GTAC

Analyse
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Strategic & Technical Advisory

National Treasury
REPUBLIC OF SOUTH AFRICA

ANNUAL REPORT
2020/2021

national treasury

Department:
National Treasury
REPUBLIC OF SOUTH AFRICA

GOVERMENT TECHNICAL ADVISORY CENTRE (GTAC)

ANNUAL REPORT

2020/2021

The GTAC Annual Report 2020/21 has been compiled with the latest information available from departmental and other sources. Some of this information is unaudited or subject to revision.

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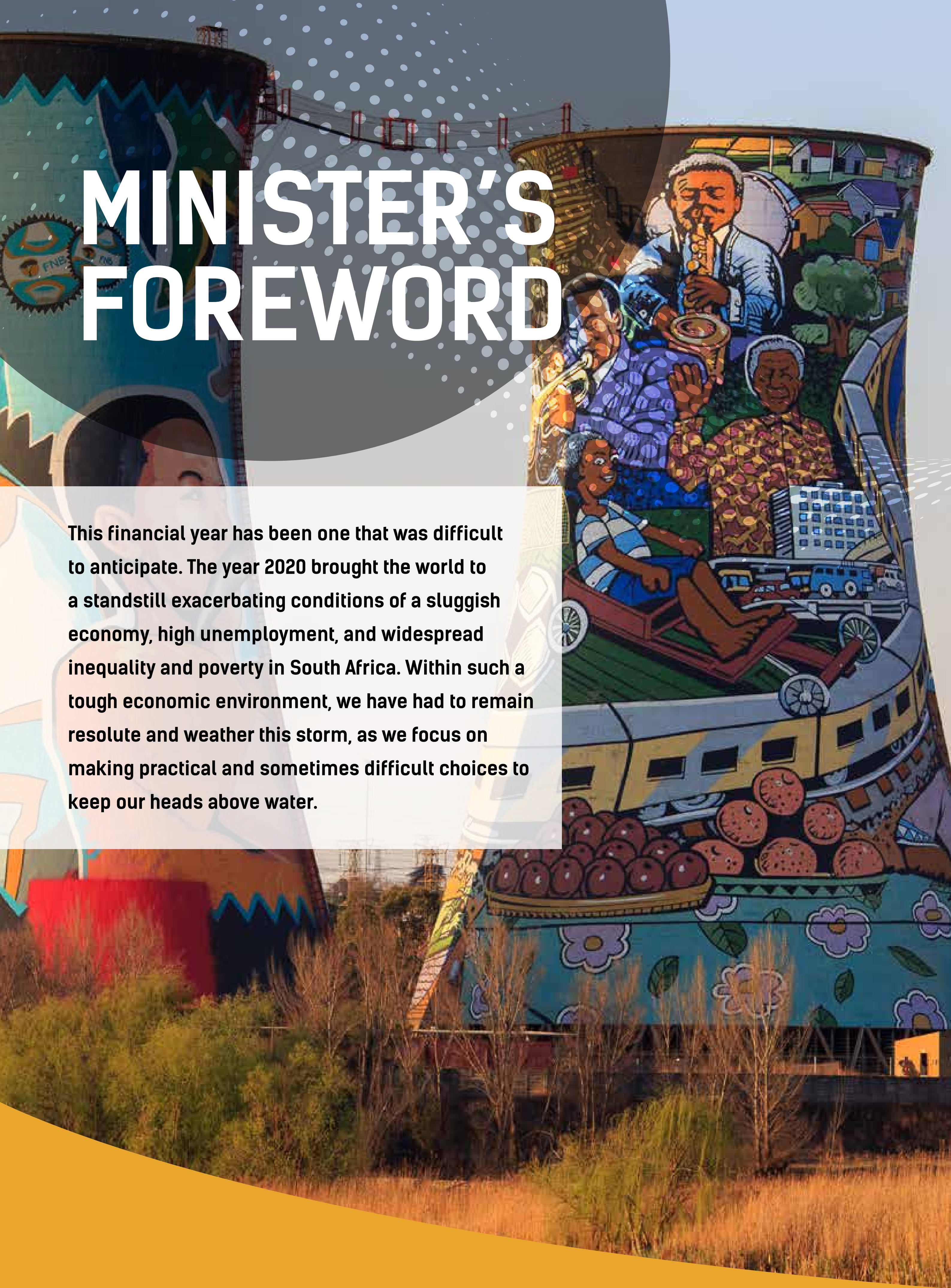
LIST OF ABBREVIATIONS AND ACRONYMS

ABBREVIATION	
BAS	Basic Accounting System
B-BBEE	Broad-based Black Economic Empowerment
CoGTA	[Department of] Cooperative Governance and Traditional Affairs
DPME	Department of Planning, Monitoring and Evaluation
DPSA	Department of Public Service and Administration
GTAC	Government Technical Advisory Centre
HDI	Historically Disadvantaged Individual
MANCO	Management Committee
PEPA	Public Expenditure and Policy Analysis [Business Unit]
PER	Performance and Expenditure Review
PERSAL	Personnel and Salary System
PPP	Public-Private Partnership
SANSA	South African National Space Agency
SCOPA	Standing Committee on Public Accounts
SMS	Senior Management Service
TAS & PPP	Transaction Advisory Services & Public-Private Partnerships [Business Unit]
TVET	Technical and Vocational Education and Training
UNU-WIDER	United Nations University World Institute for Development Economics Research

PART A
GENERAL INFORMATION



MINISTER'S FOREWORD

This financial year has been one that was difficult to anticipate. The year 2020 brought the world to a standstill exacerbating conditions of a sluggish economy, high unemployment, and widespread inequality and poverty in South Africa. Within such a tough economic environment, we have had to remain resolute and weather this storm, as we focus on making practical and sometimes difficult choices to keep our heads above water.

ENOCH GODONGWANA
MINISTER OF FINANCE

Ordinary South Africans, especially the most vulnerable, have felt the brunt of the Covid-19 pandemic. Job losses, gender-based violence and child abuse have been some of the social ills that reared their ugly heads as the impact of job losses and poor living conditions took their toll. As we rebuild our economy, the question we need to reflect on is: how a technical advisory centre such as the Government Technical Advisory Centre (GTAC) has been able to respond under these staggeringly difficult conditions?

As we dealt with the more urgent issues of service delivery in the country, GTAC continued to provide support to strengthen the capacity and capability of the state. It continued to play a critical role in guiding and (re)building state capability. At an advisory level, GTAC has delivered solidly on in-depth policy research and data analytics to assess the value for money of policy decisions. It has also provided technical advice on the feasibility and successful execution of complex projects. GTAC has a well-earned reputation for harnessing creative solutions, testing new methodologies, and deploying skilled expertise to help resolve blockages in government delivery. Finally, it has worked on the design and execution of interventions at the municipal level in partnership with donors.

GTAC continued to play an important role from the infrastructure appraisals it completed for the National Treasury to the work on expenditure reviews and training it provided to provincial treasuries. In response to a request from the Department of Planning, Monitoring and Evaluation, GTAC lobbied its resources to help deliver the first South African Country Report on government's Covid-19 response in this first year of the pandemic. These examples are shining lights of excellence produced by GTAC under extremely difficult conditions.

It is well understood that merely allocating appropriate resources is not sufficient to give us the returns we seek in terms of better state delivery. Improving how government delivers to citizens is inextricably linked to its collective ability to plan properly and consider carefully the financial and delivery impacts of policy decisions. I am pleased that GTAC has ably demonstrated its grit and determination to play an important role in this regard.

As we look forward to the next financial year, we know that the many challenges we face as a country will not dissipate. However, we have turned a corner. The challenges ahead are many. I would like to encourage GTAC to position itself to respond in a timely and proactive manner to these challenges. I have no doubt that it will be able to rise to the occasion, given what it has managed to deliver in this difficult year.

ENOCH GODONGWANA
MINISTER OF FINANCE
31 August 2021

ACCOUNTING OFFICER

As we stand at the threshold of great change, it is important to look at the year that has gone by as an example of how nations, and indeed humanity, have responded to the upheavals of irreversible change. This year, the Government Technical Advisory Centre (GTAC) stepped up to the challenge of continuing its work to build a capable, ethical and developmental state, despite this churning and powerlessness we experienced.

LINDIWE NDLELA
ACTING HEAD AND ACCOUNTING OFFICER

The promulgation of GTAC in 2012 was premised on managing three challenges: ensuring that public spending is disciplined and sustainable; state organisational competence is improved; and the capabilities of individuals within the public sector are strengthened. As we look back on our achievements in 2020, I am humbled to see how we managed to deliver against these objectives, even when things looked bleak.

GTAC continued to work remotely in the pandemic. We also strengthened our governance and compliance environment by putting in place the necessary legislative and regulatory frameworks and, in so doing, slowly building our assurance functions. This has been a critical part of GTAC's commitment to strengthening its planning and accountability. We remain committed to sustaining GTAC's place in the public sector through ongoing investment in innovative approaches to learning, thought leadership in research, capacity building, and the use of advanced methodologies to deliver technical advice and support.

GTAC sees its convening capacity as a critical distinguishing factor in its business delivery. This ranges from tapping into international good practice in its methodology to establishing strategic partnerships that facilitate learning and improve implementation. An example of this is the approach it used to pool resources by collaborating with the National Research Foundation to tap into that expertise, drawing on its own experts internally, and convening all of these to deliver national, provincial and sector-specific reports on government's response to the Covid-19 pandemic. GTAC innovated to make these reports possible, despite the difficulties posed by the lockdown restrictions.

GTAC remains a dependable, responsive and solution-oriented partner to government. We plan on increasing our footprint in the public sector through our work and potentially expanding this beyond our borders into the rest of the Southern African Development Community. Our capacity-building work on public-private partnerships has already made inroads in this space – what remains is for us to consolidate these into a strategy that also takes some of our other research work to a broader, continental audience. We are committed to building the capacity of the state through providing policy support and strengthening institutional capability.

Without the GTAC team to make it come alive, this Strategic Plan would just constitute a good story and would not deliver on its promises. As in the past, this team continued to work tirelessly, smartly and with commitment to make an impact across the public sector even through the restrictions imposed by the Covid-19 pandemic. I remain both proud and humbled to be part of such a team.

LINDIWE NDLELA
Acting Head and Accounting Officer: GTAC
31 August 2021

ACCOUNTING OFFICER STATEMENT

LINDIWE NDLELA
ACTING HEAD AND ACCOUNTING OFFICER

ACCOUNTING OFFICER STATEMENT

Statement of responsibility and confirmation of accuracy for the annual report for the year ended 31 March 2021

I CONFIRM THE FOLLOWING:

The information and amounts disclosed in this annual report are compiled from the records of the Government Technical Advisory Centre (GTAC) and the National Treasury and accurately reflect, subject to the limitations of these records, the activities of GTAC, functioning as a component of the National Treasury.

To the best of my knowledge and understanding, the annual report is complete, accurate and free from material misstatements.

The annual report has been prepared considering the relevant guidelines issued by the National Treasury. Following a determination by the Minister of Finance and approval by the Accountant-General, the annual financial statements (Part E) have been prepared in accordance with Generally Recognised Accounting Practice standards and the relevant frameworks and guidelines issued by the National Treasury.

The accounting authority is responsible for preparing the annual financial statements and for judgements made in this information. The accounting authority is also responsible for implementing a system of internal control designed to provide reasonable assurance on the integrity and reliability of the performance information, the human resources information, and the annual financial statements.

The external auditors are engaged to express an independent opinion on the annual financial statements. In my opinion, the annual report fairly reflects GTAC's operations, performance information, and human resources in the year under review.

This report is submitted by the Acting Head of GTAC, Ms Lindiwe Ndlela, whose appointment took effect in February 2018. As the accounting officer, I am pleased to present this annual report.

LINDIWE NDLELA
Acting Head and Accounting Officer: GTAC

1. STRATEGIC OVERVIEW

1.1 VISION, MISSION AND VALUES

To serve as 'a creative centre of excellence in public sector support, which promotes learning and cooperation for improved financial management and service delivery'.

VISION

MISSION

The Government Technical Advisory Centre (GTAC) provides analytical, advisory, institutional development, and programme management support to public sector institutions to better manage and implement their mandates and consequently improve their quality of spending.

These functions are undertaken through active partnerships with development agencies, universities, research centres, and the non-state sector. GTAC seeks to stimulate debate and promote public discourse and understanding of policy, public economics, and public financial management through a range of communication methodologies.

VALUES & PRINCIPLES

OUR VALUES

- **Accountability:** Holding ourselves responsible for setting standards of excellence in all we do.
- **Professionalism:** Delivering high-quality work in a disciplined, reliable manner, within agreed budgets and timelines.
- **Transparency:** Allowing for scrutiny of our professional work in a manner that builds trust.
- **Integrity:** Conducting ourselves in an ethical manner in the interests of building state capability.
- **Inclusivity:** Working collaboratively with others in the interests of building individual and state capacity.

OUR BEHAVIOURS DEMONSTRATE:

- A proactive, integrated, and 'can do' stance.
- A client-centric approach that reflects our understanding that our ultimate clients are the people receiving government services.
- An understanding that excellence is about quality delivery.
- An embracing of innovation, technology, and a hunger to learn new skills.
- An acceptance that working with partners is fundamental to our success.
- An acknowledgement that we are ambassadors for GTAC as a whole.

GTAC's approach to providing support and advisory services draws on three broad principles:

- **Activities are client-focused and demand-driven:** Advisory and technical support responds to client needs and respects the ownership of the responsible organs of state and their accountability for service delivery.

- **Diagnostic and management tools are adapted to public sector needs:** GTAC advisors and staff are well versed in South Africa's legal and institutional frameworks and in methodologies and procedures designed to strengthen public sector governance and service delivery.

- **Capacity building is based on partnerships and learning by doing:** Better public financial management rests on pragmatic and problem-solving methods, learning through innovation, and transferring skills through collaboration and partnerships.

1.2 LEGISLATIVE AND OTHER MANDATES

The Constitution of the Republic of South Africa (1996) sets out GTAC's foundational values. In chapter 10 of the Constitution, which deals with public administration, section 195(1) states that 'public administration must be governed by the democratic values and principles enshrined in the Constitution'. For GTAC, key among these are: the promotion of 'efficient, economic and effective use of resources', and 'public administration must be development-oriented'.

GTAC draws its mandate from the responsibility of the National Treasury to promote transparency and the effective management of public finances. This mandate is encompassed in its Founding Notice (No. 25 of 2012) and is consistent with section 6 of the Public Finance Management Act (No. 1 of 1999).

GTAC's Founding Notice gives effect to this mandate through its objective 'to assist organs of state in building their capacity for efficient, effective and transparent financial management' (Government Notice 261, Government Gazette 35194, March 2012). Under section 7A(4) of the Public Service Act (Proclamation 103, 1994), the Minister of Finance, with the Minister of Public Service and Administration, created GTAC as a demand-driven, externally oriented, professional support service that functions as a component of the National Treasury. The Founding Notice expresses GTAC's functions as follows:

- To render technical consulting services to centre-of-government departments and organs of state.
- To provide specialised procurement support for high-impact government initiatives.
- To render advice on the feasibility of infrastructure projects.
- To provide knowledge management for projects undertaken.
- Anything ancillary to these functions.

1.3 MINISTERIAL GUIDANCE AND INSTRUCTIONS

In the context of government's National Development Plan and Medium-Term Strategic Framework, GTAC's primary contribution lies in building a capable state through the provision of technical advisory services. GTAC performs its functions subject to ministerial guidance. The Minister may, to the extent permitted in the applicable legislation, at any time, in consultation with the Director-General, in writing instruct the Head of GTAC to:

- Provide services in respect of financial planning for and the costing of policies being developed.
- Provide economic analysis and actuarial advice on programmes and projects.
- Perform ancillary functions as and when required by the National Treasury.

1.4 MEDIUM-TERM STRATEGIC FRAMEWORK

The 2019–24 Medium-Term Strategic Framework directs government to invest in seven priorities, five of which are particularly relevant to GTAC and its work. These are:

- Economic transformation and job creation (Priority 2).
- Education, skills and health (Priority 3).
- Spatial integration, human settlements, and local government (Priority 5).
- Capable, ethical and developmental state (Priority 1).
- A better Africa and world (Priority 7).

It is Priority 1 that provides the most compelling and practical grounding for GTAC's direction. To give effect to these commitments, GTAC directs and shapes its business priorities and mandate by aligning its interventions with the Medium-Term Strategic Framework and the State of the Nation Address. The building of a capable, ethical and developmental state requires investment in building institutional capability; the provision of analysis and research; and ongoing practical efforts to build capacity and share learning. GTAC's business encompasses all of these aspects of building state capability.

1.5 GTAC'S BUSINESS FOCUS

The macroeconomic challenges facing the public sector require a radical shift in terms of ensuring fiscal discipline and improving state competence. Given its mandate, model of delivery, and emphasis on value for money, GTAC remains well placed to help improve performance in the public sector. The organisation focuses on:

- Delivering sound technical advice to build state capacity.
- Institutionalising a system of knowledge management and shared learning.

These are critical elements of GTAC's value proposition as a customer-centric and valued partner for centre-of-government departments and organs of state.

GTAC's business model is informed by the rationale for consolidating advisory and technical support activities within a single, dedicated centre, outside of the regulatory space. It is premised on establishing a single point of entry to provide access to public sector advice that is flexible, quick, informed and professional. The benefits of this model are that it delivers improved governance, convening capability, independent analysis, and value for money, while also allowing for the development and dissemination of knowledge products. All of these ultimately contribute to a capable, efficient, ethical and professional public sector.

1.6 BUSINESS MODEL

In the year under review, GTAC focused on refining its operating and business model and streamlining its governance processes, systems and procedures. This was both to improve compliance with the Public Finance Management Act and to ensure that the organisation would remain responsive, flexible and effective.

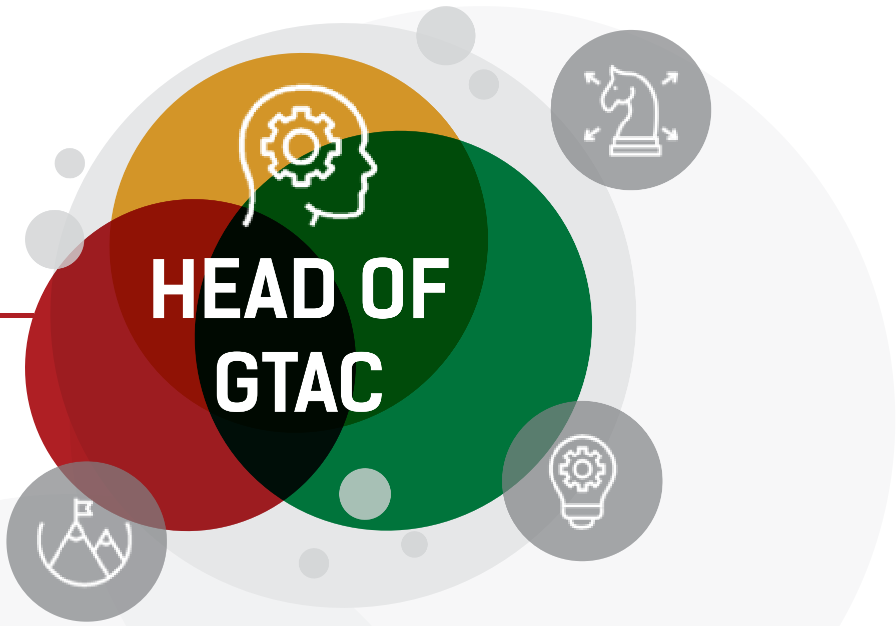
GTAC's business model is guided by a strategic intelligence through which it constantly maps its actions and interventions against a changing environment. This allows it to innovate; respond creatively, appropriately and timeously to new pressures; and seek out new opportunities for responding to public sector needs. Reflection, review and iteration in a continuous cycle of learning are therefore fundamental to its ethos and business model.

GTAC determines the viability of the requests it receives by assessing whether they are aligned with its mandate of building state capability. If so, it brings together the skills needed to deliver on the request. A significant part of the GTAC business model is based on cost recovery, so that departments seeking GTAC's assistance are invested in the outcomes they wish to achieve. Given the current fiscal constraints, which have been exacerbated by the pandemic, GTAC has considered ways to optimise its business model to improve its financial viability. The strategic choices it makes are thus informed by how best to leverage its diverse expertise and competencies and ensure that it offers a service that constitutes more than the sum of its parts.

1.7 ENTITIES REPORTING TO THE MINISTER/MEC

Not applicable to GTAC

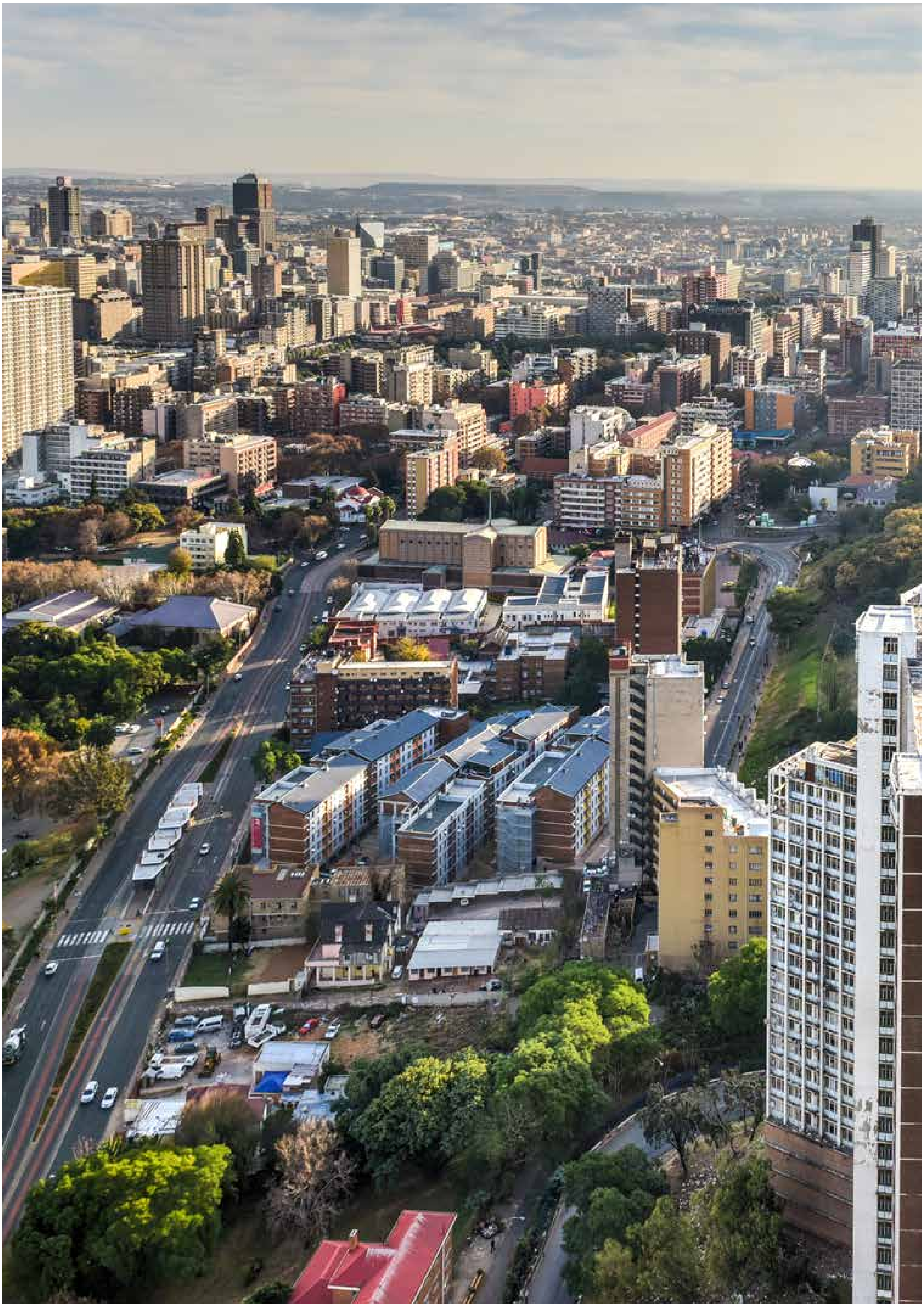
1.8 ORGANISATIONAL STRUCTURE



- **Strategy, Management and Communication**
- **Financial Management**
- **Human Capital Management and Corporate Services**
- **Professional Services Procurement**

- **Transaction Advisory Services and Public-Private Partnerships**
- **Capital Projects Appraisal**
- **Institutional Development Support**
- **Public Expenditure and Policy Analysis**

- **Municipal Finance Improvement Programme**
- **Jobs Fund**

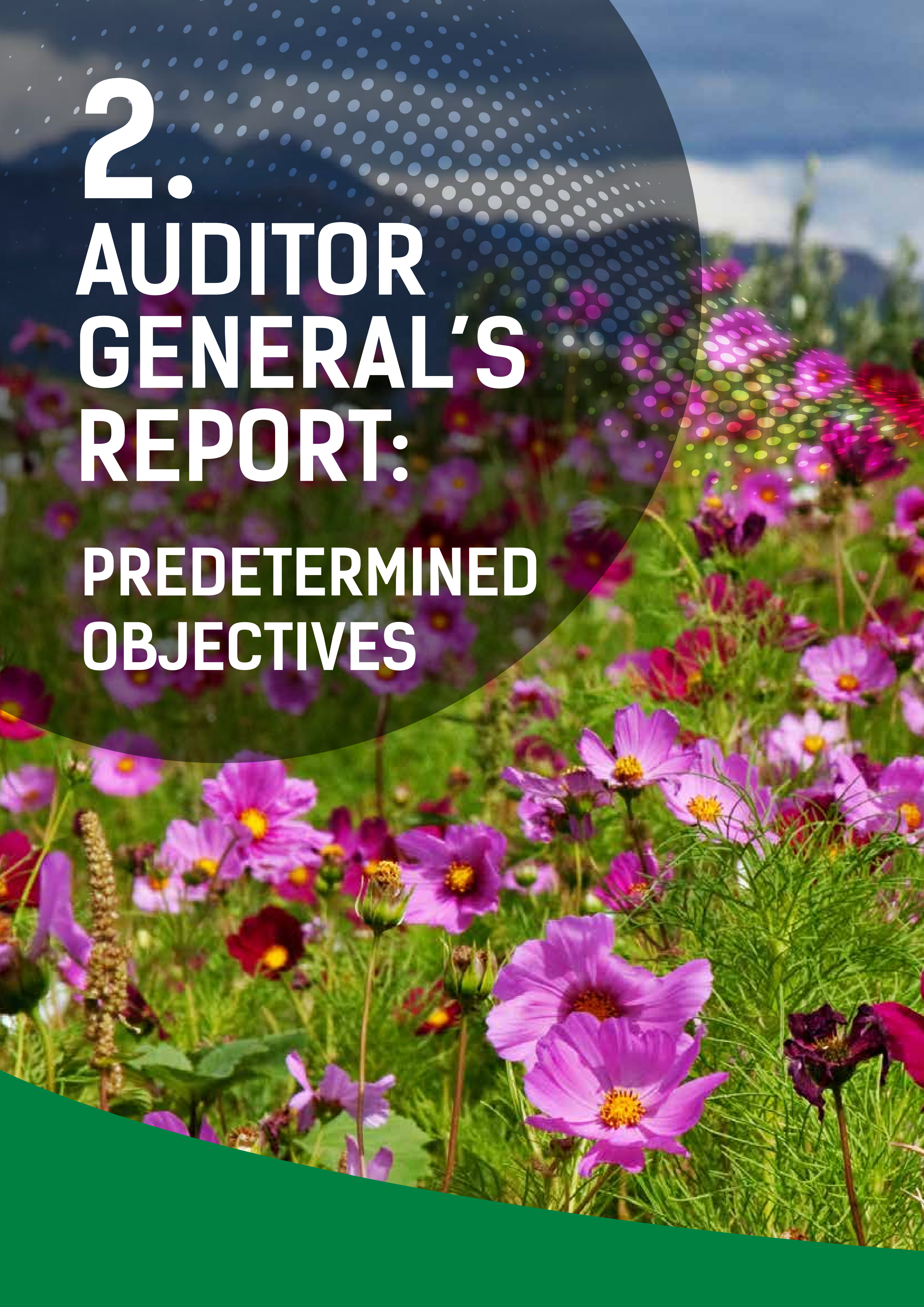


PART B

GENERAL INFORMATION

2. AUDITOR GENERAL'S REPORT:

PREDETERMINED OBJECTIVES



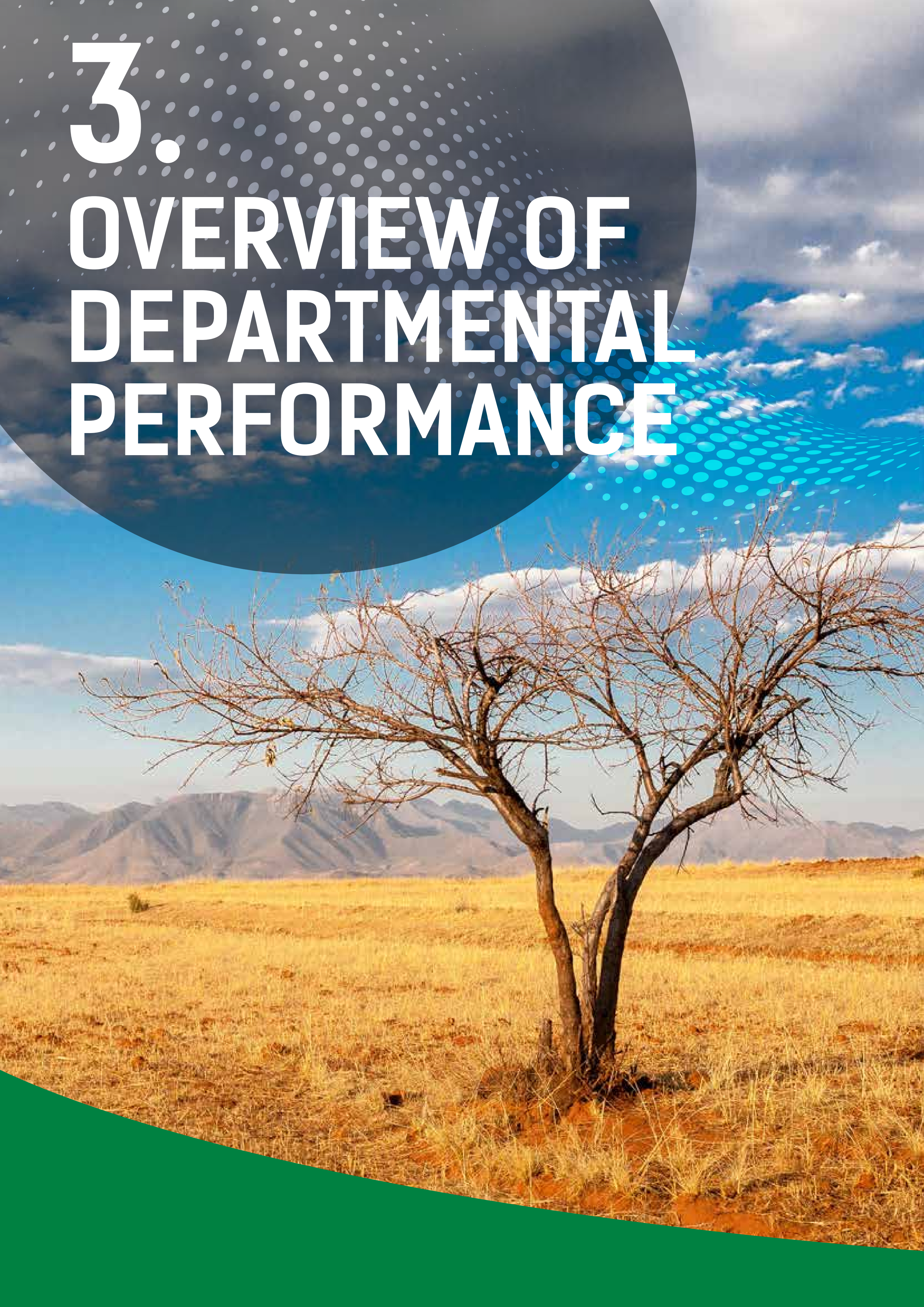
TSAKANI MALULEKE
AUDITOR GENERAL

AUDITOR GENERAL'S REPORT PREDETERMINED OBJECTIVES

The Auditor-General of South Africa performs certain audit procedures on the performance information to provide reasonable assurance in the form of an audit conclusion. The audit conclusion on GTAC's performance against predetermined objectives is included in the report to management. Material findings are provided under the 'Predetermined objectives' heading in the 'Report on other legal and regulatory requirements' section of the audit report.

