GTAC
Analyse
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Strategic & Technical Advisory

National Treasury
REPUBLIC OF SOUTH AFRICA

ANNUAL REPORT
2021/2022

national treasury
Department:
National Treasury
REPUBLIC OF SOUTH AFRICA

GOVERMENT TECHNICAL ADVISORY CENTRE (GTAC)

ANNUAL REPORT 2021/2022

The GTAC Annual Report 2021/22 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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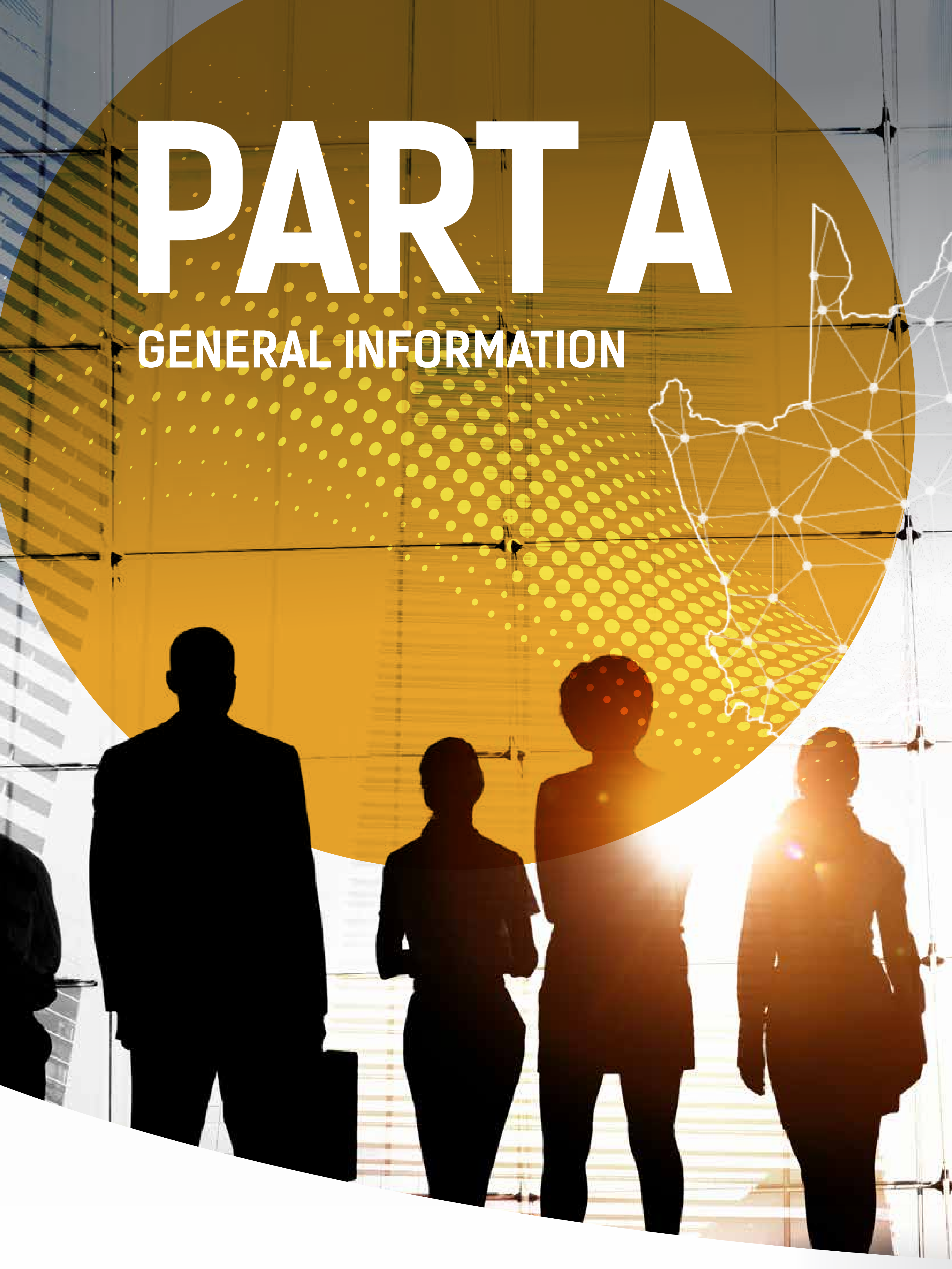
LIST OF ABBREVIATIONS AND ACRONYMS

ABBREVIATION	
APP	Annual Performance Plan
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
EE	Employment Equity
GTAC	Government Technical Advisory Centre
HDI	Historically Disadvantaged Individual
KIC	Knowledge, Innovation and Capacity development
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

ENOCH GODONGWANA
MINISTER OF FINANCE

This financial year called upon us to grow our economy and rehabilitate our finances. It took commitment, often difficult trade-offs, and determination to keep our focus. We had to manage serious fiscal challenges.

Once again 2021 was difficult to anticipate, with the Covid-19 pandemic still very much in our midst and requiring difficult compromises between health and the economy. Added to these challenges were the July riots that devastated parts of our country, leaving a black mark on our already fragile economy. The risk of a sovereign debt crisis, high unemployment, widespread inequality, and poverty remain real risks to our goal of inclusive and sustained prosperity. It is clear the road ahead will not be an easy one.

Guided by our five-year fiscal consolidation pathway which promotes economic growth while bringing debt under control and aligning the composition of our spending away from consumption towards investment and lowering the cost of capital, we are gradually weathering and emerging from the storm of the last few years.

As we combine our efforts into implementing the Economic Reconstruction and Recovery Plan, we are beginning to reap some of the rewards. Growth in 2021 accelerated to 4,9%, higher than anticipated, taking us a step closer to the fiscal sustainability and level of economic activity needed to reduce inequality and engender the social cohesion we desire.

GTAC's continued rigorous analysis of public expenditure, to assess whether the government is meeting its policy imperatives, has become key to planning and execution of budget plans at the national and provincial levels. Stemming from the capacity-building initiative undertaken through the spending review process in 2020, GTAC's work in 2021 focused on producing additional reviews to help budget officials develop analyses that assist in improving the efficiency of budget allocations. The significant growth in the footprint, as well as the widening recognition of the role of spending reviews, resulted in National Treasury integrating these reviews into the formal budget process.

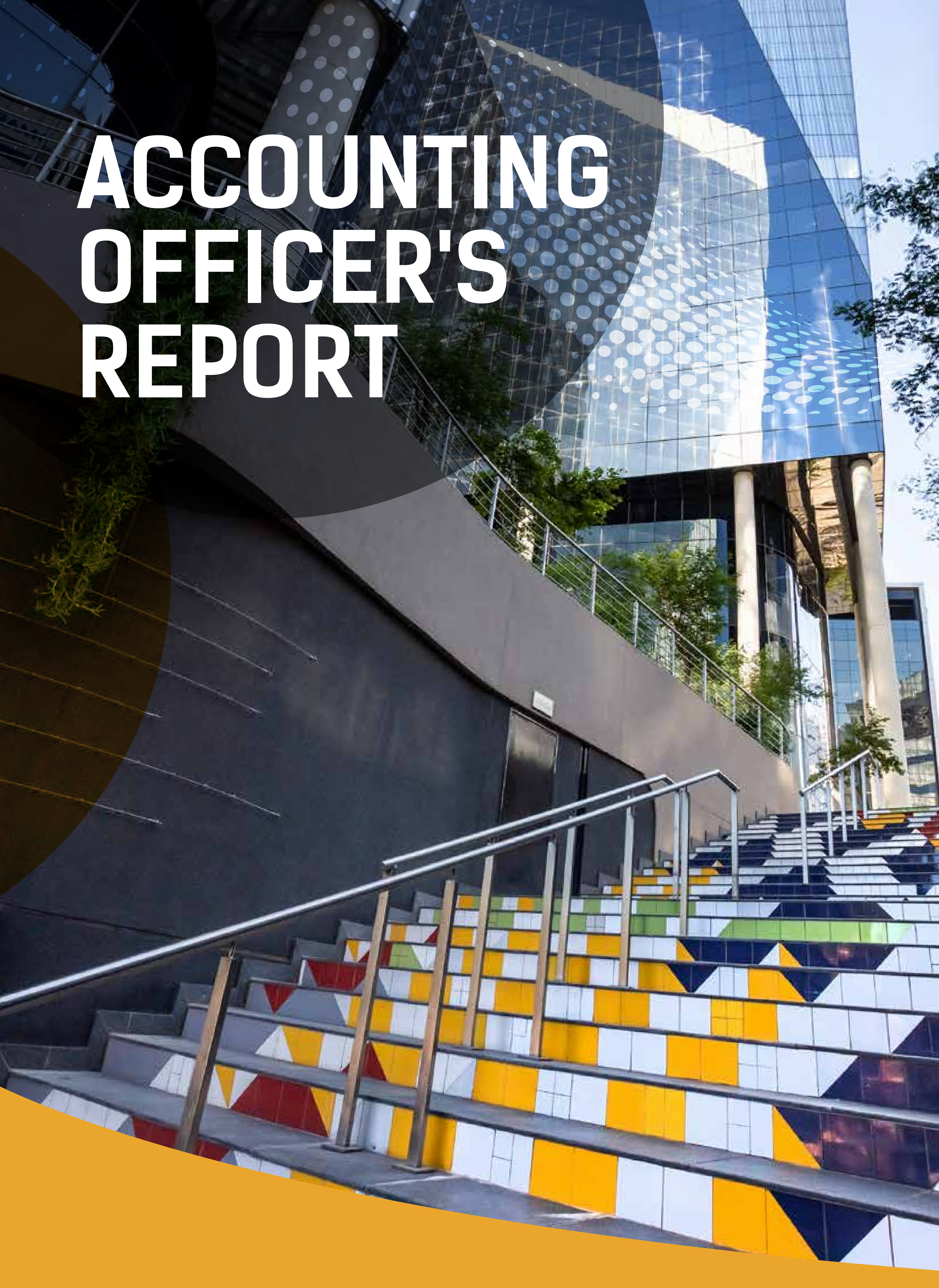
GTAC's role as a connector between government, private sector, donors, academic institutions, and civil society once again saw the establishment of important stepping stones towards the government's drive to growth and development. This was clear in the successful completion of the South Africa Country Report on Covid-19, Public-Private Partnerships (PPPs) such as the greening of government, and several other initiatives. The fact that GTAC does not shy away from difficult challenges, such as strengthening capacity at the local government level, underscores the importance of this institution.

I am pleased to report that GTAC continues to deliver on this mandate, but more importantly, that GTAC is growing exponentially in its capability as it strives to meet the increased expectations and needs of government and the society it serves.

I would like to encourage GTAC to continue to grow as a centre of excellence and knowledge and to push forward in its proactive engagement to find solutions and achieve success.

ENOCH GODONGWANA
MINISTER OF FINANCE

ACCOUNTING OFFICER'S REPORT



RONETTE ENGELA
ACTING HEAD AND ACCOUNTING OFFICER: GTAC

For the second year in a row the world grappled with the devastating impact of the Covid-19 pandemic. In South Africa this fallout was compounded by the July unrest and rising unemployment and poverty. GTAC, together with other centre of government departments as a consequence had to deal with severe budget cuts.

Despite the negative circumstances, GTAC focused on turning the challenges into opportunities, to contribute to South Africa's economic and social recovery by building a confident, competent and capable public sector.

The Capital Projects Appraisal Unit (CPAU) conducted detailed technical analysis on infrastructure proposals that needed fiscal support through the Budget Facility for Infrastructure. The total value of all proposals assessed amounts to R123.9 billion. The process highlighted the need to strengthen project preparation efforts; consider alternative funding and financing solutions that reduce reliance on the constrained fiscus; and strengthening the capability of the state to deliver the ambitious yet necessary infrastructure plans, amongst others. This is what will give effect to the policy aspiration to leverage infrastructure investments as a flywheel to drive faster and inclusive economic growth.

GTAC's commitment to contributing to the rebuilding and recalibration of state institutions was evident in the 48 projects supported by the Institutional Development Unit (IDS) with 20 projects completed this financial year.

With the constrained public purse, there has been even more demand for Public Expenditure Reviews (PER) by the Public Expenditure and Policy Analysis (PEPA) Unit with 30 spending reviews completed in National Treasury and spending reviews supported in the Eastern Cape and Western Cape provincial governments. The big data analytics capability of the PEPA Unit has further been critical to some important outcomes for government, including the Government Employee Compensation Case, which was heard by the Constitutional Court, where the Court and ruled in favour of government.

Strategic partnerships have become pivotal in building and investing in our economy. This was illustrated by the work of the Transaction Advisory Services and the Public Private Partnership Unit (TAS/PPP) who support the delivery of large or complex infrastructure projects by providing transaction advisory services for public-private partnerships (PPPs) and conventional procurement. This work aligns with National Treasury's focus on improving budgeting and financing processes. This year amongst other projects TAS/PPP provided critical support to municipalities and partnerships in the field of clean energy.

The need for an institution that is able to deliver on complex projects, against difficult deadlines without compromising the quality of the delivery is more pressing than ever. GTAC has been well positioned to fill this gap and has grown from strength to strength, during a very difficult period in South Africa's economic history. This year has been a great year of new opportunities and extensive learning. In the short to medium term GTAC's strategic focus will be to continue to grow its footprint and reputation as the provider of choice for government departments.

Finally, I must acknowledge the tireless dedication and excellence of the GTAC team, that has enabled GTAC to continue to deliver quality work under pressure. I look forward to continuing on this journey with my team as a dependable, responsive and excellent resource for government departments in our joint goal of serving our citizenry and growing our economy.

RONETTE ENGELA
Acting Head and Accounting Officer: GTAC
Date: 31 July 2022

ACCOUNTING OFFICER STATEMENT

RONETTE ENGELA
ACTING HEAD AND ACCOUNTING OFFICER: GTAC

ACCOUNTING OFFICER STATEMENT

Statement of responsibility and confirmation of accuracy for the annual report for the year ended 31 March 2022

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 ended 31 March 2022.

This report is submitted by the Acting Head of GTAC, Ms Ronette Engela, whose appointment took effect in February 2022. As the accounting officer, I am pleased to present this annual report.

R. Engela.

RONETTE ENGELA
Acting Head and Accounting Officer: GTAC

1. STRATEGIC OVERVIEW

1.1 VISION, MISSION AND VALUES

VISION

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

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 draft 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 1).
- Education, skills and health (Priority 2).
- Spatial integration, human settlements, and local government (Priority 4).
- Building a capable, ethical and developmental state (Priority 6).
- A better Africa and world (Priority 7).

It is Priority 6 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, the State of the Nation Address and the Budget Speech. 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, responsive, 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.

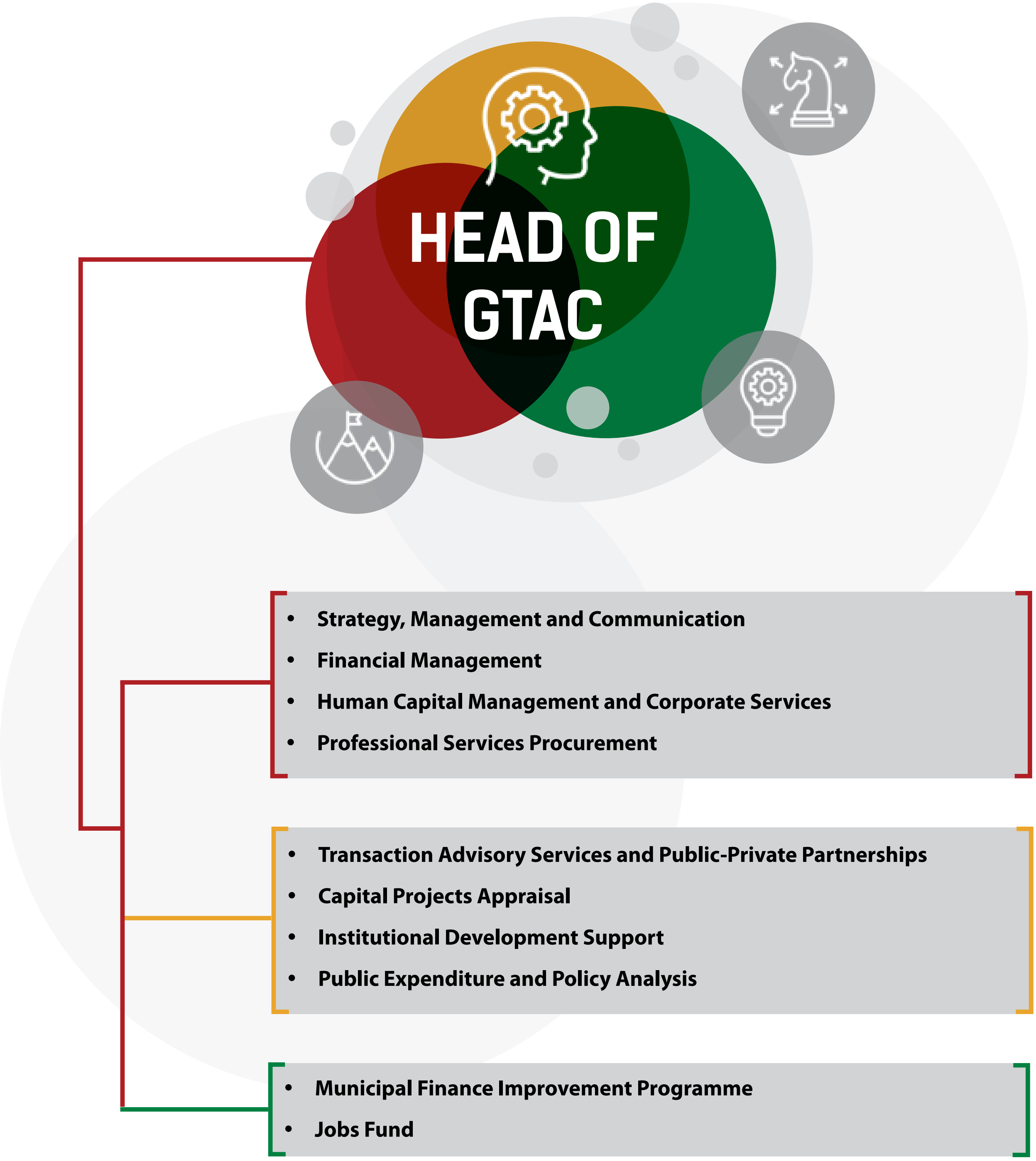
GTAC's business model is guided by a strategic intelligence through which it constantly maps its actions and interventions against a changing environment. This allows it to innovate; respond creatively, appropriately and timeously to new pressures; and seek out new opportunities for responding to public 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. The business model is mainly 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

