the organisational strategy was approved in the previous reporting period, this year's focus was on the development and alignment of the supporting strategies. The GPL approved an Inter-Legislature Strategy, aimed at actively driving the strengthening of the legislative sector's cooperative governance and cooperation in the province and ensuring alignment at all levels of the State. In addition to this strategy, the Information and Communications Technology Strategy as well as the Integrated Communication Strategy were approved and implemented accordingly. Although there was a delay in fully implementing the ICT strategy, it could not have come at the most opportune time to ascertain compliance with the new way of operations.

The development of the Human Resource Strategy was not achieved in this reporting period. As a result, the indicator and its corresponding budget will be rolled over to the next reporting period. It should also be noted that the planned BBBEE targets were adjusted and surpassed. Furthermore, sustenance of good governance involved adherence to the internal systems and procedures, holding management accountable through the Secretariat, reporting to oversight structures, conducting various initiatives to promote ethical conduct, as well as financial stewardship.

The legislature faced various obstacles in this reporting period. Despite these challenges, the Executive Authority, the Legislature Services Board, the Office of the Chairperson of Committees and the Office of the Chief Whip did not falter in providing strategic support as well as political guidance to the institution. The staff also demonstrated an ability to adapt and innovate in the face of such difficulties. This resulted in the smooth running of the legislature.

It should be noted that the GPL received no gifts or donations in kind for the year under review. To the best of my knowledge, there are no other material facts or circumstances which may impact on the understanding of the financial state of affairs not addressed elsewhere in this report.

It is against this background that I am pleased to submit the 2020/2021 Annual Report to the Honourable Speaker of the Gauteng Legislature for approval.

Mr P Skosana

Accounting Officer of the Gauteng Provincial Legislature

# 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 the National Treasury.
- » The Annual Financial Statements (Part E) have been prepared in accordance with Generally Accepted Accounting Practice (GAAP) and the requirements of the Financial Management of Parliament and Provincial Legislature's Act of 2009 (FMPPLA) issued by the National Treasury.
- » The Annual Financial Statements (Part E) 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 were 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 Gauteng Provincial Legislature for the financial year ended 31 March 2021.





## STRATEGIC OVERVIEW



### Vision

To be a progressive legislature that fosters confidence in democracy and improves the quality of life of the people of Gauteng



### Mission

To build a capable and robust legislature with the capacity to fulfil its constitutional mandates.



### Values

The GPL is guided by the following principles:

- Accountability
- Integrity
- Outcomes-oriented
- Transparency
- Social
- Ubuntu

## LEGISLATIVE AND OTHER MANDATES

The constitutional mandates of the legislature remained unchanged, i.e. no changes or revisions were made in legislations governing the work of the legislature.

The provincial legislatures are established in terms of Chapter 6 of the Constitution of the Republic of South Africa, 1996 (thereafter referred to as the Constitution). Section 114 of the Constitution of the Republic of South Africa clearly states the responsibility of the Gauteng Provincial Legislature. This section entrusts the GPL with the responsibility to pass, amend and reject any Bill before it, including initiation or preparation of legislative Bills.

The Act further extends the responsibilities of the GPL to oversee the Executive over the implementation of their departments' mandate. The GPL also has the responsibility to facilitate the involvement of the public in the legislative and other processes of the legislature and its committees in line with Section 118 of the Constitution.

The following are key legislative mandates that further outline the GPL responsibilities and requirements:

- » Constitution of the Republic of South Africa, Act 108 of 1996 (Chapter 3 and Sections 114, 118 and 142 of the Constitution);
- » Financial Management of Parliament and Provincial Legislatures Act, 2009;
- » Political Party Fund Act, 2007;
- » Preferential Procurement Framework Act 5 of 2000;
- » The Promotion of Access to Information Act 2 of 2000;
- » Public Finance Management Act 1 of 1999;
- » Gauteng Provincial Legislature Service Act 5 of 1996;
- » Gauteng LSB Amendment Act 6 of 1999; and
- » Treasury Regulations.



## OFFICE BEARERS

### Presiding Officers



Hon Lentheng Ntombi Mekgwe  
Speaker of the Gauteng Legislature



Hon Nomvuyo Mhlakaza-Manamela  
Deputy Speaker



Hon Sizakele Nkosi-Malobane  
Chairperson of Committees



Hon Mpapa Kanyane  
Deputy Chairperson of Committees

### Chairpersons of Standing Committees



Hon Lentheng Ntombi Mekgwe  
Rules and Programming Committees



Hon Nomvuyo Mhlakaza-Manamela  
Privileges and Ethics Committee



Hon Sizakele Nkosi-Malobane  
Chairperson of Committees



Hon Bonginkosi Dhlamini  
Oversight Committee on the  
Premier's Office and the Legislature



Hon Boitumelo Ezra Letsoalo  
Petitions Committee



Hon Dulton Adams  
Committee on the Scrutiny of  
Subordinate Legislation



Hon Sochayile Khanyile  
Standing Committee on  
Public Accounts

## Leader of Government Business



**Hon Panyaza Lesufi**  
Member of the Executive Council

## Leaders of Political Parties



**Hon Mzi Khumalo**  
African National Congress  
(ANC)



**Hon Solly Msimanga**  
Democratic Alliance  
(DA)



**Hon Itani Mukwevho**  
Economic Freedom Fighters  
(EFF)



**Hon Anton Albert**  
Freedom Front Plus  
(FFP)



**Hon Bonginkosi Dhlamini**  
Inkatha Freedom Party  
(IFP)



**Hon Dulton Adams**  
African Christian Democratic Party  
(ACDP)

## Chairpersons of Portfolio Committees



**Hon Anna Alphina Ndlovana**  
Community Safety Committee  
*\*Hon Mapili Matsena<sup>2</sup> Deceased*



**Hon Kedibone Diale**  
Cooperative Governance, Traditional  
Affairs and Human Settlements Committee  
*\*Hon Nomathemba Mokgethi<sup>2</sup> Replaced*



**\*Hon Lindiwe Lasindwa<sup>2</sup> Deceased**  
Economic Development, Agriculture and Rural  
Development, and Environment affairs Committee



**Hon Matome Chiloane**  
Education Committee



**Hon Joe Mpisi**  
Finance Committee



**Hon Rebecca Phaladi-Digamela**  
Health Committee



**Hon Mpho Modise**  
Infrastructure Development Committee



**Hon Gregory Schneemann**  
Roads and Transport Committee  
*Hon Dumisani Dakile<sup>2</sup> Resigned*



**Hon Refiloe Kekana**  
Social Development Committee



**Hon William Matsheke**  
Sport, Arts, Culture and  
Recreation Committee



## Whips of Political Parties



**Hon Mzi Khumalo**  
Chief Whip  
African National Congress (ANC)



**Hon Thokozile Magagula**  
Deputy Chief Whip  
African National Congress (ANC)



**Hon Dolly Ledwaba**  
Governance Cluster Whip  
African National Congress (ANC)



**VACANT**  
Service Delivery Whip  
African National Congress (ANC)



**Hon Lesego Makhubela**  
Programming Whip  
African National Congress (ANC)



**Hon Paul Malema**  
Constituency Whip  
African National Congress (ANC)



**Hon Petrus Mabunda**  
Economic Transformation Cluster Whip  
African National Congress (ANC)



**Hon Busisiwe Pinky Mncube**  
NCOP Whip  
African National Congress (ANC)



**Hon Thulani Ndlovu**  
Social Development Cluster Whip  
African National Congress (ANC)



**Hon Mike Moriarty**  
Chief Whip  
Democratic Alliance (DA)



**Hon Adriana Randall**  
NCOP Whip  
Democratic Alliance (DA)



**Hon Khume Ramulifho**  
Programming Whip  
Democratic Alliance (DA)



**Hon Mervyn Cirota**  
Members Affairs Whip  
Democratic Alliance (DA)



**Hon Fred Nel**  
Rules Whip  
Democratic Alliance (DA)



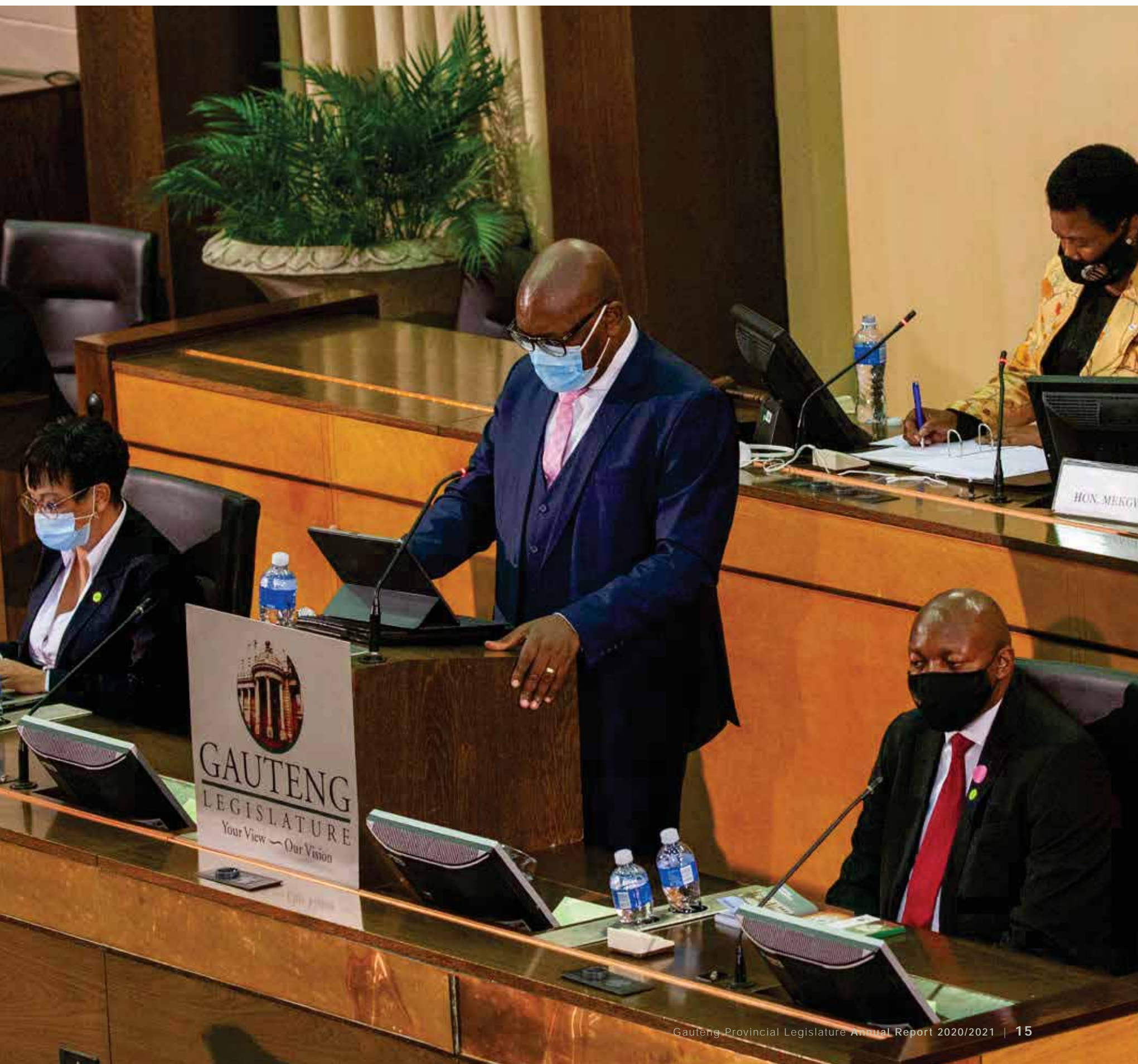
**Hon Ruth Mnisi**  
Caucus Whip  
Economic Freedom Fighters (EFF)



**Hon Moshe Koma**  
Constituency Whip  
Economic Freedom Fighters (EFF)

"A good leader can engage in a debate frankly and thoroughly, knowing that at the end he and the other side must be closer, and thus emerge stronger. You don't have that idea when you are arrogant, superficial, and uninformed." - Nelson Mandela











# OVERVIEW

OF GAUTENG PROVINCIAL  
LEGISLATURE'S PERFORMANCE





**HON SIZAKELE NKOSI-MALOBANE**  
Chairperson of Committees

## OVERVIEW OF GAUTENG PROVINCIAL LEGISLATURE'S PERFORMANCE

### 1. Overview of Gauteng Provincial Legislature's performance

#### 1.1 Report on performance of committees

The period under review (2020/2021) has now become globally infamous for the debilitating effects of the COVID-19 pandemic which has ravished societies and economies across the world. Countries closed borders, economies shut down and the normal, day-to-day activities that were taken for granted were suddenly stopped. The global economy came to a grinding halt.

The obvious expectation was for a developing country like South Africa to bear the severe brunt of the impacts and effects of the pandemic. However, the work of the Gauteng Provincial Legislature shone through during these dark times and despite the heavy restrictions, the work of the House and its committees continued. The people of Gauteng were not abandoned by the Gauteng Provincial Legislature.

The year 2020 ushered in a new strategy for the GPL, which the committees were instrumental in formulating. In fact, the GPL strategy development process started with the Standing Committee of Chairpersons joining the Presiding Officers at the joint strategic planning session, at which political and strategic leadership and direction was provided to the GPL as a whole. Thereafter, committees internalised this strategic direction at their respective committee planning sessions. These committee planning sessions were followed by the Administration planning sessions to ensure that the GPL administrative support was fully informed and responsive to the strategic intent that drives the work of the House and its committees.

The impact, strategic goal and outcomes of the GPL Strategy (2020-2025) inform the manner and extent to which House committees discharge their constitutional mandate of oversight, law-making, public participation and cooperative governance. The work of the committees is core to the mandate of the legislature as committees oversee service delivery by the Executive. The discharge of the GPL oversight mandate is given effect through the Committees Oversight and Accountability Framework "COVAC", which is the GPL customisation of the Sector Oversight Model (SOM). This work is championed and overseen by the Office of the Chairperson of Committees. Thus, during the period under review, the GPL Committees have fared impressively on all mandates of the legislature, as alluded to below and as detailed further in the body of this annual report.

On oversight and scrutiny, the GPL House Committees have conducted numerous oversight visits to service delivery sites in the province. This was to ensure actual, on-the-ground oversight at various sites including schools, clinics, maintenance projects and COVID-19 PPE distribution points. Oversight visits have been conducted in all development corridors of Gauteng throughout the period under review. During all oversight visits, Members and staff were always compliant with the necessary COVID-19 protocol and restrictions.



**HON MPAPA KANYANE**  
Deputy Chairperson of Committees



Further, the various committees produced oversight reports on the work of the provincial departments, which included the annual, quarterly and focused intervention study (FIS) reports as well as reports on additional portfolio-specific service delivery areas.

The detailed oversight and scrutiny by the GPL Committees resulted in many House Resolutions been tabled and passed. House Resolutions are a powerful oversight tool to hold the Executive to account on the work that the provincial departments are mandated to carry out.

The petitions mechanism of the legislature provides a platform for the people of Gauteng to submit their service delivery petitions or complaints to the legislature for audience and escalation after having exhausted their local municipal avenues. In this reporting period, not a single petitioner was turned away. The adoption of petitions by the Petitions Standing Committee results in the committee facilitating responses and actions from respective departments on behalf of the petitioners.

Despite lockdown restrictions on social gatherings and physical interactions, the GPL responded with agility and developed innovative mechanisms to continue engaging the people of Gauteng. **The new public participation mechanisms included social media and other digital platforms such as hybrid Sittings and YouTube Livestream. This enabled the GPL to reach out to the people and solicit their inputs and comments during live House Sittings and debates.**

Thus, outreach engagements and interactions with all sectors of society took a new form. Committees

remained key in promoting and intensifying meaningful public involvement during the budget and annual report processes as well as other legislative processes.

Further, the GPL Committees recorded substantial progress in ensuring that laws passed are responsive to the needs of the people. This process included the drafting of Bills and their referral to the National Council of Provinces (NCOP) to ensure that not only do the Bills pass the constitutional muster, but also that they are representative of the needs of the people of Gauteng.

**In the period under review, 16 NCOP Bills and seven provincial Bills were processed. Five out of the seven provincial Bills were duly passed. This included the special Appropriation Bill, which focused on the COVID-19 adjustments.**

Committees of the GPL do not exist and work as islands unto themselves. As legal formations, they collectively represent the interests of the people and thus, through the Committees Oversight and Accountability (COVAC) Framework, they have reported on the meaningful partnerships that were created, maintained, or sustained with our government institutions and constitutional bodies. During the period under review, committees established sustainable partnerships with key stakeholders, such as Chapter 9 institutions (i.e., the Auditor-General of South Africa, Human Rights Commission, Electoral Commission, to mention but a few), civil society organisations as well as mass media organisations. These partnerships ensured that the oversight, public participation and law-making work conducted by the committees was shared, corroborated, peer reviewed and strengthened.

The GPL has also strengthened its partnership with the provincial Executive through its innovative "Standardized Oversight, Accountability and Reporting for Gauteng Province" (SOAR-GP) process, which creates a strong oversight-accountability link between the legislature and the Executive. Through the SOAR-GP process, important areas of reporting such as resolutions tracking and petitions management, among others, are centralised and attended to by both the GPL Committees and the Executive.

Having noted the considerable achievements made by committees during the period under review, it is sufficiently clear that they have, indeed, risen to the occasion and delivered on their mandates and given effect to the constitutional provisions as well as the Standing Rules with respect to oversight and scrutiny, public participation and stakeholder engagement, law-making and cooperative governance. The relentless and in-depth focus on oversight proves that the GPL continues to put the people of Gauteng first no matter what the situation or circumstance may be.

Despite these remarkable achievements against the odds, the GPL still aims higher and will not rest in complacency. Through the House and the work of Committees, the GPL will continue on its learning trajectory, with the intent to improve on its successes because the work of the House and its committees will never be on lockdown.

## 1.2 Organisational environment

The period under review saw the outbreak of the COVID-19 pandemic which unquestionably affected the way business was conducted. The GPL, like all other institutions, experienced temporary disruptions and the tenacity of its systems and processes were tested. As a result, the GPL was forced to leapfrog into some elements of the fourth industrial revolution (4IR). It had to adapt to new ways of operations, characterised by



work-from-home arrangements and virtual meetings. These reforms contributed to driving a digital mindset and culture, and this created a trajectory on gradual recovery and the ability to thrive throughout the COVID-19 phases. This culminated into the hybrid strategy being employed. The GPL has undoubtedly embraced the changes to its environment and is on track to ensure institutionalisation of the positive unintended consequences of COVID-19.

The year under review saw the inaugural wage agreement been signed at the Centralised Bargaining Forum level and implemented across the legislative sector. Within the GPL, partnership with the recognised union, NEHAWU, remains intact despite the dissolution of the NEHAWU Branch Executive Committee. The GPL subscribes to the philosophy of having a present and strong labour movement in the workplace. This collaboration brings validity and quality of the robust engagements, which ensue in the employee/employer consultative structures. The GPL will continue to support organised labour until the branch elects its leadership.






The GPL proudly maintained a 2% vacancy rate and resignations are below 5%. According to the global barometer, the GPL is considered to be the most stable employer in terms of movement due to resignation.

1.3 Key policy developments and legislative changes

During the reporting period, there were no major key policy developments and/or legislative changes that affected the mandate of the GPL. However, in the ensuing financial year, the GPL will process the development of the Gauteng Integrity Act in close collaboration with the national parliament. Discussions are underway to request that the GPL be granted the power of assignment by the National Assembly to enact the legislation for the province.

2. Strategic outcome

In line with the spirit of the South African Constitution of improving the quality of life of all South Africans, the desired impact that the GPL envisions in the long term is to contribute towards improving the quality of life of the people of Gauteng, which will, in turn, result in the reduction of inequality, poverty and unemployment, as espoused in the National Development Plan. To make such a contribution, the GPL identified five (5) outcomes that will form the building blocks towards the envisioned impact. **The strategic outcomes are aligned to the institution's constitutional mandate of law-making, conducting scrutiny and oversight on the work of the Executive, facilitating public participation as well as ensuring cooperative governance at all levels.**

Polity Priority		Strategic Outcome	Description
	Oversight to be intensified to focus more on specific government programmes and commitments.	Enhanced oversight and accountability towards service delivery.	The GPL will enhance its oversight over the Executive and facilitate improved accountability by the Executive in accordance with strategic priorities, specific government commitments, and planned projects. This will ensure that oversight is focused and driven towards ensuring services are rendered, thereby improving the quality of life of all the people of Gauteng.
	Law-making to become more proactive and responsive to the needs of the people.	Improved responsiveness of laws to meet the needs of the people of Gauteng.	The GPL will improve its law-making capacity and processes to make, amend and pass laws that are responsive to the needs of the people of Gauteng. The legislature will also be vigilant and monitor the implementation of policies and legislation that it has passed. It will also participate, in an effective manner, in the national law-making processes.
	Public participation to become more community-based and representative.	Enhanced meaningful public participation.	The GPL will rally the people of Gauteng to participate in the delivery of its mandates in a meaningful manner. It will improve its accessibility by people as well as its access to the people to ensure that it is indeed a beacon of the people. The focus will be on the youth and marginalised sectors of society. Furthermore, the work of the GPL will facilitate public participation, public pride and active citizenry through effective awareness and access to information.
	Cooperative governance processes to become more sector-orientated and supportive of local legislatures.	Improved alignment and collaboration between organs of state.	The GPL will strengthen the Gauteng Legislative Sector's cooperative governance and cooperation to contribute to the sector development locally, continentally, and globally. It will engage in targeted interventions to enhance sector collaboration and coordination.
	Administrative process to become more efficient, enabling and reflective of good governance standards.	Enhanced compliance with all relevant fiduciary requirements and principles of good governance.	The GPL will lead by example - while it oversees the work of the Executive, it will ensure that it conducts its own business and associated processes in accordance with all relevant financial and legal prescripts, thereby upholding the GPL's image as a supreme oversight body in the province.





### 3. Performance information by programme

3.1 Leadership and Governance

PROGRAMME ONE

The purpose of Programme 1 is to provide overall strategic leadership and direction to the institution.

The core function of the programme is to ensure alignment of the legislature processes as outlined in the GPL's Five-year Strategy, to monitor and oversee the execution of institutional obligations. In addition, the programme provides leadership and direction to the Legislature Services Board (LSB) and safeguards the strategic political management of the Presiding Officers and Office Bearers, including the strategic management of committees to ensure that political outcomes are achieved.

Programme 1 is made up of the following three subprogrammes, namely:

- » **Administration** - provides direct support to the Offices of the Speaker, Deputy Speaker and the Legislature Services Board;
- » **Oversight and Liaison** - provides support to the Offices of Chairpersons and Deputy Chairperson of Committees; and
- » **Inter-Legislature Relations Office.**

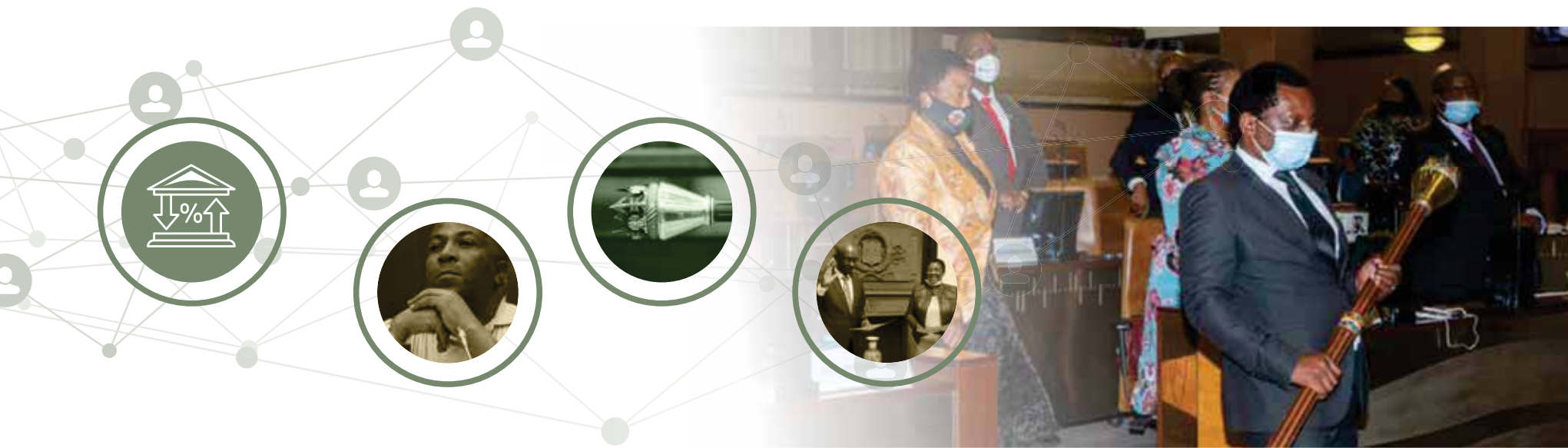
Strategic outcomes, performance indicators, planned targets and actual achievements

House Committees are the engine through which the legislature discharges its day-to-day constitutional mandate it is entrusted with. During the period under review, committees utilised various oversight tools such as resolutions, unannounced and announced oversight visits, focused intervention studies, as well as the scrutiny of Bills and regulations to strengthen the effectiveness of legislative oversight. Oversight visits were conducted at various service delivery sites to oversee the level of service delivery in the province. Media platforms (i.e., radio, television, newspapers and social media) were used extensively to engage with the people of Gauteng, thereby profiling the work of the committees.

While the programme contributes to the execution of the five strategic outcomes of the legislature, it has made specific contribution towards the four strategic outcomes, namely:

Strategic Outcome	Strategic Outcome	Strategic Outcome	Strategic Outcome
no.01	no.02	no.03	no.05
			
Enhanced oversight and accountability towards service delivery.	Increased responsiveness of laws to meet the needs of the people of Gauteng.	Improved alignment and collaboration between organs of state.	Enhanced compliance with relevant fiduciary requirements and principles of good governance.

To realise the strategic intent of Strategic Outcome 1, the Sector Oversight Model (SOM) is operationalised through the Committees Oversight and Accountability Framework (COVAC). This work is championed by the Office of the Chairperson of Committees, and it includes quarterly performance assessments of all the committees. The findings are then presented to the Chairpersons of various portfolios at the Standing Committee of Chairpersons' Quarterly Review sessions. As one of the highest decision-making bodies in the institution, this forum provides a space for robust engagements and peer review into the performance of the committees. To enhance our oversight tools, COVAC



was revised and implemented in this reporting period, to strengthen the broader oversight work of committees.

On the law-making front, the programme conducted a desktop review on the GPL's oversight of the law-making process as well as the number of Bills processed in this financial year. This study was conducted to evaluate the effectiveness of the law-making process and how this process enhances the effectiveness of the legislature to execute its constitutional mandate of law-making. The final report of the review that details the strengths and challenges of the law-making processes and its recommendations were tabled and adopted at the Presiding Officers' meeting.

The GPL, led by Programme 1, made strides towards improving alignment and collaboration between organs of State so as to foster a coherent and coordinated legislative sector. To this end, the five-year Inter-Legislature Relations Strategy and its implementation plan were developed and approved to effectively support the legislative work of the legislature. In this reporting period, the legislature participated in the National Speakers' Forum, SALSA and LSS Task Team meetings, Raymond Mhlaba Memorial Lecture, and CPA Webinar for Speakers' Forum and Presiding Officers. Furthermore, the GPL tabled its Gender Mainstreaming Programme of Action and inputs as part of its participation in the review of the Women's Charter, which is spearheaded by the national parliament.

In addition, the legislature partnered with like-minded institutions and took part in numerous initiatives to



help reduce and eliminate gender-based violence. Key among them were the National Men's Parliament under the theme *"Institutionalising a responsive men's movement"* in partnership with the Takuwani Riime Men's Movement as well as the Commonwealth Women Parliamentarians (CWP) roundtable discussion, which was held on 17 February 2021 under the theme, *"Gender Sensitive Parliaments in the 21st Century"*. Other key initiatives included collaborations with the Auditor-General South Africa and the United States Consul-General, and the commemoration of international days. The days that were commemorated include the Universal Children's Day, the International Women's Day, and Commonwealth Day.

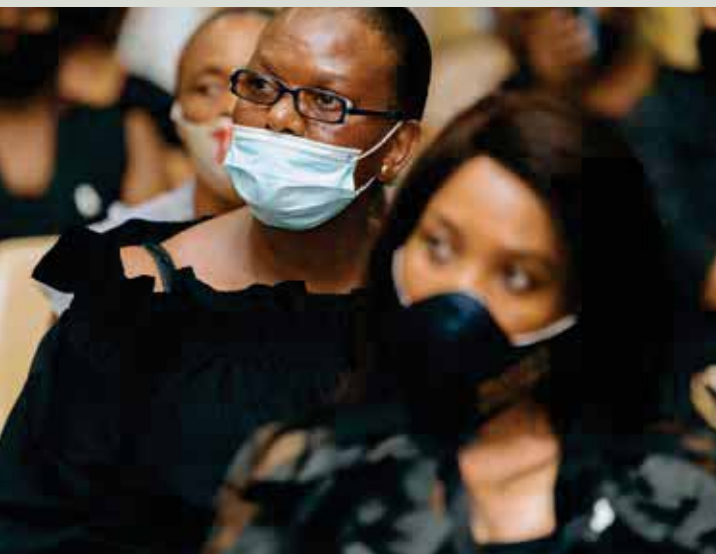
As part of the 16 Days of Activism campaign, the legislature collaborated with the Bertha Gxowa Foundation to distribute sanitary towels and hygiene pack in the three regions of Gauteng, namely: Ekurhuleni, Sedibeng and the City of Johannesburg. The Multi-Party Women's Caucus also hosted a session which was attended by national and international dignitaries.


The Gauteng Legislature spearheaded the Gauteng Speakers' Forum (GSF) – a forum established to

strengthen the uniform approach to legislative oversight among the municipalities and the provincial legislature as well as to share insights about emerging practices. In this respect, the legislature collaborated with the Independent Electoral Commission and the Auditor-General South Africa to share insight about electoral and governance matters in the forums hosted by the GSF.

In the period under review, four initiatives were implemented to promote the ethical conduct among the GPL community, namely: the e-disclosure of staff, publication of the Members' Register, fraud prevention awareness, and the Ethics Seminar. The Ethics Seminar was held virtually on 4 February 2021, under the theme *"Political party funding and its discontents: engaging the ethical conundrum of donor-privacy, bribery, public disclosure, and transparency claims"*. The discussions were led by the keynote speakers, Dr Sithembile Mbete and Professor Steven Friedman. The webinar was attended by a total of 56 participants.

Under the fraud risk awareness initiative, several activities were undertaken which include, among others, the review of the Fraud Risk Management Policy and GPL Code of Conduct, compilation of a control assessment report on the fraud risk register for the 2020/2021 financial year, and compilation of the fraud risk register for the 2021/2022 financial year. The Register for Members' Interest was successfully published, and e-disclosure forms were administered accordingly.