Refer to page 95 of the report of the Auditor-General, published as Part E: Financial Information.

3. OVERVIEW OF DEPARTMENTAL PERFORMANCE



3.1 ORGANISATIONAL ENVIRONMENT

GTAC can reflect with some satisfaction on its achievements to date. It has delivered many meaningful interventions since its inception, and its potential for growth as a provider of choice is clear. There is an opportunity for a much-needed step change through which GTAC could consolidate and grow sustainably.

That said, the organisational environment has not been unaffected by the Covid-19 pandemic, which exacerbated the fragility of the macroeconomic environment. Over the reporting period, fiscal constraints were accompanied by changing donor priorities, along with perceptions of unclear oversight of GTAC's business and questions around its ability to demonstrate its added value. A final challenge has been the institutional instability resulting from uncertain leadership. Since its inception, the organisation has been led by a series of acting Heads of Office; their acting status has affected their ability to lead the organisation decisively.

GTAC's operating budget saw a significant reduction over this reporting period, and the expectation is for this trend to continue. Likewise for donor funding, the donor environment has shifted from traditional, untied funding to a model that emphasises trilateral cooperation on identified focus areas. This shift in donor priorities has negatively affected this long-standing source of funding.

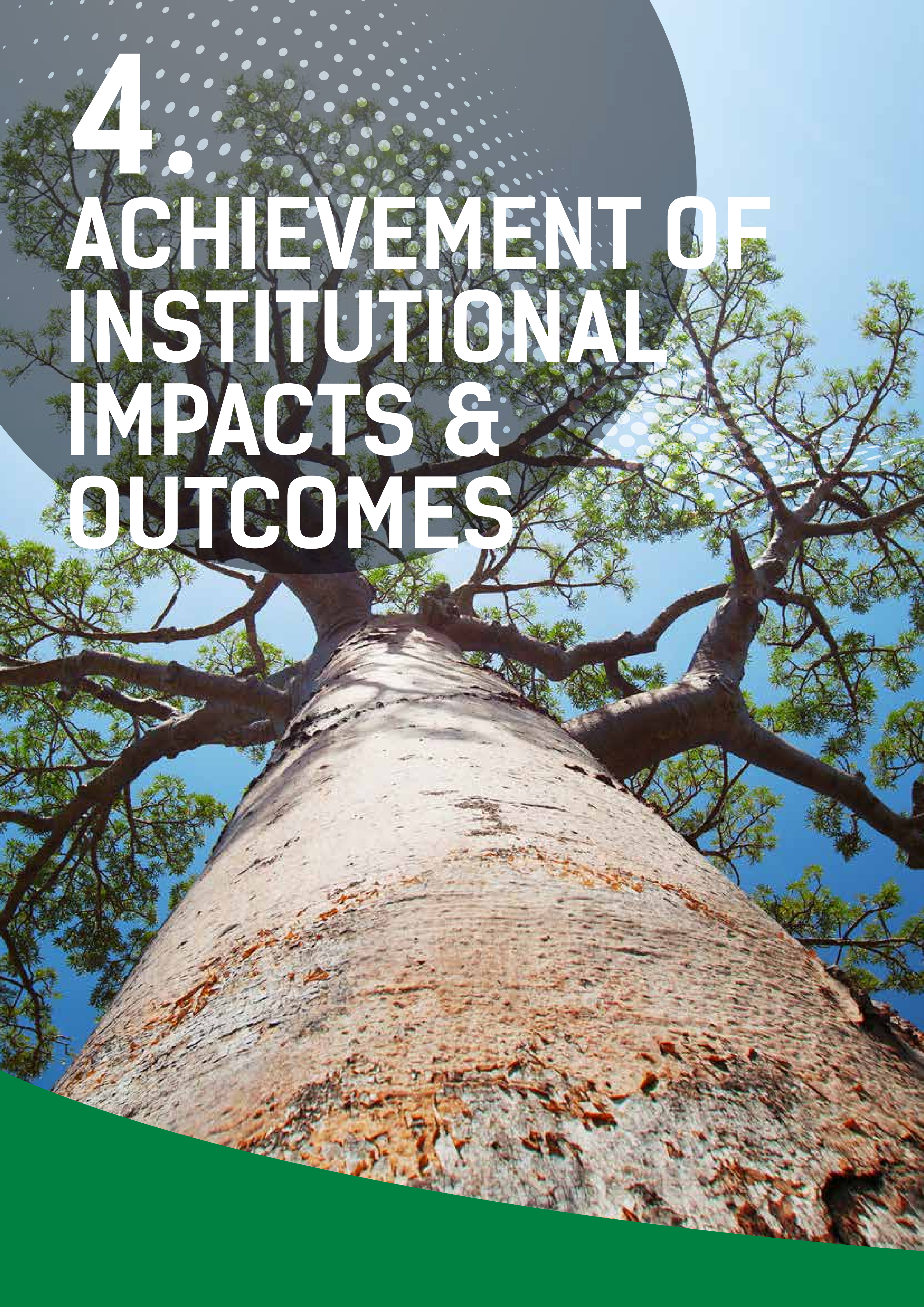
To address these challenges, GTAC will prioritise the following activities in the new financial year:

- **A review of its financing model.** A draft financing model has been developed, which includes a review of GTAC's costing model for deploying consultant resources to project delivery. It also assesses the sustainability of other investments GTAC makes to ensure adequate funding streams to help counteract lower appropriations and donor resources.
- **Strengthened governance mechanisms.** The National Treasury is GTAC's largest client, as well as its authorising agency. However, engagement with this key stakeholder has been inconsistent, and planning with the Treasury has therefore been inadequate. This presents a strategic governance risk for GTAC. During the year under review, a submission was made to the Minister to establish a Technical Advisory Committee for GTAC to provide the engagement needed to manage this governance risk. The Minister is authorised to constitute such a structure, which would include senior representatives from the Treasury and the departments of Planning, Monitoring and Evaluation (DPME), Public Service and Administration (DPSA), and Cooperative Governance and Traditional Affairs (CoGTA). The Technical Advisory Committee is expected to become functional in the new financial year.
- **As GTAC's organisational identity is still maturing, it has recognised the need for additional governance, risk and compliance mechanisms to provide effective oversight.** It established its own Risk Management Committee to supplement the support provided by the Chief Risk Officer of the National Treasury in terms of a shared services agreement. It also developed a single, integrated business model to provide seamless and efficient management support services for business delivery. This model has been finalised, and the new financial year will see investments in the underlying administrative and operating systems to facilitate and strengthen information management across the organisation.

3.2 KEY POLICY DEVELOPMENTS AND LEGISLATIVE CHANGES

There were no key policy developments or legislative changes affecting GTAC over the reporting period.

4. ACHIEVEMENT OF INSTITUTIONAL IMPACTS & OUTCOMES



4.1 IMPACT STATEMENT

A capable, ethical, developmental state.

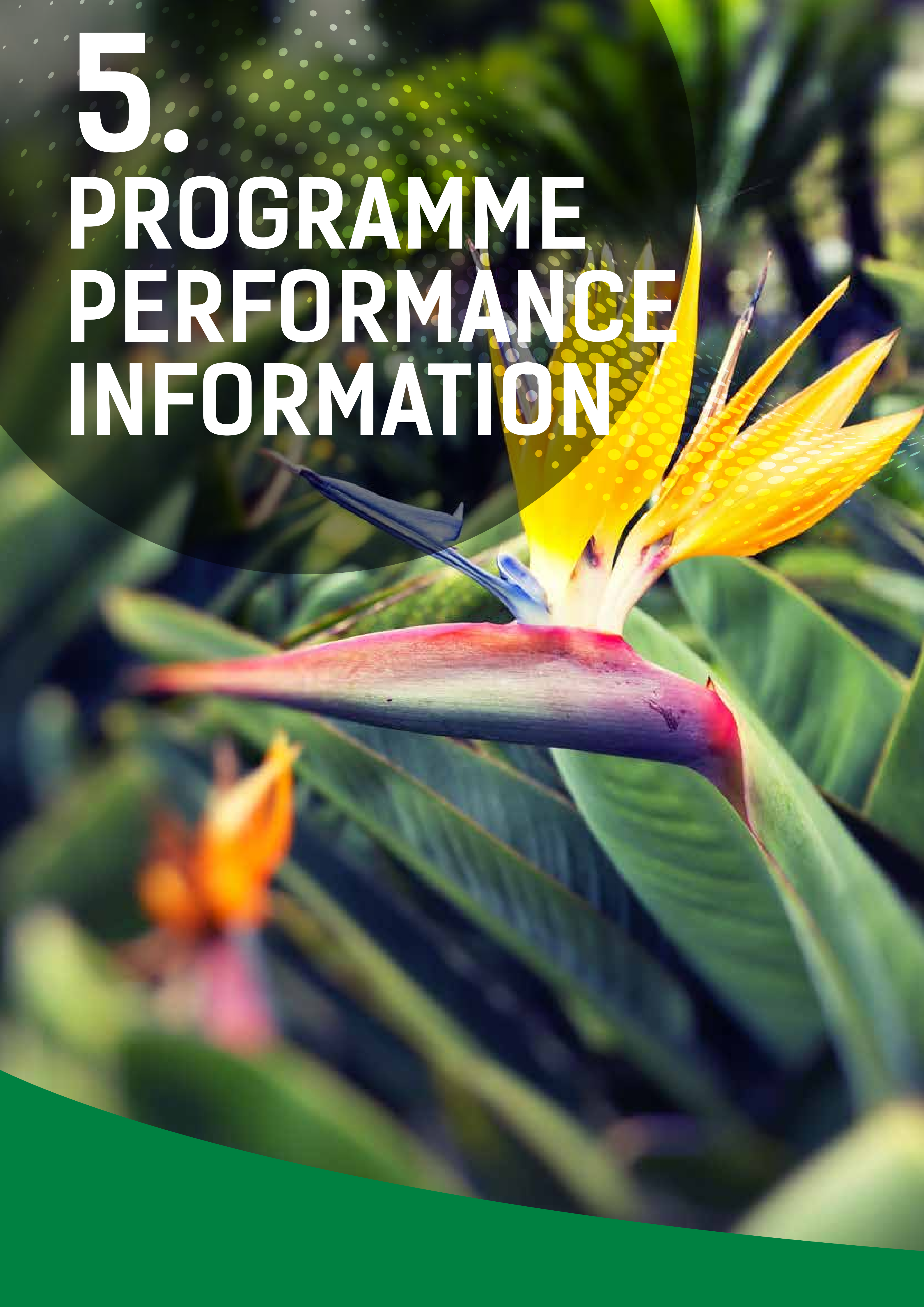
4.2 OUTCOMES

- Capacity of government institutions improved through the provision of technical and advisory support.
- Responsive and customised services delivered for programme implementation support.

Table 1: GTAC outcomes

Outcome	Outcome indicator	Baseline	Five-year target	2020/21 progress
1. Capacity of government institutions improved through the provision of technical and advisory support	1.1 GTAC's offering influences and strengthens the work of government	Nil	Build capability of government officials in conducting performance and expenditure reviews (PERs), making sound infrastructure submissions, and undertaking public-private partnerships (PPPs). Strengthen capacity of government institutions to deliver services.	**PEPA:** 4 initiatives supported including the completion of 39 PERs; 1 workshop held; 4 remuneration reports developed; spending review e-course developed. **Capital Projects Appraisal Unit:** 11 appraisal reports completed; 3 stakeholder engagements on the appraisal of capital projects delivered. **PPP:** 1 online regional training event held, 1 project qualified for procurement phase. **IDS:** 22 projects completed contributing to improved capacity of institutions; 2 knowledge management events held.
Over the next five years, GTAC aims to improve the quality and cost-effectiveness of its interventions. The activities it undertakes through its advisory business are therefore about strengthening its role in building state capability. The aim is to ensure that its clients integrate the methodologies it uses to build stronger institutions (systems, processes and structures) and integrate learning to build the capacities of individuals within these organisations. A second, related set of activities aims to use training and learning interventions to help build learning organisations and departments that are able to innovate. The lockdown restrictions required GTAC to use new approaches and methodologies to build capacity differently and achieve efficiencies of scale.				
2. Responsive and customised services for programme implementation support	2.1 % of clients satisfied	To be established in year 1	90% of clients satisfied or very satisfied with GTAC services	Baseline established; 66% satisfaction achieved over the last two quarters of the previous financial year. Project delivery support function designed; integrated business model developed; sustainable financing model developed; knowledge management strategy and function developed; publications shared; and Covid-19 reports developed for clients.
There are two clearly identifiable areas of delivery for GTAC to ensure a responsive and customised service over its five-year strategic trajectory. The first relates to better integration of its support functions and corresponding efficiency improvements, and the second is the set-up of governance and review processes to measure the extent to which it improves its management support. GTAC is on track in both of these areas, as can be seen from the progress reported above. It is specifically on track to reorganise its support functions. It has designed an integrated project delivery support function and is consolidating its knowledge management and communications function to enhance its visibility and develop a sustainable financial model. The feedback mechanisms instituted to review the performance of the support services provide a baseline to create a clear line of sight between the delivery of support (in human resources, finance, and procurement) and the ability of the business to provide feedback on these services. Finally, a five-year review of GTAC was completed, which clearly identified the areas that need investment in the remaining strategic period. This review informed the design of a monitoring, evaluation, reflection and learning tool, which will be implemented in the new financial year.				

5.
PROGRAMME PERFORMANCE INFORMATION



5.1 PROGRAMME 1: MANAGEMENT SUPPORT SERVICES

PURPOSE

Strengthened management support functions for efficient delivery of services and a responsive, customised service. Programme 1 includes two sub-programmes:

- Corporate and project delivery support.
- Strategic support.

OVERVIEW

Management Support Services provide a centralised system of administrative management support across the organisation. These services include the delivery of the strategic reporting framework, the effective use of human capital and corporate services, the efficient management of finances, and the procurement of professional services.

Table 2: Outputs, output indicators, planned targets and actual achievements for Programme 1

PROGRAMME 1: MANAGEMENT SUPPORT SERVICES								
Outcome	**Output**	**Output indicator**	**Audited actual perfor-mance 2018/19**	**Audited actual perfor-mance 2019/20**	**Planned annual target 2020/21**	**Actual achievement 2020/21**	**Deviation from target to actual achievement 2020/21**	**Reasons for deviations**
Responsive and customised services for programme implementa-tion support	1.1.1 Efficient managment of support services delivered	1.1.1.1 Integrated business model developed	n/a	n/a	Integrated business model developed	Integrated business model developed	n/a	n/a
		1.1.1.2 Management support delivers an unqualified audit	Received unqualified audit opinion	Received unqualified audit opinion	Receive unqualified audit opinion	Receive unqualified audit opinion	n/a	n/a
		1.1.1.3 % of payments made within prescribed norm of 30 days	100%	100%	100%	100%	n/a	n/a
	1.1.2 Emplorment equity targets achieved	1.1.2.1 % appointment of people with disabilities	1%	2%	2%	2,53%	0,53%	Overperformance is due to the appoint-ment of more people with disabilities than anticipated.
		1.1.2.2 % appointment of females in SMS positions	n/a	n/a	50%	32,65%	-17,35%	Underperformance is due to fewer positions being available for filling.
	1.2.1 Improve the visibility and branding of GTAC	1.2.1.1 Number of strategic initiatives promoted	n/a	n/a	12	12	n/a	n/a
	1.2.2 Capacity building inteventions delivered	1.2.2.1 Number of capacity-building interventions facilitated	n/a	n/a	3	3	n/a	n/a
		1.2.2.2 % capacity-building requests supported	n/a	n/a	100%	100%	n/a	n/a

Note: SMS – senior management service

Table 3: Strategy to overcome areas of underperformance (indicators and action plans) for Programme 1

OUTPUT INDICATOR	ACTION PLAN
1.1.2.2 % appointment of females in SMS positions	The recruitment of staff in the public sector has been affected by the moratorium on filling new positions. Nevertheless, to address underperformance a recruitment plan has been developed that prioritises the appointment of women at senior management level, should any vacancies become available because of natural attrition or resignations.

Note: SMS – senior management service

PROGRAMME 1 OUTPUTS

Indicator 1.1.1.1 – Efficient management of support services delivered

The development of an integrated business model is a critical first step towards improving efficiency in the delivery of support services in GTAC. A business model has been developed to incorporate a clear line of sight from the approval of projects to their effective planning, financing and delivery. The integrated business model forms part of a comprehensive report on the options for GTAC's organisational structure and the functions that would need to be in place for an effective, integrated business support service model. The report highlights important issues for consideration around the existing skills pool and the need for appropriate talent management. These recommendations are being discussed, and further work on the integration of project delivery and corporate support is planned for the year ahead.

Indicator 1.1.1.2 – Management support delivers an unqualified audit

GTAC received an unqualified audit with findings for 2019/20, and an audit action plan was developed to address these deficiencies. GTAC is pleased to report that by the end of 2020/21, 96% of the identified issues had been resolved.

Indicator 1.1.1.3 – % of payments made within the prescribed norm of 30 days

By end-2020/21, GTAC had processed payments for 393 invoices, totalling R165 749 953,59, within 30 days as prescribed.

Indicator 1.1.2.1 – % appointment of people with disabilities

GTAC met its legislated employment equity target – 4 of its 158 employees are persons living with disabilities.

Indicator 1.1.2.2 – % appointment of females in SMS positions

The employment equity target for the appointment of women to the senior management service (SMS) is 50%. GTAC underachieved on this target, primarily because a limited number of vacancies are available. This situation is compounded by the moratorium on filling non-critical positions in the public sector.

Indicator 1.2.1.1 – Number of strategic initiatives promoted

GTAC promotes its strategic initiatives through the publication of electronic newsletters to expand the scope and reach of its business. During the year under review, GTAC published 12 bimonthly editions of its electronic newsletter, ***WhatsUp*** (available on www.gtac.gov.za). ***WhatsUp*** provides critical insights into GTAC's work, along with information on the work of its strategic partners. These newsletters improve GTAC's visibility and branding among stakeholders like government, academia, research institutions, and professionals, as well as the international development sector. The ***WhatsUp*** readership has grown to over 2000 people.

Other highlights of the year include the partnership with the National Research Foundation to help the DPME document government's response to the Covid-19 pandemic by preparing the interim draft of the South Africa Covid-19 Country Report. GTAC also held two webinars with the National Planning Commission on the role of state-owned enterprises in economic transformation, as well as an infrastructure webinar on the importance of infrastructure delivery to inclusive growth.

In response to feedback from staff about the need for more information on, for example, the changes in the organisation, GTAC published the first of a series of monthly internal publications ***(the G-News)***. During lockdown, this newsletter became the primary means of communicating and staying connected with staff. It provided a regular slot for an encouraging, supportive message from the accounting officer; profiled important activities and projects being undertaken; highlighted commemorative calendar events (e.g., Youth Month), and flagged key compliance requirements (e.g., submission of performance agreements).

Finally, communications platforms, conferences and events were used effectively to build interest in various programmes supported by donor funding. The Capacity Building Programme for Employment Promotion, funded by the European Union, became a strategic intervention in terms of the Basic Package of Support to Youth as part of the Presidency's Employment Stimulus Package (discussed below). A website has been developed to showcase the work to date and provide access to knowledge products. The programme has helped promote successful partnerships with the international development community. In the new financial year, the focus will be on effectively integrating this work to ensure that it remains sustainable beyond the termination of the programme. Planning for the handover is underway.

Global Affairs Canada's programme on Building a Capable State is an excellent example of how long-term collaboration with a donor has resulted in significant work and capacity building. This support, which is structured differently from that of the EU programme, has brought a direct and sustained investment in building capacity in both GTAC and government.

It is important to reflect on the different models of engagement with development partners. GTAC has consolidated a database of existing and new donors to inform its engagements with donors in the new financial year.

Indicator 1.2.2.1 – Capacity-building interventions delivered

GTAC's capacity-building interventions are delivered either through activities directly facilitated by the strategy unit or through requests supported by the business units.

The 2020 lockdown resulted in the cancellation of various capacity-building events, including the Winter School. GTAC reconceptualised its initiatives and invested in virtual events as far as possible. Virtual capacity-building and shared-learning events during the year included a fascinating roundtable with the Gauteng City Region Observatory, where important data insights on the status of the pandemic in Gauteng were presented. The detailed analysis stimulated national debate and helped inform the provincial government's implementation and delivery plans. Overall, the work facilitated closer links between the Gauteng City Region Observatory and GTAC teams who consolidated the provincial inputs into the Covid-19 Country Report.

GTAC negotiated access to 'rapid response' funding from the Government of Canada and the European Union for Covid-19-related interventions during this reporting period. The Canadian funding provided actuarial support to the National Treasury's public finance division for health modelling, while the EU funding helped support the design of a Basic Package of Support for Youth as part of the Presidency's Employment Stimulus Package. This funding has allowed urgent technical expertise to be delivered directly where needed, while at the same time positioning GTAC as a convenor and connector that can leverage donor resources in support of government initiatives. As part of the review of research done for the South Africa Covid-19 Country Report, GTAC convened three mini-symposiums on the economic, social and health impact of the pandemic. More than 550 academics, government officials, civil society representatives, and industry leaders participated in these symposiums, providing rich debate and discussion to inform the work.

Indicator 1.2.2.2 – Capacity-building requests supported

The Strategy, Management and Communication unit plans and coordinates support to business units to help them deliver effective capacity-building and knowledge-sharing events. During the reporting period, the unit supported all requests received. It provided planning, coordination, communication, knowledge production and management (developing products as needed), and technological support for virtual events. Two learning events were held:

- Supply Chain Management – Possibilities in the Public Sector for the Institutional Development Support business unit.
- Using Public Health Infrastructure as Lever to Improve Service Quality for the Capital Projects Appraisal Unit.

The unit also managed the virtual hosting of a platform for the inaugural three-day foundational training on public-private partnerships (PPPs) hosted by the Transaction Advisory Services & PPP business unit. The communications team then developed videos on the training and shared these with participants. These videos will form part of the material used for wider dissemination and further training by the business unit.

This approach of triangulating and integrating knowledge, capacity building and innovation as part of a strategic learning approach is pivotal to strengthening GTAC's reputation and capacity as the go-to knowledge hub with both a national and a global footprint.

5.2 PROGRAMME 2: TECHNICAL AND ADVISORY SERVICES

PURPOSE

To contribute to identified organisational and advisory needs in government to address the broader challenges of public sector governance, analysis and capacity building.

OVERVIEW

GTAC's advisory and technical support activities are organised into four business units:

- Transaction Advisory Services and Public-Private Partnerships (TAS & PPPs).
- Capital Projects Appraisal.
- Institutional Development Support.
- Performance Expenditure and Policy Analysis (PEPA).

The business units conduct their advisory work with the support of both professional and administrative staff, as well as long- and short-term contractors for specific assignments. Strategic partnerships are sought when possible to provide a customised, multisectoral service to departments seeking GTAC's assistance. The systematic focus on information sharing and the development and dissemination of knowledge are key methodological tools used to build capacity and successfully deliver on projects.

Table 4: Outputs, output indicators, planned targets and actual achievements for Programme 2

PROGRAMME 2: TECHNICAL AND ADVISORY SERVICES								
Outcome	**Output**	**Output indicator**	**Audited actual perfor-mance 2018/19**	**Audited actual perfor-mance 2019/20**	**Planned annual target 2020/21**	**Actual achievement 2020/21**	**Deviation from target to actual achievement 2020/21**	**Reasons for deviations**
Capacity of government institutions improved through provision of technical and advisory support	2.1.1 Capital appraisal reports completed	2.1.1.1 Number of project appraisal reports completed	n/a	25	15	11	-4	Underperformance is because fewer projects in the Budget Facility for Infrastructure met the requirements to proceed to detailed technical analysis.
	2.1.2 Knowledge products produced	2.1.2.1 Number of knowledge products produced to promote good practice in public investment	n/a	n/a	2	2	0	n/a
	2.1.3 Stakeholder interventions held	2.1.3.1 Number of interventions held	n/a	n/a	2	3	1	Overperformance is due to high demand from stakeholders for an intervention on health infrastructure.
Capacity of government institutions improved through provision of technical and advisory support	2.2.1 Institutional development support delivered	2.2.1.1 % approved projects completed on time and within budget	n/a	n/a	100%	100% (22/22)	n/a	n/a
		2.2.1.2 Number of knowledge-sharing events held	n/a	n/a	2	2	0	n/a
	2.3.1 Technical procurement support provided	2.3.1.1 Number of projects entering procurement phase	n/a	n/a	3	1	-2	Underperformance is due to delays in the lockdown, which affected feasibility studies for projects.
	2.3.2 Capacity-building initiatives delivered	2.3.2.1 Number of foundational PPP capacity-building events held	4	4	4	1	-3	Underperformance is because of the cancellation of a planned event due to lockdown restrictions on large gatherings.
		2.3.2.2 Number of PPP biannual capacity-building events held	2	2	2	0	-2	Underperformance is because of the cancellation of a planned event due to lockdown restrictions on large gatherings.
Capacity of government institutions improved through provision of technical and advisory support	2.4.1 Performance and Expenditure Review initiatives supported	2.4.1.1 Number of PER initiatives supported	4	4	4	4	n/a	n/a
	2.4.2 Remuneration analysis reports developed	2.4.2.1 Number of remuneration reports developed	4	4	4	4	n/a	n/a
	2.4.3 PER e-course implemented	2.4.3.1 PER e-course developed	n/a	n/a	E-course developed	E-course developed	n/a	n/a

Table 5: Strategy to overcome areas of underperformance (indicators and action plans) for Programme 2

OUTPUT INDICATOR	ACTION PLAN
2.1.1.1 Number of project appraisal reports completed 2.3.1.1 Number of projects entering procurement phase	CPAU will hold intensive and pro-active information sessions with sponsors before they submit their proposals. However, these two indicators are demand-driven and depend on both the number of submissions received and their quality. If a submission does not meet the quality standards, it cannot proceed to the next stage – detailed technical analysis. Given the technical and quality issues involved, it is not viable to create an incentive to increase numbers.
2.3.2.1 Number of foundational PPP capacity-building events held 2.3.2.2 Number of PPP biannual capacity-building events held	The development of an approach to transform training from face-to-face to virtual options took a while. The first virtual training sessions that were held demonstrated that this option is feasible. All foundational and biannual training will be delivered through virtual platforms in the new year.

PROGRAMME 2 OUTPUTS

Capital Projects Appraisal Unit

The Capital Projects Appraisal Unit assists the National Treasury in its review and assessment of infrastructure investment proposals to ensure value for money, affordability and efficiency in infrastructure expenditure. It provides analytical and advisory capacity to appraise large and complex projects in the economic and social sectors. The work of the unit cuts across various divisions in the Treasury, as each of the divisions (including the Budget Office, Public Finance, and Assets and Liabilities Management) plays a distinct role in the infrastructure value chain.

Indicator 2.1.1 – Number of project appraisal reports completed

The year under review saw the fourth call for submissions under the Budget Facility for Infrastructure. The unit compiled material in collaboration with the Budget Office to guide project or programme owners and sponsors to package their infrastructure proposals for successful submission. The material was shared with relevant stakeholders and presented during information sessions; these were conducted online during the national lockdown.

In the year under review, 58 submissions were received and assessed against the requirements. Only 11 met the requirements to proceed to detailed technical analysis. Pre-screening reports were prepared for the Joint Technical Committee of the Budget Facility for Infrastructure, which advised whether proposals ought to undergo further detailed technical analysis. Following the Committee's decisions, lead assessors were allocated for approved proposals, and appraisal reports were completed for the 11 submissions. The recommendations informed the budget process, and the reports were included in the responses to project and programme sponsors on the outcomes of their submissions.