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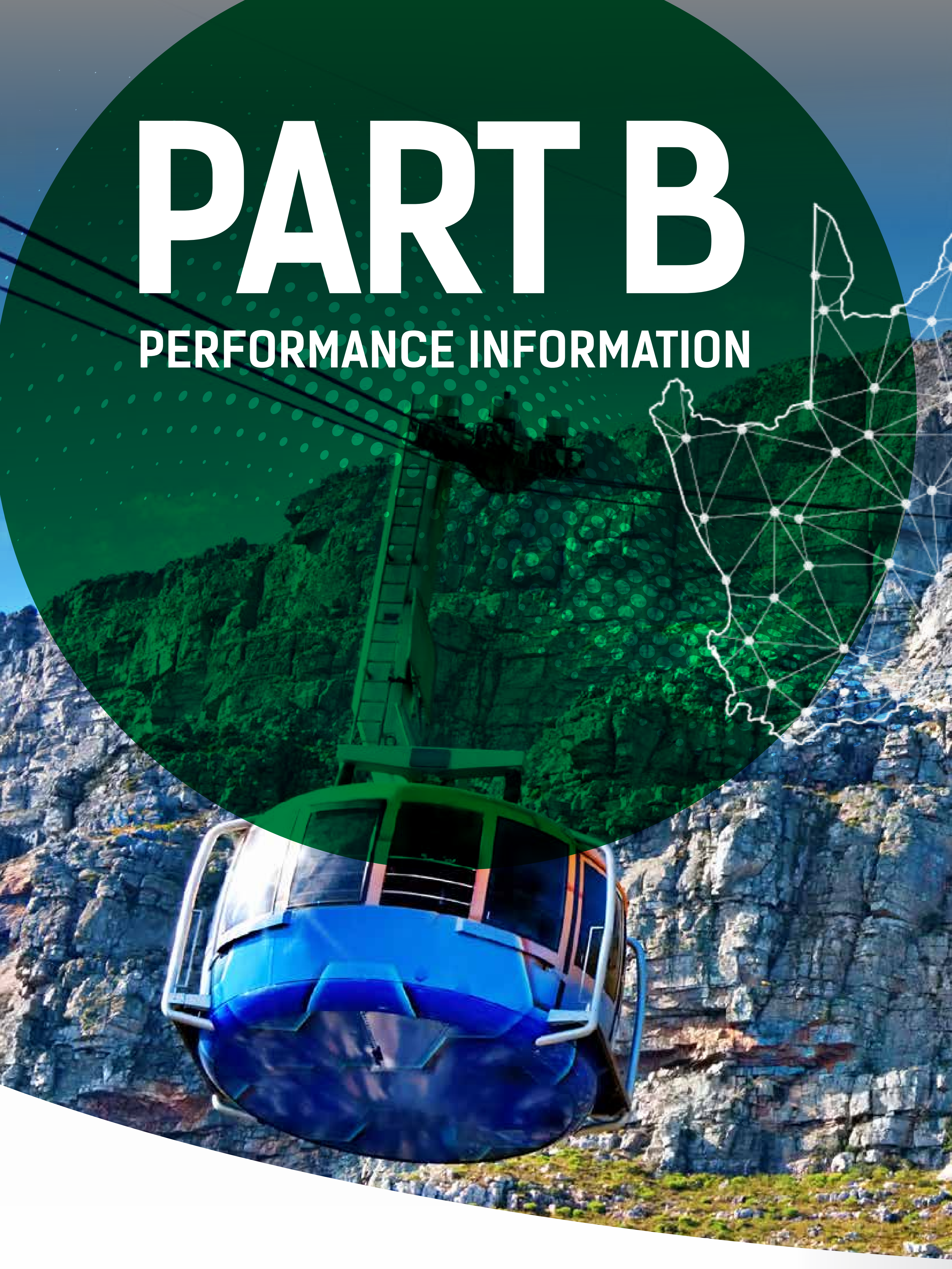
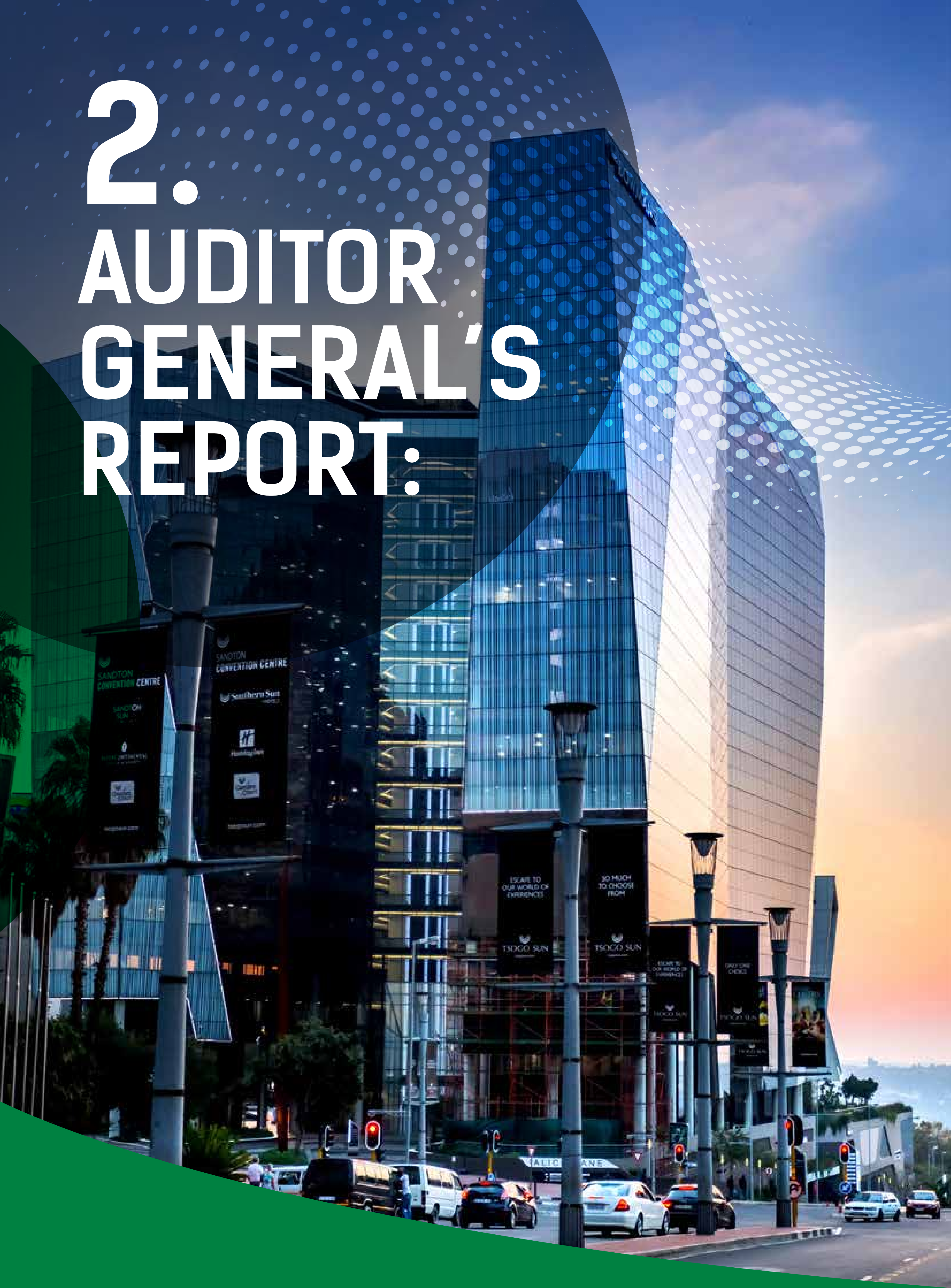
PART B

PERFORMANCE INFORMATION



2. AUDITOR GENERAL'S REPORT:



TSAKANI MALULEKE
AUDITOR GENERAL

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 89 of the report of the Auditor-General, published as Part E: Financial Information.

3.

OVERVIEW OF DEPARTMENTAL PERFORMANCE

3.1 ORGANISATIONAL ENVIRONMENT

GTAC has grown considerably in its role as a centre of excellence supporting, strengthening and advancing government's commitment to service delivery. To continue adding value, GTAC must continue to build the necessary human and institutional capacity. GTAC has developed a reputation as an organisation with extensive expertise, knowledge and a commitment to technical excellence. This combined with financial stability and an agile approach means that GTAC is responsive to demands from clients and as a result is well positioned to contribute to reshaping government with a people-centred development approach.

Achieving these goals in a healthy economy would be a challenge, they are even more impressive considering the challenges GTAC specifically, and the country as a whole has faced, during the period under review.

GTAC's operating budget once again saw a significant reduction over this reporting period and this trend is expected to continue. The donor funding environment has also shifted, from traditional, untied funding to a model that emphasises trilateral cooperation on identified focus areas. This shift in donor priorities has negatively affected one of GTAC's long-standing sources of funding. In addition to this, GTAC has a 13% vacancy rate, with an acting head of office since inception.

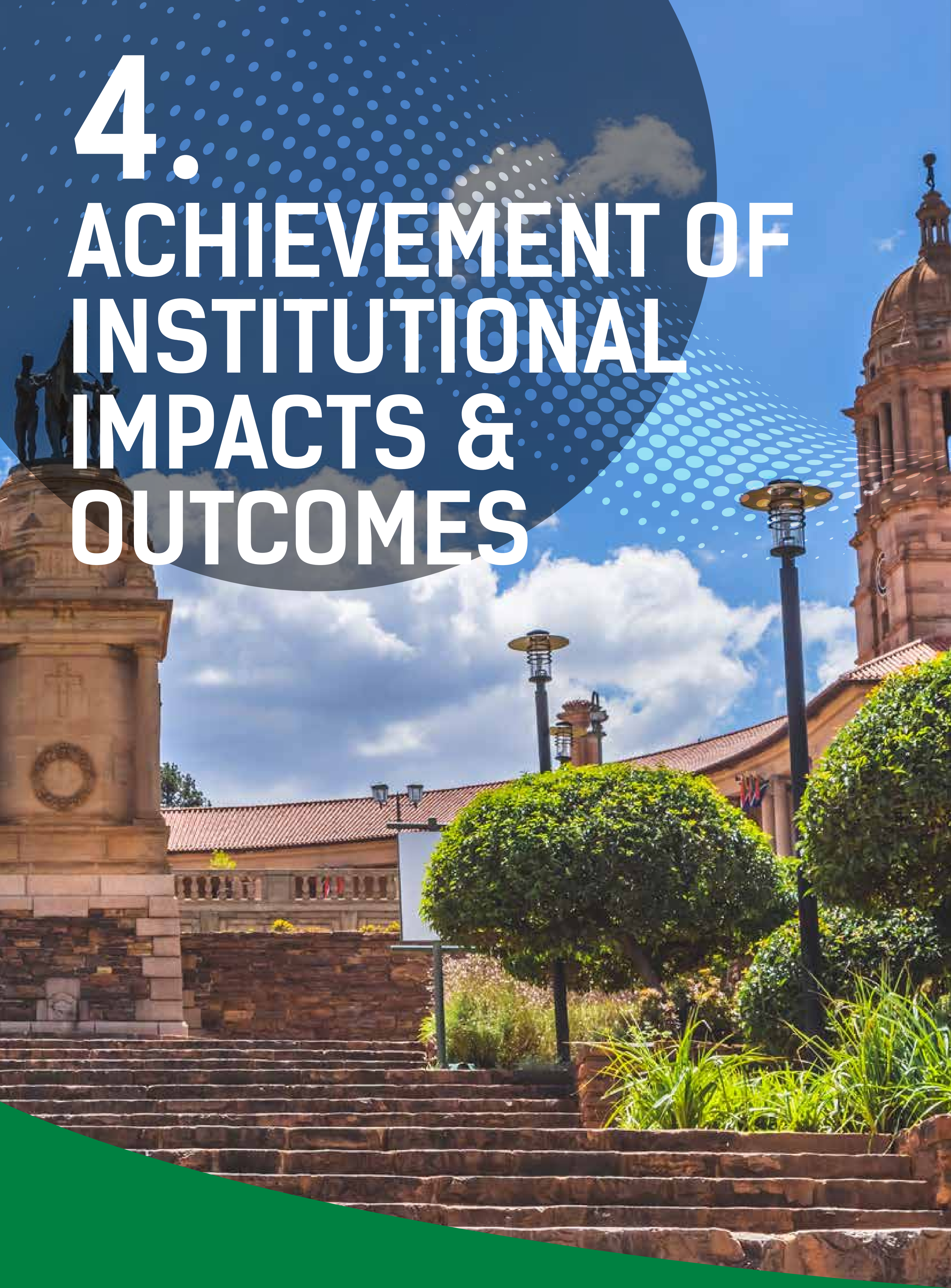
To address these challenges, GTAC will prioritise the following activities in the new financial year:

- **Testing of a new financing model:** a draft financing model has been developed, which included 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. GTAC will aim to test the proposed financing model in the upcoming financial year and refine it where necessary.
- **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 been inadequate to date. This presents a strategic governance risk for GTAC. GTAC will focus on strengthening its relationship with National Treasury in the year ahead, including aiming to institutionalise meetings with relevant divisions in Treasury.
- **Personnel shortages addressed:** due to budget cuts, a moratorium on new appointments, and other limiting factors, GTAC's vacancies have risen to 13%. There has also been no movement on the appointment of a permanent head of GTAC. This matter will receive priority attention, with a plan to be developed in addressing the vacancies, and the matter of the acting head will be taken up with the executive authority.

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.

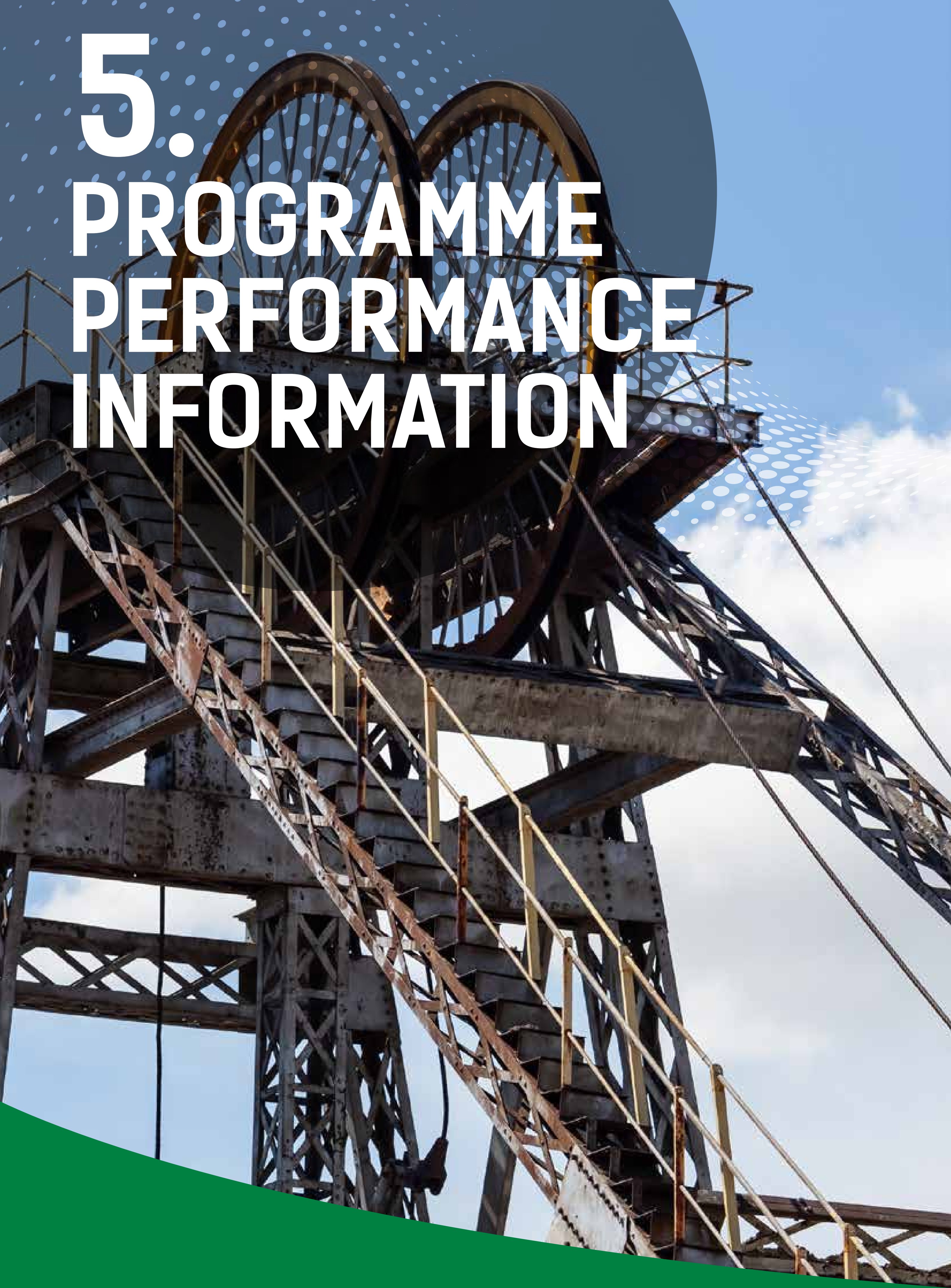
4.2 OUTCOMES

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

Table 4.2.1: GTAC outcomes

Outcome	Outcome indicator	Baseline	Five-year target	2021/2022 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.	**Capital Projects Appraisal Unit**: Twelve appraisal reports completed; three knowledge products produced, and three stakeholder interventions held. **IDS:** Twenty projects were completed contributing to improved capacity of institutions and two knowledge management events held. **PPP:** Four projects recommended for NT approval, four foundational and two municipal capacity building events held. **PEPA:** Four initiatives supported; four remuneration reports completed, and one e-course implemented.
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 advocacy and influencing role. 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 aimed to use training and learning interventions to help build learning organisations and departments that are able to innovate. GTAC continued 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	As at the end of the year under review, 90% of clients were satisfied.
The feedback mechanisms instituted to review the performance of the support services provided 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. In the year under review, GTAC has achieved a client satisfaction rate of 90%.				