Programme 1: Leadership and Governance						
<div>                      Performance Indicator                 </div>		Actual Achievement	Planned Target	Actual Achievement	Deviation from planned target to Actual Achievement	Comment on deviations
No.	Period →	2019/2020	2020/2021	2020/2021	2020/2021	
Strategic Outcome 1: Enhanced oversight and accountability towards service delivery						
1.1	Number of quarterly oversight reports on the performance of committees produced	4	4	4	No deviation	N/A
Strategic Outcome 2: Increased responsiveness of laws to meet the needs of the people of Gauteng						
2.1	Number of annual oversight reports on discharge of law-making mandate	New	1	1	No deviation	N/A
Strategic Outcome 4: Improved alignment and collaboration between organs of state						
4.1	Percentage achievement of targets in ILR Strategy Implementation plan	New	80%	85%	5%	COVID-19 accelerated the adoption of digital media in most of the activities that would not have been achieved, owing to lockdown regulations which affected the initially planned mode of operation.
Strategic Outcome 5: Enhanced compliance with relevant fiduciary requirements and principles of good governance						
5.1	Number of Initiatives undertaken to promote ethical conduct	0	4	4	No deviation	N/A



Strategy to overcome areas of underperformance

There were no areas of performance deviation reported in this financial year.



Changes to planned targets

There were no in-year changes made to planned performance indicators and targets.

2021/2022 Outlook
<p><b>There are strategies and initiatives in place to respond to the challenges brought about by COVID-19.</b> The GPL remains committed to improving the quality of life of the people of Gauteng. As such, we will continuously ensure that there are creative ways to engage with our stakeholders to ensure that they participate meaningfully in the discharge of the GPL constitutional mandate, in compliance with COVID-19 restrictions. In 2021/2022, the GPL will implement the approved five-year Inter-Legislature Relations Strategy, to continuously improve alignment and collaboration with other State organs. The outcome of the Ethics Seminar and the report on oversight on law-making will be used to strengthen our ethics processes to respond to the GPL's operating environment as well as its law-making processes.</p>







3.2 Office of the Secretary

PROGRAMME TWO

The Office of the Secretary serves as the custodian of the development and implementation of the strategy.

It also provides strategic, tactical, and operational leadership to the GPL administration for the achievement of the institutional mandate of oversight and scrutiny, law-making, public participation, and cooperative governance.

The office is established to enable the Secretary to the Legislature to fulfil administrative and financial obligations in line with applicable legislation and legal directives. It is also accountable for the institutional performance monitoring, budgeting, contract management, transversal mainstreaming, evaluation and project governance.

Although the programme contributes to all the set strategic outcomes, it has specifically contributed, in this reporting period, to Strategic Outcome 5: Enhanced compliance with relevant fiduciary requirements and principles of good governance.

Strategic outcomes, performance indicators, planned targets and actual achievements

Through the Secretariat, the programme ensures alignment of strategy to operational plans, monitors the GPL programmes in their performance, and directly responds to:

Strategic Outcome

no.05

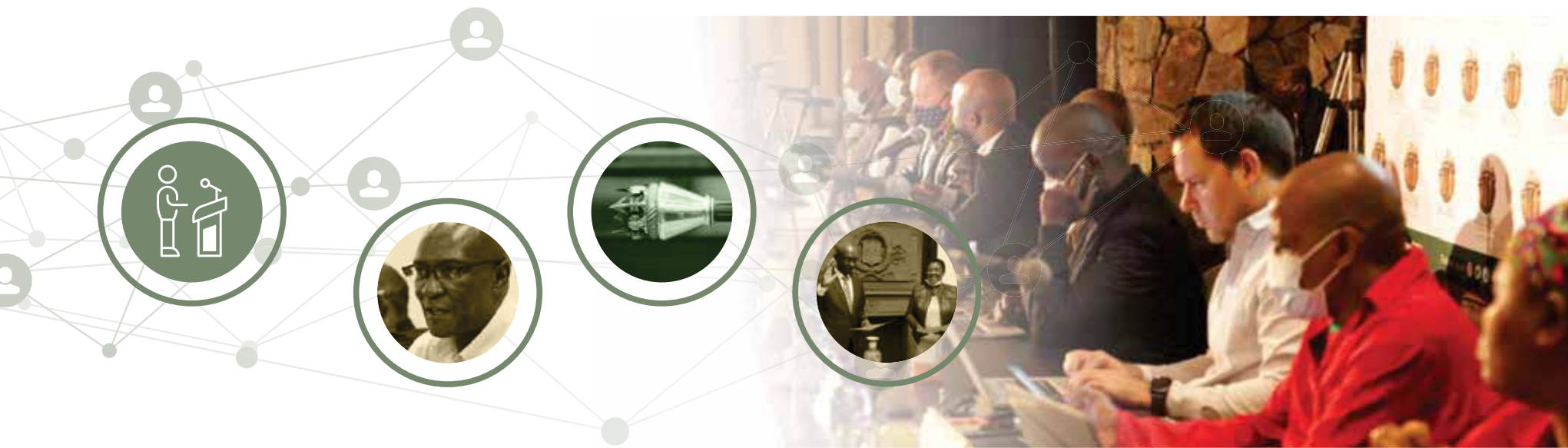
Enhanced compliance with relevant fiduciary requirements and principles of good governance.

Out of the three performance indicators and targets that were planned – 88% performance achievement against planned APP targets, one transversal mainstreaming initiative, and one leadership initiative – only one target was successfully implemented as planned, i.e. the transversal mainstreaming initiative. This initiative facilitates awareness, knowledge and skills for both Members and staff to mainstream human rights and transversal issues of gender, youth, disability and race (GE-YO-DI-R) in the mandates and operations of the GPL, thereby enabling the institution to contribute to the country's transformation goals. Additionally, support was provided to the Multi-Party Women's Caucus (MPWC) in

facilitating its strategic planning sessions and coordinating the commemoration of significant days. The strategic planning session of the MPWC resulted in a detailed 2021/2022 plan of action as well as allocation of resources that will enable it to fulfil its responsibilities.

In line with the Financial Management of Parliament and Provincial Legislatures Act (FMPPLA), the programme ensured that the institution complies with the prescripts of this Act by ensuring that six performance reports (that is, four quarter reports, one mid-year, and one annual report) are compiled and submitted to the Executive Authority timeously. Additionally, the institutional planning support for the 2021/2022 financial year was provided to committees as well as Administration programmes and the reports thereof were subsequently tabled before all the oversight structures for approval.

As the implementation of the Sixth Administration is underway, with this reporting period being the first year, the programme spearheaded the initiative to raise awareness about the Sixth Legislature Strategy. The awareness campaign applied self-administered learning about the strategy, virtual workshop where the awareness of the strategy was twinned with the Framework for Integrated Planning, Budgeting, Monitoring, Evaluation and Reporting sessions, and Internal Communications' coordinated messaging about the different parts of the strategy. As part of the leadership initiative, achievements include training with the Franklin Covey South Africa, promotion of the GPL strategy, and raising awareness on the GPL goal, vision, mission and values, with the aim to improve leadership accountability and contribute towards building a high-performance culture.



In compliance with the Contract Management Framework, the status of all contracts in relation to duration, costs and purpose was monitored and tracked through the contract register and reported at various structures. This was to ensure streamlining of contract management, management of risks of each contract as well as aligning the procurement process in terms of cancellations and renewals. This also ensured that all decision-making stages of the Legislature Acquisitions Council are properly followed. Through the Office of the Integrity Commissioner (IC), the institution complied with Part 4 (20)(3) of the Code of Conduct, which requires that Members disclose their registrable interests within 30 days after the Official Opening of the Legislature for the reporting period. In this regard, the office also undertook a scrutiny of the Register of Members' Interest for the 2019/2020 financial year but only published it in the period under review. The register for 2020/2021 has been completed and will duly be published in the first quarter of next reporting period, as prescribed by the Code. The office continues to provide services to the Members in line with the mandate of the Integrity Commissioner. It also participated in the development of the Integrity Act, through a task team initiated by the parliament.

During this period, the GPL continued to provide leadership by overseeing and monitoring the implementation of institutional projects, through the Project Governance Office. Continuous project management support was provided in the development of the following strategies (i.e., Inter-Legislature Relations, Human Resources, and Integrated Communications) to ensure that they comply with the Project Governance Framework. The capacity and capability of the GPL to successfully implement projects was assessed as part of the projects implemented by the institution.

#### Performance indicators

##### Programme 2: Office of the Secretary

 Performance Indicator		Actual Achievement	Planned Target	Actual Achievement	Deviation from planned target to Actual Achievement	Comment on deviations
No.	Period →	2019/2020	2020/2021	2020/2021	2020/2021	

##### Strategic Outcome 5: Enhanced compliance with relevant fiduciary requirements and principles of good governance

5.2	Percentage performance achievement against planned APP targets	New	88%	68% (15 of 22)	20% (7 of 22)	Deviation is owing to non-achievement of other APP targets on which this target depends. GPL will improve performance of the targets on which this is dependent.
5.3	Number of transformation initiatives undertaken to nurture leadership and a high-performance culture	New	1 transversal mainstreaming initiative	1 transversal mainstreaming initiative	No deviation	N/A
		New	1 leadership initiative	Not achieved	2 milestones partially implemented – review and approval of leadership policy: approval of the training.	The review of the leadership policy and approval of the training plan took longer than anticipated.





Provide reasons for all deviations

There are two performance targets that were not realised in this reporting period, namely: **88% achievement of APP performance targets, and leadership initiatives undertaken to nurture leadership and a high-performance culture. The first performance target is dependent on the performance of the other planned targets in the annual performance plan for this reporting period. Their non-achievement has a negative impact on this outcome-oriented target.** With respect to the leadership initiatives, although not all planned activities were implemented as planned, some were successfully conducted. These include the awareness raising with respect to the GPL's Five-Year Strategy and GPL values, with the aim to acclimatise the staff with the vision, mission and values that underpin the work of the legislature and how each of their role contributes towards the attainment of our goal. To this effect, the programme, in collaboration with the Communications Unit, has developed a *"Strategy Wednesday Campaign"* wherein the political as well as the administrative leadership communicate the different sections of the Sixth Legislature Strategy to the Members and staff.

Additionally, the programme continued to conduct data quality assessment on the organisation-wide performance information, to improve the credibility and integrity of the information that is reported to the oversight structures and the people of Gauteng. To continuously enhance efficiency and productivity and thereby optimising the results GPL seeks to achieve, the institutional Moderating Committee on the Business Processes set to review the consolidated business processes that were developed by all administration programmes. The recommendations of the moderation process culminated into the development of the Business Process Framework and Procedures templates, which were workshopped to the Extended Secretariat and adopted in this reporting period. Further processes that support this Organisational Design Project will unfold in the new financial year.



Strategy to overcome areas of underperformance

To overcome the performance deviations reported in the current financial year, the legislature has undertaken the following steps, which will be implemented in the new financial year:

- » Leadership Policy review, the development and approval of a training plan, and the tender process will be finalised in the new financial year and
- » The dependency of the APP-based performance target on other targets poses a risk to the institutional performance. Thus, for the new financial year, the performance target has been revised to measure compliance with FMPPLA.



Changes to planned targets

There were no in-year changes made to planned performance indicators and targets.

2021/2022 Outlook

- » Continue to implement initiatives that strengthen transformation of services which include leadership development at all levels and promote accountability and a culture of performance.
- » Implement transversal mainstreaming training and gender-responsive budgeting.
- » Integrate GPL systems, processes and procedures.
- » Strengthen the institutional project governance capacity to ensure an effective project implementation and benefit realisation management in the period ending 2024/2025.
- » Continue to provide services to the Members in line with the mandate of the Integrity Commissioner.





3.3 Corporate Support Services

PROGRAMME THREE

The purpose of the Corporate Support Services is to give support to all internal stakeholders.

These include provision of enabling facilities and benefits for Members and their political parties, rendering human resource and Members' facilities management services; providing household, security, logistical services, including facilitation of occupational health and safety services; rendering administrative and user support services, as well as enhancing and maintaining information technology infrastructure.


Programme 3 is a support function made up of four (4) subprogrammes, namely: *Members' Affairs, Operational Support Services, Institutional Support Services as well as Information Communication Technologies.*

Strategic outcomes, performance indicators, planned targets and actual achievements

The programme contributes to all strategic objectives. It ensures alignment of strategy to operational plans, monitors the GPL programmes in their performance, and directly responds to:

Strategic Objective

no.05



Enhanced compliance with relevant fiduciary requirements and principles of good governance.

The programme has the responsibility to ensure that the corporate support services provided to the institution enable political parties and Members to discharge their mandate in an effective and efficient manner. The services provided include capacity building, property and facility management services, information and communication technologies, people management, and human and other operational services to political parties and Members.

For the period under review, only one of the three planned performance indicators and targets was achieved:

Percentage implementation of scheduled Members' training. Overall, the scheduled training comprised approximately nine courses, i.e. (1) Zulu/Southern Sotho Language, (2) Transversal mainstreaming, (3) Induction of new MPLs, (4) Policy awareness, (5) Legislative drafting, (6) Social media awareness, (7) Personal development, (8) Training for Party Caucuses Accounting Officers and (9) Economic governance. Of the nine courses, the Personal Development course, which is disaggregated into development courses as well as the induction of Members, was run throughout the year. The other courses were scheduled to take place at specific quarters during the financial year. To date, five of the planned training courses have been implemented through different modes. These are the personal development course, through both the legislative sector support and distance learning; induction of new MPLs, policy awareness, and economic governance. This translated into 50% attainment, which is in line with the planned performance target for the scheduled Members' training.

In the period under review, the party fund and constituency allowances were disbursed timeously to all political parties represented in the GPL to enable them to establish and maintain infrastructure to serve the interests of their constituents. These transfers were made in terms of Section 35(1) of the Financial Management of Parliament and Provincial Legislatures Act (Act 10 of 2009) and comprehensive policies, which guide the spending of the transfer payments. Each political party





represented in the legislature signed a memorandum of agreement and the implementation thereof was monitored and reported accordingly. The transfers were made, without failure, to all six political parties represented in the legislature.

The GPL is committed to developing and improving the services it delivers. It is also committed to upholding its core values, namely: **social equity, outcome-oriented, ubuntu, integrity, accountability, and transparency.** The institution concluded the Organisational Development (OD) project, which was rolled over from the previous financial year.

The closure of this project culminated into several initiatives that the institution will be undertaking in the new financial year to inform the implementation of the new organogram. Among these key initiatives are the review and development of business processes, a skills audit of the

workforce, a work study of the different business units of the institution and the profiling of jobs. During this reporting period, the GPL continued to provide a conducive working environment by strengthening the technological solutions, as the operations were mainly virtual.

To ensure that governance remains intact in the institution, the Policy Committee approved five policies in total. These include the Integrated Performance Management System Policy, ICT Policy, Fraud and Risk Management Policy, Gift Policy, and Sport, Recreation and Arts Policy. Furthermore, the LSB approved the Leave Policy and Funeral Policy during the reporting period.

The GPL's ICT Governance Framework is aligned to the King IV Report, the Department of Public Service and Administration's (DPSA) Governance of ICT Framework, Control Objectives for Information and Related Technologies (COBIT) and Information Technology Infrastructure Library (ITIL) principles. In this reporting period, the GPL developed a five-year ICT Strategy and its implementation plan that were subsequently approved. Several key initiatives were prioritised for implementation in this reporting period. These included the Digital Legislature, the digitisation of the records management of the institution, automation of the

business processes, and improvements in the areas of the Information Technology facilities (Cloud) and information management controls (COBIT). Although not all the key initiatives were realised, a few made some great strides. Notable achievements in this regard include the Digital Legislature Project, which improved the technological solutions of the Chamber and thus, enabling the legislature to host virtual and hybrid House Sitzings.

The business process flows also made great strides wherein a Business Process Framework and Procedures as well as templates were developed and adopted. This project will be implemented in the new financial year.

With respect to the digitisation of records management, the policy, framework, file plan, as well as inspection reports were successfully realised. The ICT infrastructure and security were modernised in response to the increased work-from-home practices, and the institutional financial management and audit systems were migrated to the Cloud. Additional security systems were acquired and implemented. A new electronic petitions system was developed and this will be implemented in the new financial year.

## Performance indicators

### Programme 3: Corporate Support Services

		Performance Indicator	Actual Achievement	Planned Target	Actual Achievement	Deviation from planned target to Actual Achievement	Comment on deviations
No.	Period →		2019/2020	2020/2021	2020/2021	2020/2021	

### Strategic Outcome 5: Enhanced compliance with relevant fiduciary requirements and principles of good governance

5.4	Percentage implementation of scheduled Members' training	69%	50%	50%	No deviation	N/A
5.5	Percentage achievement of milestones in the ICT Strategy's annual implementation plan	New	80%	69%	11% milestones not achieved. The following milestones were partially achieved: Digital Legislature, Records management plan, iCloud Initiative and, Process improvement. One milestone not achieved: implementation of OD structure.	Implementation of planned milestones were impacted by COVID-19 regulations. Outstanding milestones will be incorporated into the annual implementation plan for the next reporting period to ensure overall achievement by the end of the five years.
5.6	Percentage achievement of milestones in the HR Strategy's annual implementation plan	New	100%	0% Not achieved	The development of the strategy and its implementation plan could not be completed in this financial year.	Development of the Strategy was impacted by COVID-19 regulations. It is envisaged that the five-year strategy and its implementation will be finalised in 2021/2022.



Provide reasons for all deviations

At the end of this reporting period, at least two performance targets were not realised. These are 100% implementation of the milestones of the five-year Human Resource Strategy and Implementation Plan, and the 80% implementation of the milestones of the ICT Strategy. With respect to the five-year Human Resource Strategy and Implementation Plan, there were delays owing to the outsourcing of this project, as it was initially planned to be conducted internally. To date, the GPL could not find a suitable provider from the proposals that were submitted. As such, the request for proposals will be re-issued to source providers and we, therefore, anticipate that this target will be met in the new financial year.

The five-year ICT Strategy and Implementation Plan were finalised and tabled before the Secretariat for adoption. There are several initiatives that contribute to the planned target of 80% implementation of the milestones, namely: the records management, the Digital Legislature Project, the business processes, and the organisational development (OD) exercise. There is commendable progress made in this respect with the following milestones achieved. With regard to the Digital Legislature Project, the GPL Standing Rules were revised to accommodate Rules for the Virtual House Sittings and committee meetings and they were subsequently adopted, the literature review on the benchmarking of virtual legislatures was completed, and the exploration of ICT infrastructure to support the hybrid House Sittings as well as committee work is underway.

With respect to the records management, the project plan, framework, procedure manual and records retention schedule as well as the file plan were all successfully completed. The implementation of the organisational structure and business processes are behind schedule.



Strategy to overcome areas of underperformance

To overcome the performance deviations reported in the current financial year, the legislature has undertaken the following steps, which will be implemented in the new financial year:

- » Internal processes are underway to secure the services of experts to facilitate the development of a five-year HR Strategy and its implementation plan in 2021/2022; and
- » Outstanding initiatives under the ICT Implementation Plan will be implemented in the new financial year.



Changes to planned targets

There were no in-year changes made to planned performance indicators and targets.

2021/2022 Outlook

- » Implementation of the ICT Strategy – the implementation plan will reflect the initiatives of business process improvement initiative, records management project, adoption of the Fourth Industrial Revolution Cloud Technology and implementation of the Digital Legislature Project.
- » Review of Members' policies to ensure alignment with the National Political Party Funding Act 6 of 2018, which came into effect on 1 April 2021.
- » Ongoing management of the interface between administration and Members and coordination of administrative support provided to Members and monitoring the quality of services offered.
- » Continuation of general maintenance and implementation of the Space Optimisation Project.
- » Implementation of the Organisational Development Project, and the development and implementation of the five-year HR Strategy.







3.4 Programme 4: Core Business

PROGRAMME FOUR





The Core Business Programme provides comprehensive support to the House and its committees so that they can advance their constitutional mandates of oversight and scrutiny over the work of the Executive, law-making, public participation and cooperative governance.

In all the mandates, Core Business ensures involvement of the people of Gauteng in the business of the legislature, through provision of adequate support to the different public participation initiatives and creation of platforms that ensure effective participation.

The programme consists of three subprogrammes that play a central role in the attainment of key strategic outcomes of the GPL, namely: **Parliamentary Business; Communications, Public Participation and Petitions, and Information and Knowledge Management.**

Strategic outcomes, performance indicators, planned targets and actual achievements

In the current reporting period, the programme contributed to all strategic objectives which support the constitutional mandates of the legislature as part of integrated programme implementation. However, specific contribution was mainly to the four key strategic outcomes:

Strategic Outcome	Strategic Outcome	Strategic Outcome	Strategic Outcome
no.01	no.02	no.03	no.05
			
Enhanced oversight and accountability towards service delivery.	Increased responsiveness of laws to meet the needs of the people of Gauteng.	Improved alignment and collaboration between organs of state.	Enhanced compliance with relevant fiduciary requirements and principles of good governance.

Core Business plays a vital role in the provision of administrative services –procedural and legal support, research and committee support, communication, public participation and petitions support as well as information, Hansard and Languages support services – to enable the House and its committees to discharge their mandates effectively. One of the key frameworks that guide the work of the House and its committees is the Standing Rules.

The implications of COVID-19 affected nations across the globe and changed how business is conducted in both the public and private sectors, and the legislature was not immune to this. Its implications accelerated the adoption of technological solutions in the business operations as work could not be halted while awaiting ‘life to go back to normal’. These changes necessitated the review of the Standing Rules to make provision for how virtual House Sittings and committee meetings would be conducted and governed. The virtual Standing Rules were subsequently adopted.To strengthen oversight and scrutiny, the programme continued to support the implementation of the Sector Oversight Model (SOM).





In line with the SOM imperatives, the House, through its committees, produced **169 oversight reports on the financial and non-financial performance of the provincial departments, comprising 64 quarterly, 43 annual, 49 budget, and 13 focused intervention study reports.**

**The Focused Intervention Studies focused on the following areas:**

- » The extent of recycling at buy-back centres, Impact of lifespan of dump sites and economic impact along waste value chain post-COVID-19 pandemic in the province.
- » The role of the Gauteng Department of COGTA in supporting the two traditional leaders (iNkosi Mahlangu and Kgosi KC Kekana) in relation to community concerns in the City of Tshwane: the case of Hammanskraal and Sokhulumi, and the implementation of the Back-to-Basics pillars in Mogale City.
- » Assessing the impact of government support to vulnerable sectors of the economy during the COVID-19 pandemic: A case of township small businesses.
- » Assessing the effectiveness of provision of laundry services in the district hospitals.
- » An investigation into the role of the department in supporting the 40 contractors' incubators and an evaluation of the role of the Gauteng Partnership Fund (GPF) in providing financial support to housing developments projects.
- » The preparedness of the heritage monuments to stimulate economic development in the province: A focus on Kagiso Memorial and Recreation Centre, Boipatong Monument and Youth Centre, and Women Living Heritage Monument.
- » Lack of capacity in the department and g- Fleet Management.
- » Assessment of implementation of Queue Management System in DLTCs and TOLABs and measures in place to curb backlog as a result of lockdown.
- » COVID-19-related sites.
- » Assessment of the effectiveness of safety kiosks and mobile police stations in crime reduction.
- » The role of the Department of Social Development in supporting women-owned cooperatives.
- » Assessment of support provided to public special schools in the Gauteng Province.
- » Provincial infrastructure development and municipal services for enhanced project management of the 2018/2019 financial year.

One of the mechanisms employed by the legislature to exercise oversight and scrutiny on the Executive is through the passing of House Resolutions. The resolutions are binding decisions of the House, which require action and response by the Executive.



In this reporting period, **a total of 650 responses to House Resolutions** were received and referred to the respective House Committees for oversight purposes. This process included the tracking of implementation of these resolutions by the Executive. The legislature also applies questions and Motions as oversight tools to hold the Executive accountable. **In the reporting period, a total of 51 oversight question papers were produced and communicated to the Executive, to seek accountability on the questions raised by the legislators.**

Further, a total of nine Motions were debated and adopted by the House (*refer to the table below*). Processing of Motions meant that all nine substantive Motions, after selection by the Programming Committee, were subsequently placed on the Order Paper for debate and adoption by the House plenary.

**List of Motions adopted by the House, 2020/2021FY**

1.	Adoption of the Gauteng Provincial Appropriation Bill [G001-2020].
2.	Adoption of the Gauteng Special Adjustment Budget Appropriation Bill [G004-2020].
3.	Insourcing of all security guards and cleaners within the Gauteng Provincial Government.
4.	Motion on gender-based violence.
5.	Damage to economic infrastructure during Covid-19 pandemic in Gauteng.
6.	Vote of no confidence in the Premier.
7.	Adoption of the Gauteng Provincial Second Adjustment Appropriation Bill [G005-2020].
8.	Adoption of the Unauthorised Expenditure Bill [G006-2020].
9.	Adoption of the Third Adjustment Appropriation Bill [G002-2021].

The petitions, as an oversight mechanism, provided a platform for the people of Gauteng to submit their petitions or complaints to the legislature, as provided for by the Gauteng Petitions Act. The petitions system allowed the Petitions Standing Committee (PSC) to facilitate, oversee and demand action from the Executive on the backlogs and/or feedback on queries relating to service delivery, and to provide feedback to the petitioners.

In the period under review, a total of **120 new petitions** (62 from 2019/2020FY and 58 from backlog) were tabled before the PSC for consideration. Of these, **80 petitions were adopted**, **36 were not adopted**, three were deferred, and one was partially adopted.

The Constitution vests the law-making power in Gauteng in the Gauteng Provincial Legislature. Section 114(1) of the Constitution mandates the GPL to consider, pass, amend or reject any Bill before it and initiate or prepare legislation. The legislature also participates in the National Council of Provinces (NCOP) to ensure that all the Bills passed by parliament represent the interests and needs of the people of Gauteng.

In the period under review, the GPL considered **23 Bills** that comprised **16 NCOP Bills and seven provincial Bills**.



The table below indicates the sections and names of the Bills that were processed by the GPL during the year under review:

List of Bills, 2020/2021 FY	
National Council of Provinces (NCOP)	
Section 77	
1.	National Road Traffic Amendment Bill
2.	Transport Appeal Tribunal Amendment Bill
3.	Customary Marriages Amendment Bill
4.	Social Assistance Amendment Bill
5.	Adjustment Appropriation Bill
6.	National Environmental Management Laws Amendment Bill
7.	Customary Initiation Bill
8.	Local Government Municipal Structures Amendment Bill
9.	National Forests Amendment Bill
10.	Traditional Courts Bill
11.	The Upgrading of Land Tenure Rights Amendment Bill
12.	Railway Safety Bill
Section 76	
13.	Fiscal Responsibility Bill
14.	Division of Revenue Amendment Bill, 2020
15.	Division of Revenue Second Amendment Bill, 2020
16.	Division of Revenue Bill, 2021
Provincial Bills	
1.	Gauteng Provincial Appropriation Bill, 2020
2.	Gauteng Special Adjustment Budget Appropriation Bill
3.	Gauteng Community Safety Oversight Bill
4.	Gauteng Provincial Unauthorised Expenditure Bill
5.	Gauteng Provincial Second Adjustment Appropriation Bill
6.	Gauteng Provincial Third Adjustment Appropriation Bill
7.	Gauteng Provincial Appropriation Bill, 2021

The legislature passed five of its Provincial Bills into law, that is, the Gauteng Provincial Appropriation Bill, Gauteng Special Adjustment Budget Appropriation Bill, Gauteng Second Adjustment Appropriation Bill, Gauteng Provincial Unauthorised Expenditure Bill, and the Gauteng Provincial Third Adjustment Appropriation Bill.

On the public participation front, planned activities were mainly facilitated through the virtual platforms, and face-to-face engagements were conducted sparingly to comply with the provisions of the Disaster Management Act. Most of the face-to-face interactions took place as and when the lockdown levels were adjusted, depending on the severity of the COVID-19 infections.

A five-year Integrated Communication Strategy was developed and approved to outline the key priorities and activities that will support the realisation of the public participation mandate by the



legislature. Its implementation has strengthened the effectiveness and efficiency in the adoption of technology and use of additional social media and virtual platforms to facilitate public participation in the governance of the province. Among the key notable virtual events that were held during this reporting period were the 6<sup>th</sup> Vita Basadi Awards that were held in December 2020, followed by a successful hybrid State of the Province Address (SOPA) on 23 February 2021.

A total of **828 059 people** were reached through the four social media platforms employed by the legislature to facilitate public participation of its people in the work of the legislature. Of this total number of people reached, **72% (593 510) is attributed to Facebook, 19% (153 583) to Twitter, 6% (53 022) to Instagram, and only 3% (27 944) is attributed to YouTube.** This number was reached through participation in House Sitzings, committee oversight work, special events such as Vita Basadi Awards, and sector parliaments.

Platform	Measure	Quarter 1			Quarter 2			Quarter 3			Quarter 4			Total
		Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	
Facebook	Reach	2 217	4 113	7 903	487 836	6 745	12 223	12 114	8 188	11 860	7 208	12 594	20 509	<b>593 510</b>
Twitter	Impressions	5 692	14 414	42 998	15 178	7 849	7 464	7 799	5 794	8 153	2 717	17 439	18 086	<b>153 583</b>
Instagram	Reach	1 158	1 847	3 480	5 993	3 272	3 138	3 859	4 182	6 270	2 999	7 485	9 339	<b>53 022</b>
YouTube	Unique viewers	19	5 781	1 870	14 193	737	863	154	877	201	0	1 869	1 380	<b>27 944</b>
<b>Grand total year-end</b>														<b>828 059</b>

The legislature hosted three sector parliaments in this reporting period. These are Interfaith, Youth, and Women's Sector Parliaments – as depicted in the table below.

Sector Parliament Focus	Date
1. Interfaith Sector Parliament	16 July 2020
2. Youth Sector Parliament	31 July 2020
3. Women's Parliament	14 August 2020

In December 2020, the GPL hosted the Sixth Annual Vita Basadi Awards to recognise excellence by Gauteng women in various industries and honour acts of community service throughout the city region. **Through this initiative, the Honourable Speaker, Ntombi Mekgwe, honoured a total of 19 women of Gauteng Province, 17 from eight general and two from the special categories as follows:**

Award Category	Winner	Runner-up
1. Community Builder of the Year	Dr Desia Kedibone Sisana	Mpho Mofokeng
2. Community Heroine	Sebenzile Pricilla Shabalala	Nonhlanhla Mazaleni (1st Runner-up) Beatrice Nkuna (2nd Runner-up)
3. Woman of Honour	Thobile Nyawo	Elizabeth Nyaku Mananiso
4. Youth Philanthropist	Dr Dimakatso Esther Ntombela	Tsholofelo Mosala (1st Runner-up) Lebogang Mamabolo (2nd Runner-up)
5. Outstanding Creative	Nomsa Manaka	Boitumelo Mmakou
6. Unsung Legend	Theresia Ralintja	Alice Sdudla Thela
7. Young Dignitary	Amogelang Mmarona Ndou	Njabulo Zulu
8. Guardian Award	Sgt Lerato Mgonezulu	N/A
<b>Special category</b>		
1. Speaker's Special Award	Morwesi Theledi	
2. Lifetime Achievement Award	Mrs Libeela Gladys Setenane	

## Performance Indicators and Targets

## Programme 4: Core Business

No.	Period →	 Performance Indicator	Actual Achievement	Planned Target	Actual Achievement	Deviation from planned target to Actual Achievement	Comment on deviations
			2019/2020	2020/2021	2020/2021	2020/2021	

## Strategic Outcome 1: Enhanced oversight and accountability towards service delivery

1.2	Number of adopted SOM oversight reports	141	120	169	49	COVID-19 necessitated several adjustments to the Appropriation Bill, which in turn demanded the legislature to exercise oversight.
1.3	Percentage of responses to SOM oversight House resolutions considered by committees	New	95%	25% (155 of 625)	- 70% (437 of 645)	Time allocation to review the volume of responses was limited. There are ongoing engagements with the Office of the Chairperson of Committees to determine a programme of action to address time allocation on committees' agenda.
1.4	Number of oversight question papers produced	New	34	51	17	This target is demand-driven, owing to more questions from the MPLs to the Executive.
1.5	Number of Motions adopted by the House	10	5	9	4	The target is demand-driven. During the reporting period, more Motions were submitted by MPLs.
1.6	Number of adopted Committee Inquiries reports	0	1	0	- 1	Delays in engaging relevant stakeholders due to COVID-19 regulation resulted in Inquiry not held. These will be engaged early in the next reporting period to avoid delays in the future.