58 submissions received and assessed

11 submissions proceeded to technical analysis

The following appraisal reports were completed:

- Eastern Cape hostels and special schools improvement programme.
- Cape Town Freeway Integrator: Southern Corridor.
- Mpumalanga road infrastructure programme.
- Amathole District Municipality's upgrade of transport systems.
- Rural bridges programme.
- KwaZulu-Natal automotive supplier park.
- Nelson Mandela Bay logistics park.
- CDC's gas-enabling infrastructure project.
- Establishment of basic infrastructure in Zones 4 to 7.
- Msunduzi infrastructure regeneration programme.
- Buffalo City bulk sewerage, energy and road infrastructure programme.

Indicator 2.1.2 – Knowledge products produced

The Capital Projects Appraisal Unit promotes good practice in project appraisals and the use of appropriate methodologies for assessing the cost-benefit and value-for-money prospects of infrastructure investments, so as to strengthen capacity across government for undertaking project appraisals.

In the period under review, a manual on **cost-benefit analysis** was completed, providing a step-by-step guide to using this tool in the public sector. The manual was developed to address the gaps observed in the cost-benefit analyses reviewed by the unit – many of these analyses were either not robust enough or were methodologically flawed and, therefore, unreliable. The manual helps users understand the key economic concepts and principles that underpin cost-benefit analysis, the decision rules that determine whether a project should be selected for investment, and the uses and limitations of cost-benefit analyses.

Another important knowledge product was the revision of the **budget statement template** to facilitate the submission of better financial information on the affordability and cost-effectiveness of infrastructure proposals. Currently, the financial information submitted tends to be incomplete, inconsistent, and not prescriptive on forecasting methods to be used, which makes informed decisions difficult. In the revised template, clearly annotated, step-by-step instructions are embedded to help users complete the required information. It also includes a glossary of terms; adheres to good practice on financial modelling techniques; and has decision rules to help interpret the model's results.

Indicator 2.1.3 – Number of interventions held

As part of its learning and capacity-building strategy, the Capital Projects Appraisal Unit engages in various stakeholder discussions. During the year under review, three strategic interventions were held; these are discussed in more detail in the next section:

- Implications of the global growth in electric vehicles for the South African automotive sector.
- An evidence-based policymaking course, run in collaboration with the National School of Government and the DPME.
- Macro-planning challenges related to health infrastructure.

Highlights of Capital Projects Appraisal initiatives

The implications of the global growth in electric vehicles for the South African automotive sector. This webinar helped share knowledge and insights on how global trends in the adoption of electric vehicles might affect the local automotive industry and the transport and energy infrastructure systems. It was clear from the webinar that the evolving trends in the global automotive industry have significant implications for South Africa. The webinar concluded that government efforts to respond to these trends must take a holistic view of the preconditions for South Africa to position itself as a destination for foreign direct investment in electric vehicles – these include a stable macroeconomic environment and a sound fiscal framework. Also, there are opportunities for collaboration between government and industry to properly position the country to benefit from these trends.

The **Evidence-Based Policymaking** course for public sector officials, which was delivered in collaboration with the National School of Government and the DPME, showcased the value of effective partnering to enhance capacity in public sector management. The course built the knowledge, skills and capability of the participants to use evidence to inform decision-making and improve outcomes. The unit will continue to engage with the National School of Government in the next year to seek further opportunities for such collaboration.

The unit also hosted the first of a series of webinars on **health infrastructure issues**. The webinar discussed macro-planning challenges in health infrastructure and provided an update on government's responses to these challenges. It concluded that the weak state of public health infrastructure continues to undermine the provision of quality healthcare, which has implications for the roll-out of national health insurance. While many institutional issues are unlikely to be resolved immediately, some important lessons for government emerged. These include the need for (a) stronger coordination and integration in the planning of infrastructure; (b) better collaboration between the private and public sectors; and (c) improved capacity building on public health to enhance the knowledge base for the entire infrastructure value chain. Given that these challenges are not unique to health infrastructure, lessons learnt in resolving them should be documented and tracked to assist other public sector institutions facing similar challenges.

Institutional Development Support

The Institutional Development Support unit provides technical advisory services to help build the capacity of the state. It deploys multidisciplinary teams to offer macro institutional support, organisational strengthening support, and service delivery improvement modalities and approaches. The organisational strengthening support contributes to capacity building, in that the teams provide advice on optimal institutional forms, working closely with their counterparts in the client departments.

This business unit responds to requests from client departments and offers a consulting service delivery model, which incorporates innovative approaches to resolving challenges in public sector institutions. It also builds capacity, using knowledge-sharing exchanges that allow key government partners to engage with its methodologies and tools.

Indicator 2.2.1.1 – Institutional Development Support projects completed

By year-end, 44 projects had been supported, of which 22 were completed on time and within budget. These projects covered a range of areas, including business case development, diagnostics and reviews, feasibility studies, function shifts, organisational reviews and development, intergovernmental infrastructure delivery support, and programme and project management support. The next table lists the projects that were completed in the year under review.

44 projects supported

22 projects completed

Table 6: Institutional Development Support projects

OUTPUT INDICATOR	ACTION PLAN
Department of Basic Education	Function shift of early childhood development (Phase 1)
	Development of a framework for infrastructure delivery in the education sector
Department of Cooperative Governance	Support for the establishment of the Community Works Programme as a government component
Department of Environmental Affairs	A feasibility study on permitting and user charges related to the Integrated Coastal Management Act
	Support for a collaborative study for Initiative 5 of the Oceans Economy Phakisa
Department of Higher Education and Training	Support for the establishment and capacitation of centres of specialisation of technical and vocational education and training colleges
Department of Public Enterprises	Development of a risk and integrity management framework for state-owned companies
Department of Public Service and Administration	Facilitation of the DPSA strategic review and planning session
Department of Telecommunications and Postal Services	Development of business cases for the establishment of state information and communications technology infrastructure and IT companies
	Development of a business case for the Digital Development Fund
Department of Tourism	Technical assistance and project management support for the completion of two Working for Tourism projects under the Expanded Public Works Programme
Eastern Cape Department of Transport	Development of a business case for the amalgamation of the Government Fleet Management Service (GFMS), Mayibuye Transport Corporation, and the Aviation Directorate of Transport
National Economic Development and Labour Council	Support to the Unemployment Insurance Fund for the Temporary Employee/Employer Relief Scheme
	Procurement advice to the Presidential Committee Unit
National Treasury: International and Regional Economic Policy	Support for the development of the National Treasury Africa Engagement Strategy
National Treasury: Public Finance	An actuarial review of the unemployment insurance contribution levy
	Outcomes-based performance contracting pilot (with the Government of Flanders)
Passenger Rail Agency South Africa	Development of a contract management governance framework
Saldanha Bay Industrial Development Zone	Advisory support for the operationalisation of the Ease of Doing Business model
South African National Space Agency	Review of the business model and organisational design

Highlights of Institutional Development Support projects

Support to the Department of Higher Education and Training for the establishment and capacitation of centres of specialisation of technical and vocational education and training (TVET) colleges. Project management support has been provided to the department on the implementation of the Centres of Specialisation Programme since 2017, with the services of the Swiss–South African Cooperation Initiative. Through the creation of centres of specialisation at TVET colleges countrywide, significant numbers of learners (including from disadvantaged backgrounds) are enrolled annually to acquire priority artisan skills. Workplace learning is facilitated through links with industry. The programme has focused on the delivery of 13 priority trades, developed at 26 college sites across 19 colleges, supporting more than 700 beneficiaries. Project management support included the development of selection criteria, assistance with the process of recruiting participating colleges, support for establishing key structures (e.g., centres of specialisation), and assistance with the recruitment of employers who recruited apprentices. Advice was also provided on the need for infrastructure upgrades. This initiative provides important lessons on the intensive, long-term investments needed to drive systems change and bridge the gap between skills supply and demand in South Africa.

Development of a framework for infrastructure delivery for the Department of Basic Education. This project delivered a collaborative framework for infrastructure delivery and an institutional capacity-building plan with the aim of improving infrastructure delivery outcomes in the basic education sector. It helps to accelerate (and build capacity for) infrastructure delivery through:

- Strengthening leadership, institutional arrangements, delivery modalities, and human and organisational resources.
- Enhancing collaboration among critical stakeholders.

The framework leverages existing unit protocols to customise an infrastructure delivery plan for education. The basic education sector requires fit-for-purpose and adequate infrastructure (in terms of both quantity and quality) to ensure the delivery of a holistic and integrated basic education service. To this end, it was imperative for the project to focus on (a) providing appropriate infrastructure to address service delivery backlogs; and (b) creating a safe built environment for learners, educators, parents and the community by ensuring the functionality and sustainability of the existing infrastructure stock.

Review of the business model of the South African National Space Agency (SANSA). The SANSA Board, chief executive officer, and management team requested a review of its business model to help reposition the organisation to achieve its aggressive growth and service delivery strategy. Technical assistance included a status quo analysis, value chain analysis, and options development, focused on an optimal macro-organisational design, a sustainable financial, and an implementation plan. The report set out several actions that SANSA would need to take to launch a transformation process, with particular emphasis on an expansionist growth strategy, investment in leadership, and a committed workforce.

Development of a risk and integrity management framework for state-owned companies for the Department of Public Enterprises. Following widely reported challenges with state-owned companies and various commissions of enquiry dealing with these enterprises and state capture, the department sought to establish mechanisms to improve the governance of state-owned companies. GTAC's assistance entailed a rapid diagnostic assessment to confirm the root causes of and options for improving governance, followed by the development of a guide and priority norms and standards on (a) risk reporting; (b) conflicts of interest; and (c) vetting, which is inclusive of support during consultation processes. The risk and integrity management framework developed by GTAC fills critical gaps in the oversight framework for state-owned companies. However, it imposes a heavier compliance burden on these companies and a heavier oversight burden on the department. It attempts to mitigate the compliance burden by seeking assurance from the state-owned companies that the elements and associated norms and standards in the framework are being appropriately managed, rather than seeking detailed reporting. The key test for the framework will be its successful roll-out and the specific inclusion of its reporting requirements in the statements of shareholders' intent, shareholders' compacts, and the corporate plans of state-owned companies.

Indicator 2.2.1.2 – Knowledge-sharing events held

The unit also hosted knowledge-sharing sessions to build sustainable competence in the state. In the year under review, it held two sessions:

- A virtual learning and knowledge-sharing session was held on **Supply Chain Management Possibilities in the Public Sector.** The session discussed best practices in supply chain management in critical areas for the public sector. An excellent presentation, commissioned by the Eastern Cape Provincial Treasury, was made by Prof. Geo Quinot. His paper analysed approaches to and practices in supply chain management in the South African public sector, with a focus on provincial government.
- A virtual learning session was held on **Governance Challenges in State-Owned Entities.** The session critically reflected on GTAC's experience and lessons learnt from four institutional development support projects:
    - The turnaround strategy for the South African Broadcasting Corporation.
    - A review of public entities in the North West, undertaken for the provincial treasury.
    - An organisational assessment of the Passenger Rail Agency of South Africa.
    - The development of a risk and integrity framework for state-owned companies.

This comparative analysis highlighted common challenges in institutional consolidation, including (a) weak operational planning and management; (b) qualified or disclaimed audits; (c) high board and executive turnover; and (d) the manipulation of tender processes and the accompanying erosion of supply chain management.

Indicator 2.2.1.3 – Institutional Development Support knowledge product

> The unit produced a case study on delivery management of infrastructure projects to provide examples of institutional and contract management anomalies that have led to programmes and projects being stalled or even terminated. It is hoped that these examples of poor contract management practices and their consequences would sensitise officials in charge of the contract management of infrastructure initiatives, so that they would either implement best practice methodologies or seek advice to ensure that such anomalies do not occur on their watch.

Transaction Advisory Services and PPPs

The PPP unit provided support for activities under the Municipal Finance Management Act and Treasury Regulation 16 through the registration of PPP projects with the Budget Office of the National Treasury and the TAS & PPP unit.

Indicator 2.3.1.1 – Projects entering procurement phase

Before qualifying for procurement, projects undergo a comprehensive process, including registration and feasibility studies. In the year under review, Covid-19 and the lockdown led to a delay in the registration of projects. For the same reason, key stakeholders were often unavailable to complete the necessary feasibility studies; this contributed to procurement delays.

The PPP unit provides important input from the registration of a project to its financial closure. Reaching financial closure means that the feasibility study is completed and the project is ready for procurement and deemed as successful. In this regard, a feasibility study (Phase 1) for the Department of Mineral Resources and Energy's solar water-heating project met the necessary requirements.

Indicator 2.3.2.1 – Foundational PPP capacity-building events held

The unit provides capacity building in support of government capacity-building initiatives. This year, it successfully hosted a foundational PPP capacity-building webinar over three days. This was the first time such training had been delivered virtually.

Indicator 2.3.2.2 – Biannual capacity-building events held

The planned biannual capacity-building training for municipalities was postponed because of the lockdown restrictions. This training is planned for the next financial year; municipalities will be consulted about convening it as a virtual event.

Public Expenditure and Policy Analysis

Performance and expenditure reviews (PERs) are widely used internationally to assess the cost-effectiveness of public policy and spending to help improve delivery. The reviews are also sometimes used to proactively cost the implications of legislative changes and policy choices. The spending review methodology allows expenditure trends to be probed in detail and offers a unique perspective on the articulation between policy goals and budget needs. The reviews provide a detailed understanding of policy and programme logic, which is then combined with readily available expenditure data from government accounting systems – the Basic Accounting System (BAS) and the Personnel and Salary System (PERSAL). In a series of systematised steps, expenditure and cost drivers are analysed and unit costs estimated. These expenditure analyses inform cost models that anticipate different spending scenarios and articulate the impact on service delivery of such scenarios. Priority is given to identifying potential opportunities to improve value for money, whether in the form of savings or improvements to programme designs.

Indicator 2.4.1.1 – PER initiatives supported

The PEPA unit provides analysis of and insights into the performance, cost-effectiveness and expenditure trends of selected government programmes. These findings help responsible authorities and stakeholders assess the financing and service delivery implications of the design of policies and programmes, for both current and planned initiatives.

In the period under review, PEPA supported four initiatives:

- The unit helped build the capability of Treasury officials to conduct PERs and remuneration analysis. The National Treasury Spending Reviews project covers seven clusters, as per the individual Chief Directorates in the Public Finance division. By the end of the project, Treasury officials had produced 39 spending reviews.
- PEPA conceptualised Eastern Cape PERs through a needs analysis and research to scope potential areas of analysis. The final submission included a departmental-level BAS and PERSAL analysis report for the Eastern Cape Provincial Government.
- A Cost Modelling Masterclass was hosted for budget analysts to promote the uptake of costing models. The masterclass aimed to train participants on how to prepare to build a costing model; understand the costing formula; familiarise themselves with the principles of costing; and know the required steps in building a costing model.
- PEPA also hosted a workshop on *'Institutionalising your spending review findings: Making it happen!'.* This was in the form of well-crafted decision trees – tools that assist officials in navigating the complexity of a government programme. Such decision trees help them understand the findings of their PERs and develop persuasive, powerful recommendations.

Indicator 2.4.2.1 – Remuneration reports developed

PEPA conducts investigations on the key drivers of compensation expenditure and personnel trends in government, using PERSAL data. This analysis assists the Treasury in understanding the fiscal pressures related to remuneration trajectories, both over the period of the Medium-Term Expenditure Framework and in the longer run. PEPA provides technical analysis and actuarial projections on remuneration and works to improve the understanding of each sector's specific variations and needs in this regard.

In this reporting period, several remuneration reports were developed:

- An analysis of compensation of employees for the whole of government was completed and published in the 2020 Medium-Term Budget Policy Statement.
- PEPA supported the Budget Office on the wage bill by analysing the affidavit submitted by the Ministry for Public Service and Administration for the Labour Court case on the implementation of Resolution 1 of 2018.
- Expenditure on compensation of defence employees was analysed, including trends in the size of the establishment and drivers of salary growth from 2010 to 2019.
- A review and analysis of compensation of employees was completed for the Western Cape Provincial Government, including proposals on cost containment measures.

Indicator 2.4.3.1 – PER e-course developed

PEPA designed an e-course to help build the skills and knowledge of officials and so promote the use and sustainability of expenditure analysis. This course will allow efficiencies of scale and facilitate access to the methodologies for informing policy decision-making. The PER e-learning course was finalised in the year under review, and a knowledge repository for the training methodology and materials was established. PEPA plans to roll out the course in the new year.

Highlights of PEPA projects

In July 2020 PEPA, together with the National Treasury, launched a **series of spending reviews**, almost 40 of which have been conducted to date. These reviews identified significant restructuring opportunities (including merging or closing entities to reduce duplication of functions) and massive inefficiencies in some infrastructure programmes. They revealed the limits of incremental budgeting, especially where technology has the potential to transform service delivery. And they highlighted cases where guaranteed budget increments create perverse incentives to enter into contracts that have high unit costs for the delivery of certain services.

Considerable time and effort went into the spending reviews in the year under review. They are likely to become a critical tool to help the various clusters and function groups make informed decisions about budget cuts over the Medium-Term Expenditure Framework period.

PEPA's work to capacitate Treasury officials to undertake their own spending reviews included:

- It hosted a *Cost Modelling Masterclass* that detailed: how costing brings fiscal realities into policy discussions, how to prepare to build a costing model, the costing formula, principles of costing, steps in building a costing model, and examples of cost models.
- Five other workshops, covering Steps 1–3 of the PER methodology, were held in 2020. The aim was to assist participants in understanding programme role players and how funds flow within and between spheres and different institutions, and to introduce officials to process maps and log frames as analytical tools for analysing policies, legislation and regulations.
- Another workshop was on expenditure analysis to establish what is being spent on the various programmes and policies under review.
- On 15 September, the National Treasury, in collaboration with GTAC, hosted its very first National Spending Reviews showcase. The aim of the showcase was to present emerging spending review findings to national and provincial treasury colleagues, as well as to share insights and ideas.
- A report-writing workshop was held to help officials understand what is expected in spending review reports and provide an opportunity for participants and technical advisors to discuss and reflect on the writing experience.
- The final workshop, held on 19 November 2020, was called *'Institutionalising your spending review findings: Making it happen!'.* The objective was to help participants understand the steps that can be taken once their spending review reports have been completed, explore different categories of spending reviews and the journey from the completion of the report to achieving savings (decision trees), apply the decision tree approach to individual spending reviews, and create specific roadmaps.

PEPA also contributed an **analysis of the wage bill** to the 2020 Medium-Term Budget Policy Statement, along with inputs in support of the Budget and wage negotiation process. It directly investigated the drivers of compensation expenditure using a 'big data' analysis of the payroll system (PERSAL) and linking personnel and expenditure datasets. This exercise was done for all departments as a collective; specific sectors and, more recently, provinces have also been analysed.

5.3 PROGRAMME 3: INCUBATION AND IMPLEMENTATION SUPPORT FOR PROGRAMMES

PURPOSE

This programme aims to provide high-quality incubation and implementation support for government programmes on request from government departments. Such support depends on a responsive and customised service being provided, and GTAC's focus is on the scoping and design of an effective model to deliver the service efficiently. The client is anticipated to be a government department or organ of state in need of administrative and implementation support to manage a programme on its behalf. Currently GTAC provides administrative and implementation support to two National Treasury programmes – the Jobs Fund and the Municipal Finance Improvement Programme. The aim is to grow this capability to host more programmes on behalf of government.

Table 7: Outputs, output indicators, planned targets and actual achievements for Programme 3

PROGRAMME 3: INCUBATION AND IMPLEMENTATION SUPPORT FOR PROGRAMME								
Outcome	**Output**	**Output indicator**	**Audited actual performance 2018/19**	**Audited actual performance 2019/20**	**Planned annual target 2020/21**	**Actual achievement 2020/21**	**Deviation from target to actual achievement 2020/21**	**Reasons for deviations**
Resposive and customised services for programme implementation support	3.1 Incubation and implementation function operationalised	3.1.1 Business model approved	n/a	n/a	Business model approved	Business model approved	n/a	n/a
		3.1.2 % Adherence to service standards	n/a	n/a	100%	66%	-34%	Underperformance is due to late receipt of invoices after closure of the quarter; delays in contract verification and memo sign-offs; internal unit delays; and waiting for inception reports from service providers.

PROGRAMME 3 OUTPUTS

Indicator 3.1.1 – Business model approved

During the year GTAC developed a concept for incubation and acceleration to support government project and programme management units. The aim of this concept is to strengthen the current programme management capability to support more government programmes. This will bring efficiencies to high-end government programmes as well as build the capability of the departments to manage such programmes effectively. The next step is to scope a business case to assess the feasibility of implementing this function. The business case will assess and make recommendations on possible financing and institutional options.

Indicator 3.1.2 – Adherence to service standards

In addition to adequate technical support, effective programme incubation and implementation support relies on an efficient administrative management support in professional services, human and financial resources. GTAC provides these services through its Programme 1 services and the aim is to ensure that a service level agreement is in place for these services provided to programme management units implementing programmes on behalf of other government departments. GTAC first sought to achieve 100% adherence to service-level standards for providing administrative management support to the Jobs Fund and the Municipal Finance Improvement Programme.

Eight service standards were consolidated, covering support from Human Resources, Procurement, and Finance. During the year under review, management support services had delivered on 66% of the agreed service standards. Underperformance is attributed to several factors, including the late receipt of invoices after the closure of a quarter, delays in contract verification and memos being signed off, internal delays within the procurement unit, and delays in the receipt and finalisation of inception reports from service providers.

5.4 THE INSTITUTIONAL RESPONSE TO THE COVID-19 PANDEMIC

Table 8: Progress on the institutional response to the Covid-19 pandemic

Budget programme	Interventions	Geographic location (province, district or local municipality)	No. of beneficiaries	Disaggregation of beneficiaries	Total allocation per intervention	Budget spent per intervention	Contribution to outputs in APP (where applicable)	Immediate outcomes
GTAC Covid-19 Actuaries Fund	Review of the provincial equitable share health component model and formulae	National Treasury, Inter-governmental Relations	All South Africans who use public health facilities	Not available for this report but will be disaggregated (once the model is finalised) by gender, age, and health conditions	R150 000	Not available	n/a No direct Covid-19 output	A revised model for the health component of the provincial equitable share formula
	Development of a district allocation formula for the South African health sector	National Treasury, Inter-governmental Relations	All South Africans who use public health facilities	n/a	R160 000	Not available	n/a	A revised design and Excel-based model of the district allocation formula
Covid-19 Global Affairs Canada support project	Development of the South Africa Covid-19 Country Report, the Gauteng case study, and the criminal justice case study	National, all provinces, and Gauteng specifically	The Presidency, Parliament, the public, World Health Organization, African Union	n/a	R3 million	R1,6 million	Improve the visibility and branding of GTAC: Strategic initiatives promoted	Draft South Africa Covid-19 Country Report, incorporating case studies

Note: APP – annual performance plan

5.5 LINKING PERFORMANCE WITH BUDGETS

Table 9: Programme expenditure

Programme name	2019/20			2020/21		
	Adjusted appropriation	Actual expenditure	(Over)/under-expenditure	Adjusted appropriation	Actual expenditure	(Over)/under-expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
1. Management Support Services	91 767	65 323	26 444	73 945	57 373	16 572
2. Transaction and Advisory Services	135 035	121 158	13 877	135 179	88 908	46 271
3. Incubation and Implementation Support for Programmes	101 288	80 271	21 017	93 202	80 755	12 447
Total	328 090	266 752	61 338	302 326	227 037	75 290

During the year under review, GTAC's overall expenditure was below that of the previous year by R39 715 million. The variance was mostly on Programme 1 and Programme 2; for Programme 3, actual expenditure was slightly higher.

The lower spending on Programmes 1 and 2 was linked to the budget cut of R15 689 million in the 2020 Adjusted Estimates of National Expenditure. Underspending on the remaining budget was due mostly to the impact of the Covid-19 pandemic and the resulting lockdown, which meant that many projects had to be put on hold or stopped.

- *The Infrastructure Planning and Support Project (R20 million) was not implemented because the memorandum of agreement between the National Treasury and GTAC to enable spending had not been signed.*
- *The Government of Flanders-funded project was not implemented on time. In December 2020 the donor decided to cancel and close the project.*
- *Spending on the Building a Capable State programme was below budget. Projects not implemented in the lockdown include the Winter School and Social Mix Workshops.*

Underspending on other goods and services stemmed from savings in office overheads, as most staff worked remotely during the lockdown. The lockdown also meant a sharp reduction in travelling, hence, significant underspending on this budget.

Programme 3 was also affected by the lockdown, but the impact on actual expenditure was less significant because the budget of the Jobs Fund programme was cut by R23 million in the 2020 Adjusted Estimates of National Expenditure.

Spending improved on all programmes during the third and fourth quarter of the year, in line with the easing of the lockdown restrictions.

6. TRANSFER PAYMENTS

6.1 TRANSFER PAYMENTS TO PUBLIC ENTITIES

GTAC does not have any transfer payments

7. CONDITIONAL GRANTS

7.1 CONDITIONAL GRANTS AND EARMARKED FUNDS PAID

GTAC does not have any conditional grants.

8. DONOR FUNDS

8.1 DONOR FUNDS RECEIVED

GTAC had three active donor relations, one of which became inactive during the year (Flanders):

- The European Union Capacity-Building Programme for Employment Promotion, which aims to help South Africa 'to meet the key national objective of reducing unemployment, by building institutional and organisational capacity for employment promotion'.
- The Flanders-funded Outcomes-Based Contract Pilot on 'Assessing the viability of utilising outcomes-based performance instruments for contracting service delivery by government'.
- The Global Affairs Canada-funded Building a Capable State programme, which aims to 'improve service delivery through strengthened public administration for the well-being of girls, boys, men and women of South Africa'.

A cooperative partnership with the United Nations University World Institute for Development Economics Research (UNU-WIDER) is in place but has not yet been activated. This partnership centres on the exchange of experts, which could not be pursued during the lockdown. GTAC is in consultation with the National Treasury's Economic Policy Division, which has an existing partnership with UNU-WIDER, to consider how best to activate this partnership in the new year.

GTAC's facilitation of these donor-funded capacity-development programmes is outlined in the tables below, which reflect funding received between 1 April 2020 and 31 March 2021.

Table 10: Global Affairs Canada: Building a Capable State

Name of donor	Government of Canada
Full amount of the funding	R115 539 230
Period of the commitment	August 2013 to September 2020 (extension granted until September 2021)
Purpose of the funding	Building a Capable State in South Africa
Expected outputs	• Improved management performance of GTAC clients in support of quality and gender-responsive service delivery, including increased reach to poor and vulnerable communities • Improved understanding by GTAC clients of their own systems and processes to support gender-responsive and quality service delivery • Improved capacity of GTAC clients to support quality service delivery • Enhanced capacity of GTAC to respond to client demand • Improved economic capability within the public sector • Increased GTAC leadership and managerial effectiveness • Improved performance management and accountability of DPME
Actual outputs achieved	• Established the Public Economics Capacity-Building Programme • Established a system to analyse government spending through performance expenditure reviews • Developed and rolled out intensive on-the-job training • Established a flagship project with Imali Yethu • Increased the capacity of GTAC's core team to deliver services to clients • Established Covid-19 interventions
Amount received (R'000)	R15 000
Amount spent by the department (R'000)	R3 509
Reasons for the funds unspent	Delays in spending were due to the Covid-19 lockdown
Monitoring mechanism by the donor	Biannual consultations, annual reports, and Project Steering Committees

Table 11: Assessing the viability of outcomes-based performance instruments

Name of donor	Government of Flanders
Full amount of the funding	R14 836 841
Period of the commitment	30 June 2017 to 30 June 2020 The project ended prematurely when the Government of Flanders informed GTAC that it would not endorse GTAC's proposed pilot in KwaZulu-Natal.
Purpose of the funding	Assessing the viability of utilising outcomes-based performance instruments for contracting service delivery by government
Expected outputs	• Select the department(s) for a feasibility study for piloting the outcomes-based contracting instrument • Conduct a feasibility study • Assist the department in managing the procurement of a consortium to manage the Outcomes-Based Contract pilot • Implement the Outcomes-Based Contract pilot
Actual outputs achieved	• Obtained Project Steering Committee endorsement of shortlisted process and projects • Procured and contracted service provider to conduct feasibility study and assist the department with the contracting process • Finalised feasibility studies and presented them to the Project Steering Committee in April 2020 (the committee accepted the recommendations)
Amount received (R'000)	R0 (current year)
Amount spent by the department (R'000)	R204
Reasons for the funds unspent	Delays in spending were due to the Covid-19 lockdown.
Monitoring mechanism by the donor	• Biannual meetings of the Project Steering Committees • Biannual operational plan • Biannual report on financial administration • Lessons learnt report

Table 12: The Capacity-Building Promotion of Employment Programme

Name of donor	European Union
Full amount of the funding	€6,5 million
Period of the commitment	January 2017 to August 2020 (extension granted till February 2022)
Purpose of the funding	Capacity-Building Programme for Employment Promotion
Expected outputs	Contribute to reducing unemployment by building state and institutional capacity in three result areas: • Active labour market policy interventions for the unemployed • Small and medium enterprise development, including the informal sector • Further education and training and skills development
Actual outputs achieved	• Support for the 2018 Presidential Jobs Summit • Support for the Presidency's emergency response to the Covid-19 crisis, including social grants for the unemployed and an Employment Stimulus Package • High-level national Colloquium on Economic Growth and Employment • Development of a policy framework and pilot project for a Basic Package of Support for Youth • Development of evidence-based policy recommendations for employment-focused rural land reform • Support to the Department of Small Business Development for research-based policy dialogue and for citizen-centred design of small business financing and business development support services • Development of Western Cape digital skills agenda • Support to the Department of Higher Education and Training for the design, implementation and utilisation of TVET graduate outcomes surveys to strengthen the linkages between colleges and employment • Support to the Presidency for the Presidential Youth Employment Intervention: Inclusive Economies
Amount received (R'000)	n/a – funding is managed by DT-Global
Amount spent by the department (R'000)	n/a – funding is managed by DT-Global
Reasons for the funds unspent	Scheduled end of programme is August 2021. All available Non-Key Expert (NKE) consultancy days have been committed. Further incidental expenditures are budgeted for the remaining period of the programme.
Monitoring mechanism by the donor	Project Selection Committee, Project Steering Committee, and quarterly review meetings

6. CAPITAL INVESTMENT

9.1 CAPITAL INVESTMENT, MAINTENANCE AND ASSET MANAGEMENT

GTAC does not have any capital investment.