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

PROGRAMME 1: MANAGEMENT SUPPORT SERVICES								
Outcome	Output	Output indicator	Audited actual performance		Planned annual target 2021/2022	Actual achievement 2021/2022	Deviation from target to actual achievement 2021/2022	Reasons for deviations
			2019/ 2020	2020/ 2021				
Responsive and customised services delivered for programme implementa-tion support	1.1 Integrated Business Model implemented	1.1.1. Centralised Project Delivery Support portal constituted	n/a	n/a	Centralised Project Delivery Support portal constituted	Centralised Project Delivery Support portal constituted	n/a	n/a
		1.1.2 Centralised panel of service providers constituted	n/a	n/a	Centralised panel of service providers constituted	Centralised panel of service providers constituted	n/a	n/a
		1.1.3 Quality assurance system implemented	n/a	n/a	Quality assurance system implemented	Quality assurance system implemented	n/a	n/a
	1.2 Efficent management of support services delivered	1.2.1 Funding model approved	n/a	n/a	Funding model approved	Funding model approved	n/a	n/a
		1.2.2 Unqualified audit opinion obtained	n/a	n/a	Unqualified audit opinion	Unqualified audit opinion	n/a	n/a
	1.3 Percentage compliance of EE targets	1.3.1 % of people with disabilities	2%	2%	2%	0%	-2%	Under performance is attributed to resignation of employees who had previously declared a disability
		1.3.2 % of females in Senior Management Service (SMS) positions	n/a	n/a	50%	35%	-15%	Under performance is attributed to limited vacant SMS positions available
	1.4 Knowledge, Innovation and Capacity development (KIC) function delivered	1.4.1. KIC operational design completed	n/a	n/a	Operational design completed	Operational design completed	n/a	n/a
		1.4.2 Knowledge management repository established	n/a	n/a	Knowledge management repository established	Knowledge management repository established	n/a	n/a
		1.4.3 % Capacity building requests supported	n/a	n/a	100%	100%	n/a	n/a

Table 5.1.2: Strategy to overcome areas of underperformance (indicators and action plans) for Programme 1

OUTPUT INDICATOR	ACTION PLAN
1.3.1 % of people with disabilities	GTAC has updated its database of recruitment agencies dealing with People with Disabilities (PWD) and has commenced with benchmarking against other departments to identify best practises in achieving Employment Equity targets.
1.3.2 % of females in SMS positions	GTAC will continue with development of female staff members to be eligible when SMS positions become vacant. Benchmarking has commenced against other departments to identify best practises in achieving Employment Equity targets.

Note: SMS – senior management service

PROGRAMME 1 OUTPUTS

Indicator 1.1.1 Centralised Project Delivery Support portal constituted

The Project Delivery Support portal has been constituted with an aim to improve the management of pre- and post-project work to allow better assessment of time spent and costs recovered. The Ixesha system has been upgraded and is being used as a centralised portal for project information, accessible through ***https://gtac.ixesha.co.za/login***

Indicator 1.1.2 Centralised panel of service providers constituted

A centralised panel of service providers was constituted to improve business efficiency and to accelerate the turnaround times for procurement of services and contribute to making GTAC a first choice for client departments. The panel is accessible through the following online platform link *GTAC Professional Services Panels.*

Indicator 1.1.3 Quality assurance system implemented

A quality assurance system has been successfully implemented to assess internal and external client's satisfaction through client surveys. The internal client satisfaction survey is being conducted on a quarterly basis, and biannually for external clients through quarterly tracking of service standards by support services as means to improve business efficiency.

Indicator 1.2.1 Funding model approved

GTAC has successfully developed a funding model which aims to bridge the gap between the operational and business needs of GTAC and continued budget cuts. The funding model has been approved for testing in the new financial year to improve financial efficiency and sustainability of GTAC.

Indicator 1.2.2 Unqualified audit opinion obtained

GTAC received an unqualified audit with findings for 2020/21, and an audit action plan was developed to address these deficiencies. By the end of 2021/22, 96% of the identified issues had been resolved.

Indicator 1.3.1 % of people with disabilities

The employment equity target for the appointment of people with disabilities was not met. GTAC underachieved on this target, primarily because of the resignation of employees who had previously declared a disability. GTAC has commenced with benchmarking against other departments to identify best practises in achieving Employment Equity targets.

Indicator 1.3.2 % of females in SMS positions

The employment equity target for the appointment of women to the senior management service (SMS) is 35%. GTAC underachieved on this target, primarily because a limited number of vacancies are available. GTAC will continue with the development of female staff members to be eligible when SMS positions become vacant.

Indicator 1.4.1 KIC operational design completed

GTAC has developed and approved a strategy and implementation plan (operational plan) for delivering an integrated Knowledge, Innovation and Capacity development (KIC) function. As at the end of the period under review, the function entered the first phase of implementation.

Indicator 1.4.2 Knowledge management repository established

GTAC has successfully established a KM repository which links developed KM products to project activities. The repository is fully functional and can be accessed here: ***https://www.gtac.gov.za/knowledge-hub/***

Indicator 1.4.3 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. The following learning events were supported:

- **The PEPA Saving@work Conference.** The conference was shared on GTAC social media sites and in the *WhatsUp* publication. It further received positive attention in some popular mainstream media. This was the first virtual conference of this magnitude hosted by GTAC and received very positive feedback both in terms of content as well as technology.
- **TAS & PPP foundation and municipal trainings.** The unit delivered four foundation and two municipal trainings on Public-Private Partnerships (PPP) with delegates from both the private and public sectors.
- **CPAUs Renewable Energy Independent Power Producer Programme (REIPP) webinars**. CPAU hosted two knowledge sharing webinars showcasing the REIPPP; the first in a series of sessions to be held around finding solutions to the many challenges that plague the water sector.
- **IDS's event on the Institutional Arrangements for the District Development Model (DDM).**

Key achievements:

South Africa Covid-19 Country Report First Edition

GTAC entered into in a partnership with DPME, GTAC and the National Research Foundation, and with academics and experts in various disciplines to produce South Africa's official footprint on the Covid-19 pandemic. This 700-page report offers a comprehensive record of interventions adopted by South Africa and reflects on the effectiveness of these measures in combating the spread and impact of the pandemic. Several government departments are considering the findings, as an example, the Department of Social Development is deliberating on how the new relationship moulded with civil society during the pandemic can be sustained.

Public Economics Winter School

The South Africa Covid-19 Report formed the foundation for engagement during the first virtual Public Economics Winter School, with delegates from all over the world attending this flagship programme. Materials generated from these learning events were used to generate knowledge products which were uploaded on the GTAC Knowledge Hub. The approach of triangulating and integrating knowledge, capacity building and innovation is used as part of a strategic learning approach to strengthen its reputation and capacity as the go-to knowledge hub with both a national and a global footprint.

Webinars

GTAC also hosted several webinars during the year under review bringing together national, provincial and local stakeholders to exchange learning on the Covid pandemic.

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 Unit (CPAU)
- Institutional Development Support (IDS).
- Public Expenditure and Policy Analysis (PEPA).

Table 5.2.1: Outputs, output indicators, planned targets and actual achievements for Programme 2

PROGRAMME 2: TECHNICAL AND ADVISORY SERVICES								
Outcome	Output	Output indicator	Audited actual performance		Planned annual target 2021/22	Actual achievement 2021/22	Deviation from target to actual achievement 2021/22	Reasons for deviations
			2019/ 2020	2020/ 2021				
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 capital appraisal reports completed per year	5	11	10	12	2	n/a
	2.1.2 Knowledge products produced	2.1.2.1. Number of knowledge products produced per year	n/a	2	3	3	n/a	n/a
	2.1.3. Stakeholder consultations held	2.1.3.1. Number of stakeholder interventions held	n/a	2	3	3	n/a	n/a
Capacity of government institutions improved through provision of technical and advisory support	2.2.1 Institutional development support delivered	2.2.1.1 % of approved projects completed on time and within budget	n/a	100%	100%	100%*	n/a	n/a
		2.2.1.2 Number of knowledge sharing events held	n/a	2	2	2	0	n/a
	2.3.1. Procurement ready projects supported	2.3.1.1 % of projects recommended for NT approval 1	n/a	n/a	100%	100%	0	n/a
	2.3.2 Capacity building initiatives delivered	2.3.2.1 Number of foundational PPP capacity building events held	4	3	4	4	0	n/a
		2.3.2.2 Number of PPP biannual capacity building events held	2	0	2	2	0	n/a
Capacity of government institutions improved through provision of technical and advisory support	2.4.1. Spending review initiatives supported	2.4.1.1 % of accepted spending review initiatives supported	n/a	n/a	100%	100%	0	n/a
	2.4.2. Remuneration analysis reports completed	2.4.2.1 Number of remuneration reports completed	4	4	4	4	0	n/a
	2.4.3. Spending Review e-course implemented	2.4.3.1 Spending Review e-course implemented	n/a	n/a	E-course implemented	E-course implemented	n/a	n/a

- *Eight projects were completed with extensions

PROGRAMME 2 OUTPUTS

Capital Projects Appraisal Unit

The Capital Projects Appraisal Unit (CPAU) 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 2.1.1.1 – Number of capital appraisal reports completed per year

The year under review saw the fifth call for submissions under the Budget Facility for Infrastructure (BFI). CPAU 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.

In the year under review, 12 appraisals were assessed and met the requirements to proceed to detailed technical analysis. In addition pre-screening reports were prepared for the Joint Technical Committee of the Budget Facility for Infrastructure, which advise on 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 12 submissions. The recommendations informed the budget process, and reports were included in the responses to project and programme sponsors on the outcomes of their submissions.

12 submissions proceeded to technical analysis

3 knowledge products produced

3 stakeholder interventions held

The following appraisal reports were completed:

- City of Joburg Southern Farms Development Project
- Clanwilliam Dam
- Nelson Mandela Bay Metropolitan Municipality Water Security Programme
- Olifantspoort and Ebenezer project
- Student Housing Infrastructure Programme Phase 2: Cluster 2
- Tsantsabane Municipality civil and electrical project
- eThekwini Municipality bulk infrastructure and housing project
- New Castle Municipality infrastructure programme
- Umngeni Water Programme
- George Municipality Project
- Mokolo and Crocodile River (West) Water Augmentation Project - Phase 2A
- Central Energy Fund (SOC) LTD Section 54 Application

Indicator 2.1.2.1 – Number of knowledge products produced per year

The Capital Projects Appraisal Unit promotes best practice in project appraisals through 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 Cost Benefit Analysis model (CBA) was developed and a template to provide practical guidance in the compilation of a CBA (a key requirement in the BFI that many submissions fail to meet) was produced. These guidelines will provide detailed guidance on how to complete infrastructure proposals and will extend beyond a CBA and will also be used for training purposes. It fills a gap in the lack of uniformity in the understanding and application of a Cost-Benefit Analysis (CBA), a key socio-economic analysis tool that is required to justify fiscal support based on the welfare impacts of an intervention. The template makes it easier for sponsors to complete a CBA before submitting infrastructure proposals to the National Treasury for fiscal support. Further, it provided a sector specific case study in anticipation of the Appraisal and Evaluation Guideline that the National Treasury committed to publishing in 2022. The template is an interim measure while the National Treasury finalises the enhanced Guidelines.

In response to a proposal by the National Department of Health, CPAU completed a report titled 'Counter Proposal to Accelerated Health Infrastructure Rollout Programme (AHIRP)'. This report presents an alternative approach to programme delivery, in a manner that ensures value for money, affordability, and expediency. The report will inform future engagements with the department and the sector around infrastructure issues.

Finally, a report on 'Risks Associated with Megaprojects' was produced. Megaprojects are characterised by high capital costs and benefits, years-long timelines and complex contracting and procurement strategies, amongst others. Its release is particularly relevant given how prevalent these risks are in the current portfolio of public infrastructure programmes. The report promotes the undertaking of comprehensive risk assessments when megaprojects are considered, given their high susceptibility to risks.

Indicator 2.1.3.1– Number of interventions held

As part of its learning and capacity-building strategy, the Capital Projects Appraisal Unit facilitates various stakeholder discussions. Three strategic interventions were held during the year:

- **Evidence-based Policy Making Course.** In collaboration with the National School of Government and the Department of Planning, Monitoring and Evaluation (DPME), the Evidence-based Policy Making Course targeted at public sector officials was successfully delivered. This session supported CPAU's aim to promote the best practice approach of using appraisals to inform decision-making and improve outcomes.
- **Showcasing the REIPPP as an alternative delivery model for infrastructure**. This intervention highlighted the achievements of the programme, factors key to success, an assessment of replicability of the model and lessons learnt. The session concluded that while a programmatic approach has resulted in some efficiencies in the way infrastructure is delivered in the electricity generation sector, consideration of each programme and its structures should be driven by its unique circumstances.
- **Water infrastructure sessions.** The last intervention was on finding solutions to water infrastructure challenges in the country. This was the first in a series of sessions to be held around finding solutions to the many challenges that plague the water sector and focused on taking stock of the most pressing challenges, factors that contributed to the current state, the broad government response and the role the private sector can play in helping to resolve the challenges. The Department of Water and Sanitation, Infrastructure South Africa, the Infrastructure Fund and National Treasury led discussions on various themes. The session concluded that the need for resolving water infrastructure challenges is urgent, that collaboration among the stakeholders is critical, and that practical ways to implement solutions at affordable costs must be found.

Highlights of the Capital Projects Appraisal Unit

CPAU developed a **Cost-Benefit Analysis (CBA) model template** for the water and sanitation sector. The template provides a practical step-by-step guide on how to complete a CBA for an infrastructure project in the water and sanitation sector. The template makes it easier for sponsors to complete a CBA before submitting infrastructure proposals to the National Treasury for fiscal support.

CPAU also drafted a report on the **major risks associated with mega infrastructure projects**. They can be catalytic and transformative in nature but due to their scale the success or failure of a single project can have a long-term impact on whole nations.

The unit also hosted a webinar on **alternative delivery models for infrastructure by showcasing the success of the Renewable Energy Independent Power Producer Programme (REIPPP).** The Independent Power Producers Programme Office and the Development Bank of Southern Africa contributed to the debate.

The unit also hosted the first in a series of webinars on **finding solutions to water infrastructure challenges in the country.** There are massive infrastructure backlogs in the water and sanitation sector and the condition of the existing infrastructure is sub-optimal.

Institutional Development Support

The Institutional Development Support Unit (IDS) provides technical advisory services to help build the capacity of the state. It deploys multidisciplinary teams to offer macro institutional and organisational strengthening support as well as service delivery improvement modalities and approaches. The IDS unit work closely with their counterparts in the client departments and offer guidance on optimal institutional forms.

IDS uses a consulting service delivery model and offer innovative solutions in response to client requests 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

During the 2021/22 financial year, a total of 48 projects were supported, with 20 completed on time and within budget. These projects included business case development, diagnostics and reviews, a function shift, organisational reviews and development, inter-governmental infrastructure delivery support, facilitation and strategy development, implementation support and programme and project management support.

Table 5.2.2: Institutional Development Support projects completed

OUTPUT INDICATOR	ACTION PLAN
Buffalo City Metropolitan Municipality	The provision of technical support to Buffalo City Metropolitan Municipality
Department of Basic Education	Function shift of the Early Childhood Development function from the Department of Social Development to the Department of Basic Education (Phase 2)
Department of Cooperative Governance	Establishment of the National Disaster Management Centre (NDMC) as a government component
Department of Employment and Labour	Project management support and assistance in accelerating Covid-19 TERS payment claims
Department of Planning, Monitoring and Evaluation	Facilitation support for strategic planning workshops
Department of Social Development	Development of an organisational structure for the Department
Eastern Cape Development Cooperation (ECDC)	Development of a revised strategy for 2020/24
Eastern Cape Department of Transport	Review of the organisational structure of the Mayibuye Transport Corporation (MTC)
Government Pensions Administration Agency (GPAA)	Facilitation support for the strategic planning session
Limpopo Provincial Treasury	Limpopo Provincial Treasury Infrastructure Support Programme Phase 2: Support to Local Government to Optimise Municipal Infrastructure Grant (MIG) Performance
National Prosecuting Authority of South Africa (NPA)	Establishment of the Investigating Directorate
National Treasury: Intergovernmental Relations	Support with Infrastructure Initiatives for the Provincial and Local Government Infrastruc-ture (PLGI) directorate and roll-out of the Infrastruc-ture Progression Model for Provincial Government (PG-IPM)
Parliament	Organisational re-alignment support (micro diagnostic analysis and design aligned to their macro functional design).
SA National Aids Council (SANAC)	Development of a business case to retain SANAC as a Trust, and a funding strategy and that links to the enabling legislation of the SANAC Trust.