## Strategic outcome 2: Increased responsiveness of laws to meet the needs of the people of Gauteng

2.2	Percentage of laws passed	New	100%	100% (5 of 5)	No deviation	N/A
2.3	Percentage of Bills processed	100% (8 of 8)	100%	100% (23 of 23)	No deviation	N/A
2.4	Number of approved regulations	3	4	3	-1	Target is demand driven, thus dependent on submission of Regulations by the executive. The one regulation not processed due to COVID-19. GPL processed all which was submitted.

## Strategic Outcome 3: Enhanced Meaningful Public Participation

3.1	Number of Petitions considered by the Legislature	120	120	120	No deviation	N/A
3.2	Number of Gauteng people reached through digital platforms	924 468	750 000	828 059	78 059	Content that resonated with the audience attracted large numbers.

## Strategic Outcome 5: Enhanced compliance with relevant fiduciary requirements and principles of good governance

5.7	Percentage achievement of milestones in the annual implementation plan of the Integrated Communication Strategy	New	80%	83% (5 of 6)	3%	Content that resonated with the various audiences resulted in reaching more people than anticipated.
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### Performance deviations and reasons for non-performance

The performance deviation was reported under three performance targets namely, 95% of resolutions' responses considered by the committees, the adoption of one Committee Inquiry report; and the approval of four regulations – wherein the legislature adopted three out of the planned four regulations. Several challenges contributed to the reported performance deviation. This includes, among others, the challenges of competing committee priorities, which disadvantaged scrutiny of responses to the resolutions and the consideration thereof. Furthermore, the financial impact of COVID-19 to the Gauteng populace, resulted in halting fee increases in some of the regulations that are usually revised annually to adjust its fees. Thorough consultations necessitated that the Legislature halts processes of the committee inquiry on the construction of Mayibuye Primary School that was already approved for the financial year.



### Strategy to overcome areas of underperformance

To overcome the performance deviations reported in the current financial year, the legislature has undertaken the following steps, which will be implemented in the new financial year:

- » Strengthening of the committee inquiry processes.
- » Continuous engagements with Chairpersons of Committees to ensure that resolutions tracking is a standing agenda item of committee meetings.



### Changes to planned targets

The adjustment was made to only one performance target in the period under review, that is, the number of Gauteng people reached through digital platforms. The target was initially set at 120 000 and adjusted to 750 000 during the adjustment period in October 2020, as the projected reach based on interest shown by the people of Gauteng was higher than initially anticipated.

### 2021/2022 Outlook

In the next financial year, the legislature will intensify oversight by ensuring that committee inquiries are conducted, and that resolutions tracking management is enhanced. To enhance participatory democracy, the review of the Petitions Act and the associated regulations is envisaged to be finalised.

Furthermore, the GPL will continue to improve and implement its virtual platforms to ensure effective public participation in the processes of the legislature. As one of the innovations to ensure that the people of Gauteng participate in the activities of the legislature, reverse-billed data system will be implemented to provide a data-free participation in the GPL processes. Through the Digital Legislature Project, the GPL is investigating the possibility of integrating remote interpretation services into our virtual platforms for purposes of increasing accessibility of the institution to all the people of Gauteng.



3.5 Chief Financial Officer's Office

PROGRAMME FIVE

Programme 5 is a custodian of governance processes as they pertain to financial management, supply chain management, as well as audit and risk management.


The programme provides professional financial, risk and supply chain management services to the stakeholders for the realisation of the GPL's strategic goals and objectives. It ensures equitable resource allocation, adequate funding for the implementation of the institution's strategic plan whilst promoting effective financial management in respect of revenue, expenditure, assets, and liabilities. This is achieved through the implementation of best business practices that are linked to strategic planning, budgeting and reporting.

Strategic outcomes, performance indicators, planned targets and actual achievements

The programme strives to raise financial resources equitably to ensure adequate funding for the implementation of the institution's strategic plan whilst promoting effective financial management in respect of revenue, expenditure, assets and liabilities. It contributes towards

Strategic Outcome

no.05



Enhanced compliance with relevant fiduciary requirements and principles of good governance.

The Supply Chain Management (SCM) Policy and Procedure Manual was implemented throughout the year to ensure that SCM services are provided in a professional and efficient manner and in compliance with the prescripts of the law.

Furthermore, routine monitoring was conducted to ensure strict adherence to the SCM processes and all relevant prescripts. To respond to the implications of COVID-19, the subprogramme adjusted its preferential procurement targets as most of the public participation activities were conducted virtually. It ensured monthly reporting of HDIs, PwDs, women, youth, and township economy participating in procurement processes.

Moreover, a workshop was held with service providers in March 2021 to raise awareness about compliance to regulations. The table below depicts the results for the reporting year:

Description	% Targets	% Revised Target	Quarterly Achievements				Annual 2020/2021
			Q1	Q2	Q3	Q4	
			Apr -Jun 20	Jul - Sep 20	Oct - Dec 20	Jan - Mar 21	
HDIs	60%	20%	62.08%	43.04%	81.67%	79.76%	63.10%
Women	30%	15%	46.44%	20.29%	25.14%	37.93%	36.45%
Youth	10%	5%	2.44%	6.10%	15.75%	21.95%	8.19%
PwDs	0.5%	0.2%	0.34%	0%	2.98%	21.95%	0.78%
Township Economy	10%	5%	19.57%	6.54%	41.19%	20.46%	18.98%



Compliance with regulatory and legislative requirements is of strategic importance to the GPL and a critical component in our day-to-day management of our operations. The compliance strategy and objectives contained in the Compliance Policy provides a path aimed at embedding a culture that supports compliance within the institution. To attain our objectives, the programme continued to roll out awareness activities on fraud risk management and to assess the institution's compliance with all the applicable regulatory frameworks. Approximately 30 of these regulatory frameworks were assessed and risk mitigation plans were put in place. Some of the frameworks where mitigation plans were put in place include the Employment Equity Act, the Protected Disclosure Act, and the National Key Points Act. Additionally, the programme worked collaboratively with other programmes in the institution to review the Code of Conduct, and the Fraud Risk Management Policy and its Procedure Manual. The Fraud Risk Management Policy was subsequently approved. To support the institution in strengthening its internal controls, the following staff workshops were held, i.e., the Audit Strategy and the CFO's annual workshops.

## Performance indicators

### Programme 5: Chief Financial Officer's Office

No.	Period →	 Performance Indicator	Actual Achievement	Planned Target	Actual Achievement	Deviation from planned target to Actual Achievement	Comment on deviations
			2019/2020	2020/2021	2020/2021	2020/2021	

Strategic Outcome 5: Enhanced compliance with relevant fiduciary requirements and principles of good governance

5.8	Audit opinion of AGSA	Unqualified audit opinion with matters of non-compliance for 2018/19 FY	Unqualified audit opinion with no matters of emphasis for 2019/20 FY	Achieved	No deviation	N/A
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#### Strategy to overcome areas of underperformance

In this financial year, there were no in-year changes to neither the performance indicator nor target.



#### Changes to planned targets

In this financial year, there were no in-year changes to neither the performance indicator nor target.

## 2021/2022 Outlook

- » The GPL will continue to identify and implement initiatives and programmes that are aimed at improving the quality of life of the citizens of Gauteng through its constitutional mandate of law-making, oversight over the Executive and facilitation of public participation in legislative processes. The planned outputs for the 2021/2022 financial year build on the achievements and development areas of 2020/2021 and focus on the emerging priorities and commitments made in the second year of the Sixth Legislature Strategy, as articulated in the institutional annual performance plan.
- » The GPL budget allocation decreases from R817.8 million in 2020/2021 to R791.1 million in 2021/2022, representing a decrease of R26.7 million or 3% on average. The budget allocation makes provision for personnel costs for both the GPL and political support staff, the insourcing of security officers, House activities, committee activities and outreach programmes, public education and participation processes, Members' facilities as well the existing contractual obligations, operational costs and capital requirements. Also included in the 2021/2022 budget are operational and capital projects comprising the Human Resources Strategy, ICT Strategy and Communications Strategy, the Organisational Development Exercise and the Waterproofing and Rehabilitation of concrete roof portion in the Main Building. Overall, 47% of the allocation for 2021/2022 is allotted to compensation of employees, followed by goods and services at 32% and transfers to political parties at 19%. Capital assets constitutes only 2% of the 2021/2022 overall budget.
- » The GPL has put efficiency strategies in place to ensure that the operations that support the discharging of the constitutional mandate are not compromised. In 2021/2022, the emphasis will be to ensure the reduction of our expenses and strictly manage cash flow, especially considering the decreased budgetary allocation of 3.3% in monetary terms and 7-8% in real terms when taking the effects of inflation into account.
- » The GPL will prioritise promotion and advancement of people with disabilities (PwDs) in the supply chain management.
- » The GPL will enhance the risk management processes within the institution. Processes are underway to maximise the utilisation of the Barn Owl system to improve the efficient and effective management of risks across all programmes.

## 4. Transfer of payments

In this reporting period, the GPL fulfilled the requirements of Section 236 of the South African Constitution which promotes multi-party democracy and, in particular, funding of political parties participating in the provincial legislatures on an equitable and proportional basis. The transfer payments for political party funding and constituency allowances are paid to political parties that are represented in the GPL. The main objective of the payment of a constituency allowance, on the one hand, is to enable parties represented in the GPL to establish and maintain infrastructure to serve the interests of their constituents. The intent of the political party funding, on the other hand, is to allow each party represented in the GPL to establish and maintain its own administrative infrastructure within the GPL precinct, to enable Members to obtain the required training to fulfil their constitutional mandate as well as to enable them to attend party political meetings in the interest of the GPL. It is anticipated that the President of the Republic of South Africa will, in the next reporting period, sign a proclamation on the enactment of the Political Party Funding Act (Act 6 of 2018), which regulates public and private funding of political parties. As such, the GPL is currently putting systems in place to comply accordingly.

Party name	Political party funding	Constituency allowance	Total transfers
ANC	37 855 176	28 866 216	66 721 392
DA	21 885 415	15 603 360	37 488 775
EFF	13 177 005	8 581 848	21 758 853
VF+	5 513 892	2 340 504	7 854 396
IFP	3 635 165	780 168	4 415 333
ACDP	3 810 553	780 168	4 590 721
Total	85 877 205	56 952 264	142 829 469

## 5. Donor Funds Received

The GPL did not receive any donor funds in this reporting period.

## 6. Capital investment

The safeguarding of GPL's assets remained a priority as prescribed by FMPPLA. All assets within the GPL were physically verified at year-end.

The legislature maintained and updated a fixed asset register (FAR) that adheres to the requirements of relevant prescripts. The fixed asset register is updated regularly with new acquisitions, disposals and any other movements of assets as and when they occur. In line with the GPL strategy, replacement and disposal of old and redundant equipment that no longer support effective service delivery by the GPL was undertaken. All assets that could not be cost-effectively repaired or refurbished were disposed of. All stolen and lost assets were dealt with in line with the GPL policy on the management of losses. Furthermore, all losses due to theft were investigated and recommendations were made on whether to recover the loss or to write them off. The number of losses due to theft was relatively low. All losses were removed from the asset register after approval. All new assets were barcoded before distribution, and asset locations were also updated accordingly during the physical verification. Asset verification was conducted to account for all assets in possession of the GPL. Continued efforts were made to strengthen the overall control, management and safeguarding of assets, and compliance was monitored on an ongoing basis.











# GOVERNANCE



# GOVERNANCE



**HON LN MEKGWE**  
Speaker



**HON N MHLAKAZA-MANAMELA**  
Deputy Speaker

## 1. Introduction

The Gauteng Provincial Legislature (GPL) continuously strives to deliver on its key mandate and strategic objectives by entrenching risk management and internal controls in its day-to-day operations. It is fully committed to integrity, transparency, fairness, and accountability in all its operations.

These responsibilities and deliverables are overseen by the Legislature Services Board (LSB), which mandated some of its responsibility to the other four (4) committees of the Board.

The LSB, as supported by management, serves as the focal point and custodian of principled and high standard of corporate governance in the Gauteng Provincial Legislature. The Corporate Governance Framework of the GPL embodies the principles of the King IV reports, where applicable, FMPPLA as well as structures, processes and systems that enable the organisation to maintain the highest standards of good governance and ethical leadership that supports an ethical culture within the institution.

The governance model of the GPL is two-pronged – the Executive Authority and the Legislature Services Board

(LSB). The Executive Authority, as the political head of the institution, is overseen and held accountable by the Oversight Committee on the Premier's Office and the Legislature. The LSB – chaired by the Executive Authority – holds the Accounting Officer and executive management accountable.

## 2. Corporate governance statement of the Gauteng Provincial Legislature Services Board (LSB)

### 2.1 Establishment and composition of the LSB

The Legislature Services Board was established in terms of the Legislature Services Act (Act 5 of 1996) and follows the principles of King IV and Protocol on Corporate Governance in the Public Sector. Members of the LSB are appointed in terms of section (4)(1)(a-f) of the Legislature Services Act. The Legislature Services Board comprises 10 members, i.e. the Speaker of the Legislature, who is the Chairperson of the Board; the Deputy Speaker, the Chairperson of Committees, the Leader of the DA, the Leader of the IFP, the Chief Whip, three (3) independent members as well as the Secretary to the Legislature.

The Board is expected to meet at least four (4) times in the financial year for any specific business issue. However, during the 2020/2021 financial year, the Board managed to meet five (5) times to consider the financial and non-financial performance information reports, including the processing of risk, compliance and audit matters, and approval of policies that were presented by management. In instances where there is a need to meet beyond the scheduled meetings, an additional meeting can be convened at the discretion of the LSB. In this case, the purpose of this additional meeting was to consider the external auditors' management and audit reports and other reports.





**Lentheng Ntombi Mekgwe**  
Non-Executive Member and Chairperson  
Meeting Attendance 5/5



**Nomvuyo Mhlakaza-Manamela**  
Non-Executive Member  
Meeting Attendance 4/5



**Sizakele Emelda Nkosi-Malobane**  
Non-Executive Member  
Meeting Attendance 4/5



**Elias Khumalo**  
Non-Executive Member  
Meeting Attendance 5/5



**Hon John Moodey**  
Non-Executive Member  
Meeting Attendance 2/5



**Bonginkosi Dhlamini**  
Non-Executive Member  
Meeting Attendance 3/5



**Nandipha Madiba**  
Independent Non-Executive Member  
Meeting Attendance 4/5



**Sandile Luthuli**  
Independent Non-Executive Member  
Meeting Attendance 4/5



**Hlaleleni Dlepu**  
Independent Non-Executive Member  
Meeting Attendance 5/5



**Mr Peter Skosana**  
Executive Member  
Meeting Attendance 5/5

The table below depicts who our Board members are, and the number of meetings attended in the 2020/2021 financial year.

Name	Designation	Meeting attendance
1. Hon Lentheng Ntombi Mekgwe	Non-Executive Member and Chairperson	5/5
2. Hon Nomvuyo Mhlakaza-Manamela	Non-Executive Member	4/5
3. Hon Mzi Khumalo	Non-Executive Directors	5/5
4. Hon Sizakele Nkosi-Malobane	Non-Executive Member	5/5
5. Hon John Moodey	Non-Executive Member	2/5
6. Hon Bonginkosi Dhlamini	Non-Executive Member	3/5
7. Mr Sandile Luthuli	Independent Non-Executive Member	4/5
8. Ms Hlaleleni Dlepu	Independent Non-Executive Member	5/5
9. Ms Nandipha Madiba	Independent Non-Executive Member	5/5
10. Mr Peter Skosana	Executive Member	5/5

During the financial year under review, the LSB received, with appreciation, the resignation of Hon John Moodey. **The Chairperson of the LSB, Hon Lentheng Ntombi Mekgwe – on behalf of the LSB, Presiding Officers and GPL staff – thank Hon Moodey for his contribution, dedication, commitment and professionalism in making the Gauteng Provincial Legislature a better organisation that strives to achieve its strategic goals.**

2.2 The role and functions of the LSB

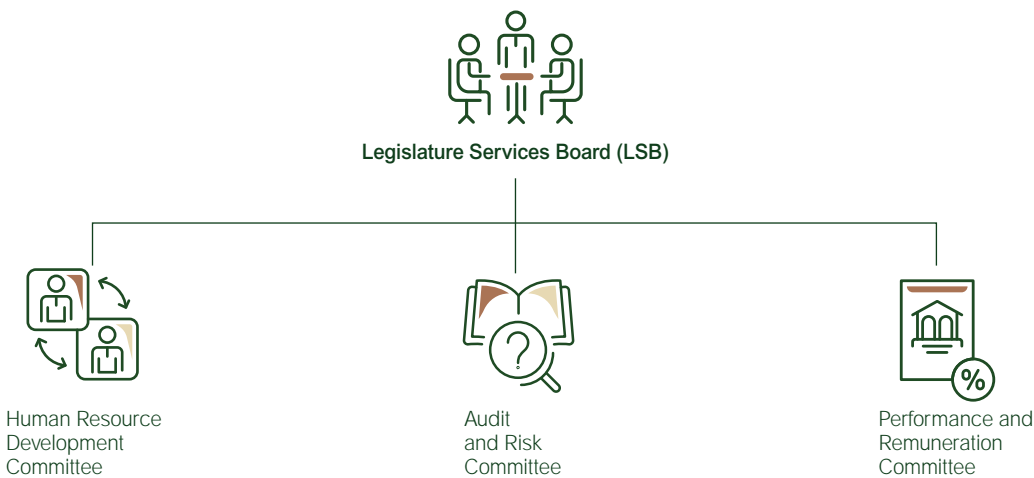
The LSB is responsible and accountable for the affairs and performance of the GPL and for ensuring the sustainability of the institution into the future.

The Board's role includes, but not limited to, the following:

- » To provide a strategic direction to management of the organisation and develop the vision, mission, corporate strategy and business plans.
- » To approve strategic plans and evaluate the performance of the organisation against approved plans, including operating budgets, and monitor expenditure of the institution and the overall short- to long-term financial metrics of the organisation.
- » To develop a governance system for the GPL to ensure that appropriate systems and procedures are in place to enable the GPL to conduct its business.
- » To provide effective leadership that is governed by ethical principles and moral standards outlined in the Code of Conduct of the GPL in making sure that all who work for the GPL uphold the values of honesty and good faith and discharge their responsibilities in the best interest of the institution.
- » To ensure that all assets, facilities and equipment are safeguarded and maintained, and human capital is protected against any harm while executing their responsibilities.
- » To review and evaluate the effectiveness of the GPL internal control enhancement plans, accounting policies as well as the risk management and auditing processes, and ensure compliance with regulatory and governance requirements.
- » To proactively manage ICT risks and performance within the defined ICT Governance Framework and ICT Strategy to improve business outcomes. This ensures that the Board has direct responsibility for governance of technology, ethical use of ICT, approval of ICT policies and charters, setting the direction on technology, and monitoring ICT investment.

2.3 Governance and Operating Committees


To ensure efficient operation and compliance with best practices and legislative requirements, the Board is supported by three (3) committees and the Legislature Services Board Secretary, as recommended by Companies Act and the principles of King IV Report in Corporate Governance. In terms of delegations of authority, the LSB delegated some of its responsibilities to the following committees:







It should be noted that the Secretary to the Legislature (Accounting Officer) has the LSB's delegated authority for the day-to-day functioning of the GPL, assisted by the Executive Directors. The LSB Secretary is responsible for implementing and monitoring the governance framework and to support key strategic deliverables of the institution by ensuring that the LSB and its committees function optimally. The delegated authority imposes certain restrictions and conditions appropriate for the effective exercise of such delegated powers. The Board ensures that its arrangements for delegation within its own structures promote independent judgement and assist with balance of power and the effective discharge of its duties. It is key for the Board and its committees to comprise the appropriate balance of skills, knowledge, experience, independency and diversity for it to discharge its roles and responsibilities objectively and effectively.

The following tables show the composition of each committee, its members as well as their roles and functions.

	Performance and Remuneration Committee		
	Role of the committee	Members	Meeting attendance
	» Responsible to oversee and monitor the performance of the GPL against its annual performance plan and institutional strategy.	Mr Sandile Luthuli (Chairperson)	4/4
	» Monitors that the organisation remuneration policy and philosophy is aligned with the GPL's long-term business strategy, its business objectives, its risk appetite and values.	Hon Lentheng Ntombi Mekgwe	2/4
		Hon Nomvuyo Mhlakaza-Manamela	3/4
	» Monitors and ensures that the GPL implements its remuneration policy fairly and consistently and that Senior Managers are remunerated accordingly for their individual contributions and performance within the group.	Hon Sizakele Nkosi-Malobane	3/4
		Hon Mpapa Kanyane	3/4
		Hon Thokozile Magagula	1/4
		Hon Ezra Boitumelo Letsoalo (New Member)	2/4
	» Carries out other functions as the LSB may request from time to time.	Ms Given Sibiya	4/4
		Mr Zola Fihlani	4/4

	Human Resources Development Committee		
	Role of the committee	Members	Meeting attendance
	» Assists the LSB by providing oversight on the implementation of Human Resources policies and systems.	Hon Nomvuyo Mhlakaza-Manamela (Chairperson)	4/4
		Hon Sizakele Nkosi-Malobane	4/4
	» The committee exercises its responsibility on the premise that economic competitiveness is measured by aggregate skills and capacity of the GPL workforce. Thus, the organisation must put systems to protect its human capital and provide means in which the GPL workforce will be highly productive.	Hon Dulton Adams	4/4
		Hon Dumisani Dakile (resigned)	3/4
		Hon Lesego Makhubela	4/4
		Dr Sipehelele Zulu	4/4
		Mr Tshokolo Nong	4/4
	» Carries out other functions as the LSB may request from time to time.		

During the 2020/2021 financial year, the GPL received a resignation of Hon Dumisani Dakile. **The Chairperson of the LSB, Hon Lentheng Ntombi Mekgwe – on behalf of the LSB, the Human Resources Development Committee, Presiding Officers and GPL staff – thank Hon Dakile for his contribution, dedication, commitment and professionalism shared with the GPL to make this organisation a better place.**

	Audit and Risk Committee:		
	Role of the committee	Members	Meeting attendance
	<ul style="list-style-type: none"><li>» Assists the LSB in discharging its duties relating to the safeguarding of assets and evaluation of internal control enhancement plans.</li><li>» Leads the risk management process, which includes risk identification, assessment, monitoring and review.</li><li>» Evaluates and assesses the adequacy and effectiveness of the established accounting, financial, compliance and other internal control systems.</li><li>» Considers the internal and external audit processes and the accounting principles, and ensures compliance with policies to ensure independence, and effective communication.</li><li>» Oversees the adequacy and integrity of information reported in the integrated report of the GPL.</li><li>» Carries out other functions as the LSB may request from time to time.</li></ul>	<div>Ms Nandipha Madiba</div> <div>Mr Victor Nondabula</div>	<div>5/5</div> <div>5/5</div>

**The Members Affairs Committee was discontinued** as its work has been absorbed by political oversight processes directed and controlled by the Political Parties Whips forum that exists in the GPL.

**2.4 Compliance to the Financial Management of Parliament and Provincial Legislature Act of 2009.**

The Financial Management of Parliament and Provincial Legislatures Act (FMPPLA), 2009, regulates the preparation of strategic and annual performance plans and reporting against those plans. The Act promotes democratic values and principles enshrined in the Constitution of the Republic of South Africa relating to the promotion and maintenance of a high standard of professional ethics in the organisation; promotion of an efficient, economic and effective use of resources allocated to parliaments; fairness, transparency, accountable and sound management of the revenue, expenditure, assets and liabilities of parliaments and legislatures.

The Gauteng Provincial Legislature, through its governance committees, ensured that there is an effective discharge of oversight responsibilities by OCPOL as well as LSB and its committees throughout the 2020/2021 financial year. The executive management, led by the Secretary to the Legislature, provided quarterly financial and performance management reports of the institution in line with the requirements of FMPPLA. The Board has strived to ensure its alignment with FMPPLA and King Reports on principles of good governance and improved accountability. The LSB ensures that the GPL complies with all applicable laws and policies and adheres to codes and standards.

All these compliance responsibilities are very onerous, especially where the state is involved. This is exacerbated by the fact that different single provisions in laws, policies, codes and standards cannot be read in isolation, but need to be interpreted in the context of the entire scope of compliance applicable to the GPL.

**2.5 Induction of LSB Members**

The Board requires individuals with the necessary competence to fulfil its strategic role as the custodian of the institution's good governance. In exercising its duties, members of the Board are expected to act with







due diligence and skill, and are required to have a sound understanding of the business of the legislature. This became more urgent with new appointments to the Board and its committees as dictated by the business needs of the Sixth Administration.

During the 2020/2021 financial year, the GPL did not conduct a group induction as Members were inducted at the beginning of the Sixth Administration in 2019. However, new Members, who were appointed as and when a gap existed, were inducted separately on the functions of the LSB and the respective committees that they were part of.

## 2.6 Board Charters

Each committee of the Board is governed by its own charter which is its terms of reference. These charters flow from the LSB Charter and they determine the mandate of each committee and make recommendations to the LSB for decision making. The LSB, as the final decision-making body of the GPL, directs the organisation with the principles of effective leadership, ethics and principles of good governance.

The LSB Charter incorporates principles and commitments embodied in the King IV Report of Corporate Governance as well as the Protocol on Good Governance in the Public Sector. These principles include discipline, independence, responsibility, fairness, social responsibility, transparency and the accountability of directors to all its stakeholders. The LSB is satisfied that every effort has been made in the financial year, which ended on 31 March 2021, to comply in all material requirements of good corporate governance.

## 2.7 Conflict of Interest

The members of the Legislature Services Board are required to declare any personal or perceived interest that could constitute a conflict of interest, by signing a formal disclosure form. This process takes place at every meeting, and where a conflict of interest exists, the members of the Board and any management team are required to excuse themselves from the meeting when conflicting matters are deliberated.

## 2.8 Fees for Non-Executive Directors

The external independent directors are remunerated in accordance with the approved GPL fee structure, which was reviewed during the year under review. The fee structure is developed in accordance with the FMPPLA and Treasury regulations.

3. Risk management

The GPL recognises risk management as an integral part of management's responsibility and has, therefore, continued to implement the adopted Enterprise-Wide Risk Management Strategy and Policy during the period under review. The strategy is aligned to the COSO (Committee of Sponsoring Organisations of the Treadway Commission) Framework. The objective of this policy is to identify, manage, control, and respond to business, strategic and operational risks that may adversely affect the performance of the GPL. The GPL believes that effective risk management requires a single, consolidated view of risks across the business in order to understand the institution's full risk exposure and to prioritise risk management and governance activity.

3.1 Risk process

Our risk framework requires identification and management of risks to be embedded in business activities through the following processes:

Risk identification	Risk assessment
New and emerging risks are identified, and each is assigned an owner or accountable individual within the programme or business unit where the risk is located.	Risks are assessed using an appropriate and internationally recognised technique to determine their potential impacts and likelihood, prioritise them and inform risk treatment options.
Risk treatment	Monitoring and review
Controls are implemented to prevent, reduce or mitigate downside risks (risk materialising) and increase the likelihood of opportunities being realised.	Risks and controls are reviewed periodically and on an ongoing basis (including where there are high potential events or changes in the external environment, such as the COVID-19 pandemic) to evaluate performance and appropriate mitigation actions.

An annual strategic risk assessment, informed by the strategic objectives of the GPL, was conducted and finalised during February 2020 and the outcomes thereof were presented and adopted by the Audit and Risk Committee.

The Risk Management Committee met on a quarterly basis to consider progress regarding mitigation of the identified risks. The strategic risks and associated action plans were communicated, through the Chairperson of the Audit and Risk Committee, to the Legislature Services Board on a quarterly basis. The operational risk assessments were also conducted at the subprogramme level during the reporting period. The identified risks and their mitigating controls were continuously tracked, and progress on the implementation of action plans within the risk registers were regularly monitored and reported to the oversight structures. The strategic risks associated with the Sixth Term of the Legislature were identified, approved and included in the 2020-2025 Strategic Plan. The strategic risks will continue to be monitored, reviewed and updated on an annual basis over the MTEF period.

3.2 Emerging risks

Emerging risks associated with newly developing or changing risks that are highly uncertain and difficult to quantify were identified. They are generally driven by internal and external influences and often cannot be





prevented, although they can be prepared for. As such, these were effectively identified, incorporated into the risk register and managed accordingly during the period under review.

## 4. Fraud and corruption

The GPL continued to implement the adopted Fraud Risk Management Framework and Policy and has also developed a Fraud Risk Management Plan during the reporting period. Progress on the implementation of the Fraud Risk Management Plan was monitored throughout the period and reported, on a quarterly basis, to all oversight structures, which include the Risk Management Committee, Audit and Risk Committee and the Legislature Services Board. A fraud risk assessment was also conducted during the period and management has identified risk mitigation plans to reduce the risk of fraud and corruption at the legislature. Management is responsible for detecting fraud, theft and other irregularities. Each member of the management team should be familiar with the types of improprieties that might occur within his or her area of responsibility and be alert for any indication of irregularity. The GPL expects its employees to conduct all aspects of business with the highest level of professionalism and excellence, in line with the established institutional values and Code of Conduct.

The Anti-Fraud and Corruption Hotline, which is administered by the Public Service Commission (PSC), remained operational during the period under review. Additionally, the GPL has created a link on its official website which can also be utilised as another platform to report fraud and corruption. Members, staff, service providers and the public are continuously encouraged to utilise the hotline number to report possible or alleged incidents of fraud or corruption. Whistle blowers have the option to remain anonymous and are protected in terms of the Protected Disclosures Act, (Act 26 of 2000). There were no cases reported through the Anti-fraud and Corruption hotline. When such cases get reported, these are forwarded to the GPL's Accounting Officer for further investigation.

It is an accepted fact that no matter how stringent fraud prevention measures within an organisation are, there is no guarantee that fraud and unethical behaviour will not occur.

**During the period under review, the GPL commissioned two (2) investigations relating to:**

- » Subsistence and travel undertaken during the lockdown between 26 March 2020 and 31 October 2020; and
- » Memorabilia stock in relation to the purchase order issued to a supplier. Both investigations have been concluded and the recommendations, as contained in the report, are in the process of being implemented.

The GPL remains committed to the highest standards of openness and accountability. An important aspect of accountability and transparency is a mechanism to enable staff to report concerns in a responsible and effective manner. Where an individual may be aware of or discovers information which he/she believes shows serious malpractice, suspicious fraud or wrongdoing within the institution, then this information should be disclosed internally or to the PSC without fear of reprisal.