PART C
GOVERNANCE

10. GOVERNANCE

10.1 Introduction

GTAC is pleased to report that for the year ended 31 March 2021, it continued to demonstrate its commitment towards implementing the core principles of good corporate governance. During the year, the Management Committee (MANCO) steadfastly provided overall strategic direction while ensuring that factors affecting the achievement of GTAC's strategic objectives and operational targets were duly considered and managed. To this end, it provided ongoing oversight and monitoring, with the support of the newly established Risk Management Committee and the Audit Committee, to ensure a well-coordinated and integrated system of governance and risk management. Through proactive oversight by the Risk Management Committee and a dedicated Enterprise Risk Management Task Team, GTAC continued to improve the areas of risk management, ethics, occupational health and safety, compliance, and anti-corruption. This contributed to improved accountability and ongoing improvement in ensuring an efficient and effective system of risk management and internal control.

10.2 Governance, risk and compliance

During this reporting period GTAC focused on improving accountability and the line of sight from the annual planning processes through to accountability for business delivery. In earlier years, lines of accountability had been unclear, which posed a strategic and business risk. GTAC did not have sufficient capability for combined assurance, because it depended on the Treasury's support in the governance, risk management, and compliance space. The previous audit process identified specific root causes closely linked to the organisation's inability to manage quality assurance risks adequately; this posed a significant risk for business continuity.

To address these concerns, GTAC institutionalised its own combined assurance function. It invested in strengthening its governance, risk and compliance function independent of the Treasury, so that it would be better placed to share information, coordinate activities, and improve its governance review and coverage. GTAC is pleased to report that it has successfully established a governance, risk and compliance (GRC) coordination function in the Strategy Management and Communication unit; and appointed a GRC compliance task team; and constituted its own Risk Management Committee. Given GTAC's size, it was not appropriate to establish a separate division. The task team includes representatives from Human Resources, Finance, and Strategy units. GTAC continues to engage with the Office of the Chief Risk Officer in the Treasury, which provides effective strategic support and guidance.

10.3 Risk management

In the reporting period, GTAC reaffirmed its commitment to effective enterprise risk management. The Risk Management Committee approved key risk management governance documents, including the Enterprise-Wide Risk Management Policy, Framework and Strategy. The Risk Management Committee reports on progress to the Audit Committee on a quarterly basis. GTAC's Risk Management Task Team was appointed to facilitate and support the implementation of the Risk Management Strategy and Framework and is mandated to coordinate all risk management activities on behalf of the organisation.
GTAC continues to follow a systematic and formalised process to identify, assess, manage and monitor risks. Risk assessments are conducted at both strategic and operational levels. During the year, risk registers were reviewed and updated every quarter to improve institutional performance and prevent unnecessary exposure to risk. Over the medium term, GTAC will continue to embed risk management in its operations and make risk management more explicit in key and strategic decision-making processes. The capacity of the task team on governance, risk, and compliance continues to be developed to help GTAC improve its understanding and skill in this critical area of work.

The Covid-19 pandemic posed unprecedented risks to be addressed, including how the organisation would emerge from the pandemic more resilient, more capable, and more agile. GTAC acknowledged that several business continuity matters required consideration, including human capital, information technology, financial matters, and occupational health and safety concerns and protocols. The table below summarises the actions it took to ensure business continuity.

Table 13: GTAC actions to ensure business continuity

Subareas	Actions taken by GTAC
1.1 Stakeholder and client assurance	1. Assured stakeholders and clients that GTAC would remain a going concern and would ensure business sustainability.
	2. Facilitated two-way information sharing to keep stakeholders and clients updated constantly.
	3. Considered risk-sharing scenarios with key stakeholders and partners.
1.2 Ensure operational resilience	4. Enhanced digital connectivity across the value chain to allow remote connectivity.
	5. Ensured business-critical processes and services to manage possible interruptions.
	6. Identified core physical resources needed to maintain continuity.
	7. Adopted prevention measures across the office building.
1.3 Work continuity and job productivity	8. Defined return-to-work policies, including criteria for workplace rotation, flexible and smart working, as well as infection or quarantine protocols.
	9. Enhanced network capacity to support remote access and collaboration.
	10. Identified special needs and managed the impact of employee infection and quarantine, including through physical and psychological support services.
	11. Defined procedures for workplace hygiene and sanitisation, including issuing personal protective equipment for staff and ensuring the availability of medical consultation in emergencies.
	12. Regulated norms for physical interaction in the workplace and tracking employees through infrared scanning.

10.4 Fraud and corruption

GTAC continues to maintain its zero-tolerance stance on fraud, corruption and related activities. The roll-out of its Anti-Fraud and Corruption Strategy is underway. The strategy emphasises the prevention of opportunities for perpetrating acts of dishonesty. Key initiatives to inculcate a culture of honesty and sound ethics are fraud and corruption risk assessments, along with the training and screening of employees, external service providers, and business partners. Another priority is maintaining a strong system of internal control, where adequate policies and procedures are documented, approved, appropriately implemented, and enforced. This is particularly in high-risk areas such as procurement, finance, information and communications technology, and human resources. The consolidation of the appropriate policies and procedures is institutionalised through the monthly Operations Management Meetings and quarterly MANCO meetings.

The whistleblowing mechanism through the shared services agreement with the National Treasury continues to enable the disclosure of information on fraudulent and corrupt activities and other irregular conduct in the workplace. In the year under review, no new cases of fraud and corruption were reported, which can be attributed to the focused interventions implemented over the years. The Internal Audit unit will continue periodically to evaluate the adequacy and effectiveness of controls related to fraud and corruption.

10.5 Code of conduct and minimising conflict of interest

GTAC's Ethics Management Policy sets out measures and standards for promoting ethical conduct in the organisation. The policy regulates the management of conflicts of interest arising from financial interests, gifts, hospitality and other benefits, GTAC employment and remunerative work outside the public service, adherence to the code of conduct and consequence management. During the year, an ethics officer was appointed, and an ethics hotline was established to provide secure, anonymous and confidential access to anyone reporting potential breaches or raising queries on ethical matters. Extensive staff training and awareness raising were conducted on the code of conduct and other ethical matters.

All GTAC officials are required to disclose their financial interests and obtain approval from the accounting officer on an annual basis before conducting business outside the department. Any non-compliance identified is investigated and, where appropriate, disciplinary steps and actions to remedy any misconduct are taken. The ethics officer reports on a quarterly basis to the Risk Management Committee and MANCO on all ethical matters. The Internal Audit unit performs independent and periodic evaluations on the management of ethics at GTAC.

10.6 Health, safety and environmental issues

The Covid-19 pandemic required GTAC to increase its efforts to create a healthy and safe environment for all its employees and to enhance its occupational health and safety initiatives. Through a shared service agreement with the National Treasury, the Chief Risk Officer convenes and reports on occupational health and safety measures in terms of the Occupational Health and Safety Act (No. 85 of 1993).

GTAC responded adequately to the Covid-19 pandemic, in line with government's lockdown regulations. In the year ahead, GTAC will intensify its occupational health and safety efforts to help curb the impact of the pandemic.

10.7 Portfolio Committees

In period under review, GTAC did not attend any Portfolio Committee meetings.

10.8 SCOPA resolutions

In period under review, there were no Standing Committee on Public Accounts (SCOPA) resolutions on GTAC.

10.9 Prior modifications to audit reports

There were no prior modifications to the GTAC audit reports.

10.10 Internal control unit

During this reporting period, GTAC adopted its Internal Control Framework, which is based on the framework of the Committee of Sponsoring Organizations of the Treadway Commission. This framework will assist managers in the design, documentation and implementation of sound internal controls throughout GTAC to help ensure efficient and effective management of its operations, along with reliable reporting. The effectiveness of the framework is augmented by the adoption of the Compliance Policy, through which compliance will be integrated into GTAC's daily business activities. The policy will also help GTAC safeguard its reputation, build public trust, ensure transparency in its service offerings, and minimise the risk of regulatory action. The management of compliance risks forms part of the overall risk management framework of GTAC and is incorporated into its risk strategy.

10.11 Internal audit and Audit Committee

Internal auditing, as an independent and objective assurance and consulting activity, provides value-adding support to improve GTAC's operations. It helps the organisation accomplish its objectives by bringing a systematic and disciplined approach to both evaluate and improve the effectiveness of its governance, risk management, and internal controls.

Internal Audit implemented its annual, risk-based audit plan for 2020/21 as part of the three-year rolling plan, after consultation with management and approval by the Audit Committee. Seven of the planned audits were completed of the internal audit plan. All audit engagements and other internal audit work were executed in accordance with the International Professional Practice Framework of Internal Audit, issued by the Institute of Internal Auditors.

The Audit Committee is established as a statutory committee in terms of section 38(1)(a)(ii) of the Public Finance Management Act and Treasury Regulations. The committee performs an oversight and advisory role for the National Treasury and is accountable to the accounting officer, the executive authority, and the public to properly consider and evaluate all matters as per its terms of reference. The purpose of the committee is to assist the executive authority and accounting officer in fulfilling their oversight responsibilities in respect of financial reporting, risk management, the system of internal control, the audit process, and the department's process for monitoring compliance with laws, regulations, and the code of conduct. The committee also has a primary responsibility to the public to form an opinion on the effectiveness of the management of the issues within its ambit; it communicates these in the annual report. The table below discloses relevant information on the members of the Audit Committee.

Table 14: Members of the Audit Committee

Name	Qualifications	Internal or external	If internal, position in department	Date appointed	Date resigned	No. of meetings attended
Ms Pumla Mzizi (Chairperson)	BCom Honours in Transport Economics; CA(SA); BCompt Honours, Certificate in Theory of Accounting; BBusSci Finance Honours	External	n/a	1 October 2018	n/a	8 of 8
Ms Anna Badimo	MSc; MBA; BSc Honours Computer Science; BSc Computer Science	External	n/a	1 July 2015	n/a	8 of 8
Mr Brandon Furstenburg	MSc Financial Management; MCom Economics; BCom Honours; BCom; MInstD	External	n/a	1 June 2017	n/a	8 of 8
Mr Freddy Sinthumule	MBA (Limpopo); BCom Accounting (Univen); Dip Finance and Auditing (Unizul)	External	n/a	16 July 2019	n/a	8 of 8

Table 15: Audit Committee meetings held during 2020/21

	Meeting	Meeting date	Number of members attending
1	Audit Committee meeting to discuss GTAC quarterly reports	5 May 2020	4
2	Audit Committee meeting to discuss GTAC quarterly reports	24 June 2020	4
3	Audit Committee meeting to discuss unaudited annual financial statements	28 July 2020	4
4	Audit Committee meeting to discuss GTAC quarterly reports	1 September 2020	4
5	Audit Committee meeting to discuss the Auditor-General's management and audit reports	26 September 2020	4
6	Audit Committee meeting to discuss the Auditor-General's management and audit reports	30 September 2020	4
7	Audit Committee meeting to discuss GTAC quarterly reports	18 November 2020	4
8	Audit Committee meeting to discuss GTAC quarterly reports	29 March 2021	4

AUDIT COMMITTEE REPORT

PUMLA MZIZI CA(SA)
CHAIRPERSON OF THE AUDIT COMMITTEE

10.12 Audit Committee Report

We are pleased to present our report for the financial year ended 31 March 2021.

Audit Committee responsibility

The Audit Committee reports that it has complied with its responsibilities in accordance with Section 38 (1) (a) of the Public Finance Management Act and Treasury Regulation 3.1.

The Audit Committee also reports that it has adopted appropriate formal terms of reference based on the Audit Committee Charter and has regulated its affairs and has discharged all its responsibilities in compliance with the charter.

The effectiveness of internal control

The system of internal control is designed to provide cost-effective assurance that assets are safeguarded, and that liabilities are effectively managed. As per the PFMA requirements, internal audit primarily and the Auditor-General of South Africa evaluate the internal controls of an organisation for adequacy and effectiveness. This is achieved by assessing the effectiveness of risk management and identifying corrective actions and enhancements to controls and internal processes. Based on these evaluations, the Audit Committee considers the internal control environment as requiring improvement.

Internal audit

The Audit Committee reviewed and approved the annual internal audit plan for 2020/21 and has monitored the performance of the internal audit against that plan on a quarterly basis. The Audit Committee has noted that the internal audit plan was completed late. The Committee is satisfied that the internal audit function is operating effectively and that it has addressed the risks specific to the Government Technical Advisory Centre (GTAC) in conducting the reviews. In the external quality assurance review the internal audit function demonstrated general conformance.

The following internal audit assignments were completed during the year under review and the committee will continue to monitor the progress made against the corrective action plans implemented by management:

- Review of the Annual Financial Statements
- Domain controller review
- IT contracts, service level and operational level management review
- Review of supply chain management processes
- Firewall review
- Performance audit on the utilisation of consultants
- Review of irregular expenditure, fruitless and wasteful expenditure, and unauthorised expenditure 2019/20

The internal control environment requires overall improvement specifically in the domain controller area where controls were found to be unsatisfactory.

Risk management

Management is responsible for the establishment and maintenance of an **effective system of governance, risk management as well as the prevention and detection of fraud and internal controls.** Internal Audit was guided by the consolidated risk profile, provided by the Enterprise Risk Management unit, the critical audit areas, and managements inputs in the formulation of its three-year strategic and the annual plans. GTAC has established a Risk Management Committee. Quarterly meetings took place in line with its approved charter to consider and review the risk management policies and to provide oversight on the effectiveness of risk management within GTAC. A risk register is updated annually to ensure that all major risks, including emerging risks, facing the organisation are effectively managed. The Committee also monitors management's implementation of the risk management plans on a quarterly basis.

Compliance with laws and regulations

The Committee has reviewed the in-year management and quarterly reports submitted in terms of the Public Finance Management Act and is satisfied that no material deviations were noted. The Committee noted that the policies and procedures to ensure compliance with applicable laws and regulations require some review. It has further taken note of the concerns regarding the organisation's non-compliance with some of the legislative requirements relating to procurement and contract management as reflected in the audit report.

The Committee remains concerned with the slow progress in the finalisation of irregular expenditure. The status of the implementation of the guideline(s) as issued by National Treasury to resolve irregular expenditure is inadequate.

Evaluation of Financial Statements
The Committee submits that it has:

- Reviewed the 2020/21 unaudited and audited Annual Financial Statements prepared by the organisation.
- Reviewed the 2020/21 draft and final Annual Performance report.

Auditor-General's Report

The Audit Committee has met with the Auditor-General South Africa to discuss their audit report, to ensure that there are no unresolved issues. We have also reviewed the management responses to the audit issues raised in the AGSA management report and continuous oversight will be exercised to ensure that unresolved findings are adequately addressed.

We have reviewed the organisation's implementation plan for audit issues raised in the previous year and we are satisfied that the matters raised were substantially resolved.

The Audit Committee concurs and accepts the conclusions of the Auditor-General on the Annual Financial Statements and is of the opinion that the Audited Annual Financial Statements should be accepted and read together with the report of the Auditor-General.

Appreciation

The Audit Committee expresses its sincere appreciation to the Executive Authority, Accounting Officer, AGSA, Management, and internal audit for their support and co-operation.

pumla mzizi ca(sa)

PUMLA MZIZI CA(SA)
Chairperson of the Audit Committee
31 July 2021

10.13 Broad-Based Black Economic Empowerment compliance

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

Table 16: Compliance with the B-BBEE Code of Good Practice

Has the department or 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 (Indicate measures taken to comply)**
Determining qualification criteria for the issuing of licences, concessions or other authorisations in respect of economic activity in terms of any law?	No	Not applicable for GTAC
Developing and implementing a preferential procurement policy?	Yes	The GTAC Procurement policy and Procedures includes the implementation of preferential procurement legislative requirements.
Determining qualification criteria for the sale of state-owned enterprises?	No	GTAC is not responsible for selling state-owned enterprises
Developing criteria for entering into partnerships with the private sector?	No	No criteria developed for entering into partnerships with the private sector.
Determining criteria for the awarding of incentives, grants and investment schemes in support of Broad Based Black Economic Empowerment?	No	Not applicable for GTAC

PART D

HUMAN RESOURCE MANAGEMENT

Human Capital and Corporate Partner

11. HUMAN RESOURCE OVERVIEW

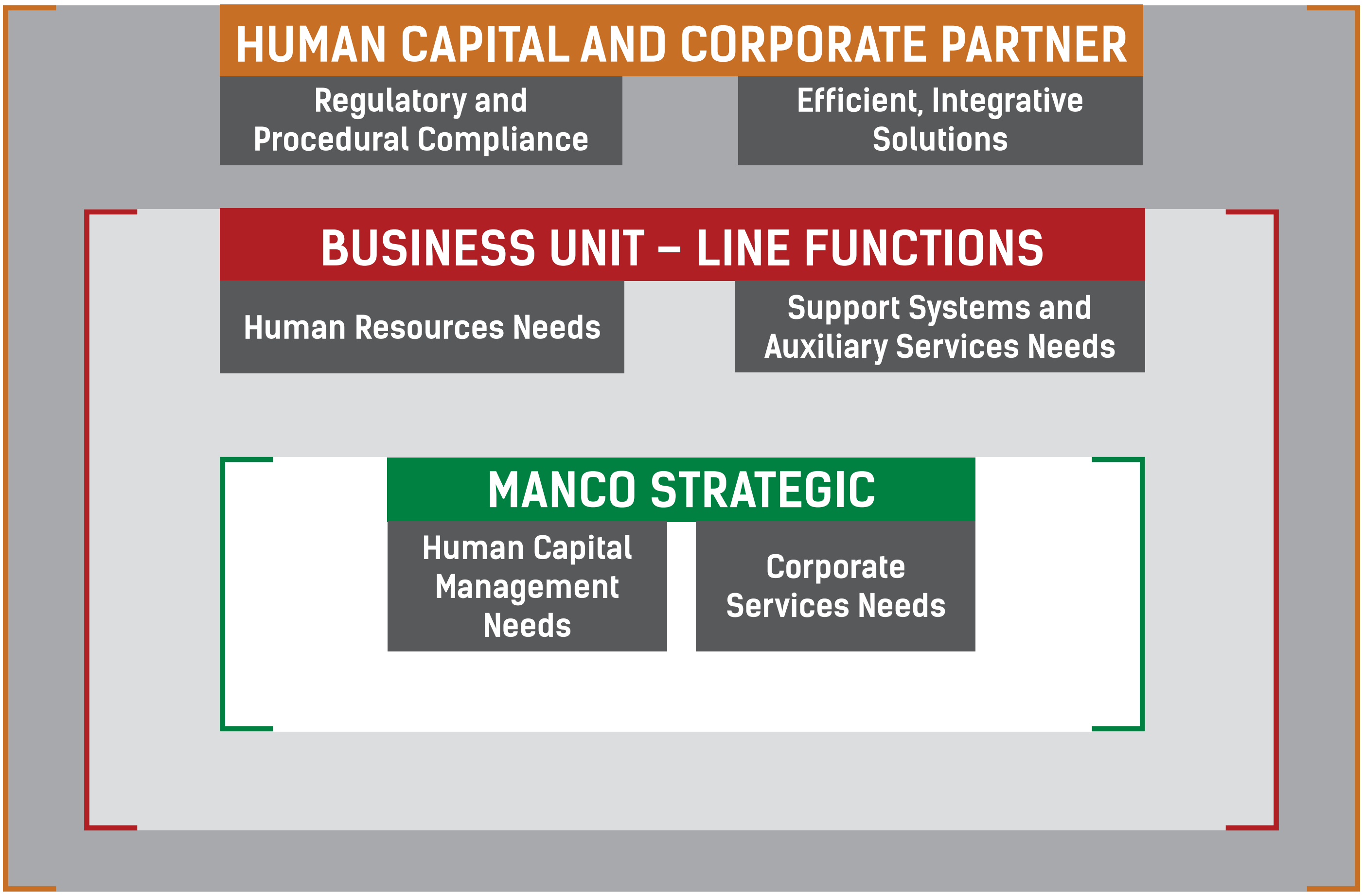
11.1 The status of Human Resources in GTAC

The 2020/21 financial year began in a new way – remotely. For GTAC, working from home had been a flexible luxury, and its draft policies had not been fully considered or prioritised. Since the start of the Covid-19 pandemic and the related lockdown restrictions, Human Capital Management had to gear up for remote working. Although this obviously created challenges, it also created opportunities for GTAC to test its agility, flexibility and resilience. Employees had the important responsibility of performing optimally despite limited face-to-face or virtual supervision.

It is a tribute to all concerned that service delivery in GTAC was not significantly affected. Human Resources used virtual technology to work remotely. Posts were advertised, new staff onboarded, and compliance targets achieved. Some staff inevitably departed for new ventures. GTAC was fortunate that no staff member succumbed to Covid-19. For this, it applauds employees for taking care of themselves, their colleagues, and their loved ones by adhering to Covid-19 protocols and limiting their exposure at the office. Also, because the key management positions of the Head of GTAC and the Director: Human Capital Management were not filled by permanent incumbents, the terms of office of both acting incumbents were extended. The Ministry has committed to filling the position of the Head of GTAC in the new financial year. It is envisioned that the Director: Human Capital Management post will be filled by mid-2021.

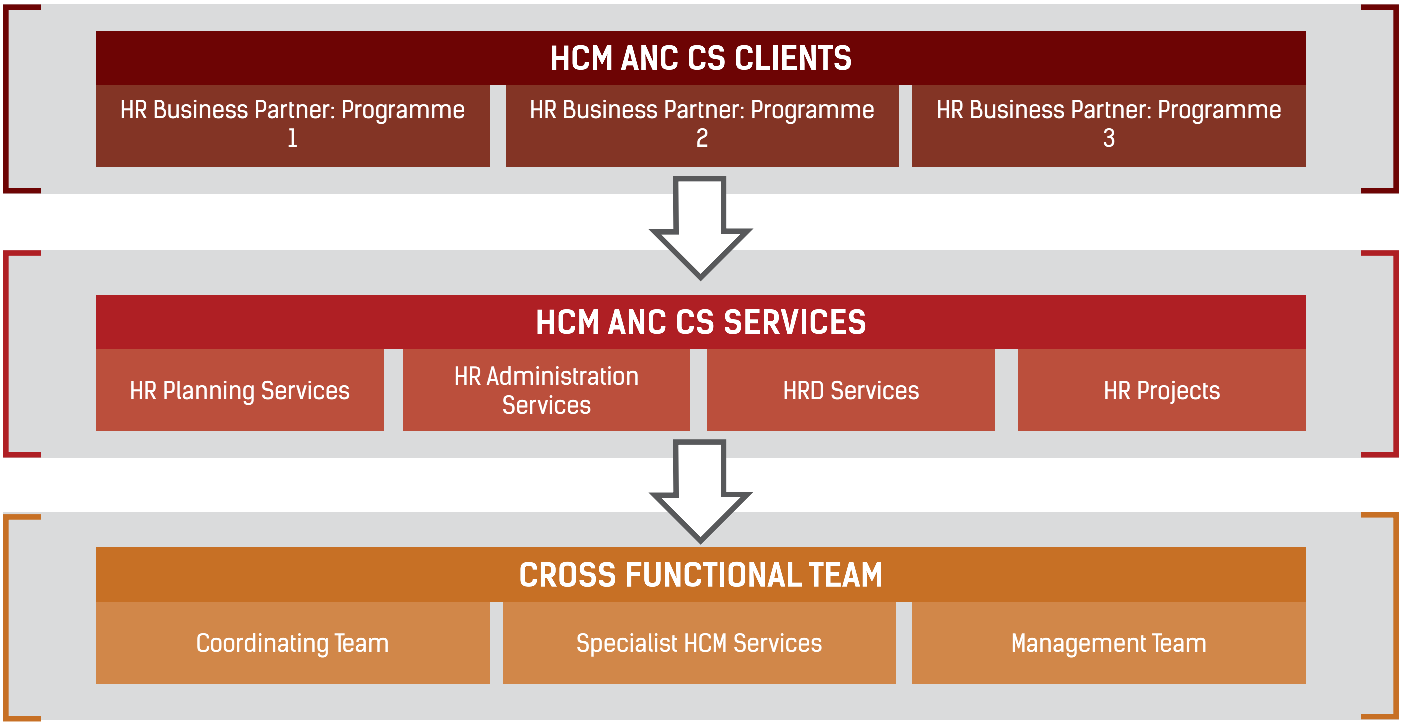
11.2 Human Resource priorities in the year under review

In 2020/21, Human Resources sought to realign its business strategy with GTAC's new 2020–25 strategic plan. The aim was to help it respond adequately to the new world of working and the reality of diminishing resources and constrained public service coffers. To enable effective change and promote continuous learning and development, it investigated a service delivery model underpinned by a business partnership model. A human resources business partner is an experienced human resources generalist who can engage with and advise senior management to influence the human resources agenda and so help attain the goals of the organisation. To this end, human resources staff need the following key competencies: collaboration, synergistic partnerships, flexibility and agility, responsiveness, innovation, and thought leadership. Against this backdrop, the diagram below shows how human capital and corporate partners will engage with business and strategic leaders to address their needs and bring efficient, integrative solutions that comply with regulatory and strategic requirements.



This approach culminates in the human resources and corporate services business partnership model depicted below. The human resources team will be divided into teams supporting dedicated business programmes. This model has several benefits:

- Better understanding of business needs through active involvement.
- Enhanced trust levels between Human Resources and business.
- Streamlined services – faster and more efficient services, with speedier turnaround times.
- Promotion of a learning environment – enhanced skills, collaboration and innovative ideas.



In support of this partnership approach, Human Resources led the process of revising GTAC's organisational structure. The aim was to align the organisational structure with the new strategy. A gap analysis was done, which showed that, for GTAC to achieve its desired level of integration and seamless operation, multiple configurations in its Programme 1 had to be considered. This meant that the project scope had to be amended from only designing an organisational structure to designing an integrated business model to improve the management support services provided by Programme 1. This design work was concluded in March 2021 and presented to GTAC's MANCO for adoption.

Further to this, Human Resources directed the development of the service charter and service standards for Programme 1. Setting out GTAC's services and turnaround times, the service standards document forms a service-level agreement between GTAC's support services and business units. It helps them understand what services are offered and manage their expectations of turnaround times; and it enables them to evaluate the level and quality of support received from Programme 1. The service standards were endorsed by the Operations Management Meeting and MANCO in February 2021 and are to be implemented in the new financial year.

Workforce planning and key strategies to attract a skilled and capable workforce

GTAC strives to provide excellence in public service. As a small organisation, it aims to achieve impact through delivery of advisory services on a range of programmes and projects to improve public financial management. This mandate requires specialised skills not always readily available in the market. The GTAC internship pipeline provides crucial support both to itself and to the National Treasury.

GTAC's recruitment moved to a virtual platform in 2020/21. Advertisements were switched from print media (e.g., newspapers) to online platforms and the websites of partner or implementing organisations, including social media posts on LinkedIn. Recruitment processes remained intact and were not compromised by remote working. Likewise, virtual training became the norm, with traditional classroom training reduced.

Turnover is unavoidable, especially since monetary incentives to retain staff are currently not available; therefore, exposure and development become key drivers of organisational stability. Strategies to retain capable staff include admission to professional bodies, professional certification, and the granting of bursaries. A succession planning policy has been drafted for consultation and approval in the next financial year.

Employee performance management

GTAC's business units operate in different ways, and Human Resources needed to be flexible enough not to impose a set methodology of performance management. Instead, it followed an empowering approach that allowed business unit managers to implement tailored performance management processes without compromising either the alignment with organisational performance or the required standards for the public service.

Human Resources contracted a service provider to help teach the methodology of holistic planning – how to integrate strategic and operational planning into individual planning. Following this training, performance agreements were revised and restructured into outcomes and activities. In the new year, change management will be implemented to fully optimise this approach. This exercise has already brought greater collaboration between Human Capital Management and Strategy Management and Communication; dedicated 'pathfinders' or planning champions in the business units were also involved.

Because of the disruption caused by the Covid-19 pandemic, the DPSA extended the deadline for the 2019/20 performance evaluation to 31 March 2021. Given uncertainties around the public service wage bill and notices of budget cuts and reductions in baseline compensation of employees, GTAC delayed its evaluation because it was unclear whether performance bonuses were to be paid. Its internal moderation process was concluded in March 2021 and awaits agreement by the Ministry of Finance.

Even though performance reviews were not compulsory in 2020/21, business units were encouraged to manage staff performance actively. Performance assessments for 2020/21 are to be done virtually, as per the approved timeframes of the DPSA Performance Management and Development System.

Employee wellness programmes

The focus of employee wellness moved from physical activity and face-to-face awareness to digital support for employee well-being. Covid-19 changed the boundaries for employees, removing the distinction between home and work. Through interventions such as employee referrals, counselling, and management and leadership coaching, employees were afforded the opportunity to make sense of the new way of working and engage with professionals on mental well-being in this regard.

Other wellness interventions continued. Cancer awareness was observed in October 2020, with an online tutorial and virtual demonstration of self-examinations at home. Staff were also given an opportunity for a free Pap smear or prostate cancer screening at their nearest clinic, DisChem or Clicks Pharmacy. GTAC Wellness appointed a service provider to facilitate the coordination and delivery of this free service to staff.

Achievements, challenges, and future plans and goals

GTAC recorded its lowest vacancy rate in the last three years. With a higher rate of retention, its stability was over 90%. It employed graduate interns (with master's degrees in economics) in the Capital Projects Appraisal, TAS & PPP, and PEPA units. These appointments bode well for GTAC's intention to develop a pipeline of graduate interns to supplement much-needed skills.

Internal controls were improved through the approval of two policies – the Internship Policy and the PERSAL User Access Management Policy. Consultation on the Recruitment and Selection Policy has been finalised, and the policy is to be approved in the new financial year. Other policies prioritised for the next financial year include the bursary, performance management, recognition and rewards, succession management, and occupational health and safety policies.

GTAC developed and approved a Leadership Programme for implementation. Senior managers were offered leadership and coaching to improve thought leadership and build a more cohesive organisation. This multifaceted programme will continue to be rolled out in the new year.