South African National Space Agency (SANSA)	Feasibility study for a bankable proposal for the Space Infrastructure Hub
The Parliamentary Budget Office	Organisational design and development support
The Presidency	Facilitation and finalisation of the APP 2022/23
	Facilitation of the Strategic Planning and Review session
	Review and reconfiguration of the Presidency Organisational Structure
	Supporting the Institutional Arrangements of the District Development Model

Indicator 2.2.1.3 – Institutional Development Support knowledge products

Two virtual knowledge sharing sessions were held during the year. The first was a brainstorming session on the diagnostic review of the capacity building system for local government. The diagnostic review was undertaken by the Public Affairs Research Institute (PARI). PARI mapped the various dimensions of the capacity building system to provide a common understanding within government of the scope and scale of the current system and identify opportunities for innovation. This learning session unpacked the findings, identified potential projects, challenges and opportunities to inform the design of a broader capacity building system with the Intergovernmental Relations division of National Treasury.

The second session was a webinar to provide some insight into the District Development Model (DDM). The webinar showcased GTAC's study undertaken in early 2021, to advise The Presidency on the institutional arrangements and capacity needed to support its championship, oversight and support roles for the District Development Model. The presentation outlined the scope of work and the methodology of the assessment and a summary of the DDM's progress and challenges.

Another major output this year was the compilation of a guide on function shifts. IDS has supported many departments with various function shifts and has accumulated a body of knowledge and tested practices in this area. This knowledge was distilled into a guide that provides a set of proposed steps for the successful implementation of a function shift. It sets out the considerations to be made by the shifting department and the receiving department and provides a process map with appropriate checklists to be followed in executing such a complex task. This guide has been compiled primarily for GTAC and its advisors but may also be used by other government employees and institutions receiving or transferring a function.

Highlights of Institutional Development Support projects

Support to the **Department of Basic Education (DBE) to shift the function of Early Childhood Development from the Department of Social Development (DSD) to DBE.** In 2019 the President announced the introduction of two years of compulsory preschool for all children, before they enter Grade 1. At the same time he announced that the responsibility of Early Childhood Development (ECD) centres would be migrated from the Department of Social Development (DSD) to the Department of Basic Education (DBE). In response to these announcements the Departments embarked on the process of shifting the ECD function, with GTAC supporting this process since 2020. The process included a diagnostic assessment, and a consolidated implementation plan. This facilitated the necessary consultations and discussions between the two departments, and the establishment of the key structures that were needed for the management of the function shift process at national and provincial level. We are pleased that the ECD function was effectively shifted from DSD to DBE with minimal disruption on 1 April 2022.

Advisory support to the **South African National Space Agency (SANSA) for the preparation of a 'bankable feasibility study' for the Space Infrastructure Hub**. In its attempts to close the infrastructure investment gap, SANSA submitted Space Infrastructure Hub (SIH) proposals to the Budget Facility for Infrastructure (BFI) and to the Sustainable Infrastructure Development Symposium South Africa (SIDSSA) in 2020. These proposals resulted in a positive response and the SIH was gazetted as a Strategic Infrastructure Project (SIP 22). However, SANSA was required to strengthen various elements of the SIH proposal to cover, amongst others, an options analysis and its bankability. GTAC has successfully supported SANSA in clarifying the SIP processes and requirements for the adjudication of the next step with the 'bankable feasibility study'. Assistance was provided for the development of a comprehensive business case and financial model, for the first phase of the SIH. As a result, SANSA is able to submit a feasibility study that meets pre-agreed criteria required to obtain approval for the SIH proposal.

Support to the **Department of Cooperative Governance for the establishment of the National Disaster Management**

Centre (NDMC). The purpose of this project was to determine an appropriate corporate and organisational form for the National Disaster Management Centre to enhance more effective service coordination and delivery. This involved conducting and testing a situational and options analysis, the imperatives on legislation, funding, an operating model, governance and capacity for each option. It was agreed that there is a need to review the funding allocation and mechanism, and systems for supporting all pillars of disaster management including response and rehabilitation. The NDMC and DCoG are tabling the options analysis for approval by the political leadership before a business case can be produced for the preferred institutional form option.

Organisational Structure Review of the Mayibuye Transport Corporation (MTC) for the Eastern Cape Department of Transport. The MTC and its shareholders recognised the need to adopt a structure that is fit for its current operations. GTAC provided assistance to review the current organisational structure and staffing situation and propose a new macro- and micro-structure. This included the development of a staffing strategy. Emphasis was placed on the core business of the MTC and resulted in a proposed organisational structure that is re-aligned to execute its mandate in a cost-effective and efficient manner. This organisational review has provided the evidence that change is required to become financially sustainable. If implemented, this could result in a cost saving of around 39% of its current wage bill. A change management strategy has also been proposed to mitigate the impact of the restructuring on staff.

Technical Support to Buffalo City Metropolitan Municipality (BCMM) to institutionalise its Growth and Development Strategy. GTAC has provided support to the municipality since 2016 to assist in the implementation of its 2030 economic growth and development plan. The support focused on the following four areas:

- The built environment and urban management.
- Metro Growth and Development Strategy (MGDS) planning and implementation support.
- Investment support: this support focused on investment facilitation, catalytic and high impact project facilitation, large-scale investment facilitation and unblocking and institutional support to the Economic Development and Agencies Directorate.
- Waste management: this included the development of a Municipal Service Delivery Plan for the Directorate of Municipal Services.

BCMM has consistently received a sound rating from National Treasury for institutional governance, although this needs to be translated into a sound rating for service delivery and financial sustainability.

Transaction Advisory Services and PPPs

The Transaction Advisory Services and PPP unit supports the delivery of large and/or complex infrastructure projects by providing transaction advisory services for public-private partnerships (PPPs). TAS/PPP also provides guidance on conventional procurement in support of National Treasury's focus on improving budgeting and financing processes. The support is provided 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 – % of projects recommended for NT approval 1

The PPP unit provides important input from the registration of a project to its financial closure. It deems projects that reach financial closure as successful. As at the end of the period under review, the following four projects were recommended to National Treasury for NT approval 1:

- **eThekwini Metro Municipality** - to build, own and operate hydroelectricity generation plants in municipal water distribution infrastructure.
- **Sedibeng District Municipality** - feasibility study for the Vereeniging fresh produce market and agro- processing hub.
- **Department of Home Affairs** - application for the feasibility study for the development of a Home Affairs consolidated head office "home affairs campus".
- **Ntabankulu Local Municipality** - feasibility study for rooftop, ground mounted & carport solar PV systems on all Ntabankulu local municipality buildings with battery energy storage systems.

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 four foundational PPP capacity-building webinars.

Indicator 2.3.2.2 – Biannual capacity-building events held

As at the end of the period under review, two foundational Public Private Partnership (PPP) capacity-building events were successfully delivered through a virtual platform over three days.

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 Spending Review initiatives supported

PEPA supported spending review initiatives for the National Treasury, Eastern Cape (EC) and Western Cape (WC) Provincial Treasuries. The spending reviews analysed and paid attention to the allocation, utilisation and management of public finances across various sectors and/or departments. The reviews highlighted the costs associated with implementing programmes, and potential savings to be gained if there are efficiency improvements, as well as making the necessary tough decisions. The initiatives have enhanced officials' understanding of how money is spent on existing implementation programmes.

Indicator 2.4.2.1 – Remuneration reports completed

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:

- **The provincial personnel and compensation expenditure trends were analysed and potential sources of savings identified.** Savings were estimated for the nine provinces and a high-level savings summary of all provinces and national departments combined. The results were presented at the Technical Committee Forum and to the 3 by 3 Deputy Director General group in National Treasury.
- **The Defence remuneration expenditure as captured on the PERSOL database for the period 2010/11 to 2020/21 was analysed.** By analysing trends in remuneration expenditure, number of staff and expenditure per staff member, areas of high expenditure growth were identified. An analysis of savings from various headcount reduction strategies was included.
- **An analysis of the Medium Term Budget Policy Statement (MTBPS) 2021.** Two major developments that affected the wage bill in 2020/21 were considered, namely the non-implementation of the third year of the 2018 wage agreement and Covid-19.
- **An analysis report for the Department of Planning Monitoring and Evaluation (DPME) was completed with the final report presented and submitted to DPME.**

Indicator 2.4.3.1 – Spending Review e-course implemented

The PEPA Spending Review e-course is run on the PEPA Knowledge Hub. The platform provides government stakeholders with access to a curriculum that includes custom-made videos, slides, examples of previous spending reviews and more. This course creates efficiencies of scale and provides access to the spending review methodologies to informing policy decision-making.

Highlights of PEPA projects

National Treasury Spending Reviews Project - Phase 1: In 2020 PEPA produced additional reviews and analysis to help budget officials improve the efficiency of budget allocations. The significant growth in the footprint, as well as the growing recognition of the role of spending reviews, resulted in National Treasury integrating these reviews into the formal budget process.

A total of 29 spending reviews were undertaken in National Treasury in 2021. They include spending reviews that:

- **Examined the feasibility and potential savings of using a shared services model within DHET and its entities.** The South African Qualifications Authority (SAQA), Quality Council for Trades & Occupations (QCTO) and the Council on Higher Education (CHE) have experienced serious budget cuts resulting in retrenchments. This proposal to establish a shared services model between DHET and its entities aims to save costs. An estimated cost saving of ±R23.7 million can be realised over the Medium-Term Expenditure Framework period with a 10% reduction in personnel servicing corporate services and support or ±R47.9 million over the MTEF period with a 20% reduction in these service and support costs.
- **Examined the cost of Information and Communication Technology (ICT) Services in the Police Services Group.** Over the past seven financial years (2013/14-2020/21), IPID spent an average of R13.6 million on ICT services excluding compensation of employees. This represents an average of 5% of the department's average annual budget (R279.4 million). The costs are driven by tariffs and software licence fees paid to the State Information Technology Agency (SITA) as provided for by SITA in terms of the SITA Act (No. 88 of 1998 as amended by SITA Amendment Act 38 of 2002).
- **Examined the mandate, staffing and expenditure of the Department of Women, Youth and Persons with Disabilities (DWYPD) to assess whether its existence as a separate department is an effective use of funds**. The analysis revealed that a shared administration programme between DYWPD and DPME, or a merger of the departments, would result in savings amounting to R40 million per annum from DWYPD alone. Further savings could be realised from the streamlining of functions and operations.
- **Examined the Department of Home Affairs' Lindela Detention Centre.** The analysis reviewed inadequacies in the healthcare system, a general failure to properly inform detainees of their legal rights, detainees being held for excessively long periods of time, as well as the conditions that the detainees have to endure. The analysis found that there is a need to review the fixed monthly cost/rate of R7.7 million in the Service Level Agreement and how it is formulated, especially as the facility has been operating at an average of 49% of full occupancy for the last 8 years.

Eastern Cape Provincial Treasury Spending Reviews Project: 13 spending reviews were undertaken for this project. These include:

- **Expenditure trends on security services in health facilities in the Eastern Cape.** The province should adopt the proposed security guarding norms for hospitals and clinics to expand security services to all facilities and mitigate against the risk of future cost increases. The procurement of security guarding services should be centralised to allow the standardisation of the specifications and contract management approaches for guarding services. The savings from expenditure on security services should be utilised to invest in supporting infrastructure and alarm triggered armed response type security.
- **Department of Transport's roads infrastructure.** In-house construction takes longer and costs R5 million more per kilometre than outsourced construction, on average. Thus, department personnel should focus on smaller gravel upgrade projects that don't involve civil engineering work. The department should also develop a better understanding of unit costs and related issues in in-house versus outsourced construction. A more permanent road unit cost database should be established, which can then be analysed on a systematic basis. There should be a review of a model utilising a combination of the two models to complement each other and limit risk.

Western Cape Provincial Treasury Spending Reviews Project: a total of five spending reviews were completed by the Western Cape Provincial Treasury officials, supported by some line department officials. This included a spending review on:

- **The broadband contract in response to changing needs of WCG, business and citizens.** There has been consistent under-spending over the period due to slower than anticipated roll-out of the project. High-level performance targets are provided in the contract with no comprehensive implementation plan, which hinders the effective management of the project roll-out and project performance. Spending is unidentifiable, making it very hard to determine what portion of costs are broadband related and what is related to management and other transversal fees. Effective in-contract comparative pricing evaluation must be factored into the agreement to ensure that costs remain competitive and in line with market trends. Structured engagements between the Provincial Treasury and the Department of the Premier on broadband implementation is required to reinforce oversight on the delivery of the project and effect course correction where needed.

5.3 PROGRAMME 3: INCUBATION AND IMPLEMENTATION SUPPORT FOR PROGRAMMES

PURPOSE

This programme aims to provide high-quality incubation and implementation support, on request by 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 usually a national government department in need of administrative support to manage a particular programme on its behalf. Currently GTAC provides administrative and operational support to two National Treasury programmes: the Jobs Fund and the Municipal Finance Improvement Programme.

Table 5.3.1: 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**		**Planned annual target 2021/22**	**Actual achievement 2021/22**	**Deviation from target to actual achievement 2021/22**	**Reasons for deviations**
			2019/ 2020	**2020/ 2021**				
Resposive and customised services for programme implementation support	3.1 Incubation and implmentation function operationalised	3.1.1 Business case developed	n/a	n/a	Business case developed	The business case is still in development	100%	Under performance is attributed to the fact that the project was extended due to the innovative and complex nature of the business case to be produced.

Table 5.3.2: Strategy to overcome areas of underperformance (indicators and action plans) for Programme 3

OUTPUT INDICATOR	ACTION PLAN
3.1.1 Business case developed	The project is well underway, and it is expected to be completed by the end of the first quarter of 2022.

PROGRAMME 3 OUTPUTS

Indicator 3.1.1 – Business case developed

The business case, for GTACs programme incubation and implementation support services business line, will expand on the business model designed in the previous financial year.

A Long-Term Advisor was assigned to develop a comprehensive business case. With completion of the draft business case, it was decided that the complexity of the business case required further time investment and consultation, with the result that the project will be completed during the first quarter of the 2022/2023 financial year, and not at the end of the year under review as previously anticipated. The evolution of the project, and the need for further analysis was unforeseen and could not be planned for, as this is a new innovative product.

5.4 THE INSTITUTIONAL RESPONSE TO THE COVID-19 PANDEMIC

Table 5.4.1: 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
Covid-19 Global Affairs Canada support project	Review of the provincial equitable share health component model and formulae	National Treasury, Intergovernmental 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
Covid-19 Global Affairs Canada support project	Inter-provincial workshop on Covid-19 and related matters	National, all provinces	Presidency, parliament, citizens, WHO and AU	n/a	R500 000	R300 000	Improve the visibility and branding of GTAC: strategic initiatives promoted	Reports on SA Covid-19 pandemic on national, provincial and sector level

5.5 LINKING PERFORMANCE WITH BUDGETS

Table 5.5.1: Programme expenditure

Programme name	2020/21			2021/2022		
	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
Management Support Services	73,945	56,973	16,972	65,171	52,331	12,840
Transaction and Advisory Services	135,179	88,908	46,270	117,473	76,026	41,447
Incubation and Implementation Support for Programmes (PMUs)	93,202	80,755	12,447	126,731	76,332	50,399
Total expenditure	302,326	226,637	75,689	309,375	204,689	104,686

6. TRANSFER PAYMENTS

6.1 TRANSFER PAYMENTS TO PUBLIC ENTITIES

GTAC does not have any transfer payments.

7. CONDITIONAL GRANT

7.1 CONDITIONAL GRANTS AND EARMARKED FUNDS PAID

GTAC does not have any conditional grants.

8. DONOR FUNDS

8.1 DONOR FUNDS RECEIVED

GTAC only had one active donor relation, which ended on 30 September 2021. The Global Affairs Canada funded "Building a Capable State" programme aims to improve service delivery through strengthened public administration for the well-being of girls, boys, men and women of South Africa.

Information on donor	Government
Name of donor	Global Affairs Canada
Full amount of the funding	10 000 000 CAD
Period of the commitment	October 2013 to 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)	R119,754 million
Amount spent by the department (R'000)	R118,150 million
Reasons for the funds unspent	Delays caused by the national lockdown due to Covid-19 pandemic
Monitoring mechanism by the donor	Quarterly/annual reporting to the Canadian International Development Agency (CIDA)

9. CAPITAL INVESTMENT

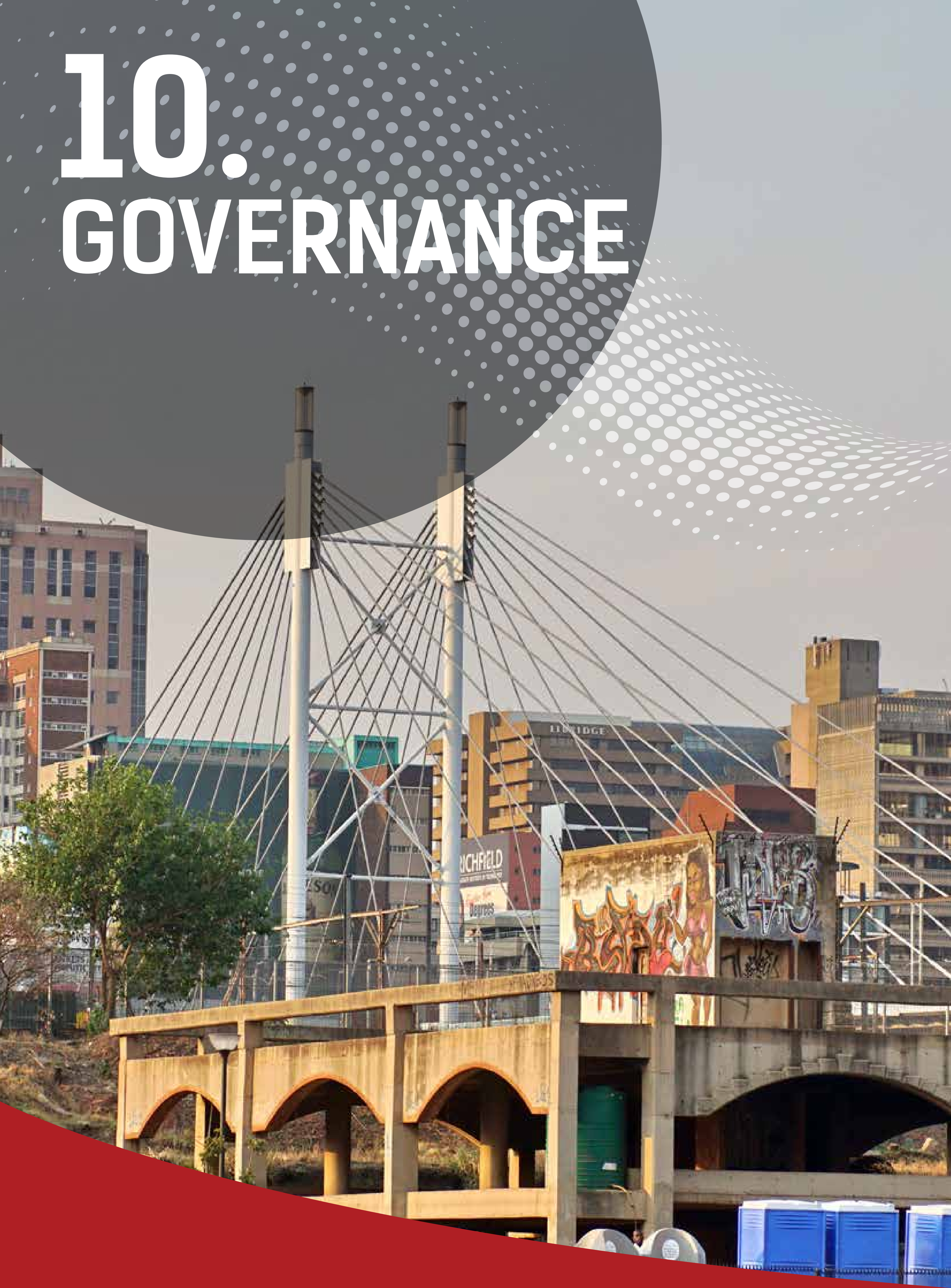
9.1 CAPITAL INVESTMENT, MAINTENANCE AND ASSET MANAGEMENT

GTAC does not have any capital investment.