## 5. Minimising conflicts of interest

The approved GPL Code of Conduct and Ethics Framework requires that senior managers and staff declare their financial interests and execute their duties in accordance with the ethical and professional standards of the GPL. The staff declared their financial interests electronically through the SAP ESS/MSS system (e-Disclosure). This system supports the completion of an electronic disclosure template which enhances the monitoring and evaluation of employee disclosures.

## 6. Code of conduct

The Gauteng Provincial Legislature (GPL) continued to implement the Code of Conduct which outlines the minimum ethical standards of behaviour that South Africans expect of their elected representatives, including upholding propriety, integrity and ethical values in their conduct. The Code of Conduct aims to foster a culture of a high degree of ethical conduct by Members of the Provincial Legislature (MPLs) and to ensure that Members do not place themselves in positions that are in conflict with their responsibilities as public representatives. In terms of Part 4(20)(3) of the Code, Members are required to disclose their registrable interests within 30 days after

the Official Opening of the Legislature or after being appointed as Members. Accordingly, the deadline for submission was 23 March 2021.

The approved GPL Code of Conduct and Ethics Framework for employees is continuously used to ensure that senior managers and staff declare their financial interests and execute their duties in accordance with the ethical and professional standards of the GPL. The framework is also used to maintain the independence of the GPL in business matters and that decisions are not jeopardised because of unethical relationships with service providers and/ or internal/external stakeholders. Likewise, the GPL staff submitted their declaration forms utilising the developed electronic system (e-Disclosure). In backing the e-disclosure process, awareness communication, virtual training and technical support for staff were implemented.

## 7. Health, safety and environmental issues

The effective management and implementation of health and safety fosters a culture of trust to protect both employees and the GPL community at large. The Health and Safety Committee is fully functional and ensures compliance with the Occupational Health and Safety Act (1993) and all related regulations. The GPL is 80% compliant with the Act, with shortcomings due to the age of the current building, which limit our adherence to the latest building regulations.

In terms of fire compliance, the current system in place is sufficient for the first-time response in case of emergency. However, improvements in terms of installation of the latest fire detection systems in the City Hall are in the pipeline and have been prioritised for the next reporting period. This will ensure that fire compliance is extended to the City Hall. The Emergency Committee continuously meets to plan for an emergency response and ensures that identified emergencies are planned for and mitigated. Continuous risk assessments are undertaken to ensure that the GPL responds and mitigates the associated risks accordingly in the Main and Sage buildings. The daily building safety inspections, during the COVID-19 lockdown, were introduced to ensure compliance with the respective regulation.

## 8. GPL's response to the COVID-19 pandemic

At the beginning of this reporting period, in response to the unprecedented Coronavirus (COVID-19) pandemic, the legislature implemented a proactive response plan that formed part of the GPL's Business Continuity Framework and established formal processes and procedures associated with the need to comply with the national disaster and the subsequent national lockdown.

**These measures include the following:**

- » Establishment of a COVID-19 Steering Committee that meets on a regular basis to provide advice on levels for COVID-19 preparedness and response mechanisms.
- » Revision of the Standing Rules to accommodate the virtual platforms, which was necessitated by the lockdown.

**This enabled the GPL to continue with the delivery of critical services:**

- » Restricting public access to the GPL precinct.
- » Suspension of various public events.
- » Establishment of the Digital Legislature Project, and a transition to engaging the public through various virtual/digital platforms.
- » Allocation of resources to ensure compliance with the declared regulations.
- » Activation of broad work from home arrangements and subsequent introduction of the hybrid system for House and committee business.

The GPL's response to COVID-19 is metered, and the measures put in place have continued to assist in ensuring that the key mandate of the institution is carried out and achieved amid all adversities during the lockdown period and beyond. **The GPL continues to observe the COVID-19 regulations to ensure safety of its Members, staff and members of public.**








**HON BONGINKOSI DHLAMINI**

Chairperson of the Oversight Committee on the Premier's Office and Legislature (OCPOL)

## 9. Oversight Committee on the Premier's Office and the Legislature (OCPOL)



During this reporting period, the GPL participated in all the meetings where it was invited to appear before OCPOL, where questions were raised. These questions were addressed at the meetings and, in some instances, written responses were provided to the committee. The table below provides a high-level summary of matters raised by the Chairperson and other Members, and these were addressed:

	Details	Response by GPL	Resolved ✓ YES / ✗ NO
<b>1. Resolution type</b>	Oversight Report on the Annual Performance Report of the Gauteng Provincial Legislature for the 2019/2020 FY		
	<p>The GPL to submit the following:</p> <ul style="list-style-type: none"> <li>» A report on corrective measures put in place to avoid identified risk areas from recurring with regard to supply chain management and IT matters.</li> <li>» A report on measures put in place to avoid identified concerning drivers of internal control.</li> </ul>	Not yet due – submission date is 30 May 2020	
<b>2. Resolution type</b>	Oversight Report on the Second Quarter Performance Report of the Gauteng Provincial Legislature for the 2020/2021 FY		
	<p>With respect to capacitation of the institution, the committee is concerned that the GPL did not report on the following:</p> <ul style="list-style-type: none"> <li>» Detailed information on the current vacancies.</li> <li>» Current vacancy rate.</li> <li>» Current acting positions (at all staff levels).</li> <li>» Terminations during the period under review.</li> <li>» Detailed information on the GEYODI/HDI empowerment for the period under review.</li> <li>» Detailed information on any suspensions for the period under review.</li> </ul>	Responses were provided to the committee and the GPL quarterly reports on the listed items.	
<b>3. Resolution type</b>	Oversight Report on the Third Quarter Performance Report of the Gauteng Provincial Legislature for the 2020/2021 FY		
	<ul style="list-style-type: none"> <li>» A progress report on a commitment by the Director-General and Municipal Managers to work with the GPL on the petitions backlog.</li> <li>» A progress report on an assessment exercise on LIMs which is currently in progress to evaluate all business solutions in the institution.</li> <li>» A detailed report on consequential management put in place for non-submission of responses to House resolutions.</li> </ul>	Progress reports on strategy to manage petitions, LIMs as well as resolution management were submitted to the committee.	

	Details	Response by GPL	Resolved ✓ YES / ✗ NO
<b>4. Resolution type</b>	<b>Committee Oversight Report on the Gauteng Provincial Legislature's Budget for the 2020/2021 FY</b>		
	<ul style="list-style-type: none"> <li>» A report on how the recommendations of the Study on the efficacy of laws passed are being implemented.</li> <li>» A progress report on the Re-engineering of Public Participation project and budgetary implications.</li> <li>» A progress report on the functionality of LIMs and budgetary implications.</li> <li>» A progress report on the number of lawsuits that the GPL is facing, including budgetary implications and age analysis.</li> </ul>	<p><b>The following progress reports were provided to the committee:</b></p> <ul style="list-style-type: none"> <li>» implementation of recommendations of the Study on the efficacy of laws passed,</li> <li>» budgetary implications of the Re-engineering of Public Participation Project,</li> <li>» functionality of LIMs and its related budgetary implications; and</li> <li>» the number of lawsuits facing the GPL, their implications, and age analysis.</li> </ul>	

## 10. SCOPA Resolutions

The table below shows an overview of resolutions raised by the Chairperson and other Members of SCOPA during the period under review. It should be noted that the due dates for all these resolutions are in the next reporting period at which time they would have been resolved.

	Details	Response by GPL	Resolved ✓ YES / ✗ NO
<b>1. Resolution type</b>	<b>Oversight Report on the Report of the Auditor-General of South Africa (AGSA) on the Financial Statements and Performance Information of Vote 2: Gauteng Provincial Legislature for the year ended 31 March 2020</b>		
	The GPL must implement adequate processes to curb restatements of corresponding figures and provide the committee with a progress report detailing the effectiveness of the processes every quarter effective from 31 July 2021 and continuing up until 30 October 2021.	A response on processes to curb restatements was submitted to the committee with an undertaking that a quarterly report detailing effectiveness of the processes would be submitted quarterly.	Ongoing
	<b>The Gauteng Provincial Legislature must submit its audit action plan indicating:</b> Each area of finding by the AGSA in the 2019/2020 FY; plans by the GPL to address the area of findings and timeframes for implementation.	An audit action plan with requested detail was submitted to the committee.	
	The GPL must submit a quarterly progress report on the finalisation of the lawsuits reported for the period to 31 March 2020 by 31 July 2021 and a quarterly progress report continuing up until finalisation thereof.	Not yet due – submission date 31 July 2021.	



## 11. Prior modifications to audit reports

Nature of qualification, disclaimer, adverse opinion and matters of non-compliance	Financial year in which it first arose	Progress made in clearing/resolving the matter
N/A, Clean audit opinion achieved	2012/2013	N/A
N/A, Clean audit opinion achieved	2013/2014	N/A
N/A, Clean audit opinion achieved	2014/2015	N/A
N/A, Clean audit opinion achieved	2015/2016	N/A
N/A, Clean audit opinion achieved	2016/2017	N/A
N/A, Clean audit opinion achieved	2017/2018	N/A
Unqualified audit opinion with matter of non-compliance	2018/2019	<ul style="list-style-type: none"> <li>» Adjustments to Annual Financial Statements (AFS)</li> <li>» Management has implemented the necessary control to ensure completeness and accuracy of the AFS.</li> <li>» The identified weaknesses were addressed through the SCM Policy. The policy was approved during the reporting period.</li> <li>» Management has analysed and investigated deviations from procurement processes in order to implement consequence management.</li> </ul>
N/A, Clean audit opinion achieved	2019/2020	N/A



12. Internal control unit

The GPL, in conjunction with the internal auditors, assessed the adequacy and effectiveness of internal controls in line with the planned audit activities during the year under review and will continue to do so in the subsequent years. The internal auditors provide the Audit and Risk Committee and management with reasonable assurance as to whether the existing internal controls remain adequate, appropriate and effective, and recommend the necessary improvements, where appropriate. This is achieved by means of the risk management process, implementation of the internal audit plan, identification of corrective actions and recommending enhancements to the controls and processes. Where controls are inadequate, enhancements to the controls are recommended, and management is given sufficient time to embed the enhanced controls prior to review.

13. Internal Audit and Audit Committee

During the period under review, the internal audit function was outsourced to an independent service provider, BDO PS Advisory Services, that was appointed for a three-year period. It continued to operate in line with the approved Terms of Reference and the associated service level agreement. The service is based on the requirements of the FMPPLA and the Standards for the Professional Practice of Internal Auditing of the Institute of Internal Auditors.

The Audit and Risk Committee approved the Internal Audit Plan for the year under review. The adequacy and effectiveness reviews on the internal control environment, risk management and governance processes were conducted accordingly.

The internal audit function provided an overall assessment of the control environment to the ARC as listed below:

Auditable Area		Status
1	Corporate Support Services - Institutional Support Services	Completed
2	Corporate Support Services - Operational Support Services: Safety and Security	Completed
3	Core Business - Information Knowledge Management	Completed
4	Office of the CFO - Asset Management	Completed
5	Office of the CFO - Financial Management	Completed
6	Office of the CFO - Supply Chain Management	Completed
7	ICT reviews	Completed
8	Interim Financial Statements	Completed
9	Audit of Predetermined Objectives (quarterly)	Completed
10	Follow-up review	Completed
11	Ad-hoc (Leave Provision)	Completed

The Audit and Risk Committee met five (5) times during the reporting period, i.e. four (4) standard meetings and one special meeting, to consider the annual financial statements, the annual report and the audit report from the Auditor-General.

The table below discloses relevant information on the Audit Committee Members:

Name	Qualifications	Internal or external	If internal, position in the GPL	Date appointed	Date resigned	No. of meetings attended
Nandipha Madiba (Chairperson)	BCompt Hons, MSc Fin Mgmt	External	N/A	1/12/2016 10/10/2019 reappointed	N/A	5/5
Victor Nondabula	MBA - Finance and International Business	External	N/A	2/6/2017 05/12/2019 reappointed	N/A	5/5





**HON THOKO ZILE MAGAGULA**  
Chairperson of the GPL Multi-Party Women's Caucus

## 14. Transversal mainstreaming

The transversal mainstreaming support function has a mandate to provide strategic, operational and technical support to the political and administrative structures of the legislature on mainstreaming transversal issues of gender, race, disability and youth. The following is a summary of the initiatives that were undertaken in the reporting period:

### 14.1 Transversal Mainstreaming Training

**The TM Training Programme supports the achievement of the GPL Strategic Outcome 5:** Enhanced compliance with relevant fiduciary requirements and principles of good governance. The training contributes to the achievement of this outcome through facilitating institutional capacity to mainstream gender, race, disability and youth in the mandates and operations of the GPL, thereby enabling the institution to contribute towards the country's transformation goals pertaining to the reduction of poverty, unemployment, and inequality.

A total of **38 managers and practitioners** attended training during 2020/2021 and this added to the number of those who had already received training in the previous years.

All training sessions during 2020/2021 were conducted virtually, thereby adopting e-learning approaches, specifically self-directed learning and launching of discussion forums through posting online videos, surveys and questions on a free to access virtual interactive Microsoft platform. These were able to supplement the live online training sessions. The recommendations which emanated from these online

training sessions included pivotal improvements required to further cascade and operationalise TM within the GPL structures and House committees. Some of these improvements include the development of the institutional gender, youth, disability and race (GEYDODI- R) targets; focus on GEYODI-R budgeting, reporting on GEYODI-R expenditure, and general improvement in the coordination of TM which will include reporting templates.





#### 14.2 Vita Basadi Awards

The Gauteng Legislature's Annual Vita Basadi Awards, an initiative of the Multiparty Women's Caucus (MPWC), is part of the institution's celebration of Gauteng women who do extraordinary community work with little or no resources.

Through these awards, the legislature acknowledges and recognises women who continue to empower their communities, by initiating income-generating projects in their communities as well as providing community services to those in need from their personal initiative and commitment. The Sixth Vita Basadi Awards, during 2020/2021, was not held during the Women's Month as has become tradition. The event was held on 10 November 2020 at the City Hall, Johannesburg. Only a limited number of people attended the event as compared to the previous years.

#### 14.3 The International Women's Day

On 8 March 2020, the GPL, through the MPWC, hosted a virtual International Women's Day event – a global commemoration day for social, economic, cultural, and political achievements of women. The GPL, led by the Speaker, hosted this information sharing and empowerment event under the theme: **"Choose to challenge: Women Leading in Various Sectors of Society to Uplift All Women"**. The event was attended by ordinary women from various backgrounds, including women with disabilities. Some of the past and 2020 Vita Basadi Awards winners and runners-up were also present to showcase the work they deliver in their respective communities.









**NANDIPHA MADIBA**  
Chairperson: Audit & Risk Committee

## 15. Report of the Audit and Risk Committee

The Audit and Risk Committee (ARC) is pleased to present its report for the period ended 31 March 2021. The report has been prepared in accordance with the Financial Management of Parliament and Provincial Legislatures Act (FMPPLA).

### 15.1 Committee responsibility

The Audit and Risk Committee is pleased to report that it has complied with its responsibilities arising from Section 48 of FMPPLA.

The Audit and Risk Committee also reports that it has regulated its affairs in compliance with its Charter and has discharged all its responsibilities as contained therein.

### 15.2 The effectiveness of internal control

The system of internal control applied by the Gauteng Provincial Legislature (GPL) over financial systems and risk management is generally effective, efficient and transparent. The Internal Auditors provide the Audit and Risk Committee and Management with reasonable assurance as to whether the existing internal controls remain adequate, appropriate and effective, and where appropriate, the necessary improvements recommended. This is achieved by means of the risk management process, implementation of the internal audit plan as well as the identification of corrective actions and recommended enhancements to the controls and processes.

The Internal Audit function provided an objective and independent assurance to management and the ARC on the adequacy and effectiveness of controls

within the GPL. The reported findings were monitored through the tracking register and reported to the Risk Management Committee (RMC), ARC and ultimately to the Legislature Services Board (LSB).

There were some areas highlighted in the various reports of the Auditor General and by the Internal Auditors during the year, where internal controls were found to be requiring improvement and some corrective action. The Audit and Risk Committee has not only been instrumental in requesting that corrective actions are taken in this regard but also in providing guidance on necessary enhancements to these controls and processes that influence GPL's compliance, risk and performance environment as well as responsibilities that GPL has to the external environment that it serves.

### 15.3 Effectiveness of Internal Audit

The Internal Audit function was outsourced to an independent service provider, BDO PS Advisory Services, who was appointed during the 2018/2019 financial period which operated in line with the approved Terms of Reference (ToR) and associated Service Level Agreement (SLA). The service is based on the requirements of the FMPPLA and Standards for the Professional Practice of Internal Audit of the Institute of Internal Auditors. The ARC approved the Internal Audit Plan for the year under the review. The adequacy and effectiveness reviews of the internal

control environment, risk management and governance processes were conducted accordingly.

The Audit and Risk Committee is satisfied that the Internal Audit function is operating effectively and that it has addressed the risks pertinent to the Gauteng Provincial Legislature.

From the various reports from Internal Audit, we conclude that the existing control environment provides reasonable assurance that the legislature's strategic goals and objectives are being achieved.

### 15.4 Performance management

The Audit and Risk Committee monitored implementation of the GPL's Annual Performance Plan in order to ultimately achieve the Institutions strategic objectives and delivering on its mandate.

### 15.5 Risk management

The Audit and Risk Committee considered quarterly Risk Management Committee Reports highlighting the risks identified throughout the institution and management's mitigation processes thereof. The Strategic Risk Register for the 2020/2021 period was considered and recommended to the LSB for adoption where after the ARC monitored the implementation of mitigating action plans on a quarterly basis.



## 15.6 In-year management and quarterly reports

The Audit and Risk Committee is satisfied with the content and quality of quarterly reports prepared and issued by the Accounting Officer of GPL during the year under review.

## 15.7 Evaluation of Annual Financial Statements

The Audit and Risk Committee has:

- » Reviewed and discussed the 2020/2021 audited Annual Financial Statements to be included in the Annual Report, with the Auditor-General and the Accounting Officer;
- » Reviewed the Auditor-General of South Africa's management report and management's response related thereto;
- » Reviewed changes in accounting policies and practices; and
- » Reviewed the entity's compliance with legal and regulatory provisions.

## 15.8 Auditor General of South Africa

The Audit and Risk Committee has met with the Auditor General of South Africa to ensure that there are no unresolved matters. The Audit and Risk Committee concurs with and accepts the Auditor General of South Africa's report on the Annual Financial Statements, and is of the opinion that the 2020/2021 audited Annual Financial Statements should be accepted and read together with the report of the Auditor General of South Africa.

## 15.9 Conclusion

The Audit and Risk Committee would like to thank the Legislature Services Board, the Secretary to the Legislature and Management for their commitment and support during the audit, and further to acknowledge the assurance provided by the Internal Auditors. Since the advent of COVID-19 in March 2020, the 2020/21 financial period was characterised by lock-down restrictions and remote working conditions emanating from the pandemic in line with the National State of Disaster and associated regulations. The GPL was able to adapt to the new operating environment and model to deliver on its mandate and was able to achieve and sustain an unqualified audit opinion with no findings.

The automation of systems including the introduction of a paperless environment over the last few years has really yielded positive results during this period and this has also encouraged the birth of a digital legislature project which has been a great success thus far. Without the resilience of the leadership and human capital we possess, these strides would not have been achieved.



**N Madiba CD(SA)**

Chairperson: Audit & Risk Committee

31 August 2021

## 16. B-BBEE compliance performance information

The following table has been completed in accordance with the compliance to the requirements of the BBEE Act 53 of 2013 and as determined by the Department of Trade and Industry.

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?	N/A	
Developing and implementing a preferential procurement policy?	Yes	The GPL has an approved Preferential Procurement Policy and it is implemented through the preferential procurement targets aimed at the advancement of persons or categories of persons disadvantaged by unfair discrimination, i.e. PWDs, women, youth, township economy.
Determining qualification criteria for the sale of state-owned enterprises?	N/A	
Developing criteria for entering into partnerships with the private sector?	N/A	
Determining criteria for the awarding of incentives, grants and investment schemes in support of Broad-Based Black Economic Empowerment?	N/A	





# HUMAN RESOURCE



# HUMAN RESOURCE

## 1. Introduction

The Human Resource (HR) Unit is mandated to develop and maintain effective human resource management processes which, in turn, will ensure that the legislature is properly staffed as well as ensure that staff members are properly skilled. This will enable the GPL to provide the necessary support to the Members in discharging their constitutional mandates and ultimately, achieve the institutional goal and strategic objectives.

The COVID-19 crisis presented significant challenges on the operation of the GPL business. A refocused leadership quickly engaged stakeholders and resilience was invoked. This great phenomenon saw innovation taking an upward trend. Innovation coupled with agility increased tempo on implementing of ideas. With the intervention obtained, employees of the GPL recorded increase in productivity during the various stages of the lockdown.

This section will provide an overall view of human resource management within the legislature for the period under review. The Executive Authority, as the political head of the institution, is overseen and held accountable by the Oversight Committee on the Premier's Office and the Legislature. The LSB – chaired by the Executive Authority – holds the Accounting Officer and executive management accountable.

### 1.1 Legislation that governs the GPL human resource management

The legislative framework considers, but not limited to, the following pieces of legislation:

- » Skills Development Act 97 of 2008
- » South African Qualifications Authority Act 58 of 1995
- » Employment Equity Act 55 of 1998
- » Basic Conditions of Employment Act 75 of 1997
- » Labour Relations Act 66 of 1995
- » Occupational Health and Safety Act 85 of 1993
- » Unemployment Contributions Act 4 of 2002
- » Compensation for Occupational Injuries and Diseases Act 130 of 1993
- » Remuneration of Public Office Bearers Act (Act 20 of 1998):  
Determination of the upper limit of salaries and allowances of  
Premiers, Members of the Executive Council and Members of the  
Provincial Legislature.

## 2. Overview of human resources

Human resources remain relevant in driving the strategic posture of the institution and contributes immensely towards delivery standards in line with the GPL's Five-Year Strategy. **The following areas have been singled out as key drivers and are discussed in depth below.**

### 2.1 The status of human resources in the GPL

In this reporting period, the GPL's staff complement remained stable with a vacancy rate of 2%. COVID-19 has changed the way we conduct business. The GPL, like many other institutions across the globe, could not do business as usual. It had to adapt to new ways of operations, characterised by work-from-home arrangements and virtual meetings. These reforms contributed to driving a digital mindset and culture, and this created a trajectory on gradual recovery and the ability to thrive throughout the different phases of COVID-19. This culminated into the hybrid strategy being employed which continues to improve.







## 2.2 Human resource priorities for the year under review and the impact thereof

The Organisational Development Project, initiated in 2019, has been concluded. The results are being processed. This spectacular journey is envisaged to see the following being put in place and implemented: a revised organisational structure, improved business processes, job evaluations, creation and maintenance of a skills portal, and a revised salary payment structure with the intention to increase effectiveness of the GPL towards successful achievement of organisational goals.

## 2.3 Employee performance management

Performance management in the institution is governed by the Integrated Performance Management System (IPMS) Policy, 2017, which came into operation on 1 April 2018. Performance management is monitored through a balanced scorecard in line with this policy framework. All employees signed their performance agreements in the year under review. These agreements are aligned to the business and/or programme outputs as well as employees' individual job outputs as outlined in their job profiles.

Quarterly performance reviews were conducted and submitted to the Human Resource Development Unit, Programme Moderating Committee and Institutional Moderating Committee. The role of management is to ensure that performance outputs focus on tangible deliverables for each employee to ensure that the institution is geared towards the delivery of its goals.

## 2.4 Salary Negotiation and Substantive Agreements

The inaugural wage agreement was signed at the Centralised Bargaining Forum level and implemented across the legislative sector. The GPL is thrilled to be part of the establishment and remains resolute to provide meaningful input for the fast development of the sector.

The partnership with recognised union, which is NEHAWU, remains intact despite the dissolution of NEHAWU Branch Executive Committee. The GPL subscribes to the philosophy of having a present and strong labour movement in the workplace, as this gives validity and quality of the robust engagements, which ensue in the employee/ employer consultative structures. The GPL will continue to support organised labour until the branch elects its leadership.

## 2.5 Workforce Planning

The legislature's Workplace Skills Development Plan is reviewed periodically, and this happened at the beginning of this reporting period. In line with the approved plan, the Human Resource Development Unit drafted an annual training schedule and individual development plans, with corresponding budgets for staff as well as for each business unit. All appointments were made in terms of the set qualification criteria, and strict adherence is maintained. The GPL is fast approaching the end of the administrative regime as there are fifteen (15) executive and senior management employment contracts that will lapse in the first two quarters of the 2021/2022 financial year. The GPL has, therefore, devised a plan to manage the transition in a seamless manner.

There are also few vacant positions that were put on hold pending the Organisational Development Project.

## 2.6 Employee Wellness Programme

The legislature has a holistic Employee Wellness Plan and Programme in place, aimed at achieving a balance between work and personal life for Members and staff alike. A service provider was contracted to provide applicable services to the internal stakeholders throughout the pandemic.





### 3. Human Resource Statistics

#### 3.1 Personnel-related expenditure

The following table summarises the final audited personnel-related expenditure by programme and salary bands. In particular, it provides an indication of the following: amount spent on personnel; and amount spent on salaries, overtime, and medical aid.

Table 3.1.1 Personnel expenditure by programme

Programme	Total Expenditure	Personnel Expenditure	Training Expenditure	Professional and Special Services Expenditure	Personnel Expenditure as a % of total expenditure	Average personnel cost per employee
(R'000)						
Programme 1	23 921	23 428	8	485	6%	1019
Programme 2	20 044	15 901	17	4 126	4%	1136
Programme 3	89 952	89 908	44		25%	661
Programme 4	183 768	183 006	84	678	50%	839
Programme 5	44 998	44 790	14	194	12%	845
<b>Total</b>	<b>362 683</b>	<b>357 033</b>	<b>167</b>	<b>5 483</b>	<b>98%</b>	<b>804</b>

Table 3.1.2 Personnel costs by salary band

Salary band	Personnel Expenditure	% of total personnel cost	No. of employees	Average personnel cost per employee
(R'000)				
Leadership (P1 – P3)	2 775	1%	1	2 775
Senior Management (P4 – P5)	30 413	9%	16	1 901
Management (P6 – P7)	51 187	14%	38	1 347
Professionals and technical workers (P8 – P10)	168 693	47%	186	907
Support Workers (P11 – P16)	98 415	28%	189	521
Contractors	5 550	2%	14	396
<b>Total</b>	<b>357 033</b>	<b>100%</b>	<b>444</b>	<b>7 847</b>

Table 3.1.3 Salaries, Overtime, Home-owners Allowance and Medical Aid by programme

Programme	Salaries		Overtime		Home-owners Allowance		Medical Aid	
	Amount	Salaries as a % of personnel costs	Amount	Overtime as a % of personnel costs	Amount	HOA as a % of personnel costs	Amount	Medical aid as a % of personnel costs
(R'000)								
Programme 1	23 295	99%	-	0%	-	0%	-	0%
Programme 2	15 739	99%	-	0%	-	0%	-	0%
Programme 3	89 675	100%	449	0%	-	0%	-	0%
Programme 4	176 274	96%	1 292	1%	-	0%	-	0%
Programme 5	44 320	99%	64	0%	-	0%	-	0%
<b>Total</b>	<b>349 303</b>	<b>98%</b>	<b>1 805</b>	<b>1%</b>	<b>-</b>	<b>0%</b>	<b>-</b>	<b>0%</b>

Table 3.1.4 Salaries, Overtime, Home-owners Allowance and Medical Aid by salary band

Salary Bands	Salaries		Overtime		Home-owners Allowance		Medical Aid	
	Amount	Salaries as a % of personnel costs	Amount	Overtime as a % of personnel costs	Amount	HOA as a % of personnel costs	Amount	Medical aid as a % of personnel costs
(R'000)								
Leadership (P1-P3)	2 775	0,78%	-	0,0%	-	-	-	-
Senior Management (P4-P5)	30 382	8,51%	-	0,0%	-	-	-	-
Management (P6-P7)	52 083	14,59%	-	0,0%	-	-	-	-
Professionals & technical workers (P8-P10)	165 319	46,30%	1 018	0,3%	-	-	-	-
Support Workers (P11-P16)	92 841	26,00%	772	0,2%	-	-	-	-
Contractors	5 904	1,65%	15	0,0%	-	-	-	-
Total	349 304	97,84%	1 805	0,5%	-	-	-	-

### 3.2 Employment and Vacancies

The tables in this section summarise the position with regard to employment and vacancies. The following tables summarise the number of posts on the establishment, the number of employees, the vacancy rate, and whether there are any staff that are additional to the establishment. **This information is presented in terms of three key variables:**

- » programme
- » salary band
- » critical occupations

Institutions have identified critical occupations that need to be monitored. In terms of current regulations, it is possible to create a post on the establishment that can be occupied by more than one employee. Therefore, the vacancy rate reflects the percentage of posts that are not filled.

Table 3.2.1 Employment and vacancies by programme

Programme	Number of posts on approved establishment	Number of posts filled	Vacancy Rate	Number of employees additional to the establishment
Programme 1	27	21	22%	1
Programme 2	20	13	35%	2
Programme 3	152	130	14%	8
Programme 4	230	219	5%	1
Programme 5	60	46	23%	0
Total	489	429	12%	12

Table 3.2.2 Employment and vacancies by salary band

Salary band	Number of posts on approved establishment	Number of posts filled	Vacancy Rate	Number of employees additional to the establishment
Leadership (P1 – P3)	1	1	0%	0
Senior Management (P4 – P5)	17	16	6%	0
Management (P6 – P7)	39	33	15%	0
Professionals and technical workers (P8 – P10)	190	181	5%	0
Support Workers (P11 – P16)	193	188	3%	0
Contract Workers and Interns	49	10	80%	11
Total	489	429	12%	11



Table 3.2.3 Employment and vacancies by critical occupations

Critical occupation	Number of posts on approved establishment	Number of posts filled	Vacancy Rate	Number of employees additional to the establishment
Total				

### 3.3 Job Evaluation

Within a nationally determined framework, executing authorities may evaluate or re-evaluate any job in his or her organisation. In terms of the regulations, all vacancies on salary levels 9 and higher must be evaluated before they are filled. 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.

Table 3.3.1 Job Evaluation by Salary band

Salary band	Number of posts on approved establishment	Number of jobs evaluated	% of posts evaluated by salary bands	Posts upgraded		Posts downgraded	
				Number	% of posts evaluated	Number	% of posts evaluated
Leadership (P1 – P3)	0	0	0	0	0	0	0
Senior Management (P4 – P5)	0	0	0	0	0	0	0
Management (P6 – P7)	0	0	0	0	0	0	0
Professionals & technical workers (P8 – P10)	0	0	0	0	0	0	0
Support Workers (P11 – P16)	0	0	0	0	0	0	0
Total	0	0	0	0	0	0	0



The following table provides a summary of the number of employees whose positions were upgraded due to their posts being upgraded. The number of employees might differ from the number of posts upgraded since not all employees are automatically absorbed into the new posts and some of the posts upgraded could also be vacant.