As noted, Human Resources seeks to implement its revised Human Capital Management and Corporate Services Strategy in 2021/22. Practically, human resources staff need to be capacitated to deliver these partnership services. To ensure the quality of services is continuously measured and improved, Human Resources Service Standards will be rolled out and reviewed. Surveys have been developed to rate the support received from Human Resources. This data will be used to improve performance and service delivery in the unit.

A key delivery for the new year is implementing the proposed Integrated Business Model. This requires significant innovation and technological enablement, as well as a more strategic approach to information management, communication, and knowledge collection and dissemination. The Programme 1 management group, and forums such as the Operational Management Meetings, will be instrumental in bringing this initiative to fruition.

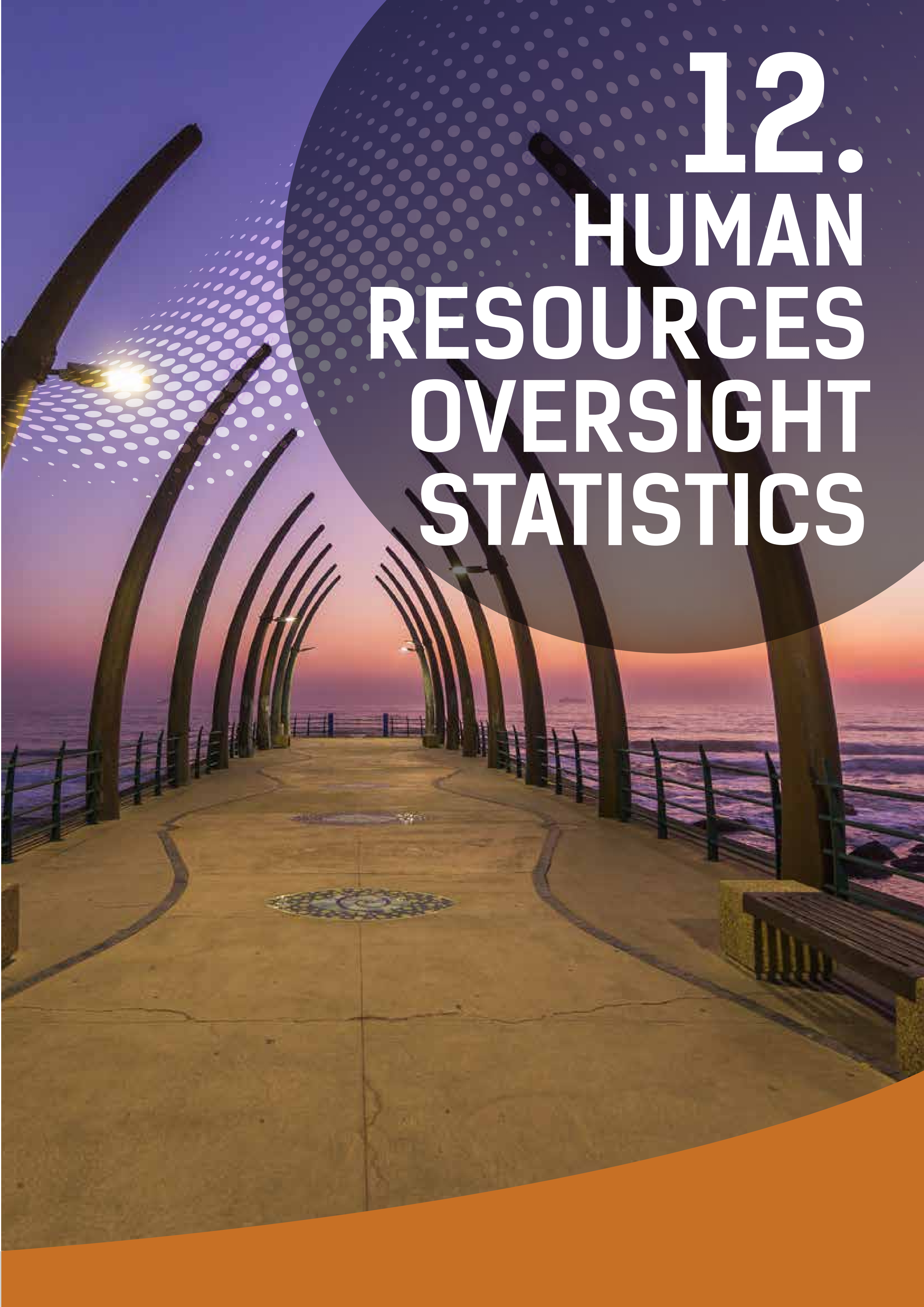
GTAC's competencies need to be reviewed to allow it to respond to the challenges and opportunities created by remote working. A skills audit will be conducted in 2021/22 against a battery of competencies required of staff. Also, as noted, a succession management policy will be discussed and submitted for approval.

GTAC's employment equity targets remain a critical priority for transformation. In the past year, it exceeded its target of 2% appointment of persons with disabilities and made reasonable accommodations to successfully onboard a wheelchair-bound employee. Planned initiatives include developing female staff at middle-management level and working with stakeholders and other government and non-governmental organisations to attract persons with disabilities.

GTAC's landlord, the National Treasury, takes the lead on matters of employee health and safety, including through facilities management. But GTAC coordinated its own Covid-19 response, which included training occupational health and safety officials, procuring hand sanitisers and branded face masks, decontaminating the building, and installing Perspex screens for all desks.

The Medium-Term Strategic Framework for 2019–24 emphasises the building of an ethical and professional public service. To this end, GTAC aims to increase awareness of ethical practices and actively manage ethics in the workplace. Through the compulsory ethics training of staff and the development of an ethics management strategy and implementation plan, GTAC seeks to move from compliance to an active ethical culture. In addition to financial disclosure, approval of other remunerative work and the management of gifts, the focus on ethics management will move to awareness, training, and stronger consequence management. The ethics and integrity management function will be reinforced through better collaboration with Risk Management.

12. HUMAN RESOURCES OVERSIGHT STATISTICS



12.1 Personnel-related expenditure

The following tables summarise the final, audited personnel-related expenditure by programme and salary band. In particular, they show the following:

- The amount spent on personnel.
- The amount spent on salaries, overtime, homeowners' allowances, and medical aid.

Table 17: Personnel expenditure by programme for the period 1 April 2020 to 31 March 2021

Programme	Total expenditure (R'000)	Personnel expenditure (R'000)	Training expenditure (R'000)	Professional and special services expenditure (R'000)	Personnel expenditure as a % of total expenditure	Average personnel cost per employee (R'000)
Programme 1	56 973	36 141	157	5 467	64%	645
Programme 2	88 908	35 447	0	53 613	40%	958
Programme 3	80 755	60 472	197	16 352	75%	806
Total	**226 636**	**132 060**	**354**	**75 432**	**59%**	**786**

Table 18: Personnel costs by salary band for the period 1 April 2020 to 31 March 2021

Salary band	Personnel expenditure (R'000)	% of total personnel cost	No. of employees	Average personnel cost per employee (R'000)
Lower-skilled (levels 1–2)	0	0	0	0
Skilled (levels 3–5)	237	0,18	1	237
Highly skilled production (levels 6–8)	15 063	11,41	42	359
Highly skilled supervision (levels 9–12)	55 315	41,88	76	728
Senior and top management (levels 13–16)	61 445	46,53	52	118
Total	**132 060**	**100**	**171**	**1 442**

Table 19: Salaries, overtime, homeowners' allowance and medical aid by programme for the period 1 April 2020 to 31 March 2021

Programme	Salaries		Overtime		Homeowners' allowance		Medical aid	
	Amount (R'000)	Salaries as a % of personnel costs	Amount (R'000)	Overtime as a % of personnel costs	Amount (R'000)	Allowance as a % of personnel costs	Amount (R'000)	Medical aid as a % of personnel costs
Programme 1	25 567	31,83	0	0	379	46,79	778	50,45
Programme 2	23 915	29,77	0	0	397	49,01	438	28,40
Programme 3	30 841	38,40	0	0	35	4,32	326	21,14
Total	**80 325**	**100**	**0**	**0**	**810**	**100**	**1 542**	**99,99**

Table 20: Salaries, overtime, homeowners' allowance and medical aid by salary band for the period 1 April 2020 to 31 March 2021

Salary band	Salaries		Overtime		Homeowners' allowance		Medical aid	
	Amount (R'000)	Salaries as a % of personnel costs	Amount (R'000)	Overtime as a % of personnel costs	Amount (R'000)	Allowance as a % of personnel costs	Amount (R'000)	Medical aid as a % of personnel costs
Lower-skilled (levels 1–2)	0	0	0	0	0	0	0	0
Skilled (levels 3–5)	173	0,22	0	0	0	0	0	0
Highly skilled production (levels 6–8)	11 446	14,27	0	0	369	45,50	578	37,51
Highly skilled supervision (levels 9–12)	36 775	45,72	0	0	189	23,30	550	35,69
Senior management (levels 13–16)	31 931	39,80	0	0	253	31,20	413	26,80
Total	**80 325**	**100**	**0**	**0**	**811**	**100**	**1 541**	**100**

12.2 Employment and vacancies

The following tables summarise the number of posts on the establishment, the number of employees, the vacancy rate, and whether any staff are additional to the establishment. This information is presented in terms of three key variables:

- Programme.
- Salary band.
- Critical occupations (see the definition in the notes below).

Departments 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 will be occupied by more than one employee. Therefore, the vacancy rate reflects the percentage of posts that are not filled.

Table 21: Employment and vacancies by programme as on 31 March 2021

Programme	Number of posts on approved establishment	Number of posts filled	Number of posts vacant	Number of employees additional to the establishment
Management Support Services	47	45	2	9
Technical and Advisory Services	37	37	0	0
Incubation and Implementation Support for Programmes	75	67	8	0
Total	**159**	**149**	**10**	**9**

Table 22: Employment and vacancies by salary band as on 31 March 2021

Salary band	Number of posts on approved establishment	Number of posts filled	Number of vacant posts	Number of employees additional to the establishment
Lower-skilled (levels 1–2)	0	0	0	0
Skilled (levels 3–5)	0	0	0	1
Highly skilled production (levels 6–8)	32	32	0	8
Highly skilled supervision (levels 9–12)	72	68	4	0
Senior management (levels 13–16)	55	49	6	0
Total	**159**	**149**	**10**	**9**

Table 23: Employment and vacancies by critical occupations as on 31 March 2021

Critical occupation	Number of posts on approved establishment	Number of posts filled	Number of vacant posts	Number of employees additional to the establishment
Research Analyst	1	1	0	0
Analyst	4	4	0	0
Deputy Director: Evaluation and Learning	2	1	1	0
Director: Evaluation and Learning	1	0	1	0
Director: Research, Evaluation and Learning	1	1	0	0
Total	**9**	**7**	**2**	**0**

Notes:

- The CORE classification, as prescribed by the DPSA, should be used for completion of this table.
- Critical occupations are defined as occupations or sub-categories within an occupation –
  a) in which there is a scarcity of qualified and experienced persons currently or anticipated in the future, either because such skilled persons are not available, or they are available but do not meet the applicable employment criteria.
  b) for which persons require advanced knowledge in a specified subject area or science or learning field and such knowledge is acquired by a prolonged course of study and/or specialised instruction.
  c) where the inherent nature of the occupation requires consistent exercise of discretion and is predominantly intellectual in nature.
  d) in respect of which a department experiences a high degree of difficulty to recruit or retain the services of employees.

12.3 Filling of SMS posts

The tables in this section provide information on employment and vacancies related to the SMS, by salary level. They also provide information on advertising and filling of SMS posts, reasons for not complying with prescribed timeframes, and disciplinary steps taken.

Table 24: SMS post information as on 31 March 2021

SMS level	Total number of funded SMS posts	Total number of SMS posts filled	% of SMS posts filled	Total number of SMS posts vacant	% of SMS posts vacant
Director-General/Head of Department	1	0	0	1	100%
Salary level 16					0
Salary level 15	2	2	100%	0	0%
Salary level 14	15	14	93%	1	7%
Salary level 13	37	33	89%	4	11%
Total	**55**	**49**	**89%**	**6**	**11%**

Table 25: SMS post information as on 30 September 2020

SMS level	Total number of funded SMS posts	Total number of SMS posts filled	% of SMS posts filled	Total number of SMS posts vacant	% of SMS posts vacant
Director-General/Head of Department	–	–	–	–	–
Salary level 16	1	0	0%	1	100%
Salary level 15	2	2	100%	0	0%
Salary level 14	15	14	93%	1	7%
Salary level 13	39	32	82%	7	18%
Total	**57**	**48**	**84%**	**9**	**16%**

Table 26: Advertising and filling of SMS posts for the period 1 April 2020 to 31 March 2021

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

Table 27: Reasons for not having complied with the filling of funded vacant SMS for the period 1 April 2020 to 31 March 2021

Advertised within 6 months and filled within 12 months after becoming vacant

Reasons for vacancies not advertised within 12 months
Line manager put on hold the filling of the position for strategic and operational budgetary reasons.

Reasons for vacancies not filled within 12 months
Only 1 of the 6 vacant SMS posts was advertised in 2020/21. The 2 key vacancies are the Head of GTAC (vacant for 5 years) and the Director: Human Capital Management (vacant for 2 years). The Head of Department post is led by the National Treasury, on behalf of the Minister of Finance. As the post has been vacant for 5 years, job evaluation is required before it can be advertised. This was put in motion in March 2021. It is envisioned that this post will be advertised and filled by the third quarter of 2021/22. The post of Director: Human Capital Management was not advertised because of an internal organisational structuring exercise conducted during the year. The post has been advertised and should be filled by the second quarter of the new financial year.
The 3 other SMS posts were in Programme 3. The position of Chief Director: Municipal Finance Improvement Programme has not been advertised, as the programme is closing on 31 March 2022 and the programme management unit will close down on 30 June 2022. Therefore, it is unlikely to attract a candidate for appointment for only one calendar year. Should the programme be extended, the post will be advertised.
The other 2 posts are in the Jobs Fund. One has been vacant for less than 12 months. Recruitment for SMS posts was put on hold for operational reasons – middle-management posts were to be filled first. The positions are included in the recruitment plan for 2021/22.

Notes:

- In terms of the Public Service Regulations Chapter 1, Part VII C.1A.3, departments must indicate good cause or reason for not having complied with the filling of SMS posts within the prescribed timeframes.

Table 28: Disciplinary steps taken for not complying with the prescribed timeframes for filling SMS posts within 12 months for the period 1 April 2020 to 31 March 2021

Reasons for vacancies not advertised within 6 months
No disciplinary action taken, as the vacancies were not advertised for strategic and operational reasons.

Reasons for vacancies not filled within 6 months
As per reasons cited in Table 27.
The one SMS post was advertised but not filled for operational, budgetary reasons. Given the reduction in the budget for employee compensation, the post was deemed non-critical.

Notes:

- In terms of the Public Service Regulations Chapter 1, Part VII C.1A.2, departments must indicate good cause or reason for not having complied with the filling of SMS posts within the prescribed timeframes. In the event of non-compliance with this regulation, the relevant executive authority or head of department must take appropriate disciplinary steps in terms of section 16A(1) or (2) of the Public Service Act.

12.4 Job evaluation

Within a nationally determined framework, executing authorities may evaluate or re-evaluate any job in their organisation. In terms of the regulations, all vacancies on salary levels 9 and higher must be evaluated before being filled. The following table summarises the number of jobs evaluated during the year and shows the number that were up- or downgraded.

Table 29: Job evaluation by salary band for the period 1 April 2020 to 31 March 2021

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
Lower-skilled (levels 1–2)	0	0	0	0	0	0	0
Skilled (levels 3–5)	1	1	100	0	0	0	0
Highly skilled production (levels 6–8)	39	15	38	1	3	0	0
Highly skilled supervision (levels 9–12)	73	34	47	1	1	0	0
SMS band A (level 13)	37	17	46	0	0	0	0
SMS band B (level 14)	15	3	20	0	0	1	7
SMS band C (level 15)	2	1	50	0	0	0	0
SMS band D (level 16)	1	0	0	0	0	0	0
Total	**168**	**71**	**42%**	**2**	**1%**	**1**	**1%**

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

Table 30: Profile of employees whose positions were upgraded due to their posts being upgraded for the period 1 April 2020 to 31 March 2021

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

Employees with a disability	0

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

Table 31: Employees with salary levels higher than those determined by job evaluation per occupation for the period 1 April 2020 to 31 March 2021

Occupation	Number of employees	Job evaluation level	Remuneration level	Reason for deviation
N/A	0	0	0	0
	0	0	0	0
	0	0	0	0
	0	0	0	0
Total number of employees whose salaries exceeded the level determined by job evaluation				**0**
Percentage of total employed				0

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

Table 32: Profile of employees with salary levels higher than those determined by job evaluation for the period 1 April 2020 to 31 March 2021

Total number of employees whose salaries exceeded the grades determined by job evaluation	None

Employment changes

This section provides information on changes in employment during the financial year. Turnover rates show trends in the employment profile of the department. The following tables summarise turnover rates by salary band and critical occupations (see the definition in the notes below).

Table 33: Annual turnover rates by salary band for the period 1 April 2020 to 31 March 2021

Salary band	Number of employees at beginning of period 1 April 2020	Appointments and transfers into the department	Terminations and transfers out of the department	Turnover rate
Lower-skilled (levels 1–2)	0	0	0	0
Skilled (levels 3–5)	1	1	1*	100%
Highly skilled production (levels 6–8)	40	6**	3	6,5%
Highly skilled supervision (levels 9–12)	71	6	6	7,8%
SMS band A (level 13)	34	1	2	5,7%
SMS band B (level 14)	15	0	1	6,7%
SMS band C (level 15)	2	0	0	0
SMS band D (level 16)	0	0	0	0
Contracts	0	0	0	0
Total	**163**	**14**	**13**	**7,3%**

*Same employee whose contract expired in 2020/21 – brought on board for another 12-month contract in the same period. Second contract only expires in 2021/22. Counted as employee at beginning of period, termination in the period, and appointed in the period.
** Included in this group are GTAC's graduate interns, appointed and terminated in 2020/21.

Table 34: Annual turnover rates by critical occupation for the period 1 April 2020 to 31 March 2021

Critical occupation	Number of employees at beginning of period April 2020	Appointments and transfers into the department	Terminations and transfers out of the department	Turnover rate
Research Analyst	0	1	0	0
Director: Learning and Evaluation	1	0	1	100%
Total	**1**	**1**	**1**	**50%**

Notes:

- The CORE classification, as prescribed by the DPSA, should be used for completion of this table.
- Critical occupations are defined as occupations or sub-categories within an occupation –
  a) in which there is a scarcity of qualified and experienced persons currently or anticipated in the future, either because such skilled persons are not available, or they are available but do not meet the applicable employment criteria.
  b) for which persons require advanced knowledge in a specified subject area or science or learning field and such knowledge is acquired by a prolonged course of study and/or specialised instruction.
  c) where the inherent nature of the occupation requires consistent exercise of discretion and is predominantly intellectual in nature.
  d) in respect of which a department experiences a high degree of difficulty to recruit or retain the services of employees.

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

Table 35: Reasons why staff left the department for the period 1 April 2020 to 31 March 2021

Termination type	Number	% of total resignations
Death	0	0
Resignation	6	46%
Expiry of contract	2	15%
Dismissal – operational changes	0	0
Dismissal – misconduct	1	8%
Dismissal – inefficiency	0	0
Discharged due to ill health	0	0
Retirement	1	8%
Transfer to other public service departments	3	23%
Other	0	0
Total	**13**	**100%**
Total number of employees who left as a % of total employment	158	8,2%

Table 36: Promotions by critical occupation for the period 1 April 2020 to 31 March 2021

Occupation	Employees 1 April 2020	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
Human Resources Administrator	3	1	33%	0	0
Total	**3**	**1**	**33%**	**0**	**0**

Table 37: Promotions by salary band for the period 1 April 2020 to 31 March 2021

Salary band	Employees 1 April 2020	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
Lower-skilled (levels 1–2)	0	0	0	0	0
Skilled (levels 3–5)	1	0	0	0	0
Highly skilled production (levels 6–8)	40	1	2,5%	0	0
Highly skilled supervision (levels 9–12)	71	0	0	0	0
Senior management (levels 13–16)	51	0	0	0	0
Total	**163**	**1**	**0,6%**	**0**	**0**

It should be noted that no pay progressions as a result of performance were implemented, as no performance rewards for the 2019/20 performance evaluation cycle had been paid to staff by 31 March 2021.

12.6 Employment equity

The information on employment equity in the next table has been drawn from the PERSAL employment equity reports, which capture employee salary level and not post level. Therefore, there may be misalignment with other tables. GTAC has only two senior managers appointed at level 15. Others earn higher salaries for retention purposes; these arrangements had been made before they were transferred from the National Treasury to GTAC.

Table 38: Total number of employees (including employees with disabilities) in each of the following occupational categories as on 31 March 2021

Occupational category	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Legislators, senior officials and managers	2	0	0	1	0	1	0	1	5
Professionals	47	4	2	5	39	3	1	13	114
Technicians and associate professionals	8	0	0	0	24	7	0	0	39
Clerks	0	0	0	0	0	0	0	0	0
Service and sales workers	0	0	0	0	0	0	0	0	0
Skilled agriculture and fishery workers	0	0	0	0	0	0	0	0	0
Craft and related trades workers	0	0	0	0	0	0	0	0	0
Plant and machine operators and assemblers	0	0	0	0	0	0	0	0	0
Elementary occupations	0	0	0	0	0	0	0	0	0
Total	**57**	**4**	**2**	**6**	**63**	**11**	**1**	**14**	**158**
Employees with disabilities	*2*	*1*	*0*	*1*	*0*	*0*	*0*	*0*	*4*

Table 39: Total number of employees (including employees with disabilities) in each occupational band as on 31 March 2021

Occupational band	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top management (levels 15–16)	2	0	0	1	0	1	0	1	5
Senior management (levels 13–14)	21	2	2	4	6	0	1	7	43
Professionally qualified and experienced specialists, mid-management (levels 11–12)	26	2	0	1	33	3	0	6	71
Skilled technical and academically qualified workers, junior management, supervisors, foremen and superintendents (levels 6–10)	7	0	0	0	24	7	0	0	38
Semi-skilled and discretionary decision-making (levels 3–5)	1	0	0	0	0	0	0	0	1
Unskilled and defined decision-making (levels 1–2)	0	0	0	0	0	0	0	0	0
Total	**57**	**4**	**2**	**6**	**63**	**11**	**1**	**14**	**158**

Table 40: Recruitment for the period 1 April 2020 to 31 March 2021

Occupational band	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top management (levels 15–16)	0	0	0	0	0	0	0	0	0
Senior management (levels 13–14)	0	0	0	1	0	0	0	0	1
Professionally qualified and experienced specialists, mid-management (levels 11–12)	1	1	0	0	4	0	0	0	6
Skilled technical and academically qualified workers, junior management, supervisors, foremen and superintendents (levels 6–10)	1	1	0	0	3	1	0	0	6
Semi-skilled and discretionary decision-making (levels 3–5)	1	0	0	0	0	0	0	0	1
Unskilled and defined decision-making (levels 1–2)	0	0	0	0	0	0	0	0	0
Total	**3**	**2**	**0**	**1**	**7**	**1**	**0**	**0**	**14**
Employees with disabilities	1	0	0	1	0	0	0	0	2

Table 41: Promotions for the period 1 April 2020 to 31 March 2021

Occupational band	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top management (levels 15–16)	0	0	0	0	0	0	0	0	0
Senior management (levels 13–14)	0	0	0	0	0	0	0	0	0
Professionally qualified and experienced specialists, mid-management (levels 11–12)	0	0	0	0	0	0	0	0	0
Skilled technical and academically qualified workers, junior management, supervisors, foremen and superintendents (levels 6–10)	0	0	0	0	1	0	0	0	1
Semi-skilled and discretionary decision-making (levels 3–5)	0	0	0	0	0	0	0	0	0
Unskilled and defined decision-making (levels 1–2)	0	0	0	0	0	0	0	0	0
Total	**0**	**0**	**0**	**0**	**1**	**0**	**0**	**0**	**1**
Employees with disabilities	0	0	0	0	0	0	0	0	0

Table 42: Terminations for the period 1 April 2020 to 31 March 2021

Occupational band	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top management (levels 15–16)	0	0	0	0	0	0	0	0	0
Senior management (levels 13–14)	0	1	0	0	1	0	0	1	3
Professionally qualified and experienced specialists, mid-management (levels 11–12)	0	0	0	1	2	0	0	1	4
Skilled technical and academically qualified workers, junior management, supervisors, foremen and superintendents (levels 6–10)	1	0	0	0	4	0	0	0	5
Semi-skilled and discretionary decision-making (levels 3–5)	1	0	0	0	0	0	0	0	1
Unskilled and defined decision-making (levels 1–2)	0	0	0	0	0	0	0	0	0
Total	**3**	**1**	**0**	**1**	**5**	**0**	**0**	**3**	**13**
Employees with disabilities	1	0	0	0	0	0	0	0	1

Table 43: Disciplinary action for the period 1 April 2020 to 31 March 2021

Disciplinary action	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Disciplinary hearing	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Dismissal	n/a	n/a	n/a	n/a	n/a	n/a	n/a	1	1

Table 44: Skills development for the period 1 April 2020 to 31 March 2021

Occupational category	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Legislators, senior officials and managers	10	1	1	4	4	1	1	5	27
Professionals	10	1	0	0	14	4	0	3	32
Technicians and associate professionals	3	0	0	0	5	1	0	2	11
Clerks	8	3	0	0	13	2	0	0	26
Service and sales workers	0	0	0	0	0	0	0	0	0
Skilled agriculture and fishery workers	0	0	0	0	0	0	0	0	0
Craft and related trades workers	0	0	0	0	0	0	0	0	0
Plant and machine operators and assemblers	0	0	0	0	0	0	0	0	0
Elementary occupations	0	0	0	0	0	0	0	0	0
Total	**31**	**5**	**1**	**4**	**36**	**8**	**1**	**10**	**96**
Employees with disabilities	0	1	0	0	0	0	0	0	1

12.7 Signing of performance Agreements by SMS members

All members of the SMS must conclude and sign performance agreements within specific timeframes. Information on the signing of performance agreements by SMS members, the reasons for not complying within the prescribed timeframes, and disciplinary steps taken is presented here.

Table 45: Signing of performance agreements by SMS members as on 31 May 2020

SMS level	Total number of funded SMS posts	Total number of SMS members	Total number of signed performance agreements	Signed performance agreements as % of total number of SMS members
Director-General/ Head of Department	1	0	0	
Salary level 16	0	0	0	
Salary level 15	2	2	2	100%
Salary level 14	15	13	13	100%
Salary level 13	37	30	30	100%
Total	**55**	**45**	**45**	**100%**

Notes:

In the event of a national or provincial election occurring within the first three months of a financial year, all members of the SMS must conclude and sign their performance agreements for that financial year within three months following the month in which the elections took place. For example, if elections took place in April, the reporting date in the heading of the table above should change to 31 July 2021.

Table 46: Reasons for not having concluded performance agreements for all SMS members as on 31 March 2021

Reasons
N/A

Notes: The reporting date in the heading of this table should be aligned with that of Table 45.

Table 47: Disciplinary steps taken against SMS members for not having concluded performance agreements as on 31 March 2021

Reasons
N/A

Notes: The reporting date in the heading of this table should be aligned with that of Table 45.

12.8 Performance rewards

Although the required tables are provided below, note that the department did not conclude any performance-related rewards because of the Covid-19 pandemic.

Table 48: Performance rewards by race, gender and disability for the period 1 April 2019 to 31 March 2020

Race and gender	Beneficiary profile			Cost	
	Number of beneficiaries	Number of employees	% of total within group	Cost (R'000)	Average cost per employee
African	n/a	n/a	n/a	n/a	n/a
Male	n/a	n/a	n/a	n/a	n/a
Female	n/a	n/a	n/a	n/a	n/a
Asian	n/a	n/a	n/a	n/a	n/a
Male	n/a	n/a	n/a	n/a	n/a
Female	n/a	n/a	n/a	n/a	n/a
Coloured	n/a	n/a	n/a	n/a	n/a
Male	n/a	n/a	n/a	n/a	n/a
Female	n/a	n/a	n/a	n/a	n/a
White	n/a	n/a	n/a	n/a	n/a
Male	n/a	n/a	n/a	n/a	n/a
Female	n/a	n/a	n/a	n/a	n/a
Total	**n/a**	**n/a**	**n/a**	**n/a**	**n/a**

Table 49: Performance rewards by salary band for personnel below SMS level for the period 1 April 2019 to 31 March 2020

Salary band	Beneficiary profile			Cost		Total cost as a % of the total personnel expenditure
	Number of beneficiaries	Number of employees	% of total within salary bands	Total cost (R'000)	Average cost per employee	
Lower-skilled (levels 1–2)	n/a	n/a	n/a	n/a	n/a	n/a
Skilled (levels 3–5)	n/a	n/a	n/a	n/a	n/a	n/a
Highly skilled production (levels 6–8)	n/a	n/a	n/a	n/a	n/a	n/a
Highly skilled supervision (levels 9–12)	n/a	n/a	n/a	n/a	n/a	n/a
Total	**n/a**	**n/a**	**n/a**	**n/a**	**n/a**	**n/a**

Table 50: Performance rewards by critical occupation for the period 1 April 2019 to 31 March 2020

Critical occupation	Beneficiary profile			Cost	
	Number of beneficiaries	Number of employees	% of total within occupation	Total cost (R'000)	Average cost per employee
Total	**n/a**	**n/a**	**n/a**	**n/a**	**n/a**

Notes:

- The CORE classification, as prescribed by the DPSA, should be used for completion of this table.
- Critical occupations are defined as occupations or sub-categories within an occupation –
  a) in which there is a scarcity of qualified and experienced persons currently or anticipated in the future, either because such skilled persons are not available, or they are available but do not meet the applicable employment criteria.
  b) for which persons require advanced knowledge in a specified subject area or science or learning field and such knowledge is acquired by a prolonged course of study and/or specialised instruction.
  c) where the inherent nature of the occupation requires consistent exercise of discretion and is predominantly intellectual in nature.
  d) in respect of which a department experiences a high degree of difficulty to recruit or retain the services of employees.