PART C

GOVERNANCE

10. GOVERNANCE



10.1 INTRODUCTION

In the 2021/22 financial year, GTAC remained steadfast in its commitment to maintaining the highest standards of governance. GTAC continued to conduct its operations ethically and in compliance with applicable laws and regulations, while focusing on effective risk management to ensure long-term sustainable management of public finances and resources.

GTAC carefully considers risk factors which could adversely affect the organisation and the Risk Management Programme focuses on the management of these risks at the operational and strategic levels of the organisation. In addition the combined assurance model is informed by the key risks and opportunities that could materially affect GTAC's ability to create value.

The Audit Committee supported by the Risk Management Committee, exercises oversight over the implementation of the combined assurance model and its effectiveness. GTAC uses the three lines of defence model to improve and monitor the organisations governance, risk management and internal controls. This is achieved by establishing clear accountability and ownership for risk management, the control environment and the required mitigating management actions.

During the reporting period, an independent assessment over the maturity of GTAC's risk management arrangements and activities was performed by an external enterprise risk management expert. GTAC's overall maturity assessment was found to be adequate, with recommendations for improvement based on applying the relevant King IV practices and the Public Sector Risk Management Framework. GTAC views this as an important step to further strengthen collaboration between the three lines of assurance and further enhance corporate governance within the entity.

10.2 RISK MANAGEMENT

GTAC's Risk Management Committee (RMC) continued to provide strategic support and oversight to support effective and efficient Enterprise Risk Management (ERM) processes. Risk management focuses on identifying, assessing, managing, and monitoring all known forms of risk. While risk cannot be fully eliminated, GTAC endeavours to minimise it by ensuring that appropriate policies, controls, systems, and ethical behaviour are deployed and managed within predetermined procedures and constraints

Governance frameworks including the risk management policy and strategy were reviewed to ensure that the risk function is institutionalised. The business continuity plan was also reviewed to ensure its completeness and ability to guide the organisation to recover from a significant loss or in case of a disaster.

The RMC continues to report to the Audit Committee on a quarterly basis to ensure that GTAC has embedded risk management in its daily operations and risk is explicit in the strategic decision-making processes. Through the RMC, GTAC monitors various risk categories and emerging risks, including the emergence of disruptors in the economic and external environment, and the impact these could have on GTAC.

In the reporting period, the Internal Audit (IA) function evaluated the GTAC risk management function and developed recommendations for enhancements, which were implemented by management.

Overall, the risk management activities have remained resilient and GTAC has been operating within the defined risk appetite and risk tolerance levels for many types of risk. Pleasingly, the risk management processes and controls remained robust and functioned as designed.

10.3 FRAUD AND CORRUPTION

GTAC remained fully committed to eradicating any acts of malfeasance, fraud and corruption across all levels of the organisation. Maintaining a strong system of internal control along with fraud and corruption risk assessments and the training and screening of employees, external service providers and business partners, continues to set the tone and positively influence the attitudes of all employees, external service providers and business partners of GTAC towards corruption and fraud.

Through the shared services agreement with the National Treasury, the Fraud Prevention Strategy and Plan is implemented to promote a culture of zero tolerance for any act of fraud or corruption. The plan also ensures that appropriate and effective corrective action is taken when fraudulent and corrupt acts are reported or detected.

GTAC continues to promote and encourage the reporting of suspected fraudulent and corrupt practices or unethical behaviour to the secure, anonymous and confidential whistleblowing hotline. The National Anti-Corruption Hotline (NACH) is also available to report fraud and corruption.

GTAC does not tolerate any form of retaliation against the whistle-blowers and any case of retaliation is investigated and appropriate action is taken. In the year under review, no new cases of fraud and corruption were reported.

10.4 MINIMISING CONFLICT OF INTEREST

GTAC strives to conduct our operations responsibly and ethically to ensure our behaviour is consistent with our policies, code of ethics and relevant regulations applicable to government institutions. To minimise conflict of interests, SMS members, Deputy Directors on salary level 11 & 12, employees earning the equivalent salary of level 12 and 13 through Occupational Specifications Dispensation (OSD) and Supply Chain Management officials are required to disclose their financial interests.

On an annual basis non-SMS members and SMS members are required to obtain approval from the Head of Department prior to conducting business outside the department. Conflicts of interest arising from financial interests, gifts, hospitality, and other benefits are regulated through the GTAC Ethics and Integrity Management Policy. A gift register is maintained and any breaches are investigated by the Ethics Officer and disciplinary steps are taken to remedy the misconduct.

10.5 CODE OF CONDUCT

GTAC has implemented the Code of Conduct for the Public Service and a high standard of conduct is demanded of all officials, irrespective of their rank or position. To build a culture of ethical behaviour, regular awareness, training, and education of employees is conducted. The Ethics Officer reports on a quarterly basis to the Risk Management Committee and MANCO. Any breaches are investigated to ensure appropriate remedy and consequence management. The registers of misconduct and disciplinary action are maintained by the Ethics Officer.

10.6 HEALTH, SAFETY AND ENVIRONMENTAL ISSUES

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 continues to respond adequately to the Covid-19 pandemic, in line with government regulations.

The impact of remote working has positively improved our organisational culture and collaboration. GTAC employees have adapted and have remained resilient, motivated and engaged. This is reflected in the employee culture surveys which are steadily improving.

10.7 PORTFOLIO COMMITTEES

In period under review, there were no Portfolio Committees held for GTAC.

10.8 SCOPA RESOLUTIONS

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

10.9 PRIOR MODIFICATIONS TO AUDIT REPORTS

GTAC received an unqualified audit opinion in respect of the 2020/21 financial year and there were no prior modifications to the GTAC audit reports.

10.10 INTERNAL CONTROL UNIT

The design and implementation of the internal controls have been improved and enhanced in the year under review. This has culminated in the reduction of material findings raised by the auditors against the entity.

Following the successful development and roll out of the Internal Control Framework, the focus has shifted to ensuring that GTAC operations are managed in a sustainable manner. A new Governance Review Committee (GRC) was established to spearhead the process of development, review and updating of GTAC policies, processes, and procedures. In the future the committee will continue to create a durable foundation to optimise risk management and maintain the highest governance standards.

10.11 INTERNAL AUDIT AND AUDIT COMMITTEES

Internal auditing is an independent and objective assurance and consulting activity. It supports GTAC by bringing a systematic and disciplined approach to evaluating and improving the effectiveness of the organisations' governance, risk management and internal control. Internal Audit (IA) implemented its annual risk-based audit plan for 2021/22 as part of the three-year rolling plan. GTAC completed seven audits as planned, which resulted in a 100% completion of the approved 2021/22 Internal Audit annual plan. All audit and internal audit engagements were executed in accordance with the International Professional Practice Framework of Internal Audit (IPPF), issued by the Institute of Internal Auditors.

A service provider was appointed to conduct an External Quality Assurance Review (EQAR) on Internal Audit Activities. The reviewed concluded "General Conformance" which indicates that the Internal Audit Functions performs its work in accordance with the IPPF and related requirements.

The Audit Committee is established as a statutory committee in terms of section 38(1)(a)(ii) of the PFM and Treasury Regulations. The committee performs an oversight and advisory role to the National Treasury and is accountable to the Accounting Officer, 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 to fulfil 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 and communicates these in the annual report.

Table 10.11.1: Relevant information on the audit committee members

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	7 of 7
Ms Anna Badimo	MSc; MBA; BSc Honours Computer Science; BSc Computer Science	External	n/a	1 July 2015	30 June 2021	2 of 7
Mr Brandon Furstenburg	MSc Financial Management; MCom Economics; BCom Honours; BCom; MInstD	External	n/a	1 June 2017	n/a	7 of 7
Mr Freddy Sinthumule	MBA (Limpopo); BCom Accounting (Univen); Dip Finance and Auditing (Unizul)	External	n/a	16 July 2019	n/a	7 of 7


AUDIT
COMMITTEE
REPORT

PUMLA MZIZI CA(SA)
CHAIRPERSON OF THE AUDIT COMMITTEE

AUDIT COMMITTEE REPORT

We are pleased to present our report for the financial year ended 31 March 2022.

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 adequate and effective.

Internal Audit

The Audit Committee reviewed and approved the annual internal audit plan for 2021/22 and has monitored the performance of the Internal Audit function against that plan on a quarterly basis. The Audit Committee has noted that the internal audit plan was completed. 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 received a generally conformance rating, which is the highest rating that can be obtained.

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 including VPN user account
- Review of the Annual Performance Report (APR)
- Review of supply chain management processes
- Review of Enterprise Risk Management, Fraud Prevention Strategy and Ethics Management
- Review of irregular expenditure reported in 2020/21
- Consulting review of Performance Information
- Review of Interim Financial Statements.

Based on the overall opinion expressed on the audits conducted and finalised for the 2021/22 financial year, the control environment is satisfactory.

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 also noted the policies and procedures to ensure compliance with applicable laws and regulations that require some review.

The Audit Committee remains concerned with the slow progress in the finalisation of irregular expenditure that has accumulated over various financial years. The Audit Committee however notes that there has been no irregular expenditure incurred in the current year.

Evaluation of the Annual Financial Statements and Annual Performance Report

The Committee submits that it has:

- Reviewed the 2021/22 unaudited and audited Annual Financial Statements prepared by the organisation.
- Reviewed the 2021/22 draft and final Annual Performance report.

Subsequently the misstatements corrected were also reviewed when the management report of the AGSA was discussed with the Audit Committee.

The Audit Committee has discussed the external audit outcomes on the reporting on pre-determined objectives to be included in the annual report with the Auditor-General South Africa and the Accounting Officer.

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)

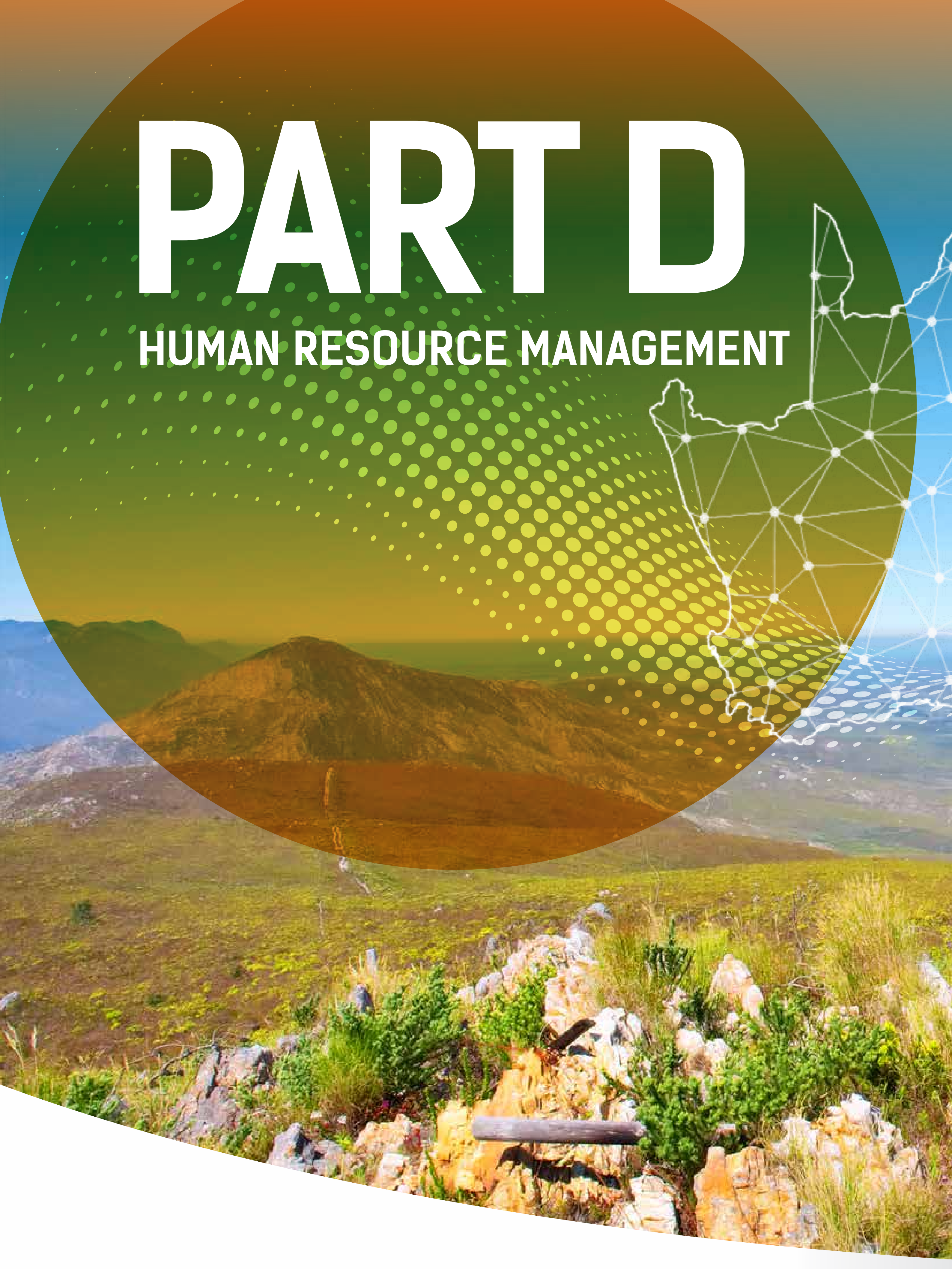
PUMLA MZIZI CA(SA)
Pumla Mzizi CA(SA)

Chairperson of the Audit Committee

20 August 2022

PART D

HUMAN RESOURCE MANAGEMENT



11. HUMAN RESOURCE OVERVIEW

11.1 THE STATUS OF HUMAN RESOURCES IN GTAC

The 2021/22 financial year saw a continuation of working remotely due to the Covid-19 pandemic. GTAC employees and management displayed an agile, flexible and resilient response to the working conditions required under the Covid-19 pandemic. Performance was optimal with limited supervision required.

Lessons learnt in the previous year resulted in minimal disruptions in service delivery both internally and externally. The use of virtual technology platforms also enhanced productivity and collaboration across GTAC operations.

In addition Covid protocols were adhered to, both on site and off site with no major incidences to report. The Director: Human Capital Management position was filled in 2021 thereby creating stability within Human Capital Management department.

11.2 HUMAN RESOURCE PRIORITIES IN THE YEAR UNDER REVIEW

In 2021/22, Human Resources worked tirelessly to implement its business strategy in line with GTAC's 2020-25 Strategic Plan. The focus was on making optimal use of human capital in response to the reduced financial resources available. The business partnership model adopted in the previous financial year enabled HCM to make incremental changes to promote continuous learning and development.

In the year under review Human Resource (HR) officials were developed into human resource business partners. With a generalist focus they were able to engage with and advise senior management to make decisions aligned to the goals of the organisation. The development of the skills and competencies of collaboration, synergistic partnerships, flexibility and agility, responsiveness, innovation, and thought leadership is still in progress and will be a focus for the upcoming financial year.

The HR team was divided into teams to support dedicated business programmes. This model has proven to have several benefits:

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

The new Organisational Design together with the Service Charter and Service Level Agreements were implemented as per the adopted processes resulting in more efficient and effective internal customer service which have had a positive impact on the external clients of GTAC.

11.3 WORKFORCE PLANNING AND KEY STRATEGIES TO ATTRACT A SKILLED AND CAPABLE WORKFORCE

GTAC aims to enhance the provision of public service delivery and create impact through the delivery of advisory services on a range of programmes and projects to improve public financial management. These specialised skills, which are not always readily available in the market, are proactively sourced to ensure a talent pool which provides a pipeline of human capital resources to support internal and external clients alike.

The virtual recruitment platforms introduced in the previous financial year have proven to be a success and will be improved on to ensure continued GTAC presence in the labour market to attract the key talent and skills needed to provide world-class service to our clients. The transition to online platforms and partner websites, including posts on LinkedIn will be expanded upon in the new financial year. Virtual recruitment was adopted without any issues as was the switch to online training programmes.