**Table 3.3.2 Profile of employees whose positions were upgraded due to their posts being upgraded**

Beneficiary	African	Asian	Coloured	White	Total
Female	0	0	0	0	0
Male	0	0	0	0	0
Employees with disabilities					
Total	0	0	0	0	0

The following table summarises the number of cases where remuneration bands exceeded the grade determined by job evaluation. Reasons for the deviation are provided in each case.

**Table 3.3.3 Employees with salary levels higher than those determined by job evaluation by occupation**

Occupation	Number of employees	Job evaluation level	Remuneration level	Reason for deviation
	0			
Percentage of total employed				

The following table summarises the beneficiaries of the above in terms of race, gender, and disability.

**Table 3.3.4 Profile of employees who have salary levels higher than those determined by job evaluation**

Beneficiary	African	Asian	Coloured	White	Total
Female	0	0	0	0	0
Male	0	0	0	0	0
Total	0	0	0	0	0
Employees with disabilities	0	0	0	0	0
Total number of employees whose remuneration exceeded the grade determined by job evaluation					

### 3.4 Employment Changes

This section provides information on changes in employment over the financial year. Turnover rates provide an indication of trends in the employment profile of the Legislature. The following tables provide a summary of turnover rates by salary band and critical occupations.

**Table 3.4.1 Annual turnover rates by salary band**

Salary Band	Number of employees at beginning of period: 1 April 2020 – 31 March 2021	Appointments and transfers into the legislature	Terminations and transfers out of the legislature	Turnover rate
Leadership (P1 – P3)	1	0	0	0%
Senior Management (P4 – P5)	17	0	0	0%
Management (P6 – P7)	39	2	7	18%
Professionals and technical workers (P8 – P10)	191	2	4	2%
Support Workers (P11 – P16)	193	1	1	1%
Contract Workers and Interns	38	3	4	11%
Total	479	8	16	3%

Table 3.4.2 Annual turnover rates by critical occupation

Critical Occupation	Number of employees at beginning of period: 1 April 31 March	Appointments and transfers into the legislature	Terminations and transfers out of the legislature	Turnover rate
	0	0	0	0
	0	0	0	0
Total	0	0	0	0

The table below identifies the major reasons why staff left the legislature.

Table 3.4.3 Reasons why staff left the legislature

Termination Type	Number	% of Total Resignations
Death	2	12.50%
Resignation	6	37.50%
Expiry of contract	6	37.50%
Dismissal – operational changes	0	0
Dismissal – misconduct	2	12.50%
Dismissal – inefficiency	0	0
Discharged due to ill-health	0	0
Retirement	0	0
Transfer to other Public Service Legislatures	0	0
Other	0	0
Total	16	100.00%
Total number of employees who left as a % of total employment	3.34%	

Table 3.4.4 Promotions by critical occupation

Occupation	Employees on 1 April	Promotions to another salary level	Salary level promotions as a % of employees by occupation	Progressions to another notch within a salary level	Notch progression as a % of employees by occupation
	0	0	0	0	0
	0	0	0	0	0
Total	0	0	0	0	0

Table 3.4.5 Promotions by salary band

Salary Band	Employees on 1 April	Promotions to another salary level	Salary bands promotions as a % of employees by salary level	Progressions to another notch within a salary level	Notch progression as a % of employees by salary bands
Leadership (P1 – P3)	0	0	0	0	0
Senior Management (P4 – P5)	0	0	0	0	0
Management (P6 – P7)	0	0	0	0	0
Professionals and technical workers (P8 – P10)	0	0	0	0	0
Support Workers (P11 – P16)	0	0	0	0	0
Employees with disabilities	0	0	0	0	0
Total	0	0	0	0	0



### 3.5 Employment Equity

Table 3.5.1 Total number of employees (including employees with disabilities) in each of the following occupational categories as at 31 March

Occupational category	Male					Female					Total
	African	Coloured	Indian	White	No. with disability	African	Coloured	Indian	White	No. with disability	
Leadership (P1 – P3)	1	0	0	0	1	0	0	0	0	0	1
Senior Management (P4 – P5)	6	0	3	0	0	7	0	0	0	0	16
Management (P6 – P7)	15	3		1	1	12	1	1	0	0	33
Professionals and technical workers (P8 – P10)	80	1	2	3	2	83	4	4	4	0	181
Support Workers (P11 – P16)	70	1	0	0	2	104	4	3	6	5	188
Contractors and Interns	5				0	5				0	10
Total	177	5	5	4	6	211	9	8	10	5	429
Employees with disabilities	0	0	0	0	0	0	0	0	0	0	0
Age	18 – 34	35 – 49	50 – 59	60 – 69	70+						
Leadership (P1 – P3)	0	0	0	1	0						
Senior Management (P4 – P5)	0	12	4	0	0						
Management (P6 – P7)	1	20	12	0	0						
Professionals and technical workers (P8 – P10)	19	134	22	6	0						
Support Workers (P11 – P16)	29	112	39	8	0						
Contractors and Interns	7	2		1	0						
Total	56	280	77	16	0						
Employees with disabilities		6	2	3	0						

Table 3.5.2 Recruitment

Occupational Band	Male					Female					Total
	African	Coloured	Indian	White	No. with disability	African	Coloured	Indian	White	No. with disability	
Leadership (P1 – P3)	0	0	0	0		0	0	0	0		0
Senior Management (P4 – P5)	0	0	0	0		0	0	0	0		0
Management (P6 – P7)	0	0	0	0		2	0	0	0		2
Professionals and technical workers (P8 – P10)	0	0	0	0		2	0	0	0		2
Support Workers (P11 – P16)	3	0	0	0		1	0	0	0		4
Employees with disabilities											
Total	3	0	0	0		5	0	0	0		8
Age	18 – 34	35 – 49	50 – 59	60 – 69		70+					
Leadership (P1-P3)	0	0	0	0		0					
Senior Management (P4 – P5)	0	0	0	0		0					
Management (P6-P7)	0	1	1	0		0					
Professionals and technical workers (P8 – P10)	1	1	0	0		0					
Support Workers (P11 – P16)	2	2	0	0		0					
Employees with disabilities			0	0		0					
Total	3	4	1	0		0					

Table 3.5.3 Promotions

Occupational Band	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top Management	0	0	0	0	0	0	0	0	0
Leadership (P1 – P3)	0	0	0	0	0	0	0	0	0
Senior Management (P4 – P5)	0	0	0	0	0	0	0	0	0
Management (P6 – P7)	0	0	0	0	0	0	0	0	0
Professionals and technical workers (P8 – P10)	0	0	0	0	0	0	0	0	0
Support Workers (P11 – P16)	0	0	0	0	0	0	0	0	0
Employees with disabilities	0	0	0	0	0	0	0	0	0
Total	0	0	0	0	0	0	0	0	0

Age	18 – 34	35 – 49	50 – 59	60 – 69	70+				
Leadership (P1 – P3)	0	0	0	0	0				
Senior Management (P4 – P5)	0	0	0	0	0				
Management (P6 – P7)	0	0	0	0	0				
Professionals and technical workers (P8 – P10)	0	0	0	0	0				
Support Workers (P11 – P16)	0	0	0	0	0				
Employees with disabilities	0	0	0	0	0				
Total	0	0	0	0	0				

Table 3.5.4 Terminations

Occupational Band	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Leadership (P1-P3)	0	0	0	0	0	0	0	0	0
Senior Management (P4 – P5)	0	0	0	0	0	0	0	0	0
Management (P6 – P7)	4	0	0	0	3	0	0	0	7
Professionals and technical workers (P8 – P10)	4	0	0	0	0	0	0	0	4
Support Workers (P11 – P16)	1	0	0	0	0	0	0	0	1
Contractors	2	0	0	0	2	0	0	0	4
Employees with disabilities	0	0	0	0	0	0	0	0	0
Total	11	0	0	0	5	0	0	0	16

Table 3.5.5 Disciplinary action

Disciplinary action	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
4	3	0	0	0	1	0	0	0	4

Table 3.5.6 Skills Development: Training provided (Including Members)

Occupational Category	Number of employees as at 1 April 2020	Training provided within the reporting period			Total
		Tertiary qualifications	Learnerships	Skills Programmes & other short courses	
Leadership (P1 – P3)	1	1	0	1	1
Senior Management (P4 – P5)	16	10	0	11	21
Management (P6 – P7)	39	8	0	19	27
Professionals and technical workers (P8-P10)	187	46	0	108	154
Support Workers (P11–P16)	196	10	0	65	75
Employees with disabilities	0	0	0	0	0
Total	439	75	0	204	278

Trained Employees									
Occupational category	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Leadership (P1 – P3)	1	0	0	0	0	0	0	0	1
Senior Management (P4 – P5)	6	0	0	0	5	0	0	0	11
Management (P6 – P7)	6	3	0	1	9	0	0	0	19
Professionals and technical workers (P8-P10)	43		2	1	56	1	2	3	108
Support Workers (P11 – P16)	23	1	0	0	33	3	0	5	65
Employees with disabilities	0	0	0	0	0	0	0	0	0
Total	79	4	2	2	103	4	2	8	204

Age	18 – 34	35 – 49	50 – 59	60 – 69	70+				
Leadership (P1 – P3)			1	0	0				
Senior Management (P4 – P5)		10	1	0	0				
Management (P6 – P7)		10	9	0	0				
Professionals and technical workers (P8-P10)	14	81	13	0	0				
Support Workers (P11 – P16)	11	35	19	0	0				
Employees with disabilities	0	0	0						
Total	22	136	43						



### 3.6 Performance Rewards

To encourage good performance, the legislature has granted the following performance rewards during the year under review. The information is presented in terms of race, gender, and disability, salary bands and critical occupations.

Table 3.6.1 Performance rewards by race, gender, age and disability

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	5	8	63%	566	113
Asian, Male	3	3	100%	420	140
Coloured Male	1	1	100%	97	97
White Male	0	0	0%		0
African Female	12	12	100%	1,476	123
Asian Female	1	1	100%	59	59
Coloured Female	1	1	100%	97	97
White Female	0	0	0%		0
Employees with disabilities	0	0	0%	-	0
<b>Total</b>	<b>23</b>	<b>26</b>	<b>88%</b>	<b>2,715</b>	<b>118</b>
Age	18 – 34	35 – 49	50 – 59	60 – 69	70+
Number of beneficiaries	0	18	5	0	0
Number of employees	0	19	6	1	
% of total within group	0%	95%	83%	0%	0%
Cost (R'000)	0	2100	617	0	0
Average cost per employee	0	117	123	0	0
<b>Total</b>	<b>0</b>	<b>2100</b>	<b>617</b>	<b>0</b>	<b>0</b>



Table 3.6.2 Performance rewards by salary band for personnel below Senior Management Service

Salary Band	Beneficiary Profile			Cost		
	Number of beneficiaries	Number of employees	% of total within salary bands	Total Cost (R'000)	Average cost per employee	Total cost as a % of the total personnel expenditure
Leadership (P1–P3)	1	1				
Senior Management (P4– P5)	16	16				
Management (P6-P7)	36	36	0	0	0	0
Professionals and technical workers (P8-P10)	190	190	0	0	0	0
Support Workers (P11-P16)	188	188	0	0	0	0
Total	431	431	0	0	0	0

Table 3.6.3 Performance rewards by critical occupation

Critical Occupation	Beneficiary Profile			Cost	
	Number of beneficiaries	Number of employees	% of total within occupation	Total Cost (R'000)	Average cost per employee
	0	0	0	0	0
Total	0	0	0	0	0

Table 3.6.4 Performance-related rewards (cash bonus), by salary band for Senior Management Service

Salary Band	Beneficiary Profile			Cost		
	Number of beneficiaries	Number of employees	% of total within salary bands	Total Cost (R'000)	Average cost per employee	Total cost as a % of the total personnel expenditure
B and A	0	0	0	0	0	0
B and B	0	0	0	0	0	0
B and C	0	0	0	0	0	0
B and D	0	0	0	0	0	0
Total	0	0	0	0	0	0

### 3.7 Foreign Workers

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

Table 3.7.1 Foreign workers by salary band and major occupation

Salary Band	1-Apr-20		31-Mar-21		Change	
	Number	% of total	Number	% of total	Number	% Change
Leadership (P1 – P3)	0	0%	0	0%	0	0%
Senior Management (P4 – P5)	0	0%	0	0%	0	0%
Management (P6 – P7)	0	0%	0	0%	0	0%
Professionals and technical workers (P8 – P10)	2	67%	2	100%	0	33%
Employees with disabilities	1	33%	0	0%	-1	-33%
Total	3	100%	2	67%	-1	-33%

### 3.8 Leave utilisation

The Public Service Commission identified the need for careful monitoring of sick leave within the public service. The following tables provide an indication of the use of sick leave and disability leave. In both cases, the estimated cost of the leave is also provided.

**Table 3.8.1 Sick leave**

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)
Leadership (P1 – P3)	0	0%		0.00%	0	
Senior Management (P4 – P5)	52	94%	5	8.77%	10	356
Management (P6 – P7)	61	92%	5	8.77%	12	282
Professionals and technical workers (P8 – P10)	160	86%	26	45.61%	6	511
Support Workers (P11 – P16)	259	92%	19	33.33%	14	605
Contractors and Interns	6	83%	2	3.51%	3	11
Total	538	90%	57	100.00%	45	1765
Employees with disabilities	20	100%	1	50.00%	20	16

**Table 3.8.2 Disability leave (temporary and permanent)**

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)
Leadership (P1 – P3)	0	0	0	0	0	0
Senior Management (P4 – P5)	0	0	0	0	0	0
Management (P6 – P7)	0	0	0	0	0	0
Professionals and technical workers (P8 – P10)	0	0	0	0	0	0
Support Workers (P11 – P16)	0	0	0	0	0	0
Total	0	0	0	0	0	0

**Table 3.8.3 Annual leave**

Salary Band	Total days taken	Number of employees using annual leave	Average per employee
Leadership (P1 – P3)	27	1	27.00
Senior Management (P4 – P5)	198	13	15.23
Management (P6 – P7)	309	25	12.36
Professionals and technical workers (P8 – P10)	1916	120	15.97
Support Workers (P11 – P16)	1250	87	14.37
Contractors and Interns	35	5	7.00
Total	3735	251	14.88
Employees with disabilities	87	8	10.88



Table 3.8.4 Capped leave

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 at 31 March
Leadership (P1 – P3)	0	0	0	0
Senior Management (P4 – P5)	0	0	0	0
Management (P6 – P7)	0	0	0	0
Professionals and technical workers (P8 – P10)	0	0	0	0
Support Workers (P11 – P16)	0	0	0	0
Employees with disabilities	0	0	0	0
Total	0	0	0	0

The following table summarises payments made to employees as a result of leave that was not taken.

Table 3.8.5 Leave pay-outs

Reason	Total Amount (R'000)	Number of Employees	Average per employee (R'000)
Leadership (P1 – P3)	0	0	0
Senior Management (P4 – P5)	0	0	0
Management (P6 – P7)	287	4	0
Professionals and technical workers (P8 – P10)	214	4	54
Support Workers (P11 – P16)	35	1	35
Contractors and Interns	43	3	14
Total	579	12	48
Employees with disabilities	0	0	0

3.9 HIV/AIDS & Health Promotion Programmes

Table 3.9.1 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
None	Medical Aid Scheme HIV/AIDS Helpdesk







**Table 3.9.2 Details of Health Promotion and HIV/AIDS Programmes (tick the applicable boxes and provide the required information)**

Question	Yes	No	Details, if yes
1. Has the legislature designated a member of the SMS to implement the provisions contained in Part VI E of Chapter 1 of the Public Service Regulations, 2001? If so, provide her/his name and position.		✗	
2. Does the legislature 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.	✓		1 R1 415 000
3. Has the legislature introduced an Employee Assistance or Health Promotion Programme for your employees? If so, indicate the key elements/services of this Programme.	✓		Counselling Services Life Management Services Awareness Interventions Marketing & Communication Executive Wellness
4. Has the legislature established (a) committee(s) as contemplated in Part VI E.5 (e) of Chapter 1 of the Public Service Regulations, 2001? If so, please provide the names of the members of the committee and the stakeholder(s) that they represent.		✗	
5. Has the legislature 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.		✗	Policies were not reviewed in the 2020/2021 FY. Policies were reviewed during the previous financial years.
6. Has the legislature 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.		✗	Measures of confidentiality in Wellness Reports embedded in previous financial years.
7. Does the legislature encourage its employees to undergo Voluntary Counselling and Testing? If so, list the results that you have achieved.		✗	
8. Has the legislature developed measures/indicators to monitor & evaluate the impact of its health promotion programme? If so, list these measures/indicators.		✗	

### 3.10 Labour Relations

**Table 3.10.1 Collective agreements**

Subject Matter	Date	
None – Recognition Agreement was signed in the 2016/2017 FY.		

The following table summarises the outcome of disciplinary hearings conducted within the legislature for the year under review.

**Table 3.10.2 Misconduct and disciplinary hearings finalised**

Outcomes of disciplinary hearings	Number	% of total
Correctional counselling	0	0%
Verbal warning	0	0%
Written warning	0	0%
Final written warning	0	0%
Suspended without pay	0	0%
Fine	0	0%
Demotion	0	0%
Dismissal	2	100%
Not guilty	0	0%
Case withdrawn	0	0%
Total	2	100%



Table 3.10.3 Types of misconduct addressed at disciplinary hearings

Type of misconduct (based on annexure A)	Number	% of total
Dereliction of duty	4	67%
Insubordination	2	33%
Total	6	100%

Table 3.10.4 Grievances lodged

	Number	% of Total
Number of grievances resolved	2	67%
Number of grievances not resolved	1	33%
Total number of grievances lodged	3	100%

Table 3.10.5 Disputes lodged

	Number	% of Total
Number of disputes upheld	0	0%
Number of disputes dismissed	0	0%
Total number of disputes lodged	0	0%

Table 3.10.6 Strike actions

Total number of persons working days lost	0
Total costs working days lost	R0
Amount (R'000) recovered as a result of no work no pay	R0

Table 3.10.7 Precautionary suspensions

Number of people suspended	2
Number of people whose suspension exceeded 30 days	2
Average number of days suspended	214
Cost (R'000) of suspension	1 640 ,478

### 3.11 Injury on duty

The following tables provide basic information on injury on duty.

Table 3.11.1 Injury on duty

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

### 3.12 Utilisation of consultants

Table 3.12.1 Report on consultant appointments using appropriated funds

Programme	Activity	Expenditure for the quarter	Expenditure to date
R' Amount			
<b>Leadership and Governance</b>			
	GSF website hosting and maintenance fees	-	135 417
	Ethics Seminar Guest Speakers	20 000	20 000
	Gauteng Speakers' Forum Guest Speaker	42 000	42 000
<b>Total: Leadership and Governance</b>		<b>62 000</b>	<b>197 417</b>
<b>Office of the Secretary</b>			
	Printing of the 2019/20220 Annual Report	83 663	83 663
<b>Total: Office of the Secretary</b>		<b>83 663</b>	<b>83 663</b>
<b>Corporate Support Services</b>			
	Research work conducted for the EFF	700 000	1 050 000
	Milestone on Service Charter	-	75 031
	Actuarial services in compliance with GRAP 25	-	19 550
	Service provider to validate employee performance rating against portfolio of evidence	-	237 600
	Research work conducted for the IFP	438 000	1 058 000
	Research work conducted for VF Plus	972 636	972 636
<b>Total: Corporate Support Services</b>		<b>2 110 636</b>	<b>3 412 817</b>
<b>Core Business</b>			
	Social media services	74 175	247 250
	Media monitoring services	36 306	99 841
	Legislature Information Management System	-	(5 078)
	Law-making project	-	485 000
<b>Total: Core Business</b>		<b>110 481</b>	<b>827 013</b>
<b>Office of the CFO</b>			
	IDU Support	7 768	43 306
	Removal of assets (contract workers)	22 000	22 000
<b>Total: Office of the CFO</b>		<b>29 768</b>	<b>65 306</b>
<b>Total: consultants</b>		<b>2 396 548</b>	<b>4 586 216</b>

### 3.13 Budget Allocation to Transformation Programmes

Table 3.13.1 Institutional HDI Targets

HDI Description	Target	Actual Performance
HDI's	20%	63.10%
Women	15%	36.45%
Youth	5%	8.19%
PwDs	0.2%	0.78%
Township economy	5%	18.98%







# FINANCIAL INFORMATION



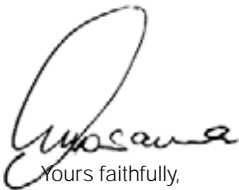
# CONFIRMATION OF THE ACCURACY AND FAIR PRESENTATION OF THE ANNUAL FINANCIAL STATEMENTS SUBMITTED

## Financial Statements for the 2020/21 financial year ending 31 March 2021

I hereby acknowledge that the Annual Financial Statements of the Gauteng Provincial Legislature have been submitted to the Auditor-General's office for auditing in terms of section 56(1) and 57 of the FMPPLA.

I acknowledge my responsibility for the accuracy of the accounting records and the fair presentation of the Performance Information and confirm to the best of my knowledge and belief, the following:

- » The financial statements have been prepared in accordance with Generally Recognised Accounting Practice (GRAP),
- » The financial statements are complete and accurate;
- » The financial statements are free from material misstatements including omissions; and
- » Accounting estimates are reasonable in the circumstances.



Yours faithfully,  
**Peter Skosana**  
Secretary to the Provincial Legislature (Accounting Officer)  
31 May 2021

## Abbreviations

<b>COID</b>	Compensation for Occupational Injuries and Diseases
<b>GRAP</b>	Generally Recognised Accounting Practice
<b>IAS</b>	International Accounting Standards
<b>IPSAS</b>	International Public Sector Accounting Standards
<b>MEC</b>	Member of the Executive Council
<b>IPMS</b>	Institutional Performance Management System
<b>GPL</b>	Gauteng Provincial Legislature
<b>FMPPLA</b>	Financial Management of Parliament and Provincial Legislatures Act
<b>PPE</b>	Property, Plant and Equipment
<b>EFT</b>	Electronic Funds Transfer
<b>GRIR</b>	Goods Received Invoice Received
<b>IR</b>	Invoice Received
<b>IT</b>	Information Technology
<b>UIF</b>	Unemployment Insurance Fund

## General Information

**Legal form of entity**  
Provincial Legislature

**Postal address**  
Private Bag X52  
Johannesburg 2000

**Registered office**  
Cnr President and Loveday  
Street Johannesburg, 2001

**Bankers**  
Standard Bank of SA

**Business address**  
Cnr President and Loveday Street  
Johannesburg, 2001

**Auditors**  
Auditor-General South Africa  
(AGSA)  
Registered Auditors



# REPORT OF THE AUDITOR-GENERAL TO THE GAUTENG PROVINCIAL LEGISLATURE ON VOTE NO. 2: GAUTENG PROVINCIAL LEGISLATURE

## Report on the audit of the financial statements

### Opinion

1. I have audited the financial statements of the Gauteng Provincial Legislature, set out on pages 95 to 137 which comprise the statement of financial position as at 31 March 2021, the statement of financial performance, the statement of changes in net assets and cash flow statement, and the statement of comparison of budget and actual amounts for the year then ended, as well as the notes to the 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 Legislature as at 31 March 2021, and its financial performance and cash flows for the year then ended, in accordance with the South African Standards of Generally Recognised Accounting Practice (SA Standards of GRAP) and the requirements of the Financial Management of Parliament and Provincial Legislatures Act 10 of 2009 (FMPPLA).

### 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 auditor-general's responsibilities for the audit of the financial statements section of my report.
4. I am independent of the provincial legislature 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.

### Emphasis of matter

6. I draw attention to the matter below. My opinion is not modified in respect of this matter.

#### Material uncertainty relating to contingent liabilities

7. With reference to note 27 to the financial statements, the provincial legislature is the defendant in a number of labour matters relating to the expiry of employment contracts. The provincial legislature is opposing these claims. The ultimate outcomes of the matters could not be determined and no provision for any liability that may result was made in the financial statements.

### Responsibilities of the accounting officer for the financial statements

8. The accounting officer is responsible for the preparation and fair presentation of the financial statements in accordance with the SA Standards of Grap and the requirements of the FMPPLA, 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.
9. In preparing the financial statements, the accounting officer is responsible for assessing the provincial legislature'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 provincial legislature or to cease operations, or has no realistic alternative but to do so.

### Auditor-general's responsibilities for the audit of the financial statements

10. 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.
11. 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 Introduction and scope

12. In accordance with the Public Audit Act 25 of 2004 (PAA) and the general notice issued in terms thereof, I have a responsibility to report on the usefulness and reliability of the reported performance information against predetermined objectives for the selected programme presented in the annual performance report. I performed procedures to identify material findings but not to gather evidence to express assurance.

13. My procedures address the usefulness and reliability of the reported performance information, which must be based on the provincial legislature's approved performance planning documents. I have not evaluated the completeness and appropriateness of the performance indicators included in the planning documents. My procedures do not examine whether the actions taken by the provincial legislature enabled service delivery. My procedures do not extend to any disclosures or assertions relating to the extent of achievements in the current year or planned performance strategies and information in respect of future periods that may be included as part of the reported performance information. Accordingly, my findings do not extend to these matters.
14. I evaluated the usefulness and reliability of the reported performance information in accordance with the criteria developed from the performance management and reporting framework, as defined in the general notice, for the following selected programme presented in the provincial legislature's annual performance report for the year ended 31 March 2021:

Programmes	Pages in the annual performance report
Programme 4 core business	34 – 39

15. I performed procedures to determine whether the reported performance information was consistent with the approved performance planning documents. I performed further procedures to determine whether the indicators and related targets were measurable and relevant, and assessed the reliability of the reported performance information to determine whether it was valid, accurate and complete.
16. I did not identify any material findings on the usefulness and reliability of the reported performance information for this programme:

Programme 4 – core business
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Other matter

17. I draw attention to the matter below.
- Achievement of planned targets
18. Refer to the annual performance report on pages 22 to 41 for information on the achievement of planned targets for the year.

Report on the audit of compliance with legislation

Introduction and scope

19. In accordance with the PAA and the general notice issued in terms thereof, I have a responsibility to report material findings on the provincial legislature's compliance with specific matters in key legislation. I performed procedures to identify findings but not to gather evidence to express assurance.
20. I did not identify any material findings on compliance with the specific matters in key legislation set out in the general notice issued in terms of the PAA.

Other information

21. The accounting officer is responsible for the other information. The other information comprises the information included in the annual report, which includes the foreword by the speaker, report of the accounting officer and the audit committee report. The other information does not include the financial statements, the auditor's report and the selected programme presented in the annual performance report that have been specifically reported in this auditor's report.
22. My opinion on the financial statements and findings on the reported performance information and compliance with legislation do not cover the other information and I do not express an audit opinion or any form of assurance conclusion on it.
23. In connection with my audit, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements and the selected programme presented in the annual

performance report, or my knowledge obtained in the audit, or otherwise appears to be materially misstated.

24. The other information I obtained prior to the date of this auditor's report are the foreword by the speaker and the report of the accounting officer, and the audit committee report is expected to be made available to me after 31 July 2021.
25. 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.
26. When I do receive and read the audit committee report, 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

27. I considered internal control relevant to my audit of the financial statements, reported performance information and compliance with applicable legislation; however, my objective was not to express any form of assurance on it. I did not identify any significant deficiencies in internal control.

Auditor General

Johannesburg  
31 July 2021





## Annexure – Auditor-General's responsibility for the audit

1. 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 the selected programme and on the provincial legislature's compliance with respect to the selected subject matters.

### Financial statements

2. 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 provincial legislature's internal control
  - » evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the accounting officer
  - » conclude on the appropriateness of the accounting officer's 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 Gauteng Provincial Legislature 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 provincial legislature 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

3. 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.
4. 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.



## STATEMENT OF FINANCIAL POSITION

### as at March 31, 2021

Figures in Rand	Note(s)	31-Mar 2021	31-Mar 2020
<b>Assets</b>			
Inventories	8	1,109,181	882,488
Receivables from exchange transactions	9	3,476,879	1,814,687
Statutory Receivables	9	3,785,078	2,060,045
Prepayments	7	3,727,982	3,680,810
Cash and cash equivalents	10	524,460,105	334,748,759
Non-Current Assets Held for Sale	26	1,290,812	-
		<b>537,850,037</b>	<b>343,186,788</b>
<b>Non-Current Assets</b>			
Heritage assets	3	1,920,264	1,920,264
Property, plant and equipment	4	108,245,048	107,960,867
Intangible assets	5	2,417,671	2,612,050
		<b>112,582,984</b>	<b>112,493,181</b>
<b>Total Assets</b>		<b>650,433,020</b>	<b>455,679,970</b>
<b>Liabilities</b>			
<i>Current Liabilities</i>			
Finance lease obligation	11	1,899,020	937,221
Operating lease liability	6	723,108	472,274
Payables from exchange transactions	15	29,593,472	16,585,692
Provisions	12	34,636,804	18,079,876
Other Long-term Benefits	13	914,500	843,900
Staff payables	14	765,048	964,074
Claims and recoveries	27	6,781,175	
		<b>75,313,129</b>	<b>37,883,038</b>
<b>Non-Current Liabilities</b>			
Finance lease obligation	11	1,860,095	233,963
Other Long-term Benefits	13	6,694,600	5,766,200
		<b>8,554,695</b>	<b>6,000,163</b>
<b>Total Liabilities</b>		<b>83,867,823</b>	<b>43,883,200</b>
<b>Net Assets</b>		<b>566,565,197</b>	<b>411,796,769</b>
<b>Accumulated surplus</b>		<b>566,565,197</b>	<b>411,796,769</b>

# STATEMENT OF FINANCIAL PERFORMANCE

## for the year ended March 31, 2021

Figures in Rand	Note(s)	31-Mar 2021	31-Mar 2020
Revenue from non-exchange transactions	16	895,882,264	859,074,594
Revenue from exchange transactions	17	1,321,937	1,768,686
<b>Operating expenses</b>	<b>20</b>	<b>(753,183,180)</b>	<b>(791,067,873)</b>
Operating surplus		144,021,021	69,775,407
Interest Income	18	11,894,400	16,848,296
(Loss)/Gains on Disposal of Assets		(1,085,719)	182,596
Finance costs	22	(61,274)	(238,903)
<b>Surplus</b>		<b>154,768,428</b>	<b>86,567,397</b>

## STATEMENT OF CHANGES IN NET ASSETS

### for the year ended March 31, 2021

Figures in Rand	Note(s)	Accumulated surplus	Total net assets
Balance at April 1, 2019		325,229,372	325,229,372
Surplus		86,567,397	86,567,397
Balance at April 1, 2020		411,796,769	411,796,769
Changes in net assets			
Surplus		154,768,428	154,768,428
Balance at March 31, 2021		566,565,197	566,565,197



# CASH FLOW STATEMENT

## for the year ended March 31, 2021

Figures in Rand	Note(s)	31-Mar 2021	31-Mar 2021
<b>Receipts</b>			
Revenue		894,157,231	857,014,550
Interest income		10,764,425	15,392,684
Other receipts		789,720	3,612,963
		<b>905,711,376</b>	<b>876,020,197</b>
<b>Payments</b>			
Employee costs		(376,278,470)	(468,019,579)
Suppliers		(326,580,380)	(322,718,752)
		(702,858,850)	(790,738,331)
<b>Net cash flows from operating activities</b>	<b>24</b>	<b>202,852,526</b>	<b>85,281,866</b>
<b>Cash flows from investing activities</b>			
Purchase of property, plant and equipment	<b>4</b>	(11,386,774)	(10,840,470)
Purchase of Intangible Assets			(418,667)
Proceeds from sale of property, plant and equipment		49,969	515,087
<b>Net cash flows from investing activities</b>		<b>(11,755,472)</b>	<b>(10,325,382)</b>
Cash flows from financing activities			
Finance lease payments		(1,385,707)	(3,914,854)
<b>Net cash flows from financing activities</b>		<b>(1,385,707)</b>	<b>(3,914,854)</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>189,711,346</b>	<b>71,041,631</b>
Cash and cash equivalents at the beginning of the year		334,748,759	263,707,120
<b>Cash and cash equivalents at the end of the year</b>	<b>10</b>	<b>524,460,105</b>	<b>334,748,759</b>

## STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS as at 31 March 2021, Budget on Cash Basis

Figures in Rand	Note(s)	Approved Budget	Shifting of Funds	Budget at end of Period	Actual amounts on comparable basis	Difference between budget and actual
<b>Transfer revenue</b>						
Appropriation		817,763,000	-	817,763,000	817,763,000	-
<b>Economic Class</b>						
Personnel		408,337,000	-	408,337,000	(385,831,031)	22,505,969
Political party funding and Constituency allowance		142,592,000	237,470	142,829,470	(142,829,470)	-
Goods and services		262,602,000	(20,236,470)	242,365,530	(125,608,898)	116,756,632
Assets		4,232,000	19,999,000	24,231,000	(11,867,431)	12,363,569
<b>Total</b>	35	<b>817,763,000</b>		<b>817,763,000</b>	<b>(666,136,830)</b>	<b>151,626,170</b>
<b>Surplus</b>					<b>151,626,170</b>	

## STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS as at 31 March 2020, Budget on Cash Basis

Figures in Rand	Note(s)	Approved Budget	Shifting of Funds	Budget at end of Period	Actual amounts on comparable basis	Difference between budget and actual
<b>Transfer revenue</b>						
Appropriation		761,430,000	-	761,430,000	761,430,000	
<b>Economic Class</b>						
Personnel		385,723,000	-	385,723,000	(367,625,452)	18,097,548
Political party funding and Constituency allowance		126,420,000		126,420,000	(126,040,698)	379,302
Goods and services		235,061,000	(451,000)	234,610,000	(187,593,764)	47,016,236
Assets		14,226,000	451,000	14,677,000	(10,676,894)	4,000,106
<b>Total</b>	35	<b>761,430,000</b>	<b>-</b>	<b>761,430,000</b>	<b>(691,936,807)</b>	<b>69,493,193</b>
<b>Surplus</b>						<b>69,493,193</b>





# ACCOUNTING POLICIES

## 1. Presentation of Annual Financial Statements

The annual financial statements have been prepared in accordance with the Standards of Generally Recognised Accounting Practice (GRAP), issued by the Accounting Standards Board in accordance with Section 122(3) of the Financial Management of Parliament and Legislatures Act.