Table 51: Performance-related rewards (cash bonus) by salary band for SMS members for the period 1 April 2019 to 31 March 2020

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

12.9 Foreign workers

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

Table 52: Foreign workers by salary band for the period 1 April 2020 to 31 March 2021

Salary band	01 April 2020		31 March 2021		Change	
	Number	% of total	Number	% of total	Number	% Change
Lower-skilled (levels 1–2)	0	0	0	0	0	0
Skilled (levels 3–5)	0	0	0	0	0	0
Highly skilled production (levels 6–8)	0	0	0	0	0	0
Highly skilled supervision (levels 9–12)	2	1%	2	1%	0	0
Contract (levels 9–12)	3	2%	3	2%	0	0
Senior managers (levels 13–16)	2	1%	2	1%	0	0
Contract (levels 13–16)	6	4%	6	4%	0	0
Total	**13**	**8%**	**13**	**8%**	**0**	**0**

Table 53: Foreign workers by major occupation for the period 1 April 2020 to 31 March 2021

Major occupation	1 April 2020		31 March 2021		Change	
	Number	% of total	Number	% of total	Number	% change
Senior Managers	2	15.38	2	15.38	2	2
Communication and ICT related Professionals	2	15.38	2	15.38	2	2
Analysts and Technical Specialists	3	23.08	3	23.08	3	3
Project Related Managers and Professionals	4	30.77	4	30.77	4	4
Monitoring and Evaluation Related Professionals	2	15.38	1	15.38	1	1
Total	13	100	13	100	13	13

12.10 Leave utilisation

The Public Service Commission identified the need for careful monitoring of sick leave in the public service. The following tables indicate the use and costs of sick and disability leave.

Table 54: Sick leave for the period 1 January 2020 to 31 December 2020

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)
Lower-skilled (levels 1–2)	0	0	0	0	0	0
Skilled (levels 3–5)	0	0	0	0	0	0
Highly skilled production (levels 6–8)	97	79,3%	30	33,7%	3,2	154 385,03
Highly skilled supervision (levels 9–12)	204	83,8%	35	39,3%	5,8	628 813,49
Top and senior management (levels 13–16)	117	83,8%	24	27%	4,9	525 421,74
Total	**418**	**82,8%**	**89**	**100%**	**4,7**	**1,308,620.26**

Table 55: Disability leave (temporary and permanent) for the period 1 January 2020 to 31 December 2020

PERCENTAGE OF TOTAL EMPLOYEES AS AT 31 DECEMBER 2020						
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)
Lower-skilled (levels 1–2)	0	0	0	0	0	0
Skilled (levels 3–5)	0	0	0	0	0	0
Highly skilled production (levels 6–8)	2	2	1	2,7%	2	3 379,42
Highly skilled supervision (levels 9–12)	0	0	0	0	0	0
Senior management (levels 13–16)	14	14	1	2,1%	1	59 371,47
Total	**16**	**16**	**2**	**10,26%**	**8**	**62 750,89**

The table below summarises the utilisation of annual leave. The wage agreement concluded with trade unions in the Public Sector Co-ordinating Bargaining Council in 2000 requires the management of annual leave to prevent high levels of accrued leave being paid when service is terminated.

Table 56: Annual leave for the period 1 January 2020 to 31 December 2020

Salary band	Total days taken	Number of employees using annual leave	Average per employee
Lower-skilled (levels 1–2)	0	0	0
Skilled (levels 3–5)	0	0	0
Highly skilled production (levels 6–8)	551	34	16
Highly skilled supervision (levels 9–12)	1 177	69	17
Senior management (levels 13–16)	1 004	48	21
Total	**2 732**	**151**	**18**

Table 57: Capped leave for the period 1 January 2020 to 31 December 2020

Salary band	Total days of capped leave taken	Number of employees using capped leave	Average number of days taken per employee	Average capped leave per employee as on 31 March 2021
Lower-skilled (levels 1–2)	0	0	0	0
Skilled (levels 3–5)	0	0	0	0
Highly skilled production (levels 6–8)	0	0	0	18,90
Highly skilled supervision (levels 9–12)	0	0	0	15,78
Senior management (levels 13–16)	0	0	0	0,57
Total	**0**	**0**	**0**	**14,50**

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

Table 58: Leave pay-outs for the period 1 April 2020 to 31 March 2021

Reason	Total amount (R'000)	Number of employees	Average per employee (R'000)
Leave pay-out for 2020/21 due to non-utilisation of leave for the previous cycle	0	0	0
Capped leave pay-outs on termination of service for 2020/21	0	0	0
Current leave pay-out on termination of service for 2020/21	0	0	0
Total	**0**	**0**	**0**

12.11 HIV/AIDS and health promotion programmes

Table 59: Steps taken to reduce the risk of occupational exposure

Units/categories of employees identified to be at high risk of contracting HIV and related diseases (if any)	Key steps taken to reduce the risk
None	None

Table 60: Details of health promotion and HIV/AIDS programmes

Question	Yes	No	Details, if yes
1. Has the department designated a member of the SMS to implement the provisions contained in Part VI E of Chapter 1 of the Public Service Regulations, 2001? If so, provide her/his name and position.	Yes		Ezré Stokes, Acting Director: Human Capital Management
2. Does the department have a dedicated unit, or has it designated specific staff members to promote the health and well-being of your employees? If so, indicate the number of employees who are involved in this task and the annual budget that is available for this purpose.	Yes		7 employees
3. Has the department introduced an employee assistance or health promotion programme for your employees? If so, indicate the key elements/services of this programme.	Yes		Wellness, health and educational talks and health screening.
4. Has the department 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.	Yes		Letsholo Mosethle, TAS & PPPs Prisca Chidi, Professional Services Procurement Katlego Mokoena, Finance Alophina Khala, Technical Consulting Services Matthew Mokoena, Municipal Finance Improvement Programme Lerato Sewpersad, Jobs Fund Winnie Sangweni, Human Resources
5. Has the department reviewed its employment policies and practices to ensure that these do not unfairly discriminate against employees on the basis of their HIV status? If so, list the employment policies/practices so reviewed.	Yes		GTAC is using the National Treasury wellness policy while its own policy is being drafted.
6. Has the department introduced measures to protect HIV-positive employees or those perceived to be HIV-positive from discrimination? If so, list the key elements of these measures.	Yes		Employees are encouraged to utilise services from the service provider to ensure confidentiality.
7. Does the department encourage its employees to undergo voluntary counselling and testing? If so, list the results that you have achieved.	Yes		During the lockdown, employees are encouraged through internal communication.
8. Has the department developed measures/indicators to monitor and evaluate the impact of its health promotion programme? If so, list these measures/indicators.		No	No formal evaluation; however, feedback received from staff indicates a positive impact.

12.12 Labour relations

Table 61: Collective agreements for the period 1 April 2020 to 31 March 2021

Total number of collective agreements	None

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

Table 62: Misconduct and disciplinary hearings finalised for the period 1 April 2020 to 31 March 2021

Outcomes of disciplinary hearings	Number
Correctional counselling	1
Verbal warning	2
Written warning	1
Final written warning	1
Suspended without pay	0
Fine	0
Demotion	0
Dismissal	1
Not guilty	0
Case withdrawn	0
Total	**6**

Table 63: Types of misconduct addressed at disciplinary hearings for the period 1 April 2020 to 31 March 2021

Type of misconduct	Number	% of total
Failure to comply with leave requirements policy; repeated absenteeism without authorisation; dishonesty; late coming; and gross insolence and using obscene language	1	
Total	**1**	

Table 64: Grievances lodged for the period 1 April 2020 to 31 March 2021

Grievances	Number	% of total
Number of grievances resolved	0	0
Number of grievances not resolved	1	100%
Total number of grievances lodged	**1**	**100%**

Table 65: Disputes lodged with councils for the period 1 April 2020 to 31 March 2021

Disputes	Number
Number of disputes upheld	0
Number of disputes dismissed	0
Total number of disputes lodged	**0**

Table 66: Strike actions for the period 1 April 2020 to 31 March 2021

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

Table 67: Precautionary suspensions for the period 1 April 2020 to 31 March 2021

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

12.13 Skills development

This section highlights the efforts of the department with regard to skills development.

Table 68: Training needs identified for the period 1 April 2020 to 31 March 2021

Occupational category	Gender	Number of employees as at 1 April 2020	Training needs identified at start of the reporting period			
			Learnerships	Skills programmes & other short courses	Other forms of training	Total
Legislators, senior officials and managers (levels 13–16)	Female	16	0	52	0	52
	Male	33	0	80	0	80
Professionals (levels 11–12)	Female	32	0	75	0	75
	Male	23	0	38	0	38
Technicians and associate professionals (levels 9–10)	Female	9	0	13	0	13
	Male	5	0	11	0	11
Clerks (levels 5–8)	Female	31	0	88	0	88
	Male	9	0	25	0	25
Service and sales workers	Female	0	0	0	0	0
	Male	0	0	0	0	0
Skilled agriculture and fishery workers	Female	0	0	0	0	0
	Male	0	0	0	0	0
Craft and related trades workers	Female	0	0	0	0	0
	Male	0	0	0	0	0
Plant and machine operators and assemblers	Female	0	0	0	0	0
	Male	0	0	0	0	0
Elementary occupations	Female	0	0	0	0	0
	Male	0	0	0	0	0
Subtotal	Female	0	0	0	0	0
	Male	0	0	0	0	0
Total		**158**	**0**	**382**	**0**	**382**

Table 69: Training provided for the period 1 April 2020 to 31 March 2021

Occupational category	Gender	Number of employees as at 1 April 2020	Training provided within the reporting period			
			Learnerships	Skills programmes & other short courses	Other forms of training	Total
Legislators, senior officials and managers (levels 13–16)	Female	16	0	11	1	12
	Male	33	0	15	1	16
Professionals (levels 11–12)	Female	32	0	21	1	22
	Male	23	0	7	4	11
Technicians and associate professionals (levels 9–10)	Female	9	0	4	0	4
	Male	5	0	3	0	3
Clerks (levels 5–8)	Female	31	0	15	2	17
	Male	9	0	6	5	11
Service and sales workers	Female	0	0	0	0	0
	Male	0	0	0	0	0
Skilled agriculture and fishery workers	Female	0	0	0	0	0
	Male	0	0	0	0	0
Craft and related trades workers	Female	0	0	0	0	0
	Male	0	0	0	0	0
Plant and machine operators and assemblers	Female	0	0	0	0	0
	Male	0	0	0	0	0
Elementary occupations	Female	0	0	0	0	0
	Male	0	0	0	0	0
Subtotal	Female	0	0	0	0	0
	Male	0	0	0	0	0
Total		**158**	**0**	**82**	**14**	**96**

12.14 Injury on duty

The following table provides basic information on injury on duty.

Table 70: Injury on duty for the period 1 April 2020 to 31 March 2021

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**

12.15 Utilisation of consultants

The following tables relate information on the utilisation of consultants in the department. In terms of the Public Service Regulations, 'consultant' means a natural or juristic person or a partnership who or which provides in terms of a specific contract on an ad hoc basis any of the following professional services to a department against remuneration received from any source: (a) the rendering of expert advice; (b) the drafting of proposals for the execution of specific tasks; or (c) the execution of a specific task that is of a technical or intellectual nature, but excludes an employee of a department.

Table 71: Consultant appointments using appropriated funds for the period 1 April 2020 to 31 March 2021

Project title	Total number of consultants who worked on project	Duration (work days)	Contract value in rand
Provision of technical support in drafting and finalising GTAC performance agreements aligned with the operational plans, annual performance plan, and strategic plan of GTAC	6	3 months – 63 work days	R454 250
Provision of technical support in the review and alignment of GTAC organisational structure with the GTAC strategy and submission to the DPSA	4	6 months – 126 days	R498 989,00 +15% extension: R573 837,35

Table 72: Analysis of consultant appointments using appropriated funds, in terms of historically disadvantaged individuals (HDIs) for the period 1 April 2020 to 31 March 2021

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

12.16 Severance packages

Table 73: Granting of employee-initiated severance packages for the period 1 April 2020 to 31 March 2021

Salary band	No. of applications received	No. of applications referred to MPSA	No. of applications supported by MPSA	No. of packages approved by department
Lower-skilled (levels 1–2)	0	0	0	0
Skilled (levels 3–5)	0	0	0	0
Highly skilled production (levels 6–8)	0	0	0	0
Highly skilled supervision (levels 9–12)	0	0	0	0
Senior management (levels 13–16)	0	0	0	0
Total	**0**	**0**	**0**	**0**

PART E

FINANCIAL INFORMATION

REPORT OF THE AUDITOR GENERAL

TSAKANI MALULEKE
AUDITOR GENERAL

REPORT OF THE AUDITOR-GENERAL
TO PARLIAMENT ON GOVERNMENT TECHNICAL ADVISORY CENTRE

Report on the audit of the financial statements

Opinion

1. I have audited the financial statements of the Government Technical Advisory Centre set out on pages 104 to 132, which comprise the statement of financial position as at 31 March 2021, statement of financial performance, statement of changes in net assets, cash flow statement and statement of comparison of budget information with actual amounts for the year then ended, as well as 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 Government Technical Advisory Centre as at 31 March 2021, and its financial performance and cash flows for the year then ended in accordance with the Standards of Generally Recognised Accounting Practice (GRAP) and the requirements of the Public Finance Management Act of South Africa of 1999 (PFMA).

Context for the 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 government component 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 unqualified opinion.

Emphasis of matters

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

Restatement of corresponding figures

7. As disclosed in note 32 to the financial statements, the corresponding figures for the previous financial year were restated as a result of prior period errors in the financial statements of the Government Technical Advisory Centre at, and for the year ended, 31 March 2021.

Irregular expenditure

8. As disclosed in note 30 to the financial statements, the Government Technical Advisory Centre has reported an accumulated balance at 31 March 2021 of irregular expenditure amounting to R95 799 520. This irregular expenditure is related to non-compliance with applicable procurement legislation.

Responsibilities of the accounting officer for the financial statements

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

10. In preparing the financial statements, the accounting officer is responsible for assessing the government component'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 government component or to cease operations, or has no realistic alternative but to do so.

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

11. 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.

12. 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

13. 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.

14 My procedures address the usefulness and reliability of the reported performance information, which must be based on the government component'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 government component 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.

15. 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 government component's annual performance report for the year ended 31 March 2021:

Programme	Pages in the annual performance report
Programme 2 – Transaction and Advisory Services	32 – 41

16. I performed procedures to determine whether the reported performance information was properly presented and whether performance 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.

17. The material findings on the usefulness and reliability of the performance information of the selected programme are as follows:

Programme 2 – Transaction and Advisory Services

Number of performance and expenditure reviews initiatives supported

18. The source information and supporting evidence for measuring the planned indicator was not clearly defined. The related systems and processes were not adequate to enable consistent measurement and reliable reporting of performance against the predetermined indicator definitions. As a result, limitations were placed on the scope of my work and I was unable to audit the reliability of the reported performance achievement.

Number of projects entering procurement phase

19. The source information, evidence and method of calculation for achieving the planned indicator were not clearly defined. During the current year we identified that the reported outcome that was achieved against the planned target, for number of projects entering procurement phase, was inconsistent with the approved technical indicator description (TID) that was approved at the beginning of the year. We therefore were unable to validate the achieved performance for the indicator. We identified inconsistencies in the measurement of the reported outcomes.

20 According to the TID, this indicator measures the extent of the Public Private Partnership (PPP) Unit's contribution to PPPs graduating from being registered to reaching financial closure. Consequently, the achievement of one (unregistered) project entering procurement phase was reported against a target of three (registered) projects entering the procurement phase in the annual performance report. Contrary to the TID, there was no evidence that the reported project was registered at National Treasury.

Other matters

21. I draw attention to the matters below.

Achievement of planned targets

22. Refer to the annual performance report on pages 28 to 42 for information on the achievement of planned targets for the year and management's explanations provided for the under /over achievement of targets. This information should be considered in the context of the material findings on the usefulness and reliability of the reported performance information in paragraphs 18 to 20 of this report.

Adjustment of material misstatements

23. I identified material misstatements in the annual performance report submitted for auditing. These material misstatements were in the reported performance information of transaction and advisory services. Those that were not corrected are reported above.

Report on the audit of compliance with legislation

Introduction and scope

24. In accordance with the PAA and the general notice issued in terms thereof, I have a responsibility to report material findings on the government component's compliance with specific matters in key legislation. I performed procedures to identify findings but not to gather evidence to express assurance.

25. The material findings on compliance with specific matters in key legislation are as follows:

Procurement and contract management

26. Some of the tenders which failed to achieve the minimum qualifying score for functionality criteria were not disqualified as unacceptable in accordance with 2017 Preferential Procurement Regulation 5(6). Similar non-compliance was also reported in the prior year.

27. Some of the goods and services with a transaction value below R500 000 were procured without obtaining the required price quotations, as required by treasury regulation (TR) 16A6.1 and paragraph 3.3.1 of Practice Note 8 of 2007/08. Consequently National Treasury approval was not obtained for the award.

28. Some of the tenders which achieved the minimum qualifying score for functionality criteria were not evaluated further in accordance with 2017 Preferential Procurement Regulation 5(7).

29. Some of the contracts were awarded to bidders based on preference points that were not allocated and calculated in accordance with the requirements of the PPPFA and Preferential Procurement Regulation. Incorrect B-BBEE points were allocated and no proof was available to substantiate the allocated preference points.

Expenditure management

30. Effective and appropriate steps were not taken to prevent irregular expenditure amounting to R95 799 520.00, as disclosed in note 30 to the annual financial statements, as required by section 38(1)(c)(ii) of the PFMA and TR 9.1.1. The majority of the irregular expenditure was due to contraventions to procurement prescripts.

Consequence management

31. I was unable to obtain sufficient appropriate audit evidence that disciplinary steps were taken against some of the officials who had incurred irregular expenditure in prior years, as required by section 38(1)(h)(iii) of the PFMA. Some of the outcomes of the completed investigations have not yet been implemented during the year.

Other information

32. The accounting officer is responsible for the other information. The other information comprises the information included in the annual report which includes the audit committee's report. The other information does not include the financial statements, the auditor's report and those selected programmes presented in the annual performance report that have been specifically reported on in the auditor's report.

33. My opinion on the financial statements and findings on the reported performance information and compliance with legislation does not cover the other information and I do not express an audit opinion or any form of assurance conclusion on it.

34. 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.

35. I did not receive the other information prior to the date of this auditor's report. When we do receive and read this information, if we conclude that there is a material misstatement therein, we are 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, we 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

36. 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. The matters reported below are limited to the significant internal control deficiencies that resulted in the basis for the opinion, the findings on the annual performance report and the findings on compliance with legislation included in this report.

37. The accounting officer did not exercise effective oversight and monitoring to ensure that supply chain management prescripts are followed before awards are made.

38. The management finalised some of the investigations on irregular expenditure during the year, however adequate records were not maintained to document those recommendations that were not endorsed by management. Consequently, some of the investigation recommendations were partially implemented during the year.

39. The management did not develop and implement adequate action plans to address material non-compliance, re-occurrence of irregular expenditure and material findings on performance information that were reported in the prior year. Consequently, similar matters were reported in the current year and therefore management did not ensure that the internal controls are improved.

40. The management did not implement adequate monitoring and reporting controls to ensure that reported performance achievements are reliable and are consistent with the approved annual performance plans at the beginning of the year.

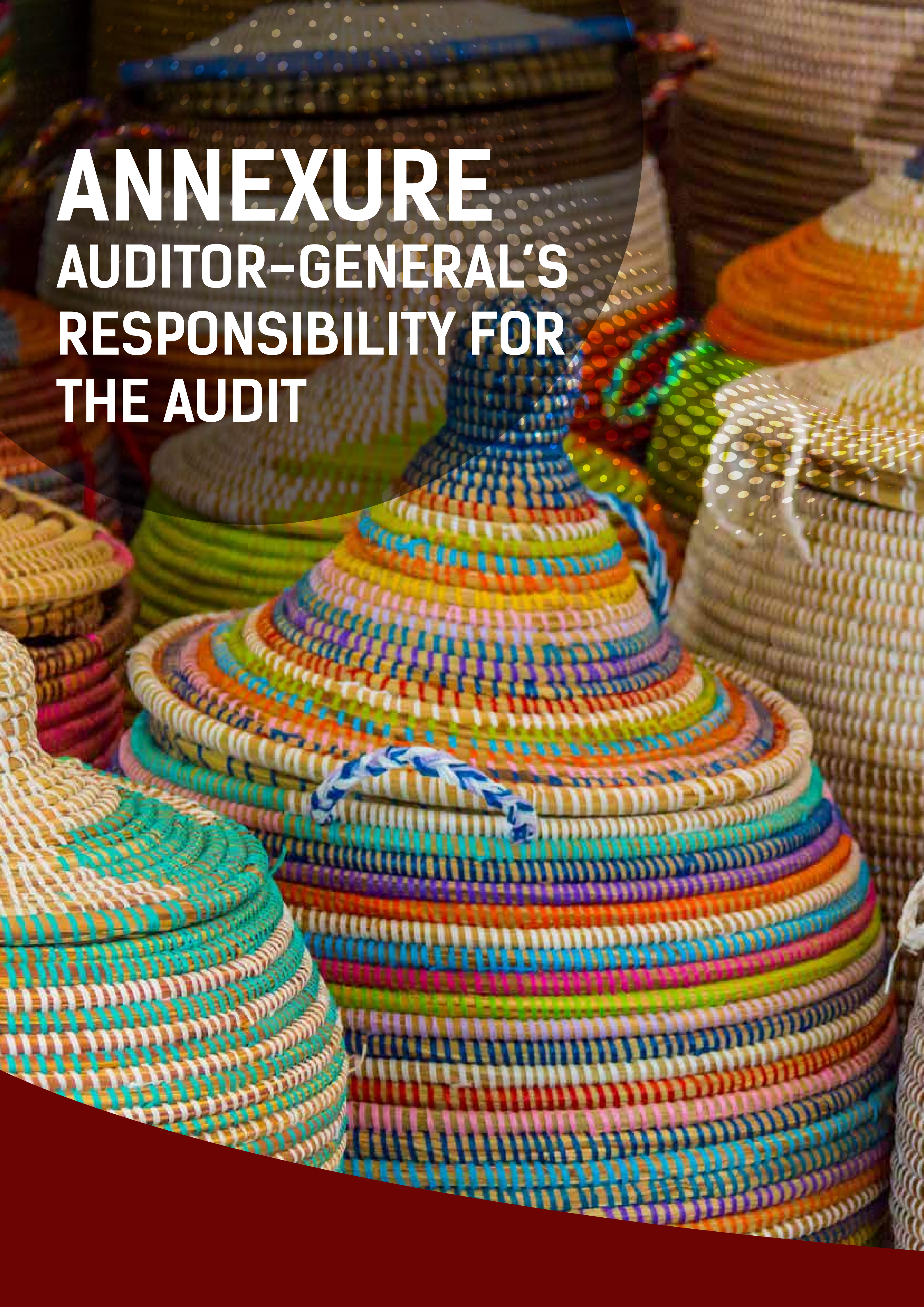
Auditor General

AUDITOR GENERAL

Pretoria
31 July 2021

AUDITOR-GENERAL
SOUTH AFRICA

ANNEXURE
AUDITOR-GENERAL'S RESPONSIBILITY FOR THE AUDIT



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 government component'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 government component's internal control

- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the accounting officer

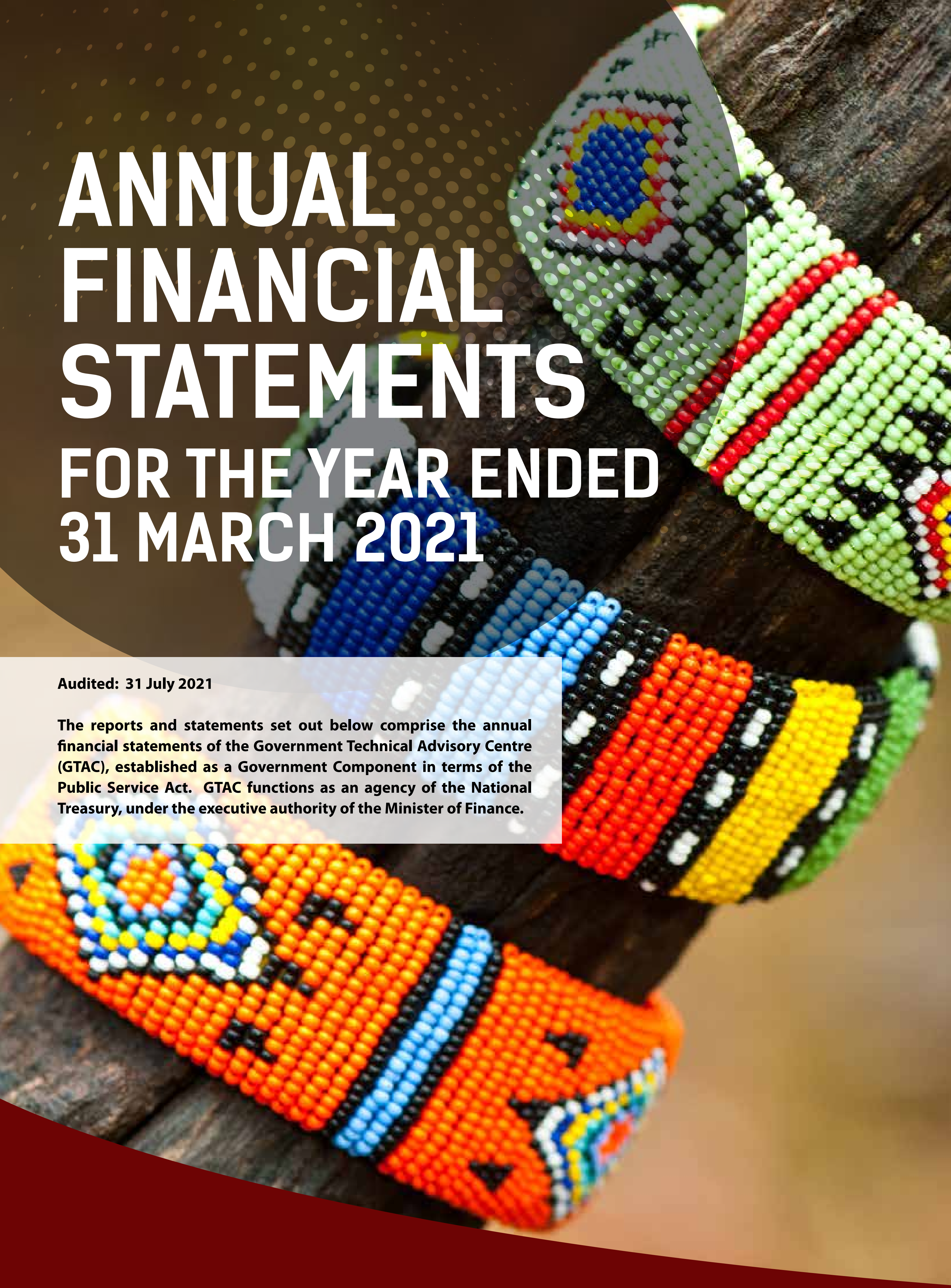
- conclude on the appropriateness of the accounting officer's use of the going concern basis of accounting in the preparation of the financial statements. I also conclude, based on the audit evidence obtained, whether a material uncertainty exists relating to events or conditions that may cast significant doubt on the ability of the Government Technical Advisory Centre 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 the government component 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.



ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2021

Audited: 31 July 2021

The reports and statements set out below comprise the annual financial statements of the Government Technical Advisory Centre (GTAC), established as a Government Component in terms of the Public Service Act. GTAC functions as an agency of the National Treasury, under the executive authority of the Minister of Finance.