The organisation was relatively stable despite a higher than usual turnover rate. HCM introduced initiatives to mitigate the high turnover rate. These initiatives were largely non-monetary and included training and development and performance related recognition and leadership interventions. The strategies to retain capable staff including admission to professional bodies, professional certification and bursary offerings were successful and will be a source of strategic retention efforts going forward. Succession planning and career pathing discussions will also form part of the overall strategy to retain key talent.

11.4 EMPLOYEE PERFORMANCE MANAGEMENT

Various performance related rewards were given to employees, in line with budget prescripts, resulting in a more motivated workforce. The performance management approach was aligned with the organisation goals and was extended into the 21/22 financial year, resulting in a seamless process and improved performance both at an individual and a business level. The performance evaluation documentation for 21/22 has been concluded and is awaiting moderation and final approval. The 22/23 performance agreements have been discussed between business leaders and their respective teams and all are actively working towards achieving the contracted outcomes.

11.5 EMPLOYEE WELLNESS PROGRAMMES

Covid has blurred the lines between home and work life. Through employee referrals, counselling and management and leadership coaching, employees were empowered to adapt to the new way of working and provided with professional mental-health support to manage the transition.

Other wellness interventions continued, albeit through digital interventions instead of face-to-face interactions. Cancer awareness was observed in October 2021, 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, Dis-Chem or Clicks Pharmacy.

11.6 ACHIEVEMENTS, CHALLENGES AND FUTURE PLANS AND GOALS

GTAC experienced a higher than usual turnover rate which resulted in an increase in vacancies to fill. Throughout the year, a number of Senior Manager positions remained vacant from the previous year. The filling of these positions was placed on hold to allow for a scientific and objective work study exercise to be completed to give strategic guidance to the organisational structure of these units. In addition, as GTAC is an implementing agency for two Programme Management Units of the National Treasury, GTAC relied on decision-making from the National Treasury on the extension of these programmes before positions could be advertised and filled. This resulted in prolonged vacancies, with positions not being filled within a 12 month period. Fortunately, these positions were filled in acting capacities and should be permanently filled in the 2022/23 financial year.

The Leadership Development Programme was conceptualised with multiple interventions and activities rolled out in the year. Leaders were rewarded with development opportunities including discussions on topics relating to conversational intelligence and resilience. Investment was also made in a physical library with a range of leadership books made available to staff. Leaders were also afforded executive and management coaching, as well as the opportunity to attend various conferences. Senior managers also participated in learning exchanges and GTAC had numerous senior managers actively seconded to to other departments. The programme will be refined for full implementation in the 2022/23 financial year.

The implementation of the revised Human Capital Management and Corporate Services Strategy is set to take place in 2022/23. Human capital staff development will continue, to ensure capacity to deliver on 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 also been developed to rate the support received from Human Resources. This data will be used to improve performance and service delivery in the unit.

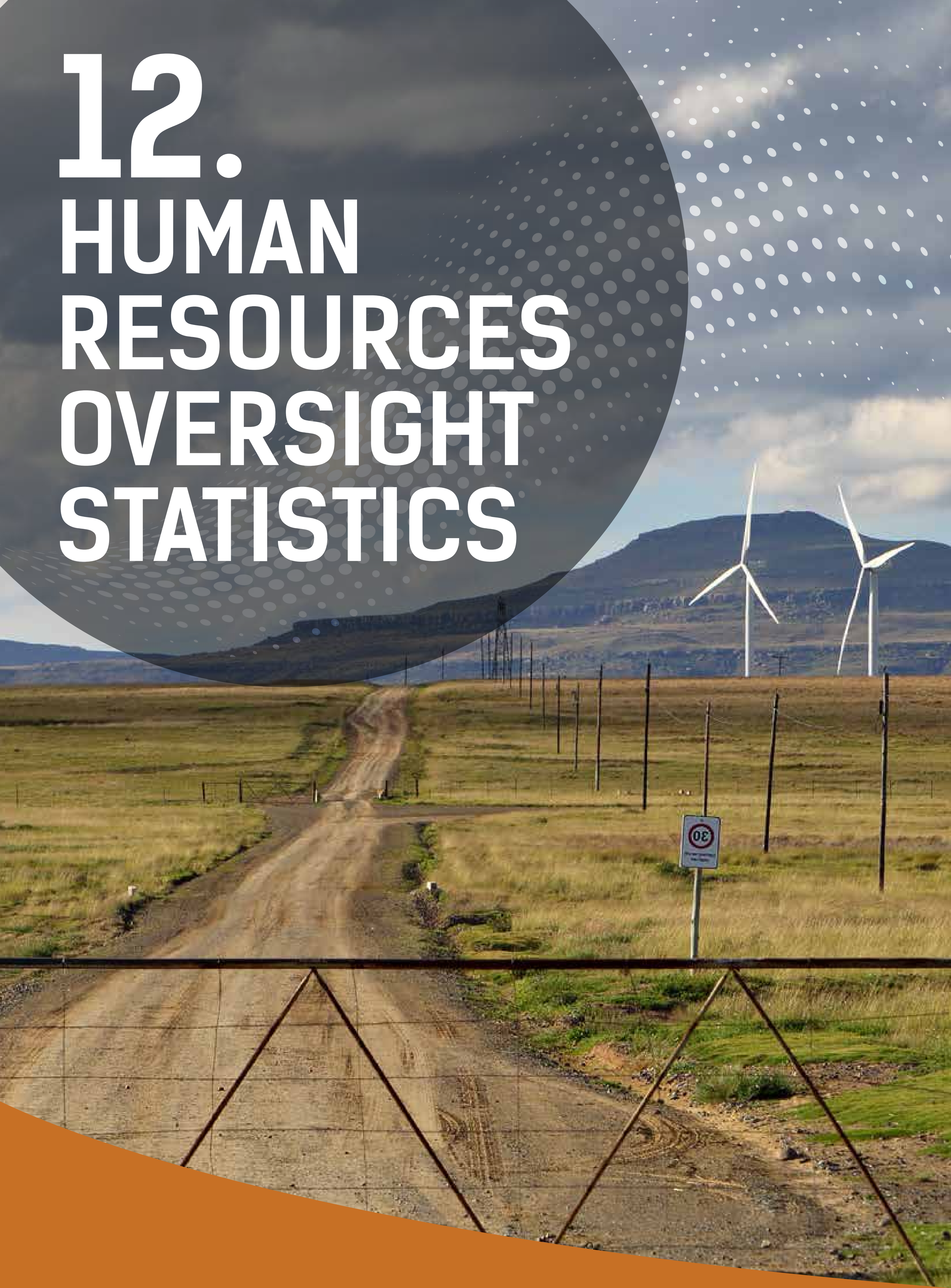
A key delivery for the new year is managing the Integrated Business Model. This is a blended approach that brings together innovation and technology with a strategic approach to information management, communication, knowledge collection and dissemination. The Programme 1 management group, and forums such as the Operational Management Meetings, have been instrumental in bringing this initiative to fruition and this will be carried forward in to the new financial year. GTAC's competencies have been partially mapped through a skills audit which will be concluded in 2022/23. The Succession Management Policy, once approved, will be implemented accordingly.

The employment equity targets will continue to remain a strategic priority for transformation in GTAC. The Employment Equity Policy has been developed and will be presented for approval and implementation in the new financial year. 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. A phased-in approach to return to the office will be implemented in the new financial year.

The Medium-Term Strategic Framework for 2019–24 emphasises the building of an ethical and professional public service. To this end, GTAC has introduced 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 12.1.1: Personnel expenditure by programme for the period 1 April 2021 to 31 March 2022

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	52,331	35,152	818	10,294	68%	627
Programme 2	76,026	36,946	-	38,445	48%	972
Programme 3	76,332	60,195	226	13,927	79%	872
Total	**204,689**	**132,293**	**1,044**	**62,666**	**65%**	**2471**

[1] Programme 1 is inclusive of the performance bonus and leave gratuity

Table 12.1.2: Personnel costs by salary band for the period 1 April 2021 to 31 March 2022

Salary band	Personnel expenditure (R'000)	% of total personnel cost	No. of employees	Average personnel cost per employee (R'000)
Lower skilled (level 1-2)	0	0	0	0
Skilled (level 3-5)	32	0.02	1	32
Highly skilled production (levels 6-8)	15,676	11.85	41	382
Highly skilled supervision (level 9-12)	52,872	39.97	70	755
Senior and top management (level 13-16)	63,713	48.16	51	1,249
Total	**132,293**	**100.00**	**163**	**2,418**

Table 12.1.3: Salaries, overtime, homeowners allowance and medical aid by programme for the period 1 April 2021 to 31 March 2022

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
1. MSS	21,243	27.00	0	0	357	45.89	728	51.34
2. TPS	26,562	35.00	0	0	393	50.51	501	35.33
3. PMU	28,727	38.00	0	0	28	3.60	189	13.33
Total	**76,532**	**100.00**	**0**	**0**	**778**	**100.00**	**1,418**	**100.00**

Table 12.1.4: Salaries, overtime, homeowners allowance and medical aid by salary band for the period 1 April 2021 to 31 March 2022

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
Skilled (level 1-2)	0	0	0	0	0	0	0	0%
Skilled (level 3-5)	15	0.00	0	0	0	0	0	0%
Highly skilled production (levels 6-8)	11,195	14.00	0	0	368	47.30	595	3,80%
Highly skilled supervision (levels 9-12)	33,357	44.00	0	0	157	20.18	461	0,87%
Senior management (level 13-16)	31,964	42.00	0	0	253	32.52	362	0,57%
Total	**76,532**	**100.00**	**0**	**0**	**778**	**100.00**	**1418**	**5,24%**

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 12.2.1: Employment and vacancies by programme as on 31 March 2022

Programme	Number of posts on approved establishment	Number of posts filled	Vacancy rate	Number of employees additional to the establishment
Programme 1	53	47	30%	7
Programme 2	37	36	23%	0
Programme 3	69	57	36%	0
Total	**159**	**140**	**88%**	**7**

Table 12.2.2: Employment and vacancies by salary band as on 31 March 2022

Salary band	Number of posts on approved establishment	Number of posts filled	Vacancy rate	Number of employees additional to the establishment
Lower-skilled (levels 1–2)	0	0	0	0
Skilled (levels 3–5)	0	0	0	0
Highly skilled production (levels 6–8)	36	35	97%	5
Highly skilled supervision (levels 9–12)	71	59	83%	1
Senior management (levels 13–16)	52	46	88%	1
Total	**159**	**140**	**88%**	**7**

Table 12.2.3: Employment and vacancies by critical occupations as on 31 March 2022

Critical occupation	Number of posts on approved establishment	Number of posts filled	Vacancy rate	Number of employees additional to the establishment
Research Analyst	1	1	0%	0
Director: Learning & Evaluation	1	1	0%	0
Financial Analyst	5	4	20%	0
DD Learning & Evaluation	1	0	100%	0
Director: Research, Learning & Evaluation	1	1	0%	0
Total	**5**	**4**	**20%**	**0**

12.3 Filling of SMS posts

The tables in this section provide information on employment and vacancies related to 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 12.3.1: SMS post information as on 31 March 2022

Critical occupation	Number of posts on approved establishment	Number of posts filled	Vacancy rate	Number of employees additional to the establishment
Research Analyst	1	1	0%	0
Director: Learning & Evaluation	1	1	0%	0
Financial Analyst	5	4	20%	0
DD Learning & Evalu-ation	1	0	100%	0
Director: Research, Learning & Evaluation	1	1	0%	0
Total	**5**	**4**	**20%**	**0**

Table 12.3.2: SMS post information as on 30 September 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	0	0	0	0	0%
Salary level 16	1	0	0	1	100%
Salary level 15	2	2	100%	0	0%
Salary level 14	15	13	87%	2	13%
Salary level 13	37	33	89%	4	11%
Total	**55**	**48**	**87%**	**7**	**13%**

Table 12.3.3: Advertising and filling of SMS posts for the period 1 April 2021 to 31 March 2022

SMS level	Advertising	Filling of posts	
	Number of vacancies per level advertised in 6 months of becoming vacant	Number of vacancies per level filled in 6 months of becoming vacant	Number of vacancies per level not filled in 6 months but filled in 12 months
Director-General/Head of Department	0	0	0
Salary level 16	1	0	0
Salary level 15	0	0	0
Salary level 14	3	0	0
Salary level 13	1	0	0
Total	**5**	**0**	**0**

Table 12.3.4: Reasons for not having complied with the filling of funded vacant SMS - advertised within 6 months and filled within 12 months after becoming vacant for the period 1 April 2021 to 31 March 2022

Reasons for vacancies not advertised within 12 months
Programme 1 positions were put on hold due to work study in progress.

Reasons for vacancies not filled within 12 months
None

Table 12.3.5: Disciplinary steps taken for not complying with the prescribed timeframes for filling SMS posts within 12 months for the period 1 April 2021 to 31 March 2022

Reasons for vacancies not advertised within six months
None

Reasons for vacancies not filled within 6 months
None

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 12.4.1: Job Evaluation by salary band for the period 1 April 2021 to 31 March 2022

Salary band	Number of posts on approved establishment	Number of jobs evaluated	Salary bands promotions as a % of employees by salary level	Posts upgraded		Posts downgraded	
				Number	% of posts evaluated	Number	% of posts evaluated
Lower skilled (levels1-2)	0	0	0	0	0%	0	0%
Skilled (levels 3-5)	0	0	0	0	0%	0	0%
Highly skilled production (levels 6-8)	37	16	43%	1	0%	0	0%
Highly skilled supervision (levels 9-12)	73	36	49%	0	0%	0	0%
Senior Management Service Band A	57	27	47%	0	0%	0	0%
Senior Management Service Band B	0	0	0	0	0%	0	0%
Senior Management Service Band C	0	0	0	0	0%	0	0%
Senior Management Service Band D	0	0	0	0	0%	0	0%
Total	**167**	**79**	**139**	**1**	**0%**	**0**	**0%**

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 since not all employees are automatically absorbed into the new posts and some of the five posts upgraded could also be vacant.

Table 12.4.2: Profile of employees whose positions were upgraded due to their posts being upgraded for the period 1 April 2021 to 31 March 2022

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

Employees with a disability	0

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

Table 12.4.3: Employees with salary levels higher than those determined by job evaluation by occupation for the period 1 April 2021 to 31 March 2022

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

Table 12.4.4: Profile of employees who have salary levels higher than those determined by job evalua-tion for the period 1 April 2021 to 31 March 2022

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

Table 12.4.5: The following table summarises the beneficiaries of the above in terms of race, gender, and disability.

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

Employment changes

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

Table 12.5.1: Annual turnover rates by salary band for the period 1 April 2021 to 31 March 2022

Salary band	Number of employees at beginning of period 1 April 2021	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	0	1	100%
Highly skilled production (levels 6-8)	40	10	10	20%
Highly skilled supervision (levels 9-12)	68	3	12	16.90%
SMS Band A (level 13)	33	0	2	6.06%
SMS Band B (level 14)	14	0	3	21.42%
SMS Band C (level 15)	2	0	0	0
SMS Bands D (level 16)	0	0	0	0
Contracts	0	0	0	0
Total	**158**	**13**	**28**	**16.37%**

The total of appointments includes reappointments of four interns, two contracts and the terminations include six contracts that expired and were extended.

Table 12.5.2: Annual turnover rates by critical occupation for the period 1 April 2021 to 31 March 2022

Critical occupation	Number of employees at beginning of period April 2021	Appointments and transfers into the department	Terminations and transfers out of the department	Turnover rate
Research Analyst	1	0	1	100%
Director Learning & Evaluation	1	0	0	0%
Financial Analyst	4	1	1	20%
DD: Learning & Evaluation	1	0	0	0%
Director: Research, Learning & Evaluation	1	0	0	0%
TOTAL	**8**	**1**	**2**	**22,22%**

Table 12.5.3: Reasons why staff left the department for the period 1 April 2021 to 31 March 2022

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

Termination type	Number	% of total resignations
Death	0	0%
Resignation	20	91%
Expiry of contract	2	9%
Dismissal – operational changes	0	0%
Dismissal – misconduct	0	0%
Dismissal – inefficiency	0	0%
Discharged due to ill-health	0	0%
Retirement	0	0%
Transfer to other public service departments	0	0%
Other		
Total	**22**	**100%**
Total number of employees who left as a % of total employment		16%

The total of 22 excludes the reappointments of four interns and two contracts that were extended.

Table 12.5.4: Promotions by critical occupation for the period 1 April 2021 to 31 March 2022

Occupation	Employees 1 April 2021	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
None	0	0	0	0	0
Total	**0**	**0**	**0**	**0**	**0**

Table 12.5.5: Promotions by salary band for the period 1 April 2021 to 31 March 2022

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 (level 1-2)	0	0	0	0	0
Skilled (level 3-5)	1	0	0	0	0
Highly skilled production (level 6-8)	40	0	0	27	67.5%
Highly skilled supervision (level 9-12)	68	0	0	53	77.94%
Senior Manage-ment (level 13-16)	49	2	4.08%	0	0
Total	**158**	**2**	**4.08%**	**80**	**0**

12.6 Employment equity

Table 12.6.1: Total number of employees (including employees with disabilities) in each of the following occupational categories as on 31 March 2022.