These Annual Financial Statements have been prepared on an accrual basis of accounting and are in accordance with historical cost convention as the basis of measurement, unless specified otherwise. They are presented in South African Rand.

A summary of the significant accounting policies, which have been consistently applied in the preparation of these annual financial statements are disclosed below.

### 1.1 Significant judgements and sources of estimation uncertainty

In preparing the annual financial statements, management is required to make estimates and assumptions that affect the amounts represented in the annual financial statements and related disclosures. Use of available information and the application of judgement is inherent in the formation of estimates. *Actual results in the future could differ from these estimates which may be material to the annual financial statements. Significant judgements include:*

#### Trade receivables

The GPL assesses its trade receivables and loans and receivables for impairment at the end of each reporting period. In determining whether an impairment loss should be recorded in surplus or deficit, the surplus makes judgements as to whether there is observable data indicating a measurable decrease in the estimated future cash flows from a financial asset.

The impairment for trade receivables, held to maturity investments and loans and receivables is calculated on a portfolio basis, based on historical loss ratios, adjusted for national and industry-specific economic conditions and other indicators present at the reporting date that correlate with defaults on the portfolio. These annual loss ratios are applied to loan balances in the portfolio and scaled to the estimated loss emergence period.

#### Impairment testing

The recoverable amounts of cash-generating units and individual assets have been determined based on the higher of value-in-use calculations and fair values less costs to sell. These calculations require the use of estimates and

assumptions. It is reasonably possible that the assumption may change which may then impact our estimations and require a material adjustment to the carrying value of goodwill and tangible assets.

#### Provisions

Provisions were raised and management determined an estimate based on the information available. Additional disclosure of these estimates of provisions are included in Provisions.

#### Useful lives of property, plant, equipment and intangible assets

The GPL's management determines the estimated useful lives and related depreciation charges for the property, plant and equipment, and software and development cost. This estimate is based on pattern in which as assets future economic benefit or services potential are expected to be consumed by the entity.

#### Effective interest rate

The GPL uses an appropriate rate, taking into account guidance provided in the accounting standards and applying professional judgement to the specific circumstances to discount future cash flows.

### 1.2 Property, plant and equipment

Property, plant and equipment are tangible non-current assets (including infrastructure assets) that are held for use in the production or supply of goods or services, rental to others, or for administrative purposes, and are expected to be used during more than one period.

*The cost of an item of property, plant and equipment is recognised as an asset when:*

- » it is probable that future economic benefits or service potential associated with the item will flow to the GPL; and
- » the cost of the item can be measured reliably; property, plant and equipment is initially measured at cost.

The cost of an item of property, plant and equipment is the purchase price and other costs attributable to bring the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Trade discounts and rebates are deducted in arriving at the cost.

Where an asset is acquired through a non-exchange transaction, its cost is its fair value as at date of acquisition.

Where an item of property, plant and equipment is acquired in exchange for a non-monetary asset or monetary assets, or a combination of monetary and non-monetary assets, the asset acquired is initially measured at fair value (the cost). If the acquired item's fair value was not determinable, its deemed cost is the carrying amount of the asset(s) given up.

When significant components of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Costs include costs incurred initially to acquire or construct an item of property, plant and equipment and costs incurred subsequently to add to, replace part of, or service it. If a replacement cost is recognised in the carrying amount of an item of property, plant and equipment, the carrying amount of the replaced part is derecognised.

The initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located is also included in the cost of property, plant and equipment, where the GPL is obligated to incur such expenditure, and where the obligation arises as a result of acquiring the asset or using it for purposes other than the production of inventories.

Recognition of costs in the carrying amount of an item of property, plant and equipment ceases when the item is in the location and condition necessary for it to be capable of operating in the manner intended by management.

Property, plant and equipment is carried at cost less accumulated depreciation and any impairment losses.

Any increase in an asset's carrying amount, as a result of a revaluation, is credited directly to a revaluation surplus. The increase is recognised in surplus or deficit to the extent that it reverses a revaluation decrease of the same asset previously recognised in surplus or deficit. *The useful lives of items of property, plant and equipment have been assessed as follows:*

Item	Depreciation method	Average useful life
Land	Straight line	Infinite
Buildings	Straight line	50
Leasehold property	Straight line	over the lease period

Item	Depreciation method	Average useful life
Plant and machinery	Straight line	5-15 years
Furniture and fixtures	Straight line	9-21 years
Motor vehicles	Straight line	5-9 year
Office equipment	Straight line	13 years
IT equipment	Straight line	5-15 years
Leasehold improvements	Straight line	over the lease period
Library books	Straight line	20-25 years

The residual value, and the useful life and depreciation method of each asset are revised at the end of each reporting date. If the expectations differ from previous estimates, the change is accounted as a change in accounting estimate. Reviewing the useful life of an asset, on an annual basis, does not require the GPL to amend the previous estimates unless expectations differ from previous estimates. The residual value of motor vehicles is estimated at 20% of the cost.

Each part of an item of property, plant and equipment with a cost that is significant in relation to the total cost of the item is depreciated separately.

The depreciation charge for each period is recognised in surplus or deficit unless it is included in the carrying amount of another asset.

Items of property, plant and equipment are derecognised when the asset is disposed of or when there are no further economic benefits or service potential expected from the use of the asset.

The gain or loss arising from the derecognition of an item of property, plant and equipment is included in surplus or deficit when the item is derecognised. The gain or loss arising from the derecognition of an item of property, plant and equipment is determined as the difference between the net disposal proceeds, if any, and the carrying amount of the item.

Assets which the GPL holds for rentals to others and subsequently routinely sell as part of the ordinary course of activities are transferred to inventories when the rentals end and the assets are available-for-sale. Proceeds from sales of these assets are recognised as revenue. All cash flows on these assets are included in cash flows from operating activities in the cash

flow statement. Subsequent to initial measurement Property, plant and equipment is measured as cost less accumulated depreciation and any accumulated impairment loss, where the GPL replaces part of an asset, it derecognises the part of an asset being replaced and capitalises the new component. Subsequent expenditure incurred on an asset is capitalised when it increases the capacity of the future economic benefits or services potential associated with the asset.

1.3 Intangible assets

An asset is identifiable if it either:

- » is separable, i.e. is capable of being separated or divided from the GPL and sold, transferred, licensed, rented or exchanged, either individually or together with a related contract, identifiable assets or liability, regardless of whether the GPL intends to do so or not
- » arises from binding arrangements (including rights from contracts), regardless of whether those rights are transferable or separable from the GPL or from other rights and obligations.

Where an intangible asset is acquired through a non-exchange transaction, its initial cost at the date of acquisition is measured at its fair value as at that date.

Expenditure on research (or on the research phase of an internal project) is recognised as an expense when it is incurred.

An intangible asset arising from development (or from the development phase of an internal project) is recognised when:

- » it is technically feasible to complete the asset so that it will be available for use or sale;
- » there is an intention to complete and use or sell it;
- » there is an ability to use or sell it;
- » it will generate probable future economic benefits or service potential;
- » there are available technical, financial and other resources to complete the development and to use or sell the asset;
- » the expenditure attributable to the asset during its development can be measured reliably.

Intangible assets are carried at cost less any accumulated amortisation and any impairment losses.

An intangible asset is regarded as having an indefinite useful life when, based on all relevant factors, there is no foreseeable limit to the period over which the asset is expected to generate net cash inflows or service potential. Amortisation is not provided for these intangible assets, but they are tested for impairment annually and whenever there is an indication that the asset may be impaired. For all other intangible assets. Amortisation is provided on a straight line basis over their useful life.

The amortisation period and the amortisation method for intangible assets are reviewed at each reporting date.

Reassessing the useful life of an intangible asset with a finite useful life after it was classified as indefinite is an indicator that the asset may be impaired. As a result. The asset is tested for impairment and the remaining carrying amount is amortised over its useful life.

Internally generated brands, mastheads, publishing titles, customer lists and items similar in substance are not recognised as intangible assets. Internally generated goodwill is not recognised as an intangible asset.

Amortisation is provided to write down the intangible assets, on a straight line basis, to their residual values as follows:

Item	Depreciation method	Average useful life
Computer software, internally generated	Straight line	10-12 years

Intangible assets are derecognised:

- » on disposal; or
- » when no future economic benefits or service potential are expected from its use or disposal.

The gain or loss arising from the derecognition of an intangible assets is included in surplus or deficit when the asset is derecognised. Average useful life of software – the LIMS program was internally generated and has been estimated to be in use for approximately 10 to 12 years.

1.4 Heritage assets

Heritage assets are assets that have a cultural, environmental, historical, natural, scientific, technological or artistic significance and are held indefinitely for the benefit of present and future generations.

Recognition

The GPL recognises a heritage asset as an asset if it is probable that future economic benefits or service potential associated with the asset will flow to the GPL, and the cost or fair value of the asset can be measured reliably.

Initial measurement

Heritage assets are measured at cost. Where a heritage asset is acquired through a non-exchange transaction, its cost is measured at its fair value as at the date of acquisition.

Subsequent measurement

After recognition as an asset, a class of heritage assets is carried at its cost less any accumulated impairment losses. The GPL does not depreciate heritage assets.

Impairment

The GPL assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any such indication exists, the GPL estimates the recoverable amount or the recoverable service amount of the heritage asset.



### Derecognition

The GPL derecognises heritage asset on disposal, or when no future economic benefits or service potential are expected from its use or disposal.

The gain or loss arising from the derecognition of a heritage asset is determined as the difference between the net disposal proceeds, if any, and the carrying amount of the heritage asset. Such difference is recognised in surplus or deficit when the item is derecognised.

## 1.5 Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one GPL and a financial liability or a residual interest of another entity. A financial asset is:

- » cash;
- » a residual interest of another entity; or
- » a contractual right to:
  - receive cash or another financial asset from another entity; or
  - exchange financial assets or financial liabilities with another GPL under conditions that are potentially favourable to the entity

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

### Classification

The GPL has the following types of financial assets (classes and category) as reflected on the face of the statement of financial position or in the notes thereto:

Class	Category
Cash and cash equivalents	Financial asset measured at amortised cost
Other receivables from non-exchange transaction	Financial asset measured at amortised cost

The GPL has the following types of financial liabilities (classes and category) as reflected on the face of the statement of financial position or in the notes thereto:

Class	Category
Trade and other payables from exchange transactions	Financial liability measured at amortised cost
Employee vendors	Financial liability measured at amortised cost

### Initial recognition

The GPL recognises a financial asset or a financial liability in its statement of financial position when the GPL becomes a party to the contractual provisions of the instrument.

The GPL recognises financial assets using trade date accounting.

### Initial measurement of financial assets and financial liabilities

The GPL measures a financial asset and financial liability initially at its fair value plus transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability.

### Subsequent measurement of financial assets and financial liabilities

The GPL measures all financial assets and financial liabilities after initial recognition using the following categories:

- » Financial instruments at fair value.
- » Financial instruments at amortised cost.
- » Financial instruments at cost.

All financial assets measured at amortised cost, or cost, are subject to an impairment review.

### Fair value measurement considerations

The best evidence of fair value is quoted prices in an active market. If the market for a financial instrument is not active, the GPL establishes fair value by using a valuation technique. The objective of using a valuation technique is to establish what the transaction price would have been on the measurement date in an arm's length exchange motivated by normal operating considerations. Valuation techniques include using recent arm's length market transactions between knowledgeable, willing parties, if available, reference to the current fair value of another instrument that is substantially the same, discounted cash flow analysis and option pricing models. If there is a valuation technique commonly used by market participants to price the instrument and that technique has been demonstrated to provide reliable estimates of prices obtained in actual market transactions, the GPL uses that technique. The chosen valuation technique makes maximum use of market inputs and relies as little as possible on entity-specific inputs. It incorporates all factors that market participants would consider in setting a price and is consistent with accepted economic methodologies for pricing financial instruments. Periodically, a constitutional institution calibrates the valuation technique and tests it for validity using prices from any observable current market transactions in the same instrument (i.e. without modification or repackaging) or based on any available observable market data.

The fair value of a financial liability with a demand feature (e.g. a demand deposit) is not less than the amount payable on demand, discounted from the first date that the amount could be required to be paid.

### Gains and losses

A gain or loss arising from a change in the fair value of a financial asset or financial liability measured at fair value is recognised in surplus or deficit.

For financial assets and financial liabilities measured at amortised cost or cost, a gain or loss is recognised in surplus or deficit when the financial asset or financial liability is derecognised or impaired, or through the amortisation process.

### Impairment and uncollectible of financial assets

If there is objective evidence that an impairment loss has been incurred on an investment in a residual interest that is not measured at fair value because its fair



value cannot be measured reliably, the amount of the impairment loss is measured as the difference between the carrying amount of the financial asset and the present value of estimated future cash flows discounted at the current market rate of return for a similar financial asset. Such impairment losses are not reversed.

### Derecognition

#### *Financial assets*

The GPL derecognises financial assets using trade date accounting.

The GPL derecognises a financial asset only when:

- » the contractual rights to the cash flows from the financial asset expire, are settled or waived;
- » the GPL transfers to another party substantially all of the risks and rewards of ownership of the financial asset; or
- » the entity, despite having retained some significant risks and rewards of ownership of the financial asset, has transferred control of the asset to another party and the other party has the practical ability to sell the asset in its entirety to an unrelated third party, and is able to exercise that ability unilaterally and without needing to impose additional restrictions on the transfer. In this case the GPL derecognises the asset and recognises separately any rights and obligations created or retained in the transfer.

The carrying amounts of the transferred asset are allocated between the rights or obligations retained and those transferred on the basis of their relative fair values at the transfer date. Newly created rights and obligations are measured at their fair values at that date. Any difference between the consideration received and the amounts recognised and derecognised is recognised in surplus or deficit in the period of the transfer.

On derecognition of a financial asset in its entirety, the difference between the carrying amount and the sum of the consideration received is recognised in surplus or deficit.

If the transferred asset is part of a larger financial asset and the part transferred qualifies for derecognition in its entirety, the previous carrying amount of the larger financial asset is allocated between the part that continues to be recognised and the part that is derecognised, based on the relative fair values of those parts, on the date of the transfer. For this purpose, a retained servicing asset is treated as a part that continues to be recognised. The difference between the carrying amount allocated to the part derecognised and the sum of the consideration received for the part derecognised is recognised in surplus or deficit.

If a transfer does not result in derecognition because the GPL has retained substantially all the risks and rewards of ownership of the transferred asset, the GPL continues to recognise the transferred asset in its entirety and recognise a financial liability for the consideration received. In subsequent periods, the GPL recognises any revenue on the transferred asset and any expense incurred on the financial liability. Neither the asset, and the associated liability nor the revenue, and the associated expenses are offset.

## Financial liabilities

The GPL removes a financial liability (or a part of a financial liability) from its statement of financial position when it is extinguished — i.e. when the obligation specified in the contract is discharged, cancelled, expires or waived.

The difference between the carrying amount of a financial liability (or part of a financial liability) extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in surplus or deficit. Any liabilities that are waived, forgiven or assumed by another GPL by way of a non-exchange transaction are accounted for in accordance with the Standard of GRAP on Revenue from Non-exchange Transactions (Taxes and Transfers).

## Presentation

Interest relating to a financial instrument or a component that is a financial liability is recognised as revenue or expense in surplus or deficit.

Losses and gains relating to a financial instrument or a component that is a financial liability is recognised as revenue or expense in surplus or deficit.

A financial asset and a financial liability are only offset and the net amount presented in the statement of financial position when the GPL currently has a legally enforceable right to set off the recognised amounts and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

## 1.6 Leases

A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership. A lease is classified as an operating lease if it does not transfer substantially all the risks and rewards incidental to ownership.

When a lease includes both land and buildings elements, the GPL assesses the classification of each element separately.

### Finance leases - lessee

Finance leases are recognised as assets and liabilities in the statement of financial position at amounts equal to the fair value of the leased property or, if lower, the present value of the minimum lease payments. The corresponding liability to the lessor is included in the statement of financial position as a finance lease obligation.

The discount rate used in calculating the present value of the minimum lease payments is the interest rate implicit in the lease.

Minimum lease payments are apportioned between the finance charge and reduction of the outstanding liability. The finance charge is allocated to each period during the lease term so as to produce a constant periodic rate of on the remaining balance of the liability.

Any contingent rents are expensed in the period in which they are incurred.

The determination of whether an arrangement is, or contains a lease is based on the substance of an arrangement at implicit date of whether the fulfilment of the arrangement is dependent on the use of specific asset or assets or the arrangement of a right to use the asset. the classification of the lease is determined as follows;

### Operating leases - lessor

Operating lease revenue is recognised as revenue on a straight-line basis over the lease term.

Initial direct costs incurred in negotiating and arranging operating leases are added to the carrying amount of the leased asset and recognised as an expense over the lease term on the same basis as the lease revenue.

The *aggregate cost of incentives* is recognised as a reduction of rental revenue over the lease term on a straight-line basis. The *aggregate benefit of incentives* is recognised as a reduction of rental expense over the lease term on a straight-line basis.

Income for leases is disclosed under revenue in statement of financial performance.

### Operating leases - lessee

Operating lease payments are recognised as an expense on a straight-line basis over the lease term. The difference between the amounts recognised as an expense and the contractual payments are recognised as an operating lease asset or liability. The aggregate benefit of incentives is recognised as a reduction of rental expenses over the lease term on the straight line basis over the lease term. any contingent rent is recognised separately as an expense when paid or payable and is not straight lined over the lease term.

## 1.7 Inventories

Inventories are initially measured at cost except where inventories are acquired through a non-exchange transaction, then their costs are their fair value as at the date of acquisition.

Subsequently inventories are measured at the lower of cost and net realisable value.

Inventories are measured at the lower of cost and current replacement cost where they are held for:

- » distribution at no charge or for a nominal charge; or
- » consumption in the production process of goods to be distributed at no charge or for a nominal charge.

The cost of inventories comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

The cost of inventories of items that are not ordinarily interchangeable and goods or services produced and segregated for specific projects is assigned using specific identification of the individual costs.



The cost of inventories is assigned using the weighted average cost formula. The same cost formula is used for all inventories having a similar nature and use to the GPL.

When inventories are sold, the carrying amounts of those inventories are recognised as an expense in the period in which the related revenue is recognised. If there is no related revenue, the expenses are recognised when the goods are distributed, or related services are rendered. The amount of any write-down of inventories to net realisable value or current replacement cost and all losses of inventories are recognised as an expense in the period the write-down or loss occurs. The amount of any reversal of any write-down of inventories, arising from an increase in net realisable value or current replacement cost, are recognised as a reduction in the amount of inventories recognised as an expense in the period in which the reversal occurs.

### 1.8 Impairment of cash-generating assets

Cash-generating assets are assets managed with the objective of generating a commercial return. An asset generates a commercial return when it is deployed in a manner consistent with that adopted by a profit-oriented entity.

Impairment is a loss in the future economic benefits or service potential of an asset, over and above the systematic recognition of the loss of the asset's future economic benefits or service potential through depreciation (amortisation).

Carrying amount is the amount at which an asset is recognised in the statement of financial position after deducting any accumulated depreciation and accumulated impairment losses thereon.

A cash-generating unit is the smallest identifiable group of assets managed with the objective of generating a commercial return that generates cash inflows from continuing use that are largely independent of the cash inflows from other assets or groups of assets.

Costs of disposal are incremental costs directly attributable to the disposal of an asset, excluding finance costs and income tax expense.

Depreciation (Amortisation) is the systematic allocation of the depreciable amount of an asset over its useful life.

Fair value less costs to sell is the amount obtainable from the sale of an asset in an arm's length transaction between knowledgeable, willing parties, less the costs of disposal.

Recoverable amount of an asset or a cash-generating unit is the higher its fair value less costs to sell and its value in use.

Useful life is either:

- » the period of time over which an asset is expected to be used by the GPL; or
- » the number of production or similar units expected to be obtained from the asset by the GPL.

Criteria developed by the GPL to distinguish cash-generating assets from non-cash-generating assets are as follow:

#### Identification

When the carrying amount of a cash-generating asset exceeds its recoverable amount, it is impaired.

The GPL assesses at each reporting date whether there is any indication that a cash-generating asset may be impaired. If any such indication exists, the GPL estimates the recoverable amount of the asset.

Irrespective of whether there is any indication of impairment, the GPL also tests a cash-generating intangible asset with an indefinite useful life or a cash-generating intangible asset not yet available for use for impairment annually by comparing its carrying amount with its recoverable amount. This impairment test is performed at the same time every year. If an intangible asset was initially recognised during the current reporting period, that intangible asset was tested for impairment before the end of the current reporting period.

#### Value in use

Value in use of a cash-generating asset is the present value of the estimated future cash flows expected to be derived from the continuing use of an asset and from its disposal, at the end of its useful life.

When estimating the value in use of an asset, the GPL estimates the future cash inflows and outflows to be derived from continuing use of the asset and from its ultimate disposal and the GPL applies the appropriate discount rate to those future cash flows.

#### Discount rate

The discount rate is a pre-tax rate that reflects current market assessments of the time value of money, represented by the current risk-free rate of interest and the risks specific to the asset for which the future cash flow estimates have not been adjusted.

#### Recognition and measurement (individual asset)

If the recoverable amount of a cash-generating asset is less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. This reduction is an impairment loss.

An impairment loss is recognised immediately in surplus or deficit. Any impairment loss of a revalued cash-generating asset is treated as a revaluation decrease.

When the amount estimated for an impairment loss is greater than the carrying amount of the cash-generating asset to which it relates, the GPL recognises a liability only to the extent that is a requirement in the Standard of GRAP.

After the recognition of an impairment loss, the depreciation (amortisation) charge for the cash-generating asset is adjusted in future periods to allocate the cash-generating asset's revised carrying amount, less its residual value (if any), on a systematic basis over its remaining useful life.

### Reversal of impairment loss

The GPL assesses, at each reporting date, whether there is any indication that an impairment loss recognised in prior periods for a cash-generating asset may no longer exist or may have decreased. If any such indication exists, the entity estimates the recoverable amount of that asset.

An impairment loss recognised in prior periods for a cash-generating asset is reversed if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. The carrying amount of the asset is increased to its recoverable amount. The increase is a reversal of an impairment loss. The increased carrying amount of an asset attributable to a reversal of an impairment loss does not exceed the carrying amount that would have been determined (net of depreciation or amortisation) had no impairment loss been recognised for the asset in prior periods.

A reversal of an impairment loss for a cash-generating asset is recognised immediately in surplus or deficit. Any reversal of an impairment loss of a revalued cash-generating asset is treated as a revaluation increase.

After a reversal of an impairment loss is recognised, the depreciation (amortisation) charge for the cash-generating asset is adjusted in future periods to allocate the cash-generating asset's revised carrying amount, less its residual value (if any), on a systematic basis over its remaining useful life.

## 1.9 Impairment of non-cash-generating assets

Cash-generating assets are assets managed with the objective of generating a commercial return. An asset generates a commercial return when it is deployed in a manner consistent with that adopted by a profit-oriented entity.

Non-cash-generating assets are assets other than cash-generating assets.

Impairment is a loss in the future economic benefits or service potential of an asset, over and above the systematic recognition of the loss of the asset's future economic benefits or service potential through depreciation (amortisation).

Carrying amount is the amount at which an asset is recognised in the statement of financial position after deducting any accumulated depreciation and accumulated impairment losses thereon.

A cash-generating unit is the smallest identifiable group of assets managed with the objective of generating a commercial return that generates cash inflows from continuing use that are largely independent of the cash inflows from other assets or groups of assets.

Costs of disposal are incremental costs directly attributable to the disposal of an asset, excluding finance costs and income tax expense.

Depreciation (Amortisation) is the systematic allocation of the depreciable amount of an asset over its useful life.

Fair value less costs to sell is the amount obtainable from the sale of an asset in an arm's length transaction between knowledgeable, willing parties, less the costs of disposal.

Recoverable service amount is the higher of a non-cash-generating asset's fair value less costs to sell and its value in use. Useful life is either:

- » the period of time over which an asset is expected to be used by the GPL; or
- » the number of production or similar units expected to be obtained from the asset by the GPL.

### Identification

When the carrying amount of a non-cash-generating asset exceeds its recoverable service amount, it is impaired.

The GPL assesses at each reporting date whether there is any indication that a non-cash-generating asset may be impaired. If any such indication exists, the GPL estimates the recoverable service amount of the asset.

Irrespective of whether there is any indication of impairment, the GPL also tests a non-cash-generating intangible asset with an indefinite useful life or a non-cash-generating intangible asset not yet available for use for impairment annually by comparing its carrying amount with its recoverable service amount. This impairment test is performed at the same time every year. If an intangible asset was initially recognised during the current reporting period, that intangible asset was tested for impairment before the end of the current reporting period.

### Value in use

Value in use of non-cash-generating assets is the present value of the non-cash-generating assets remaining service potential.

The present value of the remaining service potential of a non-cash-generating assets is determined using the following approach:

### Depreciated replacement cost approach

The present value of the remaining service potential of a non-cash-generating asset is determined as the depreciated replacement cost of the asset. The replacement cost of an asset is the cost to replace the asset's gross service potential. This cost is depreciated to reflect the asset in its used condition. An asset may be replaced either through reproduction (replication) of the existing asset or through replacement of its gross service potential. The depreciated replacement cost is measured as the reproduction or replacement cost of the asset, whichever is lower, less accumulated depreciation calculated on the basis of such cost, to reflect the already consumed or expired service potential of the asset.

The replacement cost and reproduction cost of an asset is determined on an "optimised" basis. The rationale is that the GPL would not replace or reproduce the asset with a like asset if the asset to be replaced or

reproduced is an overdesigned or overcapacity asset. Overdesigned assets contain features which are unnecessary for the goods or services the asset provides. Overcapacity assets are assets that have a greater capacity than is necessary to meet the demand for goods or services the asset provides. The determination of the replacement cost or reproduction cost of an asset on an optimised basis thus reflects the service potential required of the asset.

#### Recognition and measurement

If the recoverable service amount of a non-cash-generating asset is less than its carrying amount, the carrying amount of the asset is reduced to its recoverable service amount. This reduction is an impairment loss.

An impairment loss is recognised immediately in surplus or deficit.

Any impairment loss of a revalued non-cash-generating asset is treated as a revaluation decrease.

When the amount estimated for an impairment loss is greater than the carrying amount of the non-cash-generating asset to which it relates, the GPL recognises a liability only to the extent that is a requirement in the Standards of GRAP.

After the recognition of an impairment loss, the depreciation (amortisation) charge for the non-cash-generating asset is adjusted in future periods to allocate the non-cash-generating asset's revised carrying amount, less its residual value (if any), on a systematic basis over its remaining useful life.

#### Reversal of an impairment loss

The GPL assesses, at each reporting date, whether there is any indication that an impairment loss recognised in prior periods for a non-cash-generating asset may no longer exist or may have decreased. If any such indication exists, the GPL estimates the recoverable service amount of that asset.

An impairment loss recognised in prior periods for a non-cash-generating asset is reversed if there has been a change in the estimates used to determine the asset's recoverable service amount since the last impairment loss was recognised. The carrying amount of the asset is increased to its recoverable service amount. The increase is a reversal of an impairment loss. The increased carrying amount of an asset attributable to a reversal of an impairment loss does not exceed the carrying amount that would have been determined (net of depreciation or amortisation) had no impairment loss been recognised for the asset in prior periods.

A reversal of an impairment loss for a non-cash-generating asset is recognised immediately in surplus or deficit. Any reversal of an impairment loss of a revalued non-cash-generating asset is treated as a revaluation increase.

After a reversal of an impairment loss is recognised, the depreciation (amortisation) charge for the non-cash-generating asset is adjusted in future periods to allocate the non-cash-generating asset's revised carrying amount, less its residual value (if any), on a systematic basis over its remaining useful life.

### 1.10 Employee benefits

#### Short-term employee benefits

Short-term employee benefits are employee benefits (other than termination benefits) that are due to be settled within 12 months after the end of the period in which the employees render the related service.

*Short-term employee benefits include items such as:*

- » salaries and social security contributions;
- » short-term compensated absences (such as paid annual leave and paid sick leave) where the compensation for the absences is due to be settled within 12 months after the end of the reporting period in which the employees render the related employee service;
- » bonus, incentive and performance-related payments payable within 12 months after the end of the reporting period in which the employees render the related service; and
- » non-monetary benefits (for example, medical care, and free or subsidised goods or services such as housing, cars and cell phones) for current employees.