INDEX

The reports and statements set out below comprise of:

The annual financial statements set out on pages 104 to 132, which have been prepared on the going concern basis were approved and signed on 31 July 2021:

Markus Rautenbach
Chief Director: Financial Management

Lindiwe Ndlela
Accounting Officer

Statement of Financial Position

	Notes	R 2021	R 2020
ASSETS			
Non–Current Assets			
Property, plant and equipment	4	2 957 972	3 845 453
Intangible assets	5	35 430	60 634
		2 993 402	**3 906 087**
Current Assets			
Inventories	6	–	815 727
Receivables from exchange transactions	7	22 513 126	10 824 071
Receivables from non–exchange transactions	8	–	9 719 168
Cash and cash equivalents	9	1 014 113 937	940 711 887
		1 036 627 063	**962 070 853**
TOTAL ASSETS		**1 039 620 465**	**965 976 940**
LIABILITIES			
Current Liabilities			
Trade and other payables from exchange transactions	10	27 037 220	26 579 873
Payables from non–exchange transactions	11	795 360 773	707 247 909
Provisions	12	2 840 835	2 619 232
TOTAL LIABILITIES		**825 238 828**	**736 447 014**
NET ASSETS		**214 381 637**	**229 529 926**
Accumulated surplus		214 381 637	229 529 926
NET ASSETS		**214 381 637**	**229 529 926**

Statement of Financial Performance

	Notes	R 2021	R 2020
REVENUE			
Revenue from exchange transactions			
Administration fees received		2 280 939	2 494 504
Cost Recovery Revenue	13	131 040 348	141 808 794
Interest revenue	14	25 729 620	39 012 836
Royalties and sundry Income		330 722	348 934
Reversal of the impairment loss	17	10 122 471	-
Total revenue from exchange transactions		**169 504 100**	**183 665 068**
Revenue from non-exchange transactions			
Appropriated Funding	15	38 269 815	49 765 478
Donor Funding	16	3 714 354	22 505 255
Total revenue from non-exchange transactions		**41 984 169**	**72 270 733**
TOTAL REVENUE		**211 488 269**	**255 935 801**
EXPENDITURE			
Goods and Services	18	89 529 904	135 053 914
Compensation of Employees	19	135 486 841	129 542 515
Depreciation and amortisation	20	1 619 813	2 155 862
TOTAL EXPENDITURE		**226 636 558**	**266 752 291**
DEFICIT FOR THE YEAR		**(15 148 289)**	**(10 816 490)**

Statement of Changes in Net Assets

	Note	R Reserves
Balance at 1 April 2019		240 346 416
Net deficit for the period ended 31 March 2020		(10 816 490)
Balance at 31 March 2020		**229 529 926**
Balance at 1 April 2020		**229 529 926**
Net deficit for the period ended 31 March 2021		(15 148 289)
Balance at 31 March 2021		**214 381 637**

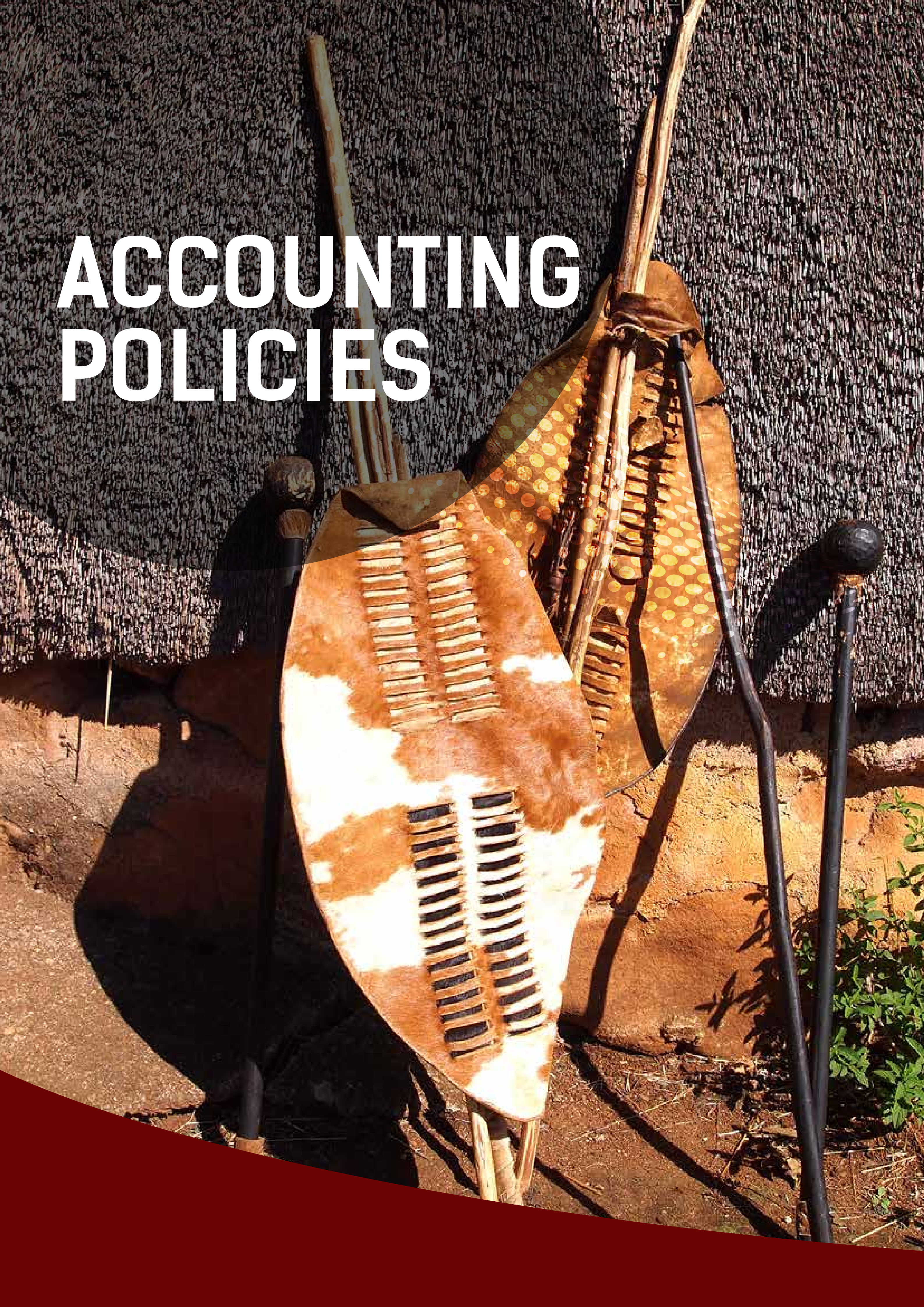
Cash Flow Statement

	Note	R 2021	Restated R 2020
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts			
Government funding and other sources		1 200 833 533	1 050 640 625
Interest income	21	28 849 146	36 694 082
		1 229 682 684	1 087 334 707
Payments			
Grants and project payments		1 023 539 213	879 898 046
Compensation of employees		132 004 946	131 238 375
		1 155 544 159	1 011 136 417
Net cash flows from operating activities	**22**	**74 138 525**	**76 198 286**
Cash flows from investing activities			
Purchase of property, plant and equipment	4	(736 475)	(452 280)
Net cash flows from investing activities		**(736 475)**	**(452 280)**
Net increase in cash and cash equivalents		**73 402 050**	**75 746 006**
Cash and cash equivalents at the beginning of the year		940 711 887	864 965 881
Cash and cash equivalents at the end of the year	**9**	**1 014 113 937**	**940 711 887**

Statement of Comparison of Budget and Actual Amounts

	R Approved budget	R Adjustments	R Adjusted Budget	R Actual	R Variance Over / (Under)	Notes
STATEMENT OF FINANCIAL PERFORMANCE						
Revenue						
Revenue from exchange transactions						
Cost recovery revenue	190 404 000	(25 332 305)	165 071 695	141 162 819	(23 908 876)	27,1
Investment revenue	23 058 000	3 000 000	26 058 000	25 729 620	(328 380)	27,2
Administration fees and royalties	3 390 000	(390 000)	3 000 000	2 611 661	(388 339)	
Total revenue from exchange transactions	**216 852 000**	**(22 722 305)**	**194 129 695**	**169 504 100**	**(24 625 595)**	
Revenue from non-exchange transactions						
Appropriated funding	81 667 000	(20 208 000)	61 459 000	38 269 815	(23 189 185)	27,3
Donor funding	8 713 000	6 662 562	15 375 562	3 714 354	(11 661 208)	27,4
Total revenue from non-exchange transactions	**90 380 000**	**(13 545 438)**	**76 834 562**	**41 984 169**	**(34 850 393)**	
Total revenue	**307 232 000**	**(36 267 743)**	**270 964 257**	**211 488 269**	**(59 475 988)**	
Expenditure						
Goods and services	189 487 000	(32 556 664)	156 930 336	89 529 904	67 400 432	27,5
Compensation of employees	146 341 000	(3 826 583)	142 514 417	135 486 841	7 027 576	27,6
Depreciation	1 346 000	1 535 036	2 881 036	1 619 813	1 261 223	27,7
Transfers	-	-	-		-	
Total expenditure	**337 174 000**	**(34 848 210)**	**302 325 789**	**226 636 558**	**75 689 231**	
Surplus/(Deficit) for the year	**(29 942 000)**	**(1 419 533)**	**(31 361 532)**	**(15 148 289)**	**16 213 243**	

ACCOUNTING POLICIES



1. Presentation of Financial Statements

GTAC is established as a Government Component in terms of the Public Services Act and as such is required to prepare the financial statements in accordance with Modified Cash Basis.

GTAC has obtained a departure from the Accountant General from Modified Cash and hence the 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 91(1) of the Public Finance Management Act (Act 1 of 1999).

GTAC's financial statements are prepared on an accrual basis of accounting with historical cost as the basis of measurement, unless specified otherwise.

The principle accounting policies which have been applied in the preparation of these financial statements are disclosed below.

2. Presentation currency

These financial statements are presented in South African Rand (R), which is GTAC's functional currency. Amounts are rounded to the nearest Rand.

3. 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 reclassification are disclosed. Where material accounting errors have been identified in the current financial year, the correction is made retrospectively as far as is practicable, and the prior year comparatives are restated accordingly. Where there has been a change in the accounting policy in the current financial year, the adjustment is made retrospectively as far as is practicable, and the prior year comparatives are restated accordingly.

4. Going concern

These financial statements have been prepared on the expectation that GTAC will continue to operate as a going concern for at least the next 12 months.

5. Property, plant and equipment

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

Property, plant and equipment under R 5 000 is written off in the year of acquisition.

Property, plant and equipment are depreciated on the straight-line basis over their expected useful lives to their estimated residual value.

The useful life of items of property, plant and equipment have been assessed as follows:

Item	Average useful life
Office equipment	5 - 7 years
Computer equipment	3 - 5 years
Furniture and fittings	10 years

The residual value, the useful life and depreciation method of each asset are reviewed at least at each reporting date. If the expectations differ from previous estimates, the change is accounted for as a change in accounting estimate.

Reviewing the useful life of an asset on an annual basis does not require the entity to amend the previous estimate unless expectations differ from the previous estimate.

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 the difference between the net disposal proceeds, if any, and the carrying amount of the item.

Where the carrying amount of an item of property, plant and equipment is greater than its estimated recoverable amount, it is written down immediately to its recoverable amount (i.e. impairment losses are recognised).

All capital assets which are being fully depreciated, which management is of the view that the useful lives of those asset cannot be extended further and are due for replacement, will be kept at R1 value in the Fixed Asset Register until they are withdrawn and replaced.

6. Intangible assets

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

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

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

Item	Useful life
Computer software	5 years

The estimated useful life of intangible assets are reviewed at the end of each annual reporting period.

The gain or loss is the difference between the net disposal proceeds, if any, and the carrying amount. It is recognised in surplus or deficit when the asset is derecognised.

Where the carrying amount of an intangible asset is greater than its estimated recoverable service amount, it is written down immediately to its recoverable amount (i.e. impairment losses are recognised).

7. Financial instruments

Initial recognition

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

Financial assets

All financial assets are categorised as loans and receivables. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition.

Cash and cash equivalents

Cash and cash equivalents are stated at amortised cost, which, due to their short-term nature, closely approximate their fair value.

Financial assets at amortised cost

Trade receivables, loans, and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as 'financial assets at amortised cost'. These financial assets are measured at amortised cost using the effective interest method less any impairment. Interest income is recognised by applying the effective interest rate.

Effective interest method

The effective interest rate is the rate that exactly discounts estimated future cash receipts and allocates interest income through the expected life of the financial asset, or, where appropriate, a shorter period, to equal the initial cost of a financial asset.

Impairment testing and uncollectability of financial assets

Financial assets are assessed for indicators of impairment at each year-end.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been impacted. For financial assets carried at amortised cost, the amount of the impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables where the carrying amount is reduced through the use of an allowance account. When a trade receivable is uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognised in the surplus or deficit.

Evidence of impairment may include the following indicators: The debtors or a group of debtors are experiencing significant financial difficulty; Default or delinquency in interest or principal payments; The probability that debtors will enter financial reorganisation.

Derecognition

A financial asset (or, where applicable a part of a financial asset or part of a group of similar financial assets) is derecognised when:

- the rights to receive cash flows from the asset have expired; or
- the Entity has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Entity has transferred substantially all the risks and rewards of the asset, or (b) the Entity has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

Financial liabilities

All financial liabilities of GTAC are recognised at amortised cost. The classification of financial liabilities depends on their nature and purpose and is determined at the time of initial recognition.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in the Statement of Financial Performance.

Other financial liabilities

Other financial liabilities are initially measured at fair value, net of transaction costs.

Other financial liabilities are subsequently measured at amortised cost using the effective interest method, with interest expense recognised on an effective yield basis.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or, where appropriate, a shorter period.

8. Tax

No provision has been made for taxation, as GTAC is exempt from income tax in terms of Section 10 of the Income Tax Act, 1962 (Act 58 of 1962).

9. Employee benefits

The cost of employee benefits is recognised during the period in which the employee renders the related service. Employee entitlements are recognised when they accrue to employees. A provision is made for the estimated liability as a result of services rendered by employees up to the reporting date.

Termination benefits are recognised and expensed only when the payment is made.

Liabilities for annual service bonus and long service bonus are recognised as they accrue to employees. GTAC recognises these bonus obligation during the vesting period based on the best available estimate of these bonuses expected to vest. Due to uncertainty regarding the fiscus the bonus liability is recognised as a provision.

Liabilities for annual leave are recognised as they accrue to employees. GTAC recognises the leave obligation during the vesting period based on the best available estimate of the accumulated leave expected to vest. The liability is based on the total amount of leave days due to employees at year end and also on the total remuneration package of the employee. The leave liability is recognised as an accrual as it is certain that employees will take all their leave within 6 months of the next calendar year to avoid forfeiting.

No provision has been made for retirement benefits as GTAC does not provide for retirement benefits for its employees.

10. Revenue from exchange transactions

Revenue from exchange transactions is recognised when it is probable that future economic benefits of service potential will flow to GTAC and these benefits can be measured reliably. Revenue is measured at the fair value of the consideration received or receivable.

10.1 Administration fees received

GTAC is providing financial administrative services to the Neighbourhood Development Programme and Jobs Fund, and is receiving an administration fee for these services provided. These fees are recognised once the services have been provided as per the service level agreement.

10.2 Cost recovery revenue

Revenue for services rendered is recognised as cost recovery revenue when it is associated with identified services provided to a client or counterparty, the costs incurred in providing these services can be reliably measured, the stage of completion of the services at the end of the reporting period can be determined and the costs and revenue can be appropriately apportioned between completed and to-be-completed services.

10.3 Interest revenue

Interest revenue is interest income that accrues on a time-proportionated basis, taking into account the principal amount outstanding and the effective interest rate over the period to maturity.

10.4 Royalties

GTAC has entered into an agreement with the Taylor & Francis Group for publishing a journal, ***Development Southern Africa***. GTAC receives a royalty of 20% as per the agreement between the parties on the sale of these journals and is accounted for as exchange revenue when the receipts can be measured reliably when the monies are received.

11. Revenue from non-exchange transactions

Non-exchange revenue transactions enable GTAC to mobilise resources to give effect to its mandate, in keeping with approved strategic and performance plans and usually in accordance with binding arrangements.

When GTAC receives resources as a result of a non-exchange transaction, GTAC recognises an asset and revenue in the period that the arrangement becomes binding and when it is probable that GTAC will derive economic benefits or service potential that can reliably be measured.

Where the resources transferred to GTAC are subject to the fulfilment of specific conditions, it recognises an asset and a corresponding liability. As and when the conditions are fulfilled, the liability is reduced and revenue is recognised.

The asset and the corresponding revenue are measured on the basis of the fair value of the asset on initial recognition.

11.1 Appropriated funding

GTAC receives an allocation of funds appropriated in the National Treasury vote for its operational expenditure. GTAC also receives appropriated funds transferred for specified programmes and activities. These funds are required to be returned if unspent by the end of the financial year, unless approval is obtained for their retention.

Appropriated funding is recognised immediately on receipt except where it is allocated to a specific programme or project where it is matched with the specific programme or project expenditure.

11.2 Donor funding

GTAC recognises donor funds as revenue on the date the draw-down requisition becomes effective if the expenditure associated with the revenue has been incurred.

If donor funds are subject to the fulfilment of specific conditions, an asset and a corresponding liability are recognised on transfer as and when the conditions are fulfilled, the liability is reduced and revenue is recognised.

12. Fruitless and wasteful expenditure

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

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, the recovery is subsequently accounted for as revenue in the statement of financial performance.

13. Irregular expenditure

Irregular expenditure as defined in section 1 of the PFMA is expenditure other than unauthorised expenditure, incurred in contravention of or that is not in accordance with a requirement of any applicable legislation, including:

a) the PFMA; or
b) the State Tender Board Act, 1968 (Act No. 86 of 1968), or any regulations made in terms of the Act; or
c) any legislation providing for procurement procedures.

When confirmed, irregular expenditure will be recorded in the notes to the financial statements. The amount to be recorded in the notes is equal to the value of the irregular expenditure incurred.

Irregular expenditure will be removed from the notes when it is either condoned by the relevant authority or when it is transferred to receivables for recovery.

14. Related parties

GTAC has financial relationships with other entities and departments in a national sphere of government. Transactions between GTAC and other organs of state on a national sphere are governed by project-specific agreements and are undertaken on terms and conditions that are not at arms' length for such transactions as only the direct cost are recovered and not full cost recovery.

15. Significant judgements, estimates and assumptions

The preparation of annual financial statements requires management to make judgements, estimates and assumptions that affect the application of policies and the reported amounts of assets, liabilities, revenue and expenses.

Estimates are made based on the best available information at the time of preparation of the Annual Financial Statements. The estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and on future periods if the revision affects current and future periods.

15.1 Impairment testing and uncollectibility of financial assets

At the end of each reporting period, management assesses whether there is any objective evidence that a financial asset or group of financial assets is impaired. If there is objective evidence that an impairment loss on financial assets measured at amortised cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced through the use of an allowance account. The amount of the loss is recognised in surplus or deficit.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed by adjusting an allowance account. The reversal does not result in a carrying amount of the financial asset that exceeds what the amortised cost would have been had the impairment not been recognised at the date the impairment is reversed. The amount of the reversal is recognised in surplus or deficit.

15.2 Useful life and residual values of property, plant and equipment

Management made certain estimates with regard to the determination of estimated useful life and residual values of items of property, plant and equipment, as discussed in Note 4. An annual assessment and review of estimated useful life and residual values is performed and any significant change is accounted for as a change in accounting estimate in accordance with GRAP 3.

16. Public sector practices and policies

16.1 Inter-relationship with other government entities

GTAC has been established as a Government Component in terms of the Public Service Act, and is an agency of the National Treasury.

16.2 Public Finance Management Act reporting requirements

In keeping with Section 55(2)(b) of the Public Finance Management Act, material losses due to criminal conduct or unauthorised expenditure or irregular expenditure are disclosed in the Annual Financial Statements.

17. Events after reporting date

GTAC's financial statements include disclosure of events with material financial implications, either favourable or unfavourable, that occur between the reporting date and the date when the financial statements are authorised for issue.

Two types of events are identified:

a) Those that provide evidence of conditions that existed at the reporting date (adjusting events after the reporting date); and
b) Those that are indicative of conditions that arose after the reporting date (non-adjusting events after the reporting date)

18. Budgets

A comparison of the budget estimates for GTAC's programmes and activities and the realised outcome (actual) amounts is included in the financial statements.

The comparison of budget and actual amounts shows:

a) Approved and final budget amounts;
b) Actual amounts on a comparable basis; and
c) By way of note disclosure, an explanation of material differences between budget estimates and actual amounts.

19. Transfers under common control

Several functions were transferred to GTAC on 1 April 2014 by National Treasury, which is GTAC's principal department. With effect on this date the National Treasury:

a) Derecognised in its financial statements, all the assets transferred and liabilities relinquished at their carrying amounts.
b) Recognised the difference between the carrying amounts of the assets transferred and the liabilities relinquished in its accumulated surplus or deficit.

20. Contingent liabilities and provisions

GTAC identifies contingent liabilities as:

a) A possible obligation arising from past events, to be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of GTAC; or
b) A present obligation that arises from past events but is not recognised because:
  i. It is not probable that an outflow of resources will be required to settle the obligation; or
  ii. The amount of the obligation cannot be measured with sufficient reliability.

Contingent liabilities are not recognised in the financial statements, but are disclosed in the notes.

Provisions are recognised when:

a) GTAC has a present obligation as a result of past events
b) it is probable that an outflow of economic benefits will be required to settle the obligation
c) a reliable estimate can be made of the obligation.

21. Commitments

A commitment is a future expense for which GTAC is contractually liable, but in respect of which a payment obligation has not yet been incurred at the reporting date.

Commitments are not recognised in the financial statements, but are disclosed in the notes.

22. Accounting by principals and agents

GTAC undertakes the management of programmes and or projects and cash management on behalf of the National Treasury or other organs of state on a principal-agent basis.

These programmes and projects or cash management results from binding agreements in which GTAC (the agent) acts on and for the benefit of the National Treasury or other organs of state (the principal), in undertaking transactions with third parties.

In these programmes and projects, GTAC:

- **a)** Does not have the power to determine the significant terms and conditions of the transaction.
- **b)** Does not have the ability to use the resources that result from the transaction for its own benefit.
- **c)** Is not exposed to variability in the results of the transaction.

The principal recognises revenue and expenses that arise from transactions with third parties in a principal-agent arrangement.

GTAC recognises only that portion of the revenue and expenses it receives or incurs in executing the transactions on behalf of the principal.

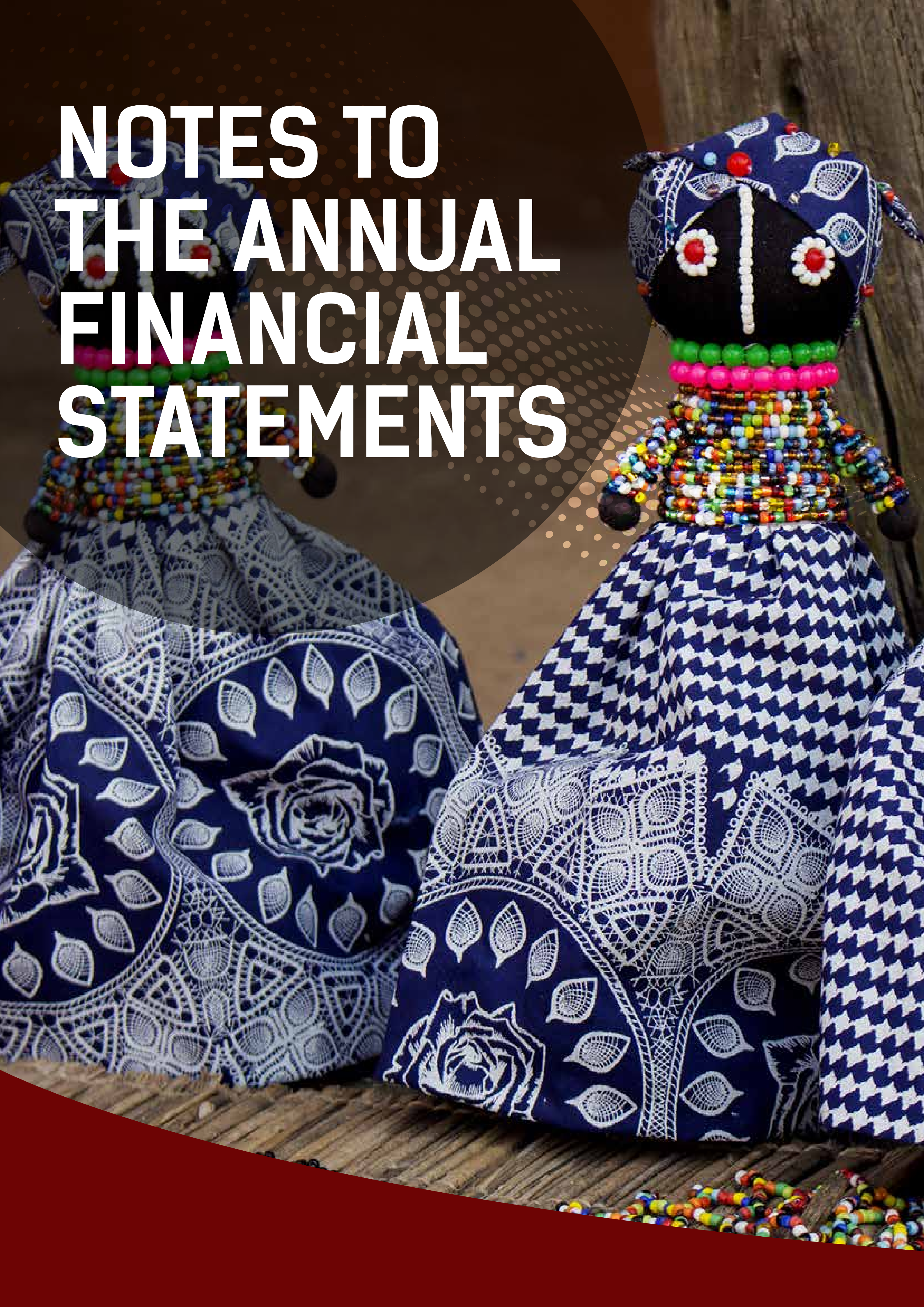
Assets and liabilities arising from principal-agent programmes and projects are recognised in accordance with the requirements of these programmes and projects and relevant standards.

23. Inventory

GTAC undertook a project to develop a budget portal on behalf of National Treasury with the intention to transfer such asset either in full completion or in piece meals.

The asset will be carried at cost of developing such asset until full or partial ownership of the asset is transferred to the National Treasury.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS



1. Establishment of GTAC

The Government Technical Advisory Centre (GTAC) is established as a Government Component in terms of the Public Services Act, through Government Notice 261 of 30 March 2012.

The objective of GTAC is to assist Organs of State in building their capacity for efficient, effective and transparent financial management. Its functions are:

- **a)** to render technical consulting services to Centre of Government Departments and Organs of State;
- **b)** to provide specialised procurement support for high-impact government initiatives;
- **c)** to render advice on the feasibility of infrastructure projects;
- **d)** to provide knowledge management for projects undertaken; and
- **e)** anything ancillary to these functions.

2. Transfer of functions to GTAC

With effect from 1 April 2014, the establishment of GTAC was implemented as a sub-programme of Programme 8 of the National Treasury, through a transfer of the functions of the former Technical Assistance Unit, the Public-Private Partnerships Unit, the Jobs Fund Project Management Unit and the Performance and Expenditure Review programme.

With effect from 1 April 2015, the positions and personnel associated with these functions were transferred to GTAC.

3. New Standards and Interpretations

3.1 Standards Issued, but not yet effective

At the date of authorisation of these financial statements, there is no standard in issue but not yet effective.

4. Property, plant and equipment

	2021			2020		
	Cost	Accumulated depreciation	Carrying value	Cost	Accumulated depreciation	Carrying value
Office equipment	1 261 032	577 265	683 767	1 160 548	403 831	756 717
Computer equipment	10 491 829	8 517 134	1 974 695	9 908 164	7 163 503	2 744 661
Furniture and fittings	439 540	140 030	299 510	439 540	95 465	344 075
Total	**12 192 401**	**9 234 429**	**2 957 972**	**11 508 252**	**7 662 799**	**3 845 453**

Reconciliation of property, plant and equipment – 2021

	Opening balance (Carrying Value)	Additions	Disposals	Depreciation	Closing balance (Carrying Value)
Office equipment	756 717	100 484	–	173 434	683 767
Computer equipment	2 744 661	635 991	29 347	1 376 610	1 974 695
Furniture and fittings	344 075	–	–	44 565	299 510
	3 845 453	**736 475**	**29 347**	**1 594 609**	**2 957 972**

Reconciliation of property, plant and equipment – 2020

	Opening balance (carrying value)	Additions	Disposals	Depreciation	Closing balance (carrying value)
Office equipment	759 605	141 770	–	144 658	756 717
Computer equipment	4 530 243	237 326	78 552	1 944 356	2 744 661
Furniture and fittings	312 465	73 184	–	41 574	344 075
	5 602 313	**452 280**	**78 552**	**2 130 587**	**3 845 453**

Net Carrying Value	2021	2020
Office equipment	683 767	756 717
Computer equipment	1 974 695	2 744 661
Furniture and fittings	299 510	344 075
	2 957 972	**3 845 453**

No repairs and maintenance cost were incurred on property, plant and equipment.

5. Intangible assets

	2021			2020		
	Cost	Accumulated amortisation	Carrying value	Cost	Accumulated amortisation	Carrying value
Computer software	124 295	88 865	35 430	124 295	63 661	60 634

Reconciliation of intangible assets – 2021

	Opening balance (Carrying Value)	Additions	Disposals	Amortisation	Closing balance (Carrying Value)
Computer software	60 634	-	-	25 204	35 430

Reconciliation of intangible assets – 2020

	Opening balance (Carrying Value)	Additions	Disposals	Amortisation	Closing balance (Carrying Value)
Computer software	85 908	-	-	25 274	60 634

Net Carrying Value	2021	2020
Computer software	35 430	60 634

6. Inventories

Work in progress	-	**815 727**

GTAC has undertaken to develop the Budget Portal on behalf of National Treasury (Budget Office) with the intention to transfer it in phases at no cost to National Treasury. The Budget portal project has been finalised and the total accumulated development cost of R6,557,496.57 has been transferred to NT as at 31 March 2021, with R815,726.77 incurred late in 2019/20 FY which has been transferred during the current financial year. No development cost has been incurred during the 2020/21 FY.

7. Receivables from exchange transactions

	2021	2020
Trade receivables	17 386 812	12 009 714
Interest accrued	5 126 314	8 245 840
Vat receivables	-	690 988
Impairment loss of debtors	-	(10 122 471)
	22 513 126	**10 824 071**

Reconciliation of changes in impairment loss – 2021

	Opening balance	Additions	Derecognition	Closing balance
Impairment loss	(10 122 471)		10 122 471	0
	(10 122 471)	-	**10 122 471**	**0**

EC Provincial Education Department (ECPED) debt of R10 million was allowed as impairment of debtors in 2019/20 financial year, during 2020/21 financial year the payment has been received from ECPED and the allowance for impairment of debtors is reversed.

Reconciliation of changes in Impairment loss – 2020

	Opening balance	Additions	Closing balance
Impairment loss	-	(10 122 471)	(10 122 471)
	-	**(10 122 471)**	**(10 122 471)**

8. Receivables from non-exchange transactions

Reconstruction and Development Programme*	-	9 719 168
	-	**9 719 168**

*This relates to donor funding (BCS) that needs to be drawn down from the Reconstruction and Development Programme (RDP) account to reimburse GTAC for funding donor projects from GTAC funds.

9. Cash and cash equivalents

		2021	2020
Cash and cash equivalents consist of:			
Bank accounts:	- Government Technical Advisory Centre (GTAC)	10 000	7 000
	- Building a Capable State Programme (BCS)	500	500
	- Project Development Facility (PDF)	500	500
	- Neighbourhood Development Programme (NDP)	500	500
	- Independent Power Procurement Programme (IPPP)	250 500	500
	- Jobs Fund Partner Funds (JF)	500	500
	- Paymaster-General Account (PMG)	244 552	4 782 530
		507 052	**4 792 030**
Call accounts:	- Government Technical Advisory Centre (GTAC)	3 914 906	5 395 471
	- Building a Capable State Programme (BCS)	2 025 331	4 568 476
	- Project Development Facility (PDF)	753 562 298	480 069 161
	- Neighbourhood Development Programme (NDP)	13 431 421	13 199 185
	- Independent Power Procurement Programme (IPPP)	224 059 960	284 485 440
	- Jobs Fund Partner Funds (JF)	16 612 969	148 202 124
		1 013 606 885	**935 919 857**
Total cash and cash equivalents		**1 014 113 937**	**940 711 887**

Cash and cash equivalents comprise cash held by GTAC and short-term bank deposits on call. The carrying amount of these assets approximates their fair values. During 2020/21 funds were invested in call accounts with Nedbank to maximise the interest earned (3.4% and 6.3% p.a depending on the period fixed).