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	39	3	2	4	22	1	0	9	80
Technicians and associate professionals	11	0	0	0	35	8	0	1	55
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	**52**	**3**	**2**	**5**	**57**	**10**	**0**	**11**	**140**
Employees with disabilities	*0*	*0*	*0*	*0*	*0*	*0*	*0*	*0*	*0*

Table 12.6.2: Total number of employees (including employees with disabilities) in each of the following occupational bands as on 31 March 2022

Occupational band	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top management (level 15-16)	2	0	0	1	0	1	0	1	5
Senior management (level 13-14)	19	1	2	4	7	1	0	6	40
Professionally qualified and experienced specialists and mid-management (level 11-12)	20	2	0	0	20	2	0	5	49
Skilled technical and academically qualified workers, junior management, supervisors, foreman and superintendents (level 6-10)	9	1	0	0	30	6	0	0	46
Semi-skilled and discretionary decision making (level 3-5)	0	0	0	0	0	0	0	0	0
Unskilled and defined decision making (level 1-2)	0	0	0	0	0	0	0	0	0
Total	**50**	**4**	**2**	**5**	**57**	**10**	**0**	**12**	**140**

Table 12.6.3: Recruitment for the period 1 April 2021 to 31 March 2022

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

Table 12.6.4: Promotions for the period 1 April 2021 to 31 March 2022

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

Table 12.6.5: Terminations for the period 1 April 2021 to 31 March 2022

Occupational band	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top management (level 15-16)	0	0	0	0	0	0	0	0	0
Senior management (level 13-14)	1	1	0	1	0	0	0	2	5
Professionally qualified and experienced specialists and mid-management (level 11-12)	3	0	0	1	4	0	0	0	8
Skilled technical and academically qualified workers, junior management, supervisors, foreman and superintendents (level 6-10)	3	0	0	1	7	1	0	1	13
Semi-skilled and discretionary decision making (level 3-5)	1	0	0	0	0	0	0	0	1
Unskilled and defined decision making (level 1 – 2)	0	0	0	0	0	0	0	0	0
Total	**8**	**1**	**0**	**3**	**11**	**1**	**0**	**3**	**27**
Employees with disabilities	1	1	0	1	0	0	0	0	3

Total terminations includes contract expiry and resignations. Three employees with disability are also included.

Table 12.6.6: Disciplinary action for the period 1 April 2021 to 31 March 2022

Disciplinary action	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Final written warning	0	1	0	0	0	0	0	0	1
Record of counselling	2	0	0	1	4	0	0	0	7
Verbal warning	1	1	0	1	1	0	0	0	4
Written warning	0	1	0	0	0	2	0	0	3
Grand Total	**3**	**2**	**0**	**2**	**5**	**2**	**0**	**0**	**15**

Table 12.6.7: Skills development for the period 1 April 2021 to 31 March 2022

Occupational category	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Legislators, senior officials and managers	24	1	4	6	4	2	0	8	49
Professionals	30	0	0	0	35	3	0	8	76
Technicians and associate professionals	8	0	0	0	11	1	0	0	20
Clerks	12	3	0	0	48	6	0	0	69
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	**74**	**4**	**4**	**6**	**98**	**12**	**0**	**16**	**214**
Employees with disabilities	0	0	0	0	0	0	0	0	0

12.7 Signing of performance Agreements by SMS members

All members of the SMS must conclude and sign performance agreements within specific timeframes. Information regarding 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 12.7.1: Signing of performance agreements by SMS members as on 31 May 2022

SMS level	Total number of funded SMS posts	Total number of SMS members	Total number of signed performance agreements	Signed performance agreements as % of total number of SMS members
Director-General/ Head of Department	0	0	0	0
Salary level 16	0	0	0	0
Salary level 15	2	2	0	100%
Salary level 14	11	11	11	100%
Salary level 13	33	33	32	100%
Total	**46**	**46**	**43**	**100%**

Table 12.7.2: Reasons for not having concluded performance agreements for all SMS members as on 31 May 2022

Reasons
N/A

Table 12.7.3: Disciplinary steps taken against SMS members for not having concluded performance agreements as on 31 May 2022

Reasons
N/A

12.8 Performance rewards

To encourage good performance, the department has granted the following performance rewards during the year under review. The information is presented in terms of race, gender, disability, salary bands and critical occupations (see definition in notes below).

Table 12.8.1 : Performance rewards by race, gender and disability for the period 1 April 2020 to 31 March 2021

Race and gender	Beneficiary profile			Cost	
	Number of beneficiaries	Number of employees	% of total within group	Cost (R'000)	Average cost per employee
African					
Male	16	57	28%	R1 329 608.59	R83 100,53
Female	12	61	20%	R846 198.26	R70 516.52
Asian/ Indian					
Male	0	2	0%	0	0
Female	0	1	0%	0	0
Coloured					
Male	1	4	25%	R95 159.34	R95 159.34
Female	5	11	45%	R460 662.63	R92 132.52
White					
Male	1	5	40%	R99 507.69	R99 507.69
Female	10	14	64%	R1 308 412.89	R130 841,28
Total	**45**	**155**	**29%**	**R4 139 549.40**	**R91 989.98**

Table 12.8.2: Performance rewards by salary band for personnel below SMS for the period 1 April 2020 to 31 March 2021

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)	0	0	0	0	0	0
Skilled (levels 3–5)	0	1	0	0	0	0
Highly skilled production (levels 6–8)	8	38	21%	R278 546.26	R34 818.28	0,21%
Highly skilled supervision (levels 9–12)	13	47	28%	R120 343.90	R9 257.22	0,09%
Total	**21**	**86**	**24%**	**R398 890.16**	**R18 994.77**	**0,3%**

Table 12.8.3: Performance rewards by critical occupation for the period 1 April 2020 to 31 March 2021

Critical occupation	Beneficiary profile			Cost	
	Number of beneficiaries	Number of employees	% of total within occupation	Total cost (R'000)	Average cost per employee
All occupation	**45**	**152**	**30%**	**R4 547 991.98**	**R228 995.99**
Total	**45**	**152**	**30%**	**R4 547 991.98**	**R228, 995.99**

Table 12.8.4: Performance related rewards (cash bonus), by salary band for SMS for the period 1 April 2020 to 31 March 2021

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 (level 15)	2	2	100%	R479 940.72	R239 970.36	50%
Band B (level 14)	6	14	43%	R947 938.68	R473 969.34	50%
Band C (level 13)	13	30	43%	R1 352 268.47	R676 134.23	50%
Band D (level 12)	0	0	0	0	0	0
Total	**21**	**46**	**46%**	**R2 780 147.87**	**R1 390 073.93**	**50%**

12.9 Foreign workers

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

Table 12.9.1: Foreign workers by salary band for the period 1 April 2021 and 31 March 2022

Salary band	01 April 2021		31 March 2022		Change	
	Number	% of total	Number	% of total	Number	% Change
Lower skilled	0	0	0	0	0	0
Highly skilled production (level 6-8)	0	0	0	0	0	0
Highly skilled supervision (level 9-12)	2	16%	2	14%	0	0
Contract (level 9-12)	3	23%	4	29%	1	33%
Contract (level 13-16)	6	46%	6	43%	0	0
Senior Managers (level 13-16)	2	15%	2	14%	0	0
Total	**13**	**100%**	**14**	**100%**	**1**	**33%**

Table 12.9.2 Foreign workers by major occupation for the period 1 April 2021 and 31 March 2022

Salary band	01 April 2021		31 March 2022		Change	
	Number	% of total	Number	% of total	Number	% Change
Senior Manager: Financial Analysis	1	100%	1	100%	0	0
Chief Director: Technical Consulting Services	1	50%	1	50%	0	0
Deputy Director: Communications and Publications	1	100%	1	100%	0	0
Deputy Director: Integrated Systems	1	100%	1	100%	0	0
Analyst: Capital Projects Appraisal Unit	1	25%	1	25%	0	0
Project Administrator: Jobs Fund	1	14.3%	1	14.3%	0	0
Project Manager: Jobs Fund	2	22.2%	2	22,2%	0	0
Evaluation and Learning Specialist: Jobs Fund	1	50%	1	50%	0	0
Director: Research Evaluation and Learning	1	100%	1	100%	0	0
Technical Financial Specialist	2	66.7%	2	66.7%	0	0
Project Director: Jobs Fund	1	25%	1	25%	0	0
Financial Analyst	0	0%	1	100%	1	100%

12.10 Leave utilisation

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

Table 12.10.1: Sick leave for the period 1 January 2021 to 31 December 2021

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 skills (level 1-2)	0	0	0	0	0	0
Skilled (levels 3-5)	0	0	0	0	0	0
Highly skilled production (levels 6-8)	112	94.6%	30	27.8%	3.73	R189 253.46
Highly skilled supervision (levels 9 -12)	206	93.2%	50	46.3%	4.12	R633 643.11
Top and senior management (levels 13-16)	170	93.5%	28	25.9%	6.07	R759 438.92
Total	**488**	**93.76%**	**108**	**100%**	**4.51**	**R1 582 335.49**

Table 12.10. 2: Disability leave (temporary and permanent) for the period 1 January 2021 to 31 December 2021

PERCENTAGE OF TOTAL EMPLOYEES AS AT 31 DECEMBER 2021						
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)	0	0	0	0	0	0
Highly skilled supervision (levels 9–12)	20	100%	2	40%	10	R61 965.59
Senior management (levels 13–16)	72	100%	3	60%	24	R308 104.99
Total	**92**	**100%**	**5**	**100%**	**18**	**R370 070.58**

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

Table 12.10.3: Annual leave for the period 1 January 2021 to 31 December 2021

Salary band	Total days taken	Number of employees using annual leave	Average per employee
Lower skilled (levels 1-2)	0	0	0
Skilled (level 3-5)	0	0	0
Highly skilled production (level 6-8)	726	39	18.61
Highly skilled supervision (level 9-12)	1358	69	19.68
Senior management (levels 13-16)	1046	51	20.50
Total	**3130**	**159**	**19.59**

Table 12.10.4: Capped leave for the period 1 January 2021 to 31 December 2021

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	2	0	17.89
Highly skilled supervision (levels 9-12)	0	4	0	15.78
Senior management (levels 13-16)	0	1	0	0.57
Total	**0**	**0**	**0**	**11.41**

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

Table 12.10. 5: Leave pay-outs for the period 1 April 2021 to 31 March 2022

Reason	Total amount (R'000)	Number of employees	Average per employee (R'000)
Leave pay out for 2021/22 due to non-utilisation of leave for the previous cycle	0	0	0
Capped leave pay-outs on termination of service for 2021/22	0	0	0
Current leave pay out on termination of service for 2021/22	R790 813.75	22	R35 946.07
Total	**R790 813.75**	**22**	**R35 946.07**

12.11 HIV/AIDS and health promotion programmes

Table 12.11.1: Steps taken to reduce the risk of occupational exposure

Units/categories of employees identified to be at high risk of contracting HIV & related diseases (if any)	Key steps taken to reduce the risk
N/A	N/A

Table 12.11.2: Details of Health Promotion and HIV/AIDS Programmes (tick the applicable boxes and provide the required information)

Question	Yes	No	Details, if yes
1. Has the 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.	x		Ezre Van Wyk, Director HCM
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.	x		10 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.	x		GTAC provides wellness information, health and wellness educational talks as well as health screenings
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		Alophina Khala – IDS Unit Keneilwe Masemene – Finance Kenny Machaka – HCM&CS Babalwa Madikane – PSP Nyeleti Baloyi – CPAU Anna Maleka – PPP Matthew Mokoena – MFIP Helena Roodt – Jobs Fund Tsholofelo Thulare – SCM Winnie Sangweni – HCM
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.	X		GTAC uses the National Treasury Policy while ours is in draft
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.	X		Utilisation of NT Clinic as well as service providers is encouraged through communications
7. Does the department encourage its employees to undergo Voluntary Counselling and Testing? If so, list the results that you have you achieved.	X		Employees are encouraged to do health screenings through communications and wellness awareness sessions
8. Has the department developed measures/indicators to monitor & evaluate the impact of its health promotion programme? If so, list these measures/indicators.		X	However, there is positive feedback that employees share with Wellness Champions in GTAC.

12.12 Labour relations

Table 12.12.1: Collective agreements for the period 1 April 2021 to 31 March 2022

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 12.12.2: Misconduct and disciplinary hearings finalised for the period 1 April 2021 to 31 March 2022

Outcomes of disciplinary hearings	Number	% of total
Correctional counselling	3	75%
Verbal warning	0	0
Written warning	1	25%
Final written warning	0	0
Suspended without pay	0	0
Fine	0	0
Demotion	0	0
Dismissal	0	0
Not guilty	0	0
Case withdrawn	0	0
Total	**4**	**100%**

Table 12.12.3: Types of misconduct addressed at disciplinary hearings for the period 1 April 2021 to 31 March 2022

Type of misconduct	Number	% of total
None		

Table 12.12.4: Grievances logged for the period 1 April 2021 to 31 March 2022

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 12.12.5: Disputes logged with councils for the period 1 April 2021 to 31 March 2022

Disputes	Number	% of Total
Number of disputes upheld	1	100%
Number of disputes dismissed	0	0
Total number of disputes lodged	**1**	**100%**

Table 12.12.6: Strike actions for the period 1 April 2021 to 31 March 2022

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

Table 12.12.7: Precautionary suspensions for the period 1 April 2021 to 31 March 2022

Indicator	Number
Number of employees suspended	0
Number of employees 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 12.13.1: Training needs identified for the period 1 April 2021 and 31 March 2022

Occupational category	Gender	Number of employees as on 1 April 2021	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 (level 13-16)	Female	16	0	52	0	68
	Male	33	0	80	0	113
Professionals (level 11-12)	Female	23	0	165	0	188
	Male	32	0	83	0	115
Technicians and associate professionals (level 9-10)	Female	9	0	90	0	99
	Male	5	0	39	0	44
Clerks (level 6-8)	Female	30	0	134	0	164
	Male	7	0	56	0	63
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		**155**	**0**	**699**	**0**	**854**

Table 12.13.2: Training provided for the period 1 April 2021 and 31 March 2022

Occupational category	Gender	Number of employees as at 1 April 2021	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	14	0	14
	Male	33	0	35	0	35
Professionals (levels 11–12)	Female	23	0	46	0	46
	Male	32	0	30	0	30
Technicians and associate professionals (levels 9–10)	Female	9	0	12	0	12
	Male	5	0	8	0	8
Clerks (levels 5–8)	Female	30	0	54	0	54
	Male	7	0	15	0	15
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		**155**	**0**	**214**	**0**	**214**

12.14 Injury on duty

The following tables provide basic information on injury on duty.

Table 12.14.1: Injury on duty for the period 1 April 2021 to 31 March 2022

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 relates 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:

- The rendering of expert advice.
- The drafting of proposals for the execution of specific tasks.
- The execution of a specific task which is of a technical or intellectual nature but excludes an employee of a department.

Table 12.15.1: Report on consultant appointments using appropriated funds for the period 1 April 2021 to 31 March 2022

Project title	Total number of consultants who worked on project	Duration (work days)	Contract value in rand
Provision of technical support to Buffalo City Metropolitan Municipality	4	74,8	R 723 113.19
Limpopo Provincial Treasury Infrastructure Sup-port Programme Phase 2: Support to Local Government to Optimise MIG Performance	2	23,1	R 198 726.25
Limpopo Department of Public Works and Roads Infrastructure - Infrastructure Delivery Support (IDS)	5	190,1	R 1 845 840.97
Support to NT: PLGI with infrastructure initia-tives and roll-out of the Infrastructure Pro-gression Model for Provincial Government (PG-IPM)	1	115,4	R 1 192 127.68
Business case for the establishment of a National Astronomy Observatory	4	100,1	R 1 029 483.80
Department of Cooperative Governance: Establishment of the National Disaster Man-agement Centre (NDMC)	1	2,3	R 22 817.53
Police Services Group: CSP-GTAC Partnership (Phase 2)	1	51,1	R 418 850.55
National Prosecuting Authority: Establishment of an Investigating Directorate	3	42,4	R 451 121.69
Supply Chain Management Review for the Public Affairs Research Institute	3	80,6	R 801 527.33
Public Affairs Research Institute: Review of the capacity building system for local government	12	164,3	R 1 474 246.80
State Bank	2	4	R 44 930.52
Department of Social Development: Development of an organisational structure	3	30,5	R 324 433.00
Department of Employment and Labour: Project Management Support and assistance in accelerating Covid-19 TERS payment claims	2	67.2	R 750 855.25
Eastern Cape Department of Transport: Review of organisational structure of Mayibuye Transport Corporation	3	28,3	R 286 854.47
The Presidency: Supporting the institutional arrangements of the District Development Model (DDM)	2	2	R 18 504.72
The Presidency: Review and reconfiguration of The Presidency organisational structure	4	68,5	R 651 284.76
Review of SANSA Policies, Procedures and Governance Framework	3	38,9	R 394 276.45
Development of a Business Case for SANAC	3	16,9	R 176 822.15
Organisational realignment support	3	59	R 563 422.47
Development of a business case for the Inde-pendent Development Trust (IDT)	5	35,7	R 357 496.03
Department of Basic Education: Function shift of Early Childhood Development - Phase 2	5	105.9	R 1 101 000.06
Business Case for the establishment of the Office of the Military Ombud	2	38,8	R 366 205.44
Facilitation of the GPAA Strategic Planning Ses-sion	2	12	R 121 164.48
Space Infrastructure Hub: Feasibility Study for a bankable project	3	67,4	R 673 346.56
Development of a revised strategy for 2020/24	4	73	R 718 980.06
Support for the implementation of the Pilot Administrative Simplification Programme (PASP)	1	0,4	R 4 200.00
Support with the Ease of Doing Business Operationalisation Model (Phase 2)	4	38,8	R 393 032.19
Rationalisation of Public Entities	5	68	R 641 100.16
Institutional implications of the implementation of the Amendment Bill	3	19,4	R 171 765.05
Support to deliver on the objectives of the Presidential State-Owned Enterprises Council (PSEC) on SOE Reform	3	187,5	R 1 876 820.56
Organisational design and development support for Parliamentary Budget Office	3	25	R 231 784.91
Review of HR Management and Development Policies	3	12,7	R 119 686.98
Review of the operating model and organisational structure of CoT	2	9,2	R 77 843.73
Support for PRASA turnaround processes	3	21,6	R 237 073.85
Facilitation of Strategic Planning Workshops	3	10	R 103 500.28
Facilitation of the Presidency Strategic Planning and Review Workshop	3	8,7	R 88 863.32
Support for priority infrastructure projects (stra-tegic roads delivery and hospital upgrade and maintenance)	2	5	R 47 700.00
Review and assessment of the organisational maturity framework / model	1	0,6	R 5 400.00
Review of the implementation of the NECES strategy and organisational review of the com-pliance and enforcement functions	1	5,9	R 56 400.00