When an employee has rendered service to the GPL during a reporting period, the GPL recognises the undiscounted amount of short-term employee benefits expected to be paid in exchange for that service:

- » as a liability (accrued expense), after deducting any amount already paid. If the amount already paid exceeds the undiscounted amount of the benefits, the GPL recognises that excess as an asset (prepaid expense) to the extent that the prepayment will lead to, for example, a reduction in future payments or a cash refund; and
- » as an expense, unless another Standard requires or permits the inclusion of the benefits in the cost of an asset.

The expected cost of compensated absences is recognised as an expense as the employees render services that increase their entitlement or, in the case of non-accumulating absences, when the absence occurs. The GPL measures the expected cost of accumulating compensated absences as the additional amount that the GPL expects to pay as a result of the unused entitlement that has accumulated at the reporting date.

The GPL recognises the expected cost of bonus, incentive and performance-related payments when the GPL has a present legal or constructive obligation to make such payments as a result of past events and a reliable estimate of the obligation can be made. A present obligation exists when the GPL has no realistic alternative but to make the payments.

#### Post-employment benefits

*Other long-term employee benefits:*

The GPL provides other long-term employee benefits to its employees.





The other long-term employee benefits may include:

- » long-term compensated absences such as long services leave;
- » other long service benefits;
- » bonus incentive and performance-related payments payable within 12 months or more after the end of the reporting period in which the employees render the related services.

The amount recognised as a liability for other long-term employee benefits is the net total of the following amounts: The present value of the defined benefit obligation at the reporting date minus the fair value at the reporting date of plan assets (if any) out of which the obligations are to be settled directly.

The GPL shall recognise the net total of the following amounts as expense or revenue, except to the extent that another Standard requires or permits their inclusion in the cost of an asset:

- » current service cost;
- » interest cost;
- » the expected return on any plan assets and on any reimbursement right recognised as an asset;
- » actuarial gains and losses, which shall all be recognised immediately;
- » past service cost, which shall all be recognised immediately; and
- » the effect of any curtailments or settlements.

### 1.11 Provisions and contingencies

Provisions are recognised when:

- » the GPL has a present obligation as a result of a past event;
- » 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 can be made of the obligation.

The amount of a provision is the best estimate of the expenditure expected to be required to settle the present obligation at the reporting date.

Where the effect of time value of money is material, the amount of a provision is the present value of the expenditures expected to be required to settle the obligation.

The discount rate is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

Where some or all of the expenditure required to settle a provision is expected to be reimbursed by another party, the reimbursement is recognised when, and only when, it is virtually certain that reimbursement will be received if the constitutional institution settles the obligation. The reimbursement is treated as a separate asset. The amount recognised for the reimbursement does not exceed the amount of the provision.

Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate. Provisions are reversed if it is no longer probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation.

Where discounting is used, the carrying amount of a provision increases in each period to reflect the passage of time. This increase is recognised as an interest expense.

A provision is used only for expenditures for which the provision was originally recognised. Provisions are not recognised for future operating deficits.

If the GPL has a contract that is onerous, the present obligation (net of recoveries) under the contract is recognised and measured as a provision.

A constructive obligation to restructure arises only when an entity:

- » has a detailed formal plan for the restructuring, identifying at least; the activity/ operating unit or part of a activity/operating unit concerned; the principal locations affected; the location, function, and approximate number of employees who will be compensated for services being terminated; the expenditures that will be undertaken; and when the plan will be implemented; and
- » has raised a valid expectation in those affected that it will carry out the restructuring by starting to implement that plan or announcing its main features to those affected by it.

A restructuring provision includes only the direct expenditures arising from the restructuring, which are those that are both: necessarily entailed by the restructuring; and not associated with the ongoing activities of the GPL.

Contingent assets and contingent liabilities are not recognised. Contingencies are disclosed in note.

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due in accordance with the original or modified terms of a debt instrument.

Loan commitment is a firm commitment to provide credit under pre-specified terms and conditions.

The GPL recognises a provision for financial guarantees and loan commitments when it is probable that an outflow of resources embodying economic benefits and service potential will be required to settle the obligation and a reliable estimate of the obligation can be made.

Determining whether an outflow of resources is probable in relation to financial guarantees requires judgement. Indications that an outflow of resources may be probable are:

- » financial difficulty of the debtor;
- » defaults or delinquencies in interest and capital repayments by the debtor;
- » breaches of the terms of the debt instrument that result in it being payable earlier than the agreed term and the ability of the debtor to settle its obligation on the amended terms; and
- » a decline in prevailing economic circumstances (e.g. high interest rates, inflation and unemployment) that impact on the ability of entities to repay their obligations.

Where a fee is received by the GPL for issuing a financial guarantee and/or where a fee is charged on loan commitments, it is considered in determining the best estimate of the amount required to settle the obligation at reporting date.

Where a fee is charged and the GPL considers that an outflow of economic resources is probable, and GPL recognises the obligation at the higher of:

- » the amount determined using the Standard of GRAP on Provisions, Contingent Liabilities and Contingent Assets; and
- » the amount of the fee initially recognised less, where appropriate, cumulative amortisation recognised in accordance with the Standard of GRAP on Revenue from Exchange Transactions.

## 1.12 Commitments

Items are classified as commitments when an GPL has committed itself to future transactions that will normally result in the outflow of cash. Disclosures are required in respect of unrecognised contractual commitments.

Commitments for which disclosure is necessary to achieve a fair presentation should be disclosed in a note to the financial statements, if both the following criteria are met:

- » Contracts should be non-cancellable or only cancellable at significant cost (for example, contracts for computer or building maintenance services); and
- » Contracts should relate to something other than the routine, steady, state business of the GPL. Therefore, salary;
- » commitments relating to employment contracts or social security benefit commitments are excluded.

## 1.13 Revenue from exchange transactions

Exchange transaction is one in which the GPL receives assets or services, or has liabilities extinguished, and directly gives approximately equal value (primarily in the form of goods, services or use of assets) to the other party in exchange.

### Measurement

Revenue is measured at the fair value of the consideration received or receivable, net of trade discounts and volume rebates.

### Rendering of services

When the outcome of a transaction involving the rendering of services can be estimated reliably, revenue associated with the transaction is recognised by reference to the stage of completion of the transaction at the reporting date. The outcome of a transaction can be estimated reliably when all the following conditions are satisfied:

- » the amount of revenue can be measured reliably;
- » it is probable that the economic benefits or service potential associated with the transaction will flow to the GPL;
- » the stage of completion of the transaction at the reporting date can be measured reliably; and
- » the costs incurred for the transaction and the costs to complete the transaction can be measured reliably.

When services are performed by an indeterminate number of acts over a specified time frame, revenue is recognised on a straight line basis over the specified time frame unless there is evidence that some other method better represents the stage of completion. When a specific act is much more significant than any other acts, the recognition of revenue is postponed until the significant act is executed.

When the outcome of the transaction involving the rendering of services cannot be estimated reliably, revenue is recognised only to the extent of the expenses recognised that are recoverable.

Service revenue is recognised by reference to the stage of completion of the transaction at the reporting date.

### Interest, royalties and dividends

Revenue arising from the use by others of GPL assets yielding interest, royalties and dividends or similar distributions is recognised when:

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

Interest on outstanding debt and positive bank balance is recognised in surplus or deficit, using the effective interest rate method.

## 1.14 Revenue from non-exchange transactions

Non-exchange transactions are transactions that are not exchange transactions. In a non-exchange transaction, an GPL either receives value from another GPL without directly giving approximately equal value in exchange, or gives value to another GPL without directly receiving approximately equal value in exchange.

### Recognition

An inflow of resources from a non-exchange transaction recognised as an asset is recognised as revenue, except to the extent that a liability is also recognised in respect of the same inflow.

As the GPL satisfies a present obligation recognised as a liability in respect of an inflow of resources from a non-exchange transaction recognised as an asset, it reduces the carrying amount of the liability recognised and recognises an amount of revenue equal to that reduction.

### Measurement

Revenue from a non-exchange transaction is measured at the amount of the increase in net assets recognised by the GPL.

When, as a result of a non-exchange transaction, the GPL recognises an asset, it also recognises revenue equivalent to the amount of the asset measured at its fair value as at the date of acquisition, unless it is also required to recognise a liability. Where a liability is required to be recognised it will be measured as the best estimate of the amount required to settle the obligation at the reporting date and the amount of the increase in net assets, if any, recognised as revenue. When a liability is subsequently reduced, because the taxable event



occurs or a condition is satisfied, the amount of the reduction in the liability is recognised as revenue. Revenue from the recovery of unauthorised, irregular, fruitless and wasteful expenditure is based on legislative procedure, including those set out in the Financial Management policy of the Gauteng Legislature, and is recognised when the recovery thereof from the responsible board members or officials is virtually certain.

#### **Gifts and donations**

Gifts and donations, including goods in kind, are recognised as assets and revenue when it is probable that the future economic benefits or service potential will flow to the GPL and the fair value of the assets can be measured reliably.

#### **Goods or Service in kind**

Except for financial guarantee contracts, the GPL recognises services in-kind that are significant to its operations and/or service delivery objectives as assets and recognise the related revenue when it is probable that the future economic benefits or service potential will flow to the legislature and the fair value of the assets can be measured reliably. Where services in-kind are not significant to the legislature's operations and/or service delivery objectives and/or do not satisfy the criteria for recognition, the legislature discloses the nature and type of services in-kind received during the reporting period.

### **1.15 Borrowing costs**

Borrowing costs are interest and other expenses incurred by an GPL in connection with the borrowing of funds. Borrowing costs are recognised as an expense in the period in which they are incurred.

### **1.16 Comparative figures**

When the presentation or classification of items in the annual financial statements is amended, prior period comparative amounts are restated. The nature and reason for the restriction is disclosed where accounting errors have been identified in the current period, the correction is made retrospectively as far as practicable, and the period comparable as far as practicable, and the prior year comparatives are restated accordingly.

### **1.17 Unauthorised expenditure**

*Unauthorised expenditure means:*

- » overspending of a Vote or a main division within a Vote; and
- » expenditure not in accordance with the purpose of a Vote or, in the case of a main division, not in accordance with the purpose of the main division.

All expenditure relating to unauthorised expenditure is recognised as an expense in the statement of financial performance in the period that the expenditure was incurred. The expenditure is classified in accordance with the nature of the expense, and where recovered, it is subsequently accounted for as revenue in the statement of financial performance.

### **1.18 Fruitless and wasteful expenditure**

Fruitless expenditure means expenditure which was made in vain and would have been avoided had reasonable care been exercised.

All expenditure relating to fruitless and wasteful expenditure is recognised as an expense in the statement of financial performance in the year that the expenditure was incurred. The expenditure is classified in accordance with the nature of the expense, and where recovered, it is subsequently accounted for as revenue in the statement of financial performance.

### **1.19 Irregular expenditure**

Irregular expenditure is defined in section 1 of the Financial Management of Parliament and Provincial Legislatures Act as expenditure incurred in other than unauthorised expenditure, contravention of or that is not in accordance with a requirement of any applicable legislation, including - Irregular expenditure that was incurred and identified during the current financial and which was condoned before year end and/or before finalisation of the financial statements must also be recorded appropriately in the irregular expenditure register disclosed in the financial statements.

Irregular expenditure that was incurred and identified during the current financial year and for which condonement is being awaited at year end must be recorded in the irregular expenditure register and disclosed in the financial statements.

Where irregular expenditure was incurred in the previous financial year and is only condoned in the following financial year, the register and the disclosure note to the financial statements must be updated with the amount condoned.

Irregular expenditure that was incurred and identified during the current financial year and which was not condoned by the relevant authority must be recorded appropriately in the irregular expenditure register. If liability for the irregular expenditure can be attributed to a person, a debt account must be created if such a person is liable in law. Immediate steps must thereafter be taken to recover the amount from the person concerned. If recovery is not possible, the accounting officer or accounting authority may write off the amount as debt impairment and disclose such in the relevant note to the financial statements. The irregular expenditure register must also be updated accordingly. If the irregular expenditure has not been condoned and no person is liable in law, the expenditure related thereto must remain against the relevant programme/expenditure item, be disclosed as such in the note to the financial statements and updated accordingly in the irregular expenditure register.

## 1.20 Budget information

The GPL is typically subject to budgetary limits in the form of appropriations (or budget authorisations (or equivalent)), which is given effect through authorising legislation, appropriation or similar. The annual financial statements and the budget are on different basis of accounting therefore a comparison with the budgeted amounts for the reporting period have been included in the Statement of comparison of budget and actual amounts and a reconciliation between actual surplus and deficit and budget is disclosed in the note.

The Statement of comparative and actual information has been included in the annual financial statements as the recommended disclosure when the annual financial statements and the budget are on the same basis of accounting as determined by National Treasury.

## 1.21 Related parties

The GPL operates in an economic sector currently dominated by entities directly or indirectly owned by the South African Government. As a consequence of the constitutional independence of the three spheres of government in South Africa, only entities within the provincial sphere of government are considered to be related parties.

Management are those persons responsible for planning, directing and controlling the activities of the GPL, including those charged with the governance of the GPL in accordance with legislation, in instances where they are required to perform such functions.

Close members of the family of a person are considered to be those family members who may be expected to influence or be influenced by that management in their dealings with the GPL.

## 1.22 Statutory Receivables

### Identification

*Statutory receivables are receivables that:*

- » arise from legislation, supporting regulations, or similar means; and
- » require settlement by another entity in cash or another financial asset.

### Recognition

*GPL recognises statutory receivables as follows:*

- » if the transaction is an exchange transaction, use GRAP 9;
- » if the transaction is a non-exchange transaction, use GRAP 23; or
- » if the transaction is not within the scope of the standards of GRAP listed in (a) or (b) or another standards of GRAP, the receivable is recognised when the definition of an asset is met and, when it is probable that the future economic benefits or service potential associated with the asset will flow to the entity and the transaction amount can be measured reliably.

### Initial Measurement

GPL initially measure statutory receivables at their transaction amount. The statutory receivables is measured initially in accordance with the applicable Standard of GRAP.

### Subsequent Measurement

GPL measure statutory receivables after initial recognition using the cost method. Under the cost method, the initial measurement of the receivable is changed subsequent to initial recognition to reflect any:

- » interest or other charges that may have accrued on the receivable (where applicable);
- » impairment losses; and
- » amounts derecognised.

## 1.23 Non- Current assets held for sale

### Classification

Non-current assets whose carrying amount will recovered principally through the sale thereof rather than through continuing use, are classified as non-current assets held for sale.

### Measurement

The GPL measures non-current assets held for sale at the lower of their carrying amounts (measured in accordance with the relevant Standard of GRAP) or their fair value less costs to sell. Such non-current assets held for sale are not depreciated. When a non-current asset previously classified as held for sale no longer meets the criteria for classification, it is reclassified from this category and measured at the lower of its carrying prior to classification as held for sale less depreciation for the period so classified and its recoverable amount.

### Disclosure

The GPL presents non-current assets held for sale separately from other assets. Major classes of such assets are disclosed either in the statement of financial position or the notes. Comparative amounts for prior periods are not restated to reflect the classification in the current period.

*In addition to the above, the following information is also disclosed:*

- » Description of the assets as well as the facts and circumstances of the sale.
- » Gains or losses on the subsequent remeasurement of non-current assets held for sale.
- » If there has been a change in the plan to sell the non-current asset, the facts and circumstances surrounding the change.

# NOTES TO THE ANNUAL FINANCIAL STATEMENTS

## for the year ended March 31, 2021

## 2. Standards approved and effective/not yet effective

### 2.1 Standards and interpretations effective, relevant, and adopted in the current reporting period.

The following standards and interpretations have been published and are relevant for the GPL's accounting periods beginning on or after April 1, 2020 or later periods but are not yet effective:

Standard/ Interpretation: Years beginning on or after	Effective date:	Expected impact:
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During the financial year ended 31 March 2021, no new standards and interpretation, approved, effective and relevant.

### 2.2 Standards and interpretations effective but not relevant

The following standards and interpretations have been published and effective but not relevant for the GPL's accounting periods beginning on or after April 1, 2019 or later periods:

Standard/ Interpretation: Years beginning on or after	Effective date:	Expected impact:
<b>GRAP 34</b> on Separate Financial Statement*	Effective from - 1 April 2020	No impact
<b>GRAP 35</b> on Consolidated Financial Statements	Effective from - 1 April 2020	No impact
<b>GRAP 36</b> on Investments in Associates and Joint Ventures	Effective from - 1 April 2020	No impact
<b>GRAP 37</b> on Joint Arrangements	Effective from - 1 April 2020	No impact
<b>GRAP 38</b> on Disclosure of Interests in Other Entities*	Effective from - 1 April 2020	No impact
<b>GRAP 110</b> on Living and Non-living Resources	Effective from - 1 April 2020	No impact
<b>IGRAP 20</b> on Adjustments to Revenue (and related amendments to IGRAP 1)	Effective from - 1 April 2020	No impact

### 2.3 Standards and interpretations approved but not effective

The following standards and interpretations have been published and will be mandatory for the accounting period beginning on or after April 1, 2020 or later periods but are not yet effective:

Standard/ Interpretation: Years beginning on or after	Effective date:	Expected impact:
<b>GRAP 104:</b> Financial Instruments	Effective from - 1 April 2020	No material impact
<b>GRAP 25:</b> Employee Benefits	Effective from - 1 April 2020	No material impact



# NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended March 31, 2021

## 3. Heritage assets

	2021			2020		
	Cost	Accumulated depreciation and impairment	Carrying value	Cost	Accumulated depreciation and impairment	Carrying value
Art work	1,920,264	-	1,920,264	1,920,264	-	1,920,264
Reconciliation of heritage assets - 2021			Opening balance	Disposals	Total	
			1,920,264	-	1,920,264	
Reconciliation of heritage assets - 2020			Opening balance	Disposals	Total	
Art work			1,920,264	-	1,920,264	

## 4. Property, plant and equipment

	2021			2020		
	Cost	Accumulated depreciation and impairment	Carrying value	Cost	Accumulated depreciation and impairment	Carrying value
Land	9,111,028	-	9,111,028	9,111,028	-	9,111,028
Buildings	60,941,570	(14,241,693)	46,699,878	60,653,049	(12,719,312)	47,933,738
Leasehold property	13,056,712	(9,213,970)	3,842,742	9,144,347	(7,950,021)	1,194,326
Plant and machinery	18,015,523	(9,384,905)	8,630,618	18,548,943	(7,946,077)	10,602,866
Furniture and Office Equipment	16,136,219	(8,777,063)	7,359,156	18,269,938	(9,459,300)	8,810,638
Motor vehicles	8,324,378	(1,077,782)	7,246,596	4,689,820	(3,474,043)	1,215,777
IT equipment	38,262,872	(15,048,086)	23,214,786	37,187,719	(12,700,782)	24,486,937
Leasehold improvements	-	-	-	14,222,742	(11,635,810)	2,586,933
Library books	4,515,791	(2,375,546)	2,140,245	4,119,343	(2,100,719)	2,018,624
<b>Total</b>	<b>168,364,093</b>	<b>(60,119,045)</b>	<b>108,245,048</b>	<b>175,946,930</b>	<b>(67,986,063)</b>	<b>107,960,867</b>

# NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended March 31, 2021

## 4. Property, plant and equipment <sup>continued</sup>

### Reconciliation of property, plant and equipment - 2021

	Opening balance	Additions	Disposals	Depreciation	Impairment loss	Total
Land	9,111,028					9,111,028
Buildings	47,933,738	288,521		(1,522,381)		46,699,878
Leasehold assets	1,194,327	3,912,364		(1,263,949)		3,842,742
Plant and machinery	10,602,868	259,183	(253,743)	(1,977,688)		8,630,619
Furniture and Office Equipment	8,810,638	73,800	(760,092)	(765,191)		7,359,156
Motor vehicles	1,215,777	7,196,832	(712,455)	(453,558)		7,246,596
IT equipment	24,486,937	3,171,990	(655,890)	(3,788,251)		23,214,785
Leasehold improvements	2,586,932			(2,586,933)		-
Library books	2,018,624	396,448		(274,827)		2,140,244
	<b>107,960,868</b>	<b>15,299,137</b>	<b>(2,382,179)</b>	<b>(12,632,778)</b>	<b>-</b>	<b>108,245,048</b>

### Reconciliation of property, plant and equipment - 2020

	Opening balance	Additions	Disposals	Depreciation	Impairment loss	Total
Land	9,111,028	-	-	-	-	9,111,028
Buildings	49,390,023	-	-	(1,456,286)	-	47,933,738
Leasehold assets	3,603,401	928,952	-	(3,338,027)	-	1,194,327
Plant and machinery	11,575,326	954,771	(814)	(1,926,415)	-	10,602,868
Furniture and Office Equipment	9,115,533	903,800	(4,650)	(1,204,044)	-	8,810,638
Motor vehicles	2,049,260	-	(174,007)	(659,477)	-	1,215,777
IT equipment	19,366,645	8,565,985	(153,020)	(3,292,673)	-	24,486,937
Leasehold improvements	5,672,653	-	-	(3,085,721)	-	2,586,932
Library books	1,925,461	415,914	-	(322,751)	-	2,018,624
	<b>111,809,329</b>	<b>11,769,422</b>	<b>(332,491)</b>	<b>(15,285,392)</b>	<b>-</b>	<b>107,960,867</b>

Included in the total for Disposals is an amount of R1 290 811 that was reclassified as Non-current Assets held for sale.

# NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended March 31, 2021

Figures in Rand

## Disclosure on Repairs and Maintenance of Property, Plant and Equipment

	2021	2020
Buildings	2,323,556	3,083,069
IT equipment	405,321	564,514
	<b>2,728,876</b>	<b>3,647,582</b>

## 5. Intangible assets

Figures in Rand	2021			2020		
	Cost	Accumulated amortisation and accumulated impairment	Carrying value	Cost	Accumulated amortisation and accumulated impairment	Carrying value
Computer software, other	21,162,078	(18,744,407)	2,417,671	20,955,601	(18,343,551)	2,612,050

### Reconciliation of intangible assets - 2021

	Opening balance	Additions	Disposals	Amortisation	Impairment loss	Total
Computer software, other	2,612,050	418,667	(44,320)	(568,725)		2,417,671

### Reconciliation of intangible assets - 2020

	Opening balance	Additions	Disposals	Amortisation	Total
Computer software, other	3,156,383	-	-	(544,334)	2,612,050



# NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended March 31, 2021

Figures in Rand		2021	2020
<b>6.</b>	<b>Operating lease liabilities</b>		
	Current liabilities	723,108	472,274
		<b>723,108</b>	<b>472,274</b>
	The operating lease liabilities is as a result of straight lining of rental payments over the lease term.		
<b>7.</b>	<b>Prepayments</b>		
	Subscriptions	996,009	-
	Software Licences	3,108,068	3,680,810
		<b>3,727,982</b>	<b>3,680,810</b>
	Prepayments relate to payments made during the year but relating to the following financial period. Amounts applicable to period after financial year end are recognised as prepayments at the end of March 2021. Licences prepayments relate to licences for a period of one year or less.		
<b>8.</b>	<b>Inventories</b>		
	Memorabilia for sale	227,553	51,292
	Consumable stores	776,322	731,779
	Maintenance materials	105,305	99,416
		<b>1,109,181</b>	<b>882,488</b>

# NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended March 31, 2021

Figures in Rand

2021

2020

## 9. Receivables

### 9.1 Receivables from exchange transactions

Interest receivable	1,129,974	1,455,612
Staff receivables	77,930	54,398
Trade debtors	2,605,343	304,677
Debtors Impairment	(336,368)	-
<b>Current assets</b>	<b>3,476,879</b>	<b>1,814,687</b>

### Fair value of trade and other receivables

<b>Trade and other receivables</b>	<b>3,476,879</b>	<b>1,814,687</b>
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No trade and other receivables were used as collateral.

In estimating the future cash flows, management estimates the cash flows that it expects to collect based on the facts and circumstances at the reporting date.

Management adopted the pattern of each receivable over the previous 12 months as the most appropriate methodology as it reflects the amount likely to be collected in future.

### Trade and other receivables past due but not impaired

Trade and other receivables due which are not considered to be impaired at March 31, 2021 are R1 969 799 (2020, R 1 814 687).

The ageing of amounts past due but not impaired is as follows:

0 to 30 days	1,809,194	1,814,687
31 to 60 days	-	-
61 days and over	160,605	-
	<b>1,969,799</b>	<b>1,814,687</b>

### Trade and other receivables impaired

As at March 31, 2021 trade and other receivables that were impaired and provided for were as follows

The ageing of these debtors is as follows:

<b>over 30 days</b>	<b>(336,368)</b>	<b>-</b>
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# NOTES TO THE ANNUAL FINANCIAL STATEMENTS

## for the year ended March 31, 2021

Figures in Rand	2021	2020
<b>9.2 Statutory Receivables</b>		
Debtor- Gauteng Provincial Treasury	3,785,078	2,060,045
	<b>3,785,078</b>	<b>2,060,045</b>
<p>The statutory receivable is a result of Members' gratuities paid during 2020/2021 financial year which Treasury still needs to pay the GPL as part of the direct charges. Acknowledgement of this debt has been received from Treasury.</p> <p>Members are entitled to remuneration in line with the Remuneration of Public Office Bearers Act. The Remuneration of Public Officers Beares act 20 of 1998 provides a legal basis for remuneration benefits and allowances for MPLs as well as those exiting public office. Government Gazette 31513 of 2008 provides parliament and legislatures with guidance on gratuity benefits for MPLs who lose office. Government Gazette 40182 of 2016 outlines gratuity benefits paid to Public Office Bearers who exit the fund based on the old and new rules of Pension Fund benefits.</p> <p>No receivables were used as collateral.</p> <p>In estimating the future cash flow, management estimates the cash flow that it expects to collect based on the facts and circumstances at the reporting date.</p> <p>Management adopted the pattern of each receivable over the previous 12 months as the most appropriate methodology as it reflects the amount likely to be collected in future.</p> <p>Statutory receivables which are less than 12 months past due are not considered to be impaired. At March 31, 2021, R3,785,078 (2020, R2 060 045) were past due but not impaired.</p> <p>The ageing of amounts past due but not impaired is as follows:</p>		
0 to 30 days	3,785,078	2,060,045
	<b>3,785,078</b>	<b>2,060,045</b>



# NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended March 31, 2021

Figures in Rand

## 10. Cash and cash equivalents

Cash and cash equivalents consist of:

	2021	2020
Bank balances	524,460,105	334,748,759
	<b>524,460,105</b>	<b>334,748,759</b>

Below is the description in terms of Section 56 of Financial Management of Parliament and Provincial Legislatures Act

### Standard Bank

Standard Bank Main	305,501,764	137,076,386
Standard Bank Revenue	218,958,341	197,647,670
Standard Bank Salaries	-	5,311
Standard Bank Petty cash	-	19,391
	<b>524,460,105</b>	<b>334,748,759</b>

The exposure to credit risk is the carrying amount of each class of cash and cash equivalents. Cash and cash equivalents are placed with high credit quality rated financial institution, therefore the carrying values were not impaired. The global ratings have affirmed international scale rating assigned to Standard Bank of South Africa Limited of BB-, with the outlook accorded as stable. Accordingly, the risk associated with SBSA is considered negligible or within the acceptable tolerance threshold.

## 11. Finance lease obligation

### Minimum lease payments due

Not later than one year	2,101,999	994,908
Later than one year and not later than five years	1,925,799	241,930
	<b>4,027,799</b>	<b>1,236,838</b>

less: future finance charges	(268,683)	(65,653)
Present value of minimum lease payments	3,759,115	1,171,184
Present value of minimum lease payments due		
Not later than one year	1,899,020	937,221
Later than one year and not later than five years	1,860,095	233,963
	<b>3,759,115</b>	<b>1,171,184</b>

Non-current liabilities	1,860,095	233,963
Current liabilities	1,899,020	937,221
	<b>3,759,115</b>	<b>1,171,184</b>

It is GPL's policy to lease certain cell phones and photo copy machine under finance leases.

The average lease term was 2-3 years and the average effective borrowing rate was in line with the contract.

# NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended March 31, 2021

## 12. Provisions

Figures in Rand	Opening Balance	Additions	Utilised during the year	Total
<b>Reconciliation of provisions - 2021</b>				
Bonus	8,450,526	3,070,168	(3,638,662)	7,882,032
Pay Progression	-	7,840,600	-	7,840,600
Leave	9,629,349	28,241,902	(18,957,079)	18,914,172
	<b>24,689,976</b>	<b>39,152,669</b>	<b>(22,595,741)</b>	<b>34,636,804</b>
<b>Reconciliation of provisions - 2020</b>				
Bonus	8,761,986	2,689,786	(3,001,246)	8,450,526
Legal obligation	1,737,664		(1,737,664)	-
Leave	8,300,607	4,544,747	(3,216,005)	9,629,349
	<b>18,800,257</b>	<b>7,234,533</b>	<b>(7,954,915)</b>	<b>18,079,876</b>
			2021	2020
Current liabilities			34,636,804	18,079,876
			<b>34,636,804</b>	<b>18,079,876</b>

The bonus provision includes outstanding bonuses for senior management for the 2019/2020 and 2020/2021 financial years. "GPL provides its employees 22 days leave per annum. Any unused leave at year end must be used within 6 months period, otherwise it is forfeited. The timing on when the leave will be utilised or paid is uncertain."

Pay progression is an amount which its payment is based on the outcome of the performance assessment of the employees. The timing of its payment is not certain.

# NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended March 31, 2021

Figures in Rand

## 13. Other Long-term Benefits

	2021	2020
Other Long-term Benefits	7,609,100	6,610,100
(Less) Fair Value of Assets	-	-
	<b>7,609,100</b>	<b>6,610,100</b>
Current portion (short-term liability)	914,500	843,900
Non-current portion	6,694,600	5,766,200
	<b>7,609,100</b>	<b>6,610,100</b>
GPL rewards employees with long service by remunerating them with a lump sum or leave days after a specific number of service years.		
<b>Reconciliation of the Other Long-term Benefits</b>		
Opening Other Long-term Benefits	6,610,100	6,127,500
Plus: Interest cost	685,500	517,400
Service cost	713,900	761,300
Actuarial (gain)/loss	532,100	-38,600
Less: Benefits paid	-932,500	-757,500
<b>Closing Other Long-term Benefits</b>	<b>7,609,100</b>	<b>6,610,100</b>
The following main assumptions were used in performing the valuation at 31 March 2021.		
Discount rate	7.79%	10.37%
Salary inflation	4.64%	5.43%
Expected retirement age	63	63
The discount rate was determined using the duration of 6,0 years (as calculated in the previous valuation), based on the long-term yield on the zero coupon government bond curve as at 31 March 2020		
<b>14. Staff payables</b>		
Staff members	735,948	891,398
Political staff	29,100	22,600
MPLs		50,076
	<b>765,048</b>	<b>964,074</b>

'The amount relates to optional savings made by employees during the financial year as deductions from their salaries. The money is paid back to employees upon request but ordinarily paid out in December of each year. The amount of R765,048 is therefore funds held in custody on behalf of employees of the GPL as at 31 March 2021 and payable immediately upon request.



# NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended March 31, 2021

Figures in Rand		2021	2020
<b>15.</b>	<b>Payables from exchange transactions</b>		
	Goods Received (GRIR)	5,209,721	3,483,225
	Death claim	-	-
	Uncleared EFT	2,934,361	1,377,182
	Trade payables	21,449,391	11,725,285
		<b>29,593,472</b>	<b>16,585,692</b>
<b>16.</b>	<b>Revenue from non-exchange transactions</b>		
	Voted funds	817,763,000	761,430,000
	Direct charges	78,119,264	97,644,594
		<b>895,882,264</b>	<b>859,074,594</b>
<b>17.</b>	<b>Revenue from exchange transactions</b>		
	Interest on debtors	-	12,540
	Parking income	1,321,937	1,539,436
	Sundry income	-	3,481
	Hall bookings	-	213,230
		<b>1,321,937</b>	<b>1,768,686</b>
<b>18.</b>	<b>Interest Revenue</b>		
	Interest revenue	11,894,400	16,848,296
		<b>11,894,400</b>	<b>16,848,296</b>
	Interest revenue includes an amount of R1, 129 million accrued bank interest .		
<b>19.</b>	<b>Appropriation and Direct Charges</b>		
	Voted funds	817,763,000	761,430,000
	Direct charges	78,119,264	97,644,594
		<b>895,882,264</b>	<b>859,074,594</b>

# NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended March 31, 2021

Figures in Rand

## 20. Operating expenses

	2021	2020
Asset related expenses *	13,201,503	15,976,884
Auditors fees (Internal and External)	7,461,616	6,680,155
Consulting and professional fees**	21,135,075	21,761,022
Consumables ***	3,268,188	5,521,116
Employee Cost *****	393,635,372	370,305,869
Members Remuneration	78,119,264	97,644,594
Licence fees	11,682,371	8,178,589
Municipal service	6,091,607	5,675,912
Operating expenditure ****	41,390,109	39,288,311
Political party funding and Constituency allowances	142,829,470	126,040,698
Repairs & maintenance	2,728,876	3,647,582
Subscriptions	2,065,727	3,660,318
Telephone and fax	8,996,119	8,638,303
Travel & Accommodation	10,297,967	48,211,310
Workshop and functions	10,279,917	29,837,211
	<b>753,183,180</b>	<b>791,067,873</b>

\* Asset related expenses - expenditure relating to depreciation and amortisation.

\*\*Consulting and professional fees - expenditure relating the outsourcing of professional services relating to IT, Security, Hansard, independent members serving on LSB structures and other general consultants.

\*\*\*Consumables - expenditure relating to cleaning materials, stationery and general printing.

\*\*\*\*Operating expenditure - expenditure relating to Bank charges, Advertising, Rent, Cleaning and Insurance and general

\*\*\*\*\*Employee costs - expenditure relates to remuneration of Staff

## 21. Employee related costs

Salary*	370,208,378	342,411,610
Service cost, Interest cost and actuarial loss	1,931,500	1,278,700
Actuarial gain	-	(38,600)
UIF	888,877	863,526
Overtime payments	1,879,428	7,791,940
Car allowance	18,727,190	17,998,699
	<b>393,635,372</b>	<b>370,305,875</b>

\* Salary includes Basic salary, IPMS, Other fringe benefits ( Funeral contribution), Relocation costs and 13th cheque.

# NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended March 31, 2021

Figures in Rand		2021	2020
<b>22.</b>	<b>Finance costs</b>		
	Finance leases	61,274	238,903
		<b>61,274</b>	<b>238,903</b>
<b>23.</b>	<b>Auditors' remuneration</b>		
	Fees	5,681,302	5,532,674
		<b>5,681,302</b>	<b>5,532,674</b>
<b>24.</b>	<b>Cash generated from operations</b>		
	Surplus	154,768,428	86,567,397
	<b>Adjustments for:</b>		
	Depreciation and amortisation	13,201,503	15,829,726
	Impairment	-	-
	Finance costs - Finance leases	61,274	238,903
	Movements in operating lease assets	250,835	(1,491,913)
	Movements in provisions	16,556,928	(720,353)
	Movements in Other long-term benefits	999,000	482,600
	Asset Disposals	1,085,719	(182,596)
	Staff payables	(199,026)	168,636
	<b>Changes in working capital:</b>		
	Inventories	(226,693)	(183,881)
	Prepayments	(47,173)	(592,561)
	Receivables from exchange transactions	(1,662,192)	388,665
	Statutory receivables	(1,725,033)	(2,060,045)
	Claims and recoveries	6,781,175	-
	Payables from exchange transactions	13,007,780	(13,162,712)
		<b>202,852,526</b>	<b>85,281,866</b>



# NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended March 31, 2021

Figures in Rand	Note	At fair value	Total
<b>25. Financial instruments disclosure</b>			
<b>Categories of financial instruments</b>			
<b>March 2021</b>			
<b>Financial assets</b>			
Trade and other receivables from exchange transactions	9	3,476,879	3,476,879
Cash and cash equivalents	10	524,460,105	524,460,105
		<b>527,936,984</b>	<b>527,936,984</b>
<b>Financial liabilities</b>			
Trade and other payables from exchange transactions	15	29,593,472	29,593,472
Staff payables	14	765,048	765,048
Finance lease	11	3,759,115	3,759,115
		<b>34,117,636</b>	<b>34,117,636</b>
<b>March 2020</b>			
<b>Financial assets</b>			
Trade and other receivables from exchange transactions	9	1,814,687	1,814,687
Cash and cash equivalents	10	334,748,759	334,748,759
		<b>336,563,445</b>	<b>336,563,445</b>
<b>Financial liabilities</b>			
Trade and other payables from exchange transactions	15	16,585,691	16,585,691
Staff payables	14	964,074	964,074
Finance lease	11	1,171,184	1,171,184
		<b>18,720,950</b>	<b>18,720,950</b>

# NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended March 31, 2021

Figures in Rand

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## 26. Non-Current Assets Held For Sale

Computer Equipment	531,060	-
Furniture & Office Equipment	47,297	-
Transport Assets	712,455	-
	<b>1,290,812</b>	<b>-</b>

The Gauteng Provincial Legislature took a decision to sell laptops, furniture and auction motor vehicles to staff and third party.

The process of sale and auction will be completed during the 2021/2022 financial year.

## 27. Claims and Recoveries

Insurance claim payable	<b>6,781,175</b>	<b>-</b>
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This amount is as a result of an insurance claim received on behalf of a Member who was not paid as at 31 March 2021.

## 28. Commitments

### Authorised expenditure

Already contracted for but not provided for

Goods and services	7,389,230	26,954,924
<b>Total commitments</b>	<b>7,389,230</b>	<b>26,954,924</b>

### Committed and not contracted

Goods and Services

	-	-
	<b>7,389,230</b>	<b>26,954,924</b>

### Authorised operational expenditure

The commitments will be funded through grants received from Provincial Treasury

### Operating leases - as lessee

#### Minimum lease payments due

- within one year	11,102,742	3,564,616
- in second to fifth year inclusive	15,191,256	
	<b>26,293,998</b>	<b>3,564,616</b>

Operating lease payments represent rentals payable by the GPL for certain of its office properties. Leases are negotiated for an average term of five years and rentals increase on a annual rate of 9% per annum. No contingent rent is payable.

# NOTES TO THE ANNUAL FINANCIAL STATEMENTS

## for the year ended March 31, 2021

### 29. Contingent liabilities

#### Malefane and three others v GPL

Four Senior Managers vs GPL - Challenge in respect of expired contracts of employment with the GPL effective 30th June 2016.

An arbitration was awarded against the GPL for the applicants to be reinstated on a permanent basis from 1st February 2017 and paid monthly salaries from 1st July 2016 to the end of January 2017. The Board directed that the Labour Court ruling be appealed against and the Judge granted the GPL leave to Appeal, Records and Heads of Arguments lodged by both Parties. *The present value of the expected cash flow is estimated at R61 657 916 (2020: R61 045 212)*

#### Hlungwani vs GPL

The applicant challenged GPL in respect of his expired contract of employment which he had with the GPL.

The applicant has legitimate expectation of renewal of contract on similar terms.

Awaiting directives from court in relation to papers submitted by both parties.

Mr Hlungwani has not taken further steps since he took the decision of the CCMA for review

*The present value of the expected cash flow is estimated at R13 504 596 (2020: 13 371 687)*

#### Tafane vs GPL

The Applicant has lodged a claim for 5 years contract of employment or remuneration for 5 years at the Labour Court based on an allegation that he was discriminated against during the process of the appointment of the Director Knowledge Management.

Notice to oppose and statement of response served and filled.

Awaiting directives from court in relation to papers submitted by both parties.

*The present value of the expected cash flow is estimated at R6 114 807 (2020: R 6 148 725)*

#### Contracts affected by COVID-19 lockdown ( Force majeure)

GPL entered into contracts with two service providers, one to render canteen services and the second cleaning services. The condition of the contract is that GPL should pay the monthly fee to the service providers for providing the service. The service providers were unable to provide the services due to the lockdown. GPL is in the process of establishing if there is any legal obligation which might result in the outflow of cash. GPL is not certain of the amount of the possible liability and its timing thereof.

### 30. COVID-19 impact on GPL

During the reporting year, shortly after pronouncement of the lockdown protocols by the State President, the GPL responded quickly and decisively by reviewing the adopted plans and associated budget for the 2020/21 financial year. This process considered the challenges and implications of the pandemic and various response measures were adopted to ensure that the GPL delivers on its constitutional obligations whilst ensuring the health and safety of its members and employees. GPL is achieving this by utilising technology and by accelerating its digital transformation plans. To this end, the GPL conducted most of its activities virtually which also prompted the development and implementation of the Digital Parliament.

The GPL is continuously navigating its operations around the evolving pandemic and associated lockdown protocols and has appropriate response measures in place to ensure continuity, achievement of the constitutional mandate with sound financial management. Whilst some activities and in particular those activities that required public involvement and physical engagement with stakeholders were affected, the adoption of virtual platforms and the "new normal" meant reduced costs which realised savings equating to R41.4 million in the 2020/21 financial year. Whilst the COVID-19 pandemic has adversely impact on the economy, it has however resulted in operational and economic efficiencies. *For the financial year under review, the GPL met all its financial obligations, significantly increased its retained income at the end of the financial year and well poised to continue as a going concern.*



# NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended March 31, 2021

Figures in Rand

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## 31. Related parties

Related party relationship exists with all Provincial Government Departments, Provincial Public Entities due to Legislature's oversight of these entities, and with Political Parties due to them having seats in the Gauteng Provincial Legislature. Transactions with these entities are within the normal operating parameters established by Gauteng Provincial Legislature.

### 31.1 Related Party transactions

#### Amount received from Provincial Treasury

Voted funds	817,763,000	761,430,000
Direct charge	78,119,264	97,644,594
	<b>895,882,264</b>	<b>859,074,594</b>

#### Amount paid to Political parties

Political Party funding and constituency allowances	142,829,470	126,040,698
	<b>142,829,470</b>	<b>126,040,698</b>

#### Amount included on Receivables balance

Provincial Treasury	3,785,078	2,060,045
Office of the Premier	175,763	175,763
Political Party	679,269	-
Social Development	243,230	159,678
	<b>4,883,340</b>	<b>2,395,486</b>

#### Amount included on Trade and Other Payables balance

Political Parties	34,574	445,180
G-Fleet	1,787,518	203,086
Gauteng E-Gov	3,518,273	-
	<b>5,340,365</b>	<b>648,266</b>

#### Amount included on Revenue

Premier Office	-	451,024
Political Parties	399,071	362,792
Social Development	922,866	725,620
	<b>1,321,937</b>	<b>1,539,436</b>

# NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended March 31, 2021

Figures in Rand	2021	2020
<b>Amount included on Expenditure</b>		
G-Fleet	2,797,048	1,886,879
Gauteng E-Gov	3,518,273	-
	<b>6,315,321</b>	<b>1,886,879</b>
<b>Compensation to Members</b>		
Annual Remuneration	57,343,063	59,929,395
Car allowances	9,670,423	8,300,519
Political allowances	7,320,699	7,506,056
Members Gratuity	3,785,079	21,908,617
	<b>78,119,264</b>	<b>97,644,587</b>

## 31.2 Remuneration of Senior Management

Legislature is governed by the Executive Authority, comprising the Speaker and Deputy Speaker of the Gauteng Legislature. The Executive Authority, the Secretariat and Senior Management are responsible for the planning, directing, and controlling of the activities of the Institution. During the period under review, the following remuneration was paid to the members of management for the services rendered to the Gauteng Provincial Legislature.

	Annual Remuneration	Political Allowances	Total
<b>31.2.1 Remuneration of Executive Authority</b>			
<b>31 March 2021</b>			
Speaker	1,857,795	120,000	1,977,795
Deputy Speaker	1,480,467	120,000	1,600,467
	<b>3,338,262</b>	<b>240,000</b>	<b>3,578,262</b>
<b>31 March 2020</b>			
Speaker	1,857,795	120,000	1,977,795
Deputy Speaker	1,330,275	107,826	1,438,101
	<b>3,188,070</b>	<b>227,826</b>	<b>3,415,896</b>

# NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended March 31, 2021

Position	Package	Performance Bonus & Leave Encashment	Fringe Benefit	Total Remuneration
<b>31.2.2 Remuneration of Executive Directors</b>				
<b>31 March 2021</b>				
Secretary to the Legislature	2,538,574	-	520	2,539,094
Chief Financial Officer	2,373,013	103,692	520	2,477,225
Executive Director: Corporate support	2,086,863	90,705	520	2,178,087
Executive Director: Leadership and Governance	2,075,571	90,705	520	2,166,796
Executive Director: Core business	2,107,997	91,769	520	2,200,286
	<b>11,182,018</b>	<b>376,870</b>	<b>2,600</b>	<b>11,561,488</b>
<b>31 March 2020</b>				
Secretary to the Legislature	2,442,652	-	480	2,443,132
Chief Financial Officer	2,183,755	193,817	480	2,378,052
Executive Director: Corporate support	1,910,241	127,156	480	2,037,878
Executive Director: Leadership and Governance	1,910,241	84,771	480	1,995,492
Executive Director: Core business	1,932,654	128,648	480	2,061,782
	<b>10,379,544</b>	<b>534,392</b>	<b>2,400</b>	<b>10,916,336</b>
<b>31.2.3 Remuneration of Directors</b>				
<b>31 March 2021</b>				
Director: Information Technology	1,995,662	166,401	520	2,162,583
Director: Oversight and Strategy	1,798,708	149,993	520	1,949,221
Director : Supply Chain Management	1,761,210	112,495	520	1,874,225
Director: Finance	1,761,210	112,495	520	1,874,225
Director: Parliamentary Business	1,599,217	133,297	520	1,733,033
Director: Members Affairs	1,798,708	149,993	520	1,949,221
Director: Administration	1,798,708	149,993	520	1,949,221
Director: Inter-Legislative Relations	1,656,051	138,109	520	1,794,680
Director: Communications and PPP	1,902,250	121,494	520	2,024,264
Director: Institutional Support	1,648,715		520	1,649,235
Director : Institutional Knowledge Management	1,625,214	103,582	520	1,729,315
Director: Audit, Risk and Governance	1,440,059		520	1,440,579
	<b>20,785,712</b>	<b>1,337,850</b>	<b>6,240</b>	<b>22,129,802</b>



# NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended March 31, 2021

Position	Package	Performance Bonus & Leave Encashment	Fringe Benefit	Total Remuneration
<b>31.2.3 Remuneration of Directors</b>				
<b>31 March 2020</b>				
Director: Information Technology	1,752,197	332,295	480	2,084,973
Director: Operational Support	233,634	245,297	80	479,010
Director: Oversight and Strategy	1,579,426	140,180	480	1,720,086
Director : Supply Chain Management	1,428,044	105,135	480	1,533,659
Director: Finance	1,579,426	140,180	480	1,720,086
Director: Parliamentary Business	1,403,612	259,542	480	1,663,634
Director: Members Affairs	1,579,426	140,180	480	1,720,086
Director: Administration	1,579,426	105,135	480	1,685,041
Director: Inter-Legislative Relations	1,379,147	64,537	480	1,444,163
Director: Communications and PPP	1,705,780	151,395	480	1,857,654
Director: Institutional Support	1,579,426	140,180	480	1,720,086
Director : Intsitutinal Knowledge Management	1,448,776	88,738	480	1,537,994
Acting Director: Audit, Risk and Governance	507,365	-	200	507,565
	<b>17,755,682</b>	<b>1,912,795</b>	<b>5,560</b>	<b>19,674,038</b>
<b>31.2.3 Remuneration of Senior Managers</b>				
<b>31 March 2021</b>				
Senior Manager: Integrity Office	1,368,714	59,431	520	1,428,665
Senior Manager: Human Capital	1,429,006	118,862	520	1,548,388
Office Manager: Corporate support	1,526,956	96,817	520	1,624,293
Senior Manager: Planning, Monitoring and Evaluation	1,428,145	118,862	520	1,547,527
Office Manager: Core Business	1,483,443	208,874	560	1,692,877
Board secreteriat LSB	1,551,190	129,090	520	1,680,800
Senior Manager: Communication	1,203,283	-	520	1,203,803
Senior Manager: Transversal & Mainstreaming	832,399	169,700	120	1,002,219
Senior Manager Budget & Reporting	632,971	209,431	160	842,562
Senior Manager: HR Business Partner	1,518,918	96,817	520	1,616,255
				<b>14,187,389</b>

# NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended March 31, 2021

Position	Package	Performance Bonus & Leave Encashment	Fringe Benefit	Total Remuneration
<b>31.2.3 Remuneration of Senior Managers</b>				
<b>31 March 2020</b>				
Senior Manager: Integrity Office	1,251,616	69,429	480	1,321,524
Senior Manager: Human Capital	1,251,616	111,086	480	1,363,182
Office Manager: Corporate support	1,359,317	120,645	480	1,480,442
Senior Manager: Planning, Monitoring and Evaluation	1,251,616	101,829	480	1,353,924
Office Manager: Core Business	1,218,670	108,162	480	1,327,312
Board secreteriat LSB	1,359,317	120,645	480	1,480,442
Senior Manager: Communication	1,359,317	60,322	480	1,420,120
Senior Manager: Transversal & Mainstreaming	1,435,050	127,366	480	1,562,896
Senior Manager Budget & Reporting	1,359,317	120,645	480	1,480,442
Senior Manager: Performance Management	1,359,317	60,322	480	1,420,119
	<b>13,205,152</b>	<b>1,000,451</b>	<b>4,800</b>	<b>14,210,403</b>

## 32. Service in Kind

During the financial year, the SAPS variably deployed personnel at the GPL to implement its own responsibility in terms of the National Key Point Act. These services in-kind are not significant to the operations of the Legislature and cannot be reliably measured hence not recognised. The GPL has outsourced security services to meet the requirements of the GPL and its operations.

## 33. Risk management

### Financial risk management

The GPL is exposed to interest rate risk, all funds deposited into a current account are not invested.

The GPL's financial statements consist mainly of cash at bank and cash equivalents, other receivables and payables.

The bank deposits and bank balances, receivables and payables approximates their fair value due to short-term nature of these instruments.

The GPL, recognise the need to implement Risk Management.

### Liquidity risk

The GPL's risk to liquidity is a result of the funds available to cover future commitments.

The GPL manages liquidity risk through an ongoing review of future commitments and credit facilities.

# NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended March 31, 2021

		Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Total
<b>At March 31, 2021</b>					
Trade and other payables	Note 15	29,593,472	-	-	29,593,472
Finance lease	Note 11	1,899,020	1,860,095	-	3,759,115
		<b>31,492,493</b>	<b>1,860,095</b>	<b>-</b>	<b>33,352,588</b>
<b>At March 31, 2020</b>					
Trade and other payables	Note 15	16,585,692	-	-	16,585,692
Finance lease	Note 11	937,221	233,963	-	1,171,184
		<b>17,522,914</b>	<b>233,963</b>	<b>-</b>	<b>17,756,877</b>

## Credit risk

Credit risk consists mainly of cash deposits, cash equivalents, derivative financial instruments and trade debtors. The GPL only deposits cash with major banks with high quality credit standing and limits exposure to any one counter-party.

Financial assets exposed to credit risk at end were as follows:

		2021	2020
<b>Financial instrument</b>			
Receivables from exchange transactions	Note 9	3,476,879	1,814,687
Cash and cash equivalent	Note 10	524,460,105	334,748,759
		<b>527,936,984</b>	<b>336,563,445</b>



# NOTES TO THE ANNUAL FINANCIAL STATEMENTS

## for the year ended March 31, 2021

### Market risk

#### Interest rate risk

As the GPL has no significant interest-bearing assets, the GPL's income and operating cash flows are substantially independent of changes in market interest rates.

At year end the financial instruments exposed to interests rate risk were as follow:

#### Cash flow interest rate risk

	Current interest rate	Due in less than a year	Due in less than two years
<b>Financial instrument</b>			
<b>31 March 2021</b>			-
Cash in current banking institutions	6%	524,460,105	
<b>31 March 2020</b>			
Cash in current banking institutions	6%	334,748,759	
The following table demonstrate the sensitivity to a reasonably possible change in interest rates, with all other variables held constant, of the GPL's surplus for the year.			
Interest rate exposure at statement of financial position date			
<b>March 2021</b>			
Surplus for the year	1% effect	5,244,601	
Surplus for the year	-2% effect	-10,489,202	
<b>March 2020</b>			
Surplus for the year	1% effect	3,347,488	
Surplus for the year	-2% effect	-6,694,975	

# NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended March 31, 2021

Figures in Rand

## 34. Fruitless and wasteful expenditure

	2021	2020
Opening balance	-	-
Fruitless and wasteful expenditure - current	80,158	206,729
Less: Amounts condoned	- 6,500	-206,729
	<b>73,658</b>	-

The Audit, Risk and Governance Directorate conducted a detailed analysis of the expenditure in line with the UIFW guidelines. The Fruitless and Wasteful expenditure R6 500 was incurred as a result of changes in venue to host the COGTA and Human Settlement public hearing meeting held at Ekurhuleni City Hall after the venue was moved from the Ekurhuleni Civic Centre due to a double booking that occurred. The analysis further indicated that no malicious intension could be proved and therefore no further action required or consequence management was taken. The expenditure was recommended for condonation and approved by the Executive Authority. The R73 658 expenditure was incurred non- cancellation of the services which were no longer required by the GPL. Investigations will be conducted to determine the recovery of this expenditure.

## 35. Irregular expenditure

Opening balance	-	3,266,016
Add: Irregular Expenditure - relating to current year	24,600	426,404
Add: Irregular Expenditure - introduced in the current year relating to prior years		
Less: Amounts condoned	-24,600	-3,692,419
	-	-
<b>Analysis of expenditure condoned</b>		
Current year	24,600	426,404
Prior years	-	3,266,016
	<b>24,600</b>	<b>3,692,420</b>

The Audit, Risk and Governance Directorate conducted an analysis of the irregular expenditure in line with the UIFW guidelines. The irregular Expenditure was incurred as a result of a late request to include catering during a House Sitting in March 2021. All house sittings were conducted virtually since the advent of COVID-19. With the introduction of Digital Legislature, the House chambers ICT Infrastructure were upgraded to including hybrid sittings. The request include catering was intended to provide for Members attending physical based on the lengthy duration of the sittings at the time. The analysis further indicated that no malicious intension could be proved and therefor no further action required or consequence management was taken. The expenditure was recommended for condonation and approved by the Executive Authority.

# NOTES TO THE ANNUAL FINANCIAL STATEMENTS

## for the year ended March 31, 2021

Figures in Rand

2021

2020

### 36. Reconciliation between budget and statement of the financial position

Reconciliation of budget surplus/deficit with the surplus/deficit in the statement of financial performance

**Net surplus per the statement of financial performance**

**86,567,397**

*Adjusted for:*

Capitalization of Assets

(11,805,440)

(10,840,470)

Depreciation and Amortisation recognised

13,201,503

15,829,726

Impairment and Disposal of Assets

1,085,719

(182,596)

Provisions

8,003,367

2,511,781

Inventory

(226,693)

(183,881)

Movements in Leases

(1,027,730)

(5,167,856)

Prepayments

2,213,090

(592,561)

Staff Payables

(199,026)

168,636

Receivables

(1,170,712)

(12,540)

Other revenue

(13,216,337)

(18,604,443)

**Net surplus per approved budget**

**151,626,170**

**69,493,193**

### 37. Budget differences

**The overall underspending on the budget is as a result of the following:**

In line with the Statement of comparative and actual information, the GPL reflects a net underspending of R151.6 million when comparing the allocated budget against the actual expenditure for the financial year under review. Compensation of employees reflect an underspending of R22.5 million as a result of the unfilled vacancies and positions deferred for placement in view of the current organizational development review process that is being conducted in the institution. The implementation of the 2019/20 pay progression for employees in the bargaining unit was also not finalized during the year. Savings in budgeted overtime was also realised during the year due to employees working from home consequential to the COVID-19 pandemic.

Goods and services reflect an underspending of R117 million primarily attributable to the impact of the COVID-19 pandemic and its associated lockdown protocols. Planned activities involving public and stakeholder engagement was most affected. In response to the pandemic, the GPL identified the Digital Parliament project as an intervention to inform the new norm of working and conducting GPL business. Some milestones of the project could not be concluded during the financial year and deferred to the next financial year. The new security insourcing project was also deferred for implementation in the 2021/22 financial year.

Underspending of R12.4 million was also incurred on capital assets particularly relating to the rehabilitation of the City Hall roof as well as delays in the supply of laptops from the appointed service provider, also affected by the worldwide pandemic. The covid19 pandemic and its associated lockdown protocols also required the GPL to adjust the nature of its activities and accordingly conducted a number of planned activities through the virtual platforms thus resulting in significant savings realised during the financial year.



# NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended March 31, 2021

## 38. Events after Reporting date.

### 38.1 Sale of Non-Current Assets held for sale

During the month of April 2021, GPL auctioned the motor vehicles and sale of computer equipments (laptops) to Staff of the GPL. The total revenue from the motor vehicles auction and sale of laptops is R1 106 500 and R13 850 respectively.

## 39. Change in Accounting Estimates

The remaining useful lives of non-current assets were assessed. The impact of the assessment of usefulives on depreciation is as follows:

	Depreciation Before Assessment	Depreciation After Assessment	Impact on Depreciation
Computer Equipment	3,974,251	3,970,099	(4,152)
Furniture & Office Equipment	1,079,123	765,191	(313,932)
Machinery & Equipment	724,386	672,751	(51,635)
Technical Equipment	1,314,458	1,304,937	(9,522)
			-
			<b>(379,241)</b>

# NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended March 31, 2021

Figures in Rand

2021

2020

## 40. Prior period error

- 40.1 During the year, profit on sale of assets which was classified as operating expenses in the 2019/20 annual financial statements was reclassified from operating expenses to profit/loss on sale of assets.**

*The effect of the correction is as follows:*

Decrease in Operating expenditure		-182,596
Increase on Profit/loss on sale of assets		182,596
<b>Net effect on profit</b>		<b>-</b>

- 40.2 During the year, Long service award which were classified as Povision in the 2019/20 annual financial statements were reclassified from Provisions to Other Long-term Benefit. Long service award are other long term benefits in terms of GRAP 25.**

2020

2019

*The effect of the correction is as follows:*

Decrease in Provisions	6,610,100	6,127,500
Increase in Other Long-term Benefits	-6,610,100	-6,127,500
	<b>-</b>	<b>-</b>

## 41. Compensation to Members

2021

2020

Annual Remuneration	57,343,063	59,929,395
Car allowances	9,670,423	8,300,519
Political allowances	7,320,699	7,506,057
Members Gratuity	3,785,079	21,908,617
	<b>78,119,264</b>	<b>97,644,587</b>





# DETAILED INCOME STATEMENT

## for the year ended March 31, 2021

The supplementary information presented does not form part of the Annual Financial Statements and is unaudited

Figures in Rand	Notes	2021	2020
<b>Revenue</b>			
Appropriation	19	895,882,264	859,074,594
		<b>895,882,264</b>	<b>859,074,594</b>
<b>Other income</b>		<b>13,216,337</b>	<b>18,616,983</b>
<b>Expenses</b>		<b>(753,183,180)</b>	<b>(791,067,873)</b>
<b>Operating surplus</b>		<b>155,915,421</b>	<b>86,623,704</b>
(Loss)/Profit on disposal of Assets		(1,085,719)	182,596
Finance costs	22	(61,274)	(238,903)
<b>Surplus for the year</b>		<b>154,768,428</b>	<b>86,567,396</b>
Operating expenses			
Access control consumables		83,916	14,565
Accommodation		633,593	12,713,139
Advertising		4,814,627	5,314,586
Air travel		3,808,927	11,438,362
Assets expenses		894,047	252,338
Auditors remuneration	23	5,681,302	5,532,674
Bad debts		336,368	-
Bank charges		57,910	67,554
Catering contract		(30)	1,723,353
Cleaning		1,558,882	1,612,755
Cleaning materials		389,013	1,280,880
Computer consumables		686,726	430,451
Conferences		95,176	2,246,595
Consulting and professional fees		4,756,141	1,688,764
Covid-19 PPE		4,351,437	-
Depreciation, amortisation and impairments		13,201,503	15,829,726
Employee Assistance Programme expenses		828,384	755,837
Employee costs	21	393,635,372	370,305,869
Voter Education		-	786,946
Fuel & Lubricants		227,661	676,063
General stationery		470,997	625,093
Gifts		516,334	1,926,831
Hansard outsourcing		1,220,449	4,221,980
Electoral Act		-	1,950

# DETAILED INCOME STATEMENT

## for the year ended March 31, 2021

The supplementary information presented does not form part of the Annual Financial Statements and is unaudited

Figures in Rand	Notes	2021	2020
IT outsourcing		3,229,492	3,612,492
Insurance		2,251,166	844,994
Internal audit fees		1,780,314	1,147,482
Rent		15,535,526	14,536,698
Library reference books		94,976	72,710
Licence fees		11,682,371	8,178,589
Members remuneration	40	78,119,264	97,644,594
Municipal service		6,091,607	5,675,912
Photocopy consumables		-	815,870
Placement fees		207,000	601,881
Plant services		-	(3,256)
Postages		1,087	2,397
Print room rentals		8,615	2,059,860
Printing general		1,551,361	2,071,733
Professional fees		5,483,005	1,956,501
Public hearing venue		1,072,014	12,820,633
Refreshments		229,520	1,678,078
Repairs & maintenance		2,323,556	3,083,069
Repairs of IT equipment		405,321	564,514
Security maintenance		11,928,992	12,237,785
Opening of the Legislature		2,355,279	5,203,604
Staff bursaries		3,313,358	3,013,654
Staff training		917,458	2,820,669
Storage Consumables		15,920	-
Subscriptions		2,065,727	3,660,318
Telephone and fax		8,996,119	8,638,303
Special operational project		3,032,300	1,718,704
Political party funding and Constituency allowances		142,829,470	126,040,698
Transport services		3,358,023	10,110,406
Travel & subsistence		2,269,763	10,633,022
Travel & subsistence Overseas		-	2,640,318
Uniforms		70,255	282,524
Workshop and functions		3,715,586	7,256,807
		<b>753,183,180</b>	<b>791,067,873</b>

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**GAUTENG**  
LEGISLATURE  
Your View — Our Vision

Gauteng Legislature condemns violence  
against Women & Children