Monies held on behalf of Principals in Principal Agent relationships are not available for general use by GTAC, but earmarked for the projects as set out in the principal and agent relationship agreement.	**779 038 328**	**690 122 667**

10. Trade and other payables from exchange transactions

		2021	2020
Accruals		10 093 085	14 332 791
Other payables		1 373 523	220 821
Leave accrual		8 151 031	4 890 740
Vat payable		322 998	-
Income received in advance – Cost Recovery	-Infrastructure Improvement Programme	7 096 583	7 135 521
		27 037 220	**26 579 873**

The average credit period taken is less than 30 days. The carrying amount of trade and other payables approximate their fair value due to the relatively short-term maturity of these financial liabilities.

11. Payables from non-exchange transactions

Income received in advance	**2021**	**2020**
- Employment creation facilitation fund	11 938 634	13 999 353
- Building a capable state	1 362 986	-
- Flanders	455 681	660 247
Unspend government funding		
- Job Fund partner funds **	16 731 296	148 798 323
- Neighbourhood Development Programme *	13 481 284	13 302 700
- Development Bank of Southern Africa (Independent Power Producer Procurement Programme)**	226 931 520	289 120 163
- Municipal Finance Improvement Programme III**	155 403 699	123 587 783
- Department of Public Works – Salvokop**	278 101 118	85 613 498
- Department of Public Works – Department of Agriculture, Forestry and Fisheries**	15 000 000	15 000 000
- Department of Public Works – Energy**	62 745 014	4 055 802
- Department of Social Development**	10 000 000	10 000 000
- Department of Transport**	644 398	644 398
Interest received on Donor funds	2 565 143	2 465 642
	795 360 773	**707 247 909**

* Neighbourhood Development Programme surrenders the unspent funds to the Revenue Fund. NDP has approval from National Treasury to retain funds derived from interest to be used for internal projects.

** GTAC acts as the agent for the above listed departments in an Principal agent relationship (refer to note 31).

12. Provisions

	2021	**2020**
Provisions for bonuses	2 840 835	2 619 232
	2 840 835	**2 619 232**

Reconciliation of employee provisions – 2021

	Opening balance	Provided	Utilised	Unutilised	Closing balance
Provisions for bonuses	**2 619 232**	**2 840 837**	**(1 757 334)**	**(861 900)**	**2 840 835**

Reconciliation of employee provisions – 2020

	Opening balance	Provided	Utilised	Unutilised	Total
Bonus provision	**5 215 394**	**2 619 232**	**(3 739 234)**	**(1 476 160)**	**2 619 232**

The provisions represents management's best estimate of the entity liability for provisions.

For performance bonuses, the provision is based on the anticipated performance of employees which certain targets must be met as required by their performance contracts.
This anticipated performance is based on experience with the employees of the entity, taking into account performance trends in the prior periods.
The 0.5% ceiling (0.75% -2020) as per DPSA guidelines has been applied to the notches of qualifying employees

Management is of the opinion that the bonus provision might be utilised within the next twelve months .

13. Cost recovery revenue

	2021	2020
Technical Advisory Services	52 628 938	59 848 645
Infrastructure Delivery Improvement Programme (IDIP)	38 938	149 507
Employment Facilitation (Jobs Fund Project Management Unit)	64 031 313	71 150 117
Municipal Finance Improvement Programme III (MFIP)	14 341 159	10 660 525
	131 040 348	**141 808 794**

14. Interest revenue

Interest:	25 729 620	39 012 836
	25 729 620	**39 012 836**

The interest is derived from the funds in the GTAC and PDF call accounts (refer note 9). The other call accounts' interest do not accrue to GTAC and is as such disclosed as payables from non-exchanges transactions (refer note 11).

15. Appropriated funding (National Treasury vote)

Government Technical Advisory Centre (GTAC) – Contribution to operations	35 859 000	46 734 000
Project allocations: - Employment Creation Facilitation (Jobs Fund) – Projects	2 410 815	3 031 478
Total	**38 269 815**	**49 765 478**

16. Donor funding

"Building a Capable State" (BCS)	3 509 789	20 897 038
- funding from the Canadian department of Foreign Affairs, Trade and Development		
"Support to the National Treasury in National Health Insurance Design"	-	393 158
- funding from the German department Deutsche Gesellschaft für Internationale Zusammenarbeit		
"Assessing the viability of utilising outcomes -based instruments for contracting service delivery by government"	204 565	1 215 059
- funding from the Government of Flanders		
	3 714 354	**22 505 255**

17. Reversal of the impairment loss

Reversal of the impairment loss	10 122 471	-
	10 122 471	**-**

EC Provincial Education Department (ECPED) debt of R10 million was allowed as impairment of debtors in 2019/20 financial year, during 2020/21 financial year the payment has been received from ECPED and the allowance for impairment of debtors is reversed.

18. Goods and services

	2021	2020
Administrative fees	1 378 603	2 774 205
Advertising	127 925	182 651
Assets less than capitalisation threshold and maintenance	123 316	116 369
Audit fees	2 507 898	2 209 182
Bank Charges	43 783	56 383
Bursaries	189 812	529 749
Bursaries - Public Economics Capacity building (donor funded)	336 484	723 307
Internship	(449 733)	97 050
Catering	7 379	316 302
Communications	1 189 086	535 790
Computer services – internet charges and website	1 796 782	40 631
Consumables and maintenance	219 918	384 489
Contractors general management	26 186	307 660

		2021	2020
Courier services		1 001	9 200
Entertainment		858	4 324
Gifts and promotions		-	19 020
Impairment of debtors		-	10 122 471
Injury on duty		-	14 048
Legal services		633 092	3 146 256
Licence fees		2 273 304	1 583 959
Losses and damages		29 347	78 552
Operating leases		234 796	548 765
Parking services		400	248
Project expenditure:	- Building a Capable State (Canadian Government funding)	3 490 574	17 581 204
	- Technical Advisory Services	54 114 218	55 447 936
	- Infrastructure Delivery Improvement Programme (IDIP)	-	149 497
	- Employment Facilitation – Jobs Fund Operations	16 002 107	16 350 661
	- Employment Facilitation – Jobs Fund Projects	1 047 911	246 937
	- Specialised Procurement – Project Development Facility	41 188	8 715 861
	- Capital Projects Appraisal	534 422	-
	- Assessing the viability of utilising outcomes-based instruments for contracting service delivery by government	201 787	968 639
Resettlement cost		32 434	51 638
Stationary and printing		189 959	459 218
Subscriptions		661 357	50 360
Training		354 039	1 660 689
Transfers -budget portal		815 727	1 964 734
Travel and subsistence		1 042 527	6 361 215
Venues and facilities		10 151	1 244 714
Covid -19 response		321 266	-
		89 529 904	**135 053 914**

18.1. Impact of Covid-19

Covid-19 had an impact in the operations of GTAC, in total R321 266 has been spent to date mainly on hand sanitisers, face masks, decontamination, desk screens and financial relief to external bursary holders as a measure of responding to the pandemic.

With the ongoing staged lockdown, this is expected to continue disrupting the agency's operations and service delivery. The agency consider the effects of Covid-19 so far to be of a less impact on the balances of GTAC's books and unlikely to impact its ability to continue operating as a going concern.

19. Compensation of employees

Salaries and wages	80 275 019	76 711 511
UIF, pensions and medical aid	9 586 856	9 545 416
Service bonuses	2 551 012	(2 557 339)
Performance bonuses	611 153	(298 282)
Other employee related costs	3 599 891	1 184 852
Housing allowances	810 254	839 056
Non pensionable	38 052 656	39 002 623
	135 486 841	**129 542 515**

20. Depreciation and amortisation

	2021	2020
Office equipment	173 434	144 658
Computer equipment	1 376 610	1 944 356
Furniture and fittings	44 565	41 574
Computer software	25 204	25 274
	1 619 813	**2 155 862**

21. Interest income

Interest income at the beginning of the year	8 245 840	5 927 087
Interest income received per the Statement of Financial Performance	25 729 620	39 012 836
Accrued net interest income at the end of the year	(5 126 314)	(8 245 840)
	28 849 146	**36 694 083**

22. Net cash flows from operating activities

Deficit for the year		(15 148 288)	(10 816 490)
Adjustments for:			
Depreciation and amortisation		1 619 813	2 155 862
Loss on disposal of assets		29 347	78 552
Increase/(Decrease) in salary provisions and accruals		3 481 895	(1 695 859)
Increase in unspend government funding from non-exchange transactions		88 915 661	92 976 859
Decrease in income received in advance	-	(941 236)	(10 879 942)
from Exchange transactions		(38 937)	(5 379 940)
from Non-Exchange transactions		(902 299)	(5 500 002)
Changes in working capital			
(Increase)/Decrease in receivables from exchange transactions		(11 689 056)	9 230 796
Decrease /(Increase) in receivables from non-exchange transactions		9 719 168	(7 553 200)
Decrease/(Increase) in inventory (work-in-progress)		815 727	(815 727)
(Decrease)/Increase in payables from exchange transactions		(2 764 008)	2 987 942
Increase in payables from non-exchange transactions		99 502	529 493
		74 138 525	**76 198 286**

23. Commitments

	2021	2020
Operating Commitments		
- Contractual commitments	**75 513 222**	**228 295 761**

These contractual commitments are made up of contracts with service providers of which some end within the next 12 months and others more than 12 months but not exceeding 32 months. The commitments does not include any commitments of a capital nature.

24. Related parties

During the financial year, GTAC entered into various transactions with related parties.
The nature of the relationship is that the related parties function on the same sphere of government namely national.

Receivables		2021	2020
Department of Higher Education and Training (DHET)		486 591	1 456 654
Department of Social Development (DSD)		1 103 056	-
Department of Science and Technology		544 920	-
Department of Tourism		499 248	-
National Treasury		8 462 960	-
		11 096 774	**1 456 654**
Trade and other payables			
National Treasury	- Infrastructure Delivery Improvement Programme	7 096 583	7 135 521
	- Employment Creation Facilitation Programme	11 938 634	13 999 353
	- Municipal Finance Improvement Programme III	155 403 699	123 587 783
	- Neighbourhood Development Programme	13 481 284	13 302 700
	- Jobs fund	16 731 296	148 798 323
Department of Public Works - Salvokop		278 101 118	85 613 498
Department of Public Works – DAFF*		15 000 000	15 000 000
Department of Public Works – Energy		62 745 014	4 055 802
Development Bank of Southern Africa Ltd (Independent Power Producer Procurement Programme)		226 931 520	289 120 163
Department of Social Development*		10 000 000	10 000 000
Department of Transport*		644 398	644 398
		798 073 546	**711 257 541**

These funds have been committed against projects
*There were no movements on these payables due to the nature of the projects

Related party transactions

Funding provided by relating parties			
National Treasury	- GTAC	35 859 000	46 734 000
	- Municipal Finance Improvement Programme III	134 560 000	148 577 000
	- Neighbourhood Development Programme	60 626 337	46 069 435
		231 045 337	**241 380 435**
Services provided to related parties			-
Council on Higher Education		-	257 982
Department of Arts and Culture		-	415 319
Department of Basic Education		1 789 069,37	-
Department of Communications		-	4 852 753
Department of Co-operative Governance & Traditional Affairs		153 353,87	1 324 432
Department of Employment and Labour		1 016 730,00	-
Department of Environmental Affairs		1 740 275,20	1 209 596
Department of Higher Education and Training		3 187 355,99	3 953 150

	2021	2020
Department of Public Enterprises	1 546 154,70	-
Department of Science and Technology	544 920,00	-
Department of Social Development	2 500 230,21	-
Department of Small Business Development	-	699 921
Department of Telecommunications and Postal Services	1 087 231,94	1 329 923
Department of Tourism	499 247,66	1 330 089
Department of Transport	-	3 451 455
National Economic Development and Labour Council	216 600,00	-
National Prosecuting Authority	1 560 601,44	1 866 444
National Treasury	92 043 262,58	91 732 156
Public Service Commission	-	305 520
Quality Council for Trade and Occupation	296 860,38	556 021
SA Health Products Regulatory Authority	-	180 120
South African National Spacy Agency	1 713 699,24	-
	109 895 593	**113 464 881**

GTAC has also rendered similar services to other organs of state on provincial and local level.

Services received at no cost

	2021	2020
National Treasury	20 894 994	15 474 102
	20 894 994	**15 474 102**

These costs at fair value relate to the services provided by National Treasury to GTAC which amongst others are office space occupied by GTAC, associated municipal services, ICT, internal audit and cleaning.

Services rendered at no cost

	2021	2020
National Treasury - Consultancy	507 508	2 735 316
National Treasury - Budget Portal	-	2 923 676
	507 508	**5 658 992**

> The consultancy services rendered:

1) Actuarial review of the Unemployment Insurance Contribution Levy
2) State Bank
3) Procurement advice to the Presidential Committee Unit
4) Contract management support
5) Support the development of National Treasury's Africa Strategy

> The budget portal development was funded by GTAC through donor monies and transferred to National Treasury at no cost.

Key management personnel

2021		Basic	Performance	Service	Pension	Other allowances*	Total
		(Basic salary and non-pensionable)	Bonus	Bonus			
Name	**Designation**	**R**	**R**	**R**	**R**	**R**	**R**
LO Ndlela	Head of GTAC (Acting)	1 507 278	-	-	136 102	512 046	2 155 426
SPM Rautenbach	Chief Director: Financial Management	1 512 381	-	-	151 404	105	1 663 890
B Mashilo	Chief Director: Capital Projects Appraisal	1 080 313	-	74 081	115 566	105	1 270 065
S Naidoo	Chief Director: Strategy Management and Communications	1 359 824	-	-	136 132	105	1 496 061
TP Moleke	Chief Director: Transaction Advisory Services and PPP	1 415 913	-	-	120 464	8 145	1 544 523
N Allie -Edries	DDG: Employment Facilitation	1 458 106	-	99 988	155 981	105	1 714 179
R Engela	DDG: Public Expenditure and Policy Analysis	1 410 070	-	99 988	155 981	48 141	1 714 179
EC Gille	Chief Director: Technical Consulting Services	1 188 475	-	-	100 543	105	1 289 124
GH Louw	Chief Director: Professional Services Procurement	1 004 293	-	74 081	115 566	76 125	1 270 065
MJ Matshivha	Acting Chief Director: Municipal Finance Improvement Programme (from 1 July 2020)	920 322	-	-	-	18 120	938 442
EJ Stokes	Acting Director: HCM	784 600	-	53 803	83 932	135 096	1 057 431
XYZ Mac Master	Chief Director: Municipal Finance Improvement Programme (from 01 April 2020 to 31 May 2020)	222 175	-	40 774	23 757	55 979	342 685
		13 863 748	**-**	**442 714**	**1 295 429**	**854 177**	**16 456 068**

* Other allowances includes medical aid contributions, leave gratuity, bargaining council contributions and acting allowances.

2020		Basic	Performance	Service	Pension	Other allowances*	Total
		(Basic salary, non-pensionable)	Bonus	Bonus			
Name	Designation	R	R	R	R	R	R
LO Ndlela	Head of GTAC (Acting)	1 465 141	48 118	-	121 671	550 484	2 185 414
SPM Rautenbach	Chief Director: Financial Management	1 512 381	-	-	151 404	98	1 663 883
B Mashilo	Chief Director: Capital Projects Appraisal	1 080 313	-	74 081	115 566	98	1 270 058
S Naidoo	Chief Director: Strategy Management and Communications	1 359 824	-	-	136 132	98	1 496 054
TP Moleke	Chief Director: Transaction Advisory Services and PPP	1 415 913	-	-	120 464	8 138	1 544 515
N Allie -Edries	DDG: Employment Facilitation	1 458 106	75 733	99 988	155 981	98	1 789 906
R Engela	DDG: Public Expenditure and Policy Analysis	1 410 070	-	99 988	155 981	48 134	1 714 173
EC Gille	Chief Director: Technical Consulting Services	1 188 475	-	-	100 543	98	1 289 116
GH Louw	Chief Director: Professional Services Procurement	1 004 609	-	74 081	115 566	75 802	1 270 058
XYZ Mac Master	Chief Director: Municipal Finance Improvement Programme	1 112 966	57 806	76 320	119 059	98	1 366 249
EJ Stokes	Acting Director: HCM	781 699	40 149	53 803	83 622	164 458	1 123 731
SK Allert	Acting Director: Corporate Services (Acting 1 month)	60 675	-	-	7 155	26 821	94 651
		13 850 170	**221 805**	**478 260**	**1 383 144**	**874 421**	**16 807 808**

* Other allowances includes medical aid contributions, leave gratuity, bargaining council contributions and acting allowances.

25. Risk management

GTAC seeks to identify, assess, manage and monitor all material forms of risk across all its programmes and activities. While operating risk cannot be fully eliminated, management endeavours to minimise it by ensuring that the appropriate infrastructure, controls, systems and ethical standards are applied throughout the entity and managed within predetermined procedures and constraints.

As GTAC receives funding in advance from National Treasury and other organs of state for its principal activities it does not have borrowed funds, and does not have significant exposure to credit, liquidity, interest and market risk.

Credit risk

In its holding of cash and cash equivalents, and deposits with banks and financial institutions, GTAC makes use of only highly reputable financial institutions.

2021	Carrying amount	Current	30 Days	60 Days	90 Days	120 Days and more
	R	R	R	R	R	R
Trade receivables	16 568 542	16 439 211	129 331	-	-	-

The credit quality is of such nature that it is not past due or impaired

2020	Carrying amount	Current	30 Days	60 Days	90 Days	120 Days and more
	R	R	R	R	R	R
Trade receivables	11 579 125	-	999 755	-	-	10 579 370
Monies passed due and impaired	10 122 471					

Liquidity risk

GTAC's exposure to liquidity risk is limited by the National Treasury's management framework for meeting short, medium and long term funding requirements.

2021	Carrying amount	Current	30 Days	60 Days	90 Days	120 Days and more
	R	R	R	R	R	R
Trade payables	9 814 583	9 746 589	606	-7 819	-5 306	80 514

2020	Carrying amount	Current	30 Days	60 Days	90 Days	120 Days and more
	R	R	R	R	R	R
Trade payables	127 146	127 149	-	-	-	-3

Interest rate risk

GTAC's interest rate risk is limited as funds are invested with one of the four major banks and this is assessed annually.

Market risk

No significant market events occurred during the year that materially affected GTAC. GTAC's activities are mainly of an administrative or support service nature, with limited exposure to market movements.

26. Events after the reporting date

No material events after the reporting date.

27. Notes to statement of comparison of budget and actual amounts

The accrual basis was used for budgetary purposes in line with the accounting framework used.

All variances over R1 million is seen as material and has been reported on.

Adjustments to the approved budget

The significant budget adjustment was on goods and services and cost recovery by TCS business unit. The adjustments was mainly due to expected reduction on demand for technical support service by departments.

27.1 Cost recovery revenue

Under budget

The variance was mainly due to the underspent on Jobs Fund and TCS had a lower demand of service than projected.

27.2 Interest revenue

Over budget

All surplus funds are transferred to a Call account that earns interest between 3.4% and 5.05% depending on the period fixed. The positive variance was due to unspent monies and more funding received on principal agent projects.

27.3 Appropriated funding

Under budget

The variance was mainly due to unspent funds for the Infrastructure Planning Support project. The project never started due to delays in the implementation and procedural process between GTAC and NT. The other variance amount was due to underspend on the ECFF programme.

27.4 Donor funding

Under budget

The overall underspend was mainly due to the underspend on the Flanders and Building a Capable state (BCS) programme. Most of the projects were delayed due to the Covid-19 restrictions and National Lockdown. The Flanders project closed in Decembers 2020 and the BCS programme was extended to continue till September 2020.

27.5 Goods and services

Under budget

The under spending was due to a decrease in service demand from other departments. The PMUs also underspent mainly on Jobs Fund due to savings in the Business and Advisory services rendered and the limited spending on travelling. There was also underspend on the donor fund projects due to delays caused by National Lockdown (Covid-19 pandemic). Lastly there were delays in implementation of the Infrastructure Support Planning project.

27.6 Compensation of employees
Under budget
Under spending on compensation of employees was due to vacancies mainly in Jobs Funds and Management Support Services.

27.7 Depreciation
Under budget
Under spending was a result of a (Payroll Expenditure Analysis) server that was planned to be purchased and the plan did not materialise.

28. Financial instruments

Categories of financial instruments

2021

Financial assets	At amortised cost	Total
Receivables from exchange transactions	22 513 126	22 513 126
Cash and cash equivalents	1 014 113 937	1 014 113 937
	1 036 627 063	**1 036 627 063**

Financial liabilities	At amortised cost	Total
Trade and other payables from exchange transactions	27 037 220	27 037 220
Payables from non-exchange transactions	795 360 773	795 360 773
	822 397 993	**822 397 993**

2020

Financial assets	At amortised cost	Total
Receivables from exchange transactions	10 824 071	10 824 071
Receivables from non-exchange transactions	9 719 168	9 719 168
Cash and cash equivalents	940 711 887	940 711 887
	961 255 126	**961 255 126**

Financial liabilities	At amortised cost	Total
Trade and other payables from exchange transactions	26 579 873	26 579 873
Payables from non-exchange transactions	707 247 909	707 247 909
	733 827 782	**733 827 782**

29. Fruitless and wasteful expenditure

To the best of our knowledge no fruitless and wasteful expenditure have been incurred during the current year.

30. Irregular expenditure

	2021	2020
Opening balance	82 800 626	207 014 239
Add: irregular expenditure that relates to prior year non-compliance	38 482 867	47 050 363
Add: irregular expenditure identified during the current year	1 487 848	8 271 549
Less: irregular expenditure condoned in the prior years	(26 971 821)	-
Less: irregular expenditure condoned in the current year	-	(179 535 525)
Irregular expenditure to be condoned	**95 799 520**	**82 800 626**

During the financial year 2019/20 irregular expenditure (IE) that was found in 2015/16 and 2016/17 financial year was condoned by the relevant authorities (National Treasury). The Internal Audit unit of the National Treasury has reviewed the Irregular expenditure for the 2017/18 financial year, and GTAC is finalising the submission for condonement.

31. Accounting by principals and agents

Employment Creation Facilitation: Implementation of the Jobs Fund on behalf of National Treasury

GTAC undertakes the administration of the Employment Creation Facilitation sub-programme on behalf of National Treasury. The programme is administered by a Project Management Unit, whose costs are recovered from National Treasury. Disbursements to Jobs Fund Partners for the implementation of approved projects is undertaken by GTAC, as agent, on behalf of National Treasury, as principal.

			2021	2020
Bank balance			16 613 469	148 202 624
Assets -interest receivable			117 827	595 427
Liability			(16 731 296)	(148 798 323)
Difference – inter account transfer between GTAC and the Jobs Fund account. To be corrected in the next financial year.			-	(272)
Revenue	–	Appropriated funds	513 037 210	554 848 000
	–	Interest accrued	3 449 568	6 891 303
Expenditure	–	Jobs Fund partner payments	648 670 540	413 309 657
	–	Bank charges	1 092	1 056

Independent Power Producers Procurement Programme- DBSA

GTAC manage and account for the IPPPP bank account, make payments to the DBSA, cooperate with and provide such project-specific information in its possession to the IPPPP office when requested, provide general technical support in line with the GTAC's mandate in respect of the IPP Procurement Programmes and interventions and facilitate execution of the National Treasury's roles and responsibilities in terms of the Memorandum of Agreement between DoE, NT and DBSA.

			2021	2020
Bank balance			224 310 459	284 485 940
Assets - interest receivable			2 621 061	4 634 314
Liability			(226 931 520)	(289 120 163)
Difference – inter account transfer between GTAC and the IPPPP account. To be corrected in the next financial year.			-	91
Revenue	–	Development and request for proposal fees	46 929 252	64 413
	–	Interest accrued	7 702 825	30 917 181
Expenditure	–	Salaries and overheads	119 440 000	97 800 000
	–	Bank charges	1 781	1 056

Neighbourhood Development Programme – National Treasury

GTAC manages and account for the NDP bank account, make payments to the service providers contracted by municipalities on behalf of NDP within National Treasury.

			2021	2020
Bank balance			13 431 922	13 199 685
Assets - interest receivable			49 362	103 106
Liability*			(13 481 284)	(13 302 700)
Difference – inter account transfer between GTAC and the NDP account. To be corrected in the next financial year.			-	91
Revenue	–	Appropriated funds *	60 626 337	46 069 435
	–	Interest accrued	490 314	1 096 048
Expenditure	–	Payments to service providers	60 626 337	46 096 175
	–	Administration fees	360 000	360 000
	–	Bank charges	1 092	1 056

* Appropriated funds relate to funds received from National Treasury less returned before year end.

Office of the Accountant-General – National Treasury

The Office of the Accountant-General within National Treasury has requested GTAC to assist with the roll out of the Municipal Finance

	2021	2020
Funds available	155 403 699	123 587 783
Liability	(155 403 699)	(123 587 783)
	-	-

			2021	2020
Revenue	–	Appropriated funds	134 560 000	148 577 000
Expenditure	–	Payments to service providers	102 744 084	128 907 682

National Department of Transport (NDoT)

The National Department of Transport has contracted GTAC to procure Transaction Advisors on behalf of NDoT to render Professional Services in procurement of a PPP fleet management contract for NDoT.

Funds available	644 398	644 398
Liability	(644 398)	(644 398)
	-	-
Expenditure – Payments to service providers	-	172 960

Department of Public Works – Salvokop

GTAC has been contracted as the implementing agent to appoint a multi discipline Engineering Business Undertaking to render professional services in respect of bulk municipal infrastructure services to Salvokop Extension 4.

Funds available	278 101 118	85 613 498
Liability	(278 101 118)	(85 613 498)
	-	-
Funds received	194 000 000	23 000 000
Expenditure – Payments to service providers	1 512 380	5 232 156

Department of Public Works – Department of Agriculture , Forestry and Fisheries (DAFF)

GTAC, on behalf of the DPW, will appoint Professional Service Providers to conduct the feasibility study and assist DAFF with procurement of the accommodation facility, depending on the recommendations of the feasibility study and approval thereof by DAFF.

Funds available	15 000 000	15 000 000
Liability	(15 000 000)	(15 000 000)
	-	-

Department of Public Works – Energy

DPW has requested GTAC to provide project management support and procurement services to assist with the development and execution of a super ESCO business plan and renewable energy pilot projects.

Funds available	62 745 014	4 055 802
Liability	(62 745 014)	(4 055 802)
	-	-
Funds received	59 743 093	-
Expenditure – Payments to service providers	1 053 881	15 944 198

Department of Social Development

GTAC, on behalf of the DSD, will appoint Professional Service Providers to conduct the feasibility study and assist DAFF with procurement of the accommodation facility, depending on the recommendations of the feasibility study.

Funds available	10 000 000	10 000 000
Liability	(10 000 000)	(10 000 000)
	-	-

eThekwini Municipality

GTAC, on behalf of the eThekwini Municipality, will provide the project management support and procurement services to assist with the appointment of transactions advisor to Durban water recycling plant and KwaMashu & Northern waste water treatment works (WWTW).

Funds received	7 507 977	1 558 986
Expenditure – Payments to service providers	7 507 977	1 558 986

South African Police Services	2021	2020

GTAC, on behalf of the South African Police Services, will provide the project management support and supply of transaction advisory services for the appointment of a service provider to perform an assessment of the fair value of the intellectual property of the ICT systems in use by the SAPS and owned by Forensic Data Analysts.

Funds received	-	2 304 370
Expenditure – Payments to service providers	-	2 304 370

32. Prior period errors

1. Error in disclosure of prior year commitments

The prior year commitments did not include the prior years unused number of hours of LTA's, The original contract was silent on what happens to the unused number of hours so it was assumed that they are forfeited. In the recent extensions to the original contracts it is cited that the extension is from the prior years unused hours. This resulted in an error in the prior year calculation.

Increase in commitments	-	94 567 721

Refer to note 22.

2. Error in disclosure of cash flow statement

In the prior year the net receipts and payments from principal agent arrangements were adjusted against which ever movement (inflow or outflow) was the highest. Last year the net movement was adjusted against receipts as there was a net inflow. This has now been corrected to show inflow and outflows separately against receipts and payments.

Increase in receipts (government funding and other sources)		748 445 074
Increase in expenditure (grants and project payments)		748 445 074

Refer to cash flow statement

33. Changes in accounting estimates

1. Changes in accounting estimates for fully depreciated assets in the current year

The useful lives of the assets are reassessed in every financial year. During the current financial year the assessment was done and management is of the opinion not to change the useful lives of the assets as there is no proper indication that there useful lives must be amended.

In 2019/20 FY the useful lives of asset were revised and that resulted in changes in useful lives of assets from 3 years to 3 – 5 years for Computer Equipment and average useful lives of Office equipment from 5 years to 5 – 7 years. The changes resulted in the following adjustments:

Statement of Financial Position		
Increase in property, plant and equipment	-	632 503
Increase in accumulated surplus	-	632 503
Statement of Financial Performance		
Decrease in depreciation	-	(632 503)
Decrease in deficit	-	(632 503)
Cashflow Statement		
Decrease in deficit	-	(632 503)
Decrease in depreciation	-	(632 503)

34. Contingent liability

Accumulated surplus (unspent government funds)	214 229 070	224 808 112

In terms of the PFMA, all surplus funds as at the reporting date may be forfeited to the National Treasury. A request for the retention of the accumulated surpluses resulting from operations in the financial year ended 31 March 2021 and prior years will be made to the National Treasury.

Cost of Living Adjustments	5 419 474	-

There was a 3-year agreement between the unions and the DPSA with regards to the Cost of Living adjustment to government employees for 2019/20 year. The last round of the agreement has not been implemented and subsequently the unions have taken the matter to the Constitutional Court. Management has used their best estimates, if implemented, a 4% is anticipated and it will be backdated to 01 April 2020.

NOTES:

ANNUAL REPORT

The GTAC Annual Report 2020/21 has been compiled with the latest information available from departmental and other sources.

Some of this information is unaudited or subject to revision.

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