Project title	Total number of consultants who worked on project	Duration (work days)	Contract value in rand
Review of Terms of Reference for the Working on Fire Programme	2	1	R 9 654.26
Assistance with the finalisation of the High Speed Rail (HSR) Framework for the rail industry	1	6	R 57 600.00
Development and implementation of the Economic Recovery Strategy and Plan for Human Settlements	1	2,6	R 25 200.00
Incorporation of the Small Enterprise Finance Agency (sefa) and Cooperative Banks Development Agency (CBDA) into the Small Enter-prise Development Agency (Seda)	1	1,8	R 18 717.76
Feasibility study for utilising Bhisho Airport as cargo hub	1	3,4	R 32 400.00
Finalisation of the Draft Private Sector Partici-pation (PSP) Framework	2	4,2	R 40 200.00
Facilitation and finalisation of the GTAC APP 2022/23	2	15	R 153 911.25
Support for the unbundling of UIF and Compensation Fund from DEL	1	1,8	R 16 800.00
Facilitation of the NPC's Strategic Planning Ses-sion	2	5,9	R 61 700.00
IDS Operational plan	15	44,1	R 367 737.41

Table 12.15.2: Analysis of consultant appointments using appropriated funds, in terms of Historically Disadvantaged Individuals (HDIs) for the period 1 April 2021 to 31 March 2022

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

Table 12.15.3: Report on consultant appointments using donor funds for the period 1 April 2021 to 31 March 2022

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

Total number of projects	Total individual consultants	Total duration	Donor and contract value in Rand
N/A	N/A	N/A	N/A

Table 12.15.4: Analysis of consultant appointments using donor funds, in terms of Historically Disadvantaged Individuals (HDIs) for the period 1 April 2021 to 31 March 2022

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 12.16.1: Granting of employee initiated severance packages for the period 1 April 2021 to 31 March 2022

Salary band	Number of applications received	Number of applications referred to the Ministry for Public Service and Administration (MPSA)	Number of applications supported by MPSA	Number of packages approved by department
Lower skilled (level 1-2)	0	0	0	0
Skilled (level 3-5)	0	0	0	0
Highly skilled production (level 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**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PART E

FINANCIAL INFORMATION

REPORT OF THE AUDITOR-GENERAL

TSAKANI MALULEKE
AUDITOR GENERAL

REPORT OF THE AUDITOR-GENERAL

TO PARLIAMENT ON THE GOVERNMENT TECHNICAL ADVISORY CENTRE

13.1 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 95 to 125, which comprise the statement of financial position as at 31 March 2022, the statement of financial performance, statement of changes in net assets, cash flow statement and statement of comparison of budget information with actual information 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 2022, and its financial performance and cash flows for the year then ended in accordance with the Standard of Generally Recognised Accounting Practice (GRAP) and the requirements of the Public Finance Management Act 1 of 1999 (PFMA).

BASIS FOR OPINION

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

4. I am independent of the 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 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 31 March 2021 were restated as a result of an error in the financial statements of the government component at, and for the year ended 31 March 2022.

Irregular expenditure

8. As disclosed in note 30 to the financial statements, the government component has reported an accumulated balance at 31 March 2022 of irregular expenditure amounting to R56 616 484. 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 the 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.

13.2 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 2022:

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

Indicator 2.3.1.1 - Percentage of projects recommended for National Treasury Approval 1

18. The source information, evidence and method of calculation for achieving the planned indicator was not clearly defined. I was unable to obtain sufficient appropriate audit evidence that clearly defined the predetermined simple count for the required level of performance and method of calculation to be used when measuring the actual achievement for indicator 2.3.1.1. This was due to insufficient measurement definitions and processes. I was unable to test whether the target for this indicator was clearly defined by alternative means.

OTHER MATTER

19. I draw attention to the matter below.

Achievement of planned targets

20. Refer to the annual performance report on pages 20 to 43 for information on the achievement of planned targets for the year and management's explanations provided for the over achievement of a target. This information should be considered in the context of the material findings on the usefulness and reliability of the reported performance information in paragraph 18 of this report.

13.3 REPORT ON THE AUDIT OF COMPLIANCE WITH LEGISLATION

Introduction and scope

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

22. I did not identify any material findings on compliance with the specific matters in key legislation set out in the general notice issued in terms of the PAA.

13.4 OTHER INFORMATION

23. 23. 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 in this auditor's report.

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

25. 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.

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

13.5 INTERNAL CONTROL DEFICIENCIES

27. I considered internal control relevant to my audit of the financial statements, reported performance information and compliance with applicable legislation; however, my objective was not to express any form of assurance on it. The matter reported below is limited to the significant internal control deficiencies that resulted in the findings on the annual performance report.

28. Management did not implement adequate monitoring and review controls to ensure that the technical indicator description is clear to enable consistent measurement of reported performance achievements as per the approved annual performance plans at the beginning of the year.

AUDITOR GENERAL

Pretoria
31 July 2022

Auditor General

AUDITOR-GENERAL
SOUTH AFRICA

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 selected programmes 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 office

- 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 2022

Government Technical Advisory Centre (GTAC)

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 96 to 125, which have been prepared on the going concern basis, were approved and signed on the 29 July 2022 and signed by:

Markus Rautenbach
Chief Director: Financial Management

Ronette Engela
Acting Accounting Officer

Statement of Financial Position

	Notes	R 2022	R 2021
ASSETS			
Non–Current Assets			
Property, plant and equipment	4	3,382,969	2,957,972
Intangible assets	5	10,226	35,430
		3,393,195	**2,993,402**
Current Assets			
Receivables from exchange transactions	6	24,776,544	22,513,126
Receivables from non–exchange transactions	7	2,639,633	
Cash and cash equivalents	8	1,630,603,335	1,014,113,937
		1,658,019,512	**1,036,627,063**
TOTAL ASSETS		**1,661,412,707**	**1,039,620,465**
LIABILITIES			
Current Liabilities			
Trade and other payables from exchange transactions	9	57,753,656	27,037,220
Payables from non–exchange transactions	10	1,369,805,339	795,360,773
Provisions	11	1,206,778	2,840,835
TOTAL LIABILITIES		**1,428,765,773**	**825,238,828**
NET ASSETS		**232,646,934**	**214,381,637**
Accumulated surplus		232,646,934	214,381,637
NET ASSETS		**232,646,934**	**214,381,637**

Statement of Financial Performance

	Notes	R 2022	R 2021
REVENUE			
Revenue from exchange transactions			
Administration fees received	12	2,196,075	2,280,939
Cost recovery revenue	13	125,850,220	131,040,348
Interest revenue	14	33,239,296	25,729,620
Royalties and sundry Income		351,257	330,722
Reversal of the impairment loss	17	-	10,122,471
Total revenue from exchange transactions		**161,636,848**	**169,504,100**
Revenue from non-exchange transactions			
Appropriated funding	15	52,579,025	38,269,815
Donor funding	16	8,738,443	3,714,354
Total revenue from non-exchange transactions		**61,317,468**	**41,984,169**
TOTAL REVENUE		**222,954,316**	**211,488,269**
EXPENDITURE			
Goods and services	18	73,061,996	89,529,904
Compensation of employees	19	130,192,648	135,486,841
Depreciation and amortisation	20	R 1,434,375	1,619,813
TOTAL EXPENDITURE		**204,689,019**	**226,636,558**
SURPLUS/(DEFICIT) FOR THE YEAR		**18,265,297**	**(15,148,289)**

Statement of Changes in Net Assets

	Note	R Reserves
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**
Balance at 1 April 2021		214,381,637
Net surplus for the period ended 31 March 2022		18,265,297
Balance at 31 March 2022		**232,646,934**

Cash Flow Statement

	Note	R 2022	Restated R 2021
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts			
Government funding and other sources		1,744,404,399	1,200,833,538
Interest income	21	27,429,287	28,849,146
		1,771,833,686	1,229,682,684
Payments			
Grants and project payments		1,020,948,005	1,023,539,214
Compensation of employees		132,499,628	132,004,946
		1,153,447,633	1,155,544,160
Net cash flows from operating activities	**22**	**618,386,053**	**74,138,524**
Cash flows from investing activities			
Purchase of property, plant and equipment	4	(1,896,655)	(736,475)
Net cash flows from investing activities		**(1,896,655)**	**(736,475)**
Net increase in cash and cash equivalents		**616,489,398**	**73,402,050**
Cash and cash equivalents at the beginning of the year		1,014,113,937	940,711,887
Cash and cash equivalents at the end of the year	**8**	**1,630,603,335**	**1,014,113,937**

Statement of Comparison of Budget and Actual Amounts

	Approved budget R	Adjustments R	Adjusted Budget R	Actual R	Variance Over / (Under) R	Notes
Revenue						
Revenue from exchange transactions						
Cost recovery revenue	192,586,769	(9,102,304)	183,484,465	125,850,220	(57,634,245)	27.1
Investment revenue	20,896,000	2,690,861	23,586,861	33,239,296	9,652,435	27.2
Administration fees and royalties	3,540,000	1,589,492	5,129,492	2,547,332	(2,582,160)	27.3
Total revenue from exchange transactions	**217,022,769**	**(4,821,951)**	**212,200,818**	**161,636,848**	**(50,563,970)**	
Revenue from non-exchange transactions						
Appropriated funding	79,414,000	(2,500,000)	76,914,000	52,579,025	(24,334,975)	27.4
Donor funding	8,492,403	2,560,100	11,052,503	8,738,443	(2,314,060)	27.5
Total revenue from non-exchange transactions	**87,906,403**	**60,100**	**87,966,503**	**61,317,468**	**(26,649,035)**	
Total revenue	**304,929,172**	**(4,761,851)**	**300,167,321**	**222,954,316**	**(77,213,005)**	
Expenditure						
Goods and services	171,294,511	(4,749,376)	166,545,135	73,061,998	93,483,137	27.6
Compensation of employees	139,910,592	987,525	140,898,117	130,192,648	10,705,469	27.7
Depreciation	2,931,358	(1,000,000)	1,931,358	1,434,373	496,985	27.8
Total expenditure	**314,136,461**	**(4,761,851)**	**309,374,610**	**204,689,019**	**104,685,591**	
Surplus/(Deficit) for the year	**(9,207,289)**	**-**	**(9,207,289)**	**18,265,297**	**27,472,586**	

ACCOUNTING POLICIES

1. Presentation of Financial Statements

GTAC as a Government Component is required to prepare annual financial statements in accordance with Generally Recognised Accounting Practice (GRAP) as prescribed in Section 40(1)(b) of the Public Finance Management Act (Act 1 of 1999). As such, GTAC no longer requires a departure in terms of Section 79 of the PFMA for the 2021/2022 financial year or any subsequent reporting period.

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 assets 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 asset

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 bonuses and long service bonuses are recognised as they accrue to employees. GTAC recognises this 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 six 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.

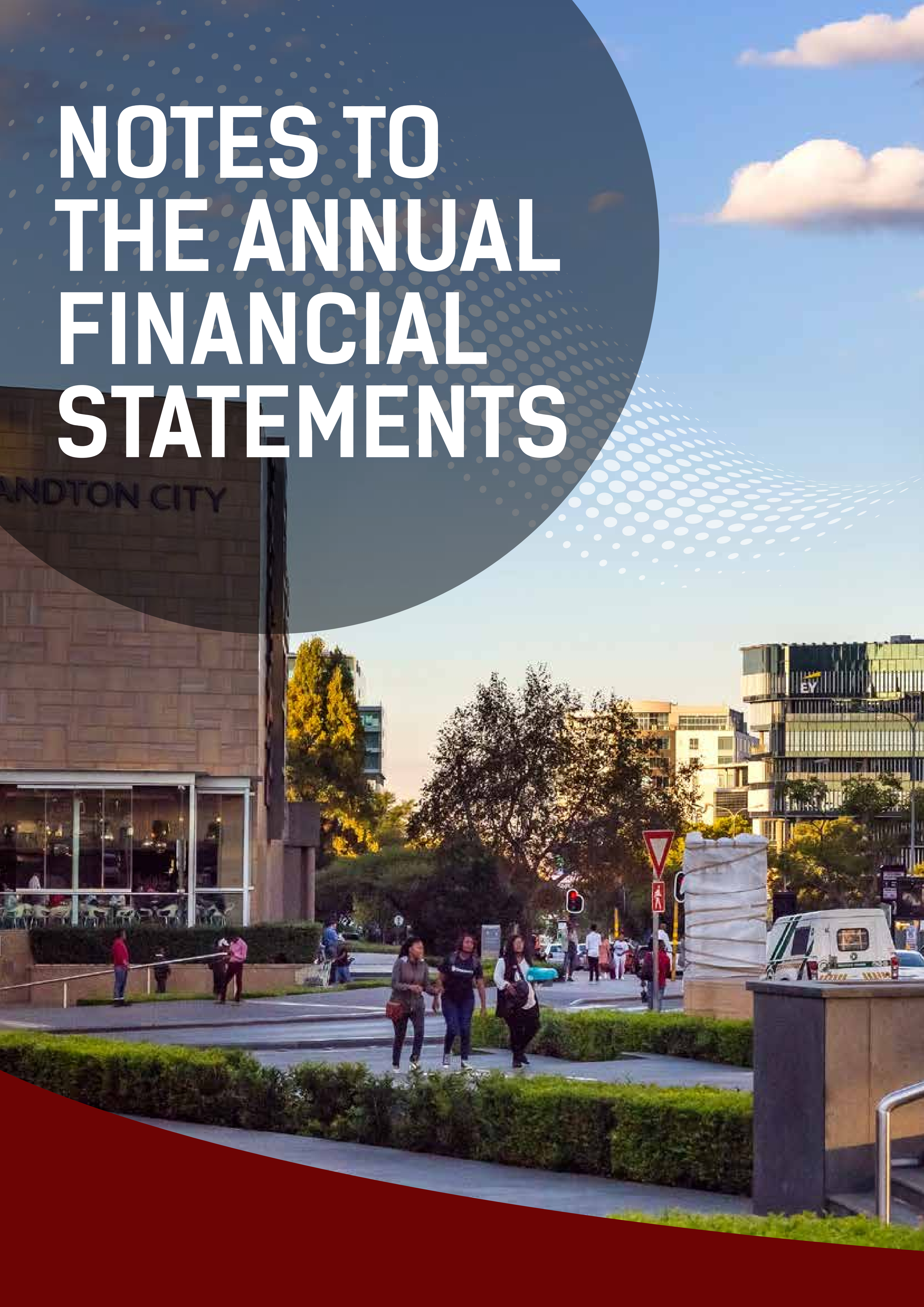
Assets and liabilities arising from principal-agent programmes and projects are recognised in accordance with the requirements of these programmes and projects and relevant standards.

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 piecemeals.

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, the following are standards in issue (approved) but not yet effective. This include the following standard that are applicable to GTAC and may have an impact on future financial statements:

Standard/interpretation:

GRAP 25: Employee Benefits
GRAP 104: Financial Instruments

The effective date for the above has not yet been determined.

4. Property, plant and equipment

	2022			2021		
	Cost	Accumulated depreciation	Carrying value	Cost	Accumulated depreciation	Carrying value
Office equipment	1,846,958	917,640	929,318	1,261,032	577,265	683,767
Computer equipment	5,811,148	3,612,442	2,198,706	10,491,829	8,517,134	1,974,695
Furniture and fittings	439,540	184,595	254,945	439,540	140,030	299,510
Total	**8,097,646**	**4,714,677**	**3,382,969**	**12,192,401**	**9,234,429**	**2,957,972**

Reconciliation of property, plant and equipment - 2022

	Opening balance (carrying value)	Additions	Disposals	Depreciation	Closing balance (carrying value)
Office equipment	683,767	635,506	30,747	359,208	929,318
Computer equipment	1,974,695	1,261,150	31,741	1,005,398	2,198,706
Furniture and fittings	299,510	-	-	44,565	254,945
	2,957,972	**1,896,656**	**62,488**	**1,409,171**	**3,382,969**

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**

Net Carrying Value	2022	2021
Office equipment	929,318	683,767
Computer equipment	2,198,706	1,974,695
Furniture and fittings	254,945	299,510
	3,382,969	**2,957,972**

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

5. Intangible assets

	2022			2021		
	Cost	Accumulated amortisation	Carrying value	Cost	Accumulated amortisation	Carrying value
Computer software	124,295	114,069	10,226	124,295	88,865	35,430

Reconciliation of intangible assets – 2022

	Opening balance (carrying value)	Additions	Disposals	Amortisation	Closing balance (carrying value)
Computer software	35,430	-	-	25,204	10,226

Reconciliation of intangible assets – 2021

	Opening balance (carrying value)	Additions	Disposals	Amortisation	Closing balance (carrying value)
Computer software	60,634	-	-	25,204	35,430

Net carrying value	2022	2021
Computer software	10,226	35,430

6. Receivables from exchange transactions

Net carrying value	2022	2021
Trade receivables	13,840,220	17,386,812
Interest accrued	10,936,324	5,126,314
	24,776,544	**22,513,126**

7. Receivables from non-exchange transactions

	2022	2021
Department of Public Works and Infrastructure - Energy	2,639,633	
	2,639,633	**-**

This relates to Department of Public Works and Infrastructure (DPWI) (Energy project) which is the principal entity in the principal-agent arrangement, where there was a shortfall on the monies transferred to GTAC.

8. Cash and cash equivalents

		2022	2021
Cash and cash equivalents consist of:			
Bank accounts:	- Government Technical Advisory Centre (GTAC)	10,000	10,000
	- Building a Capable State Programme (BCS)	-	500
	- Project Development Facility (PDF)	500	500
	- Neighbourhood Development Programme (NDP)	500	500
	- Independent Power Procurement Programme (IPPP)	500	250,500
	- Jobs Fund Partner Funds (JF)	500	500
	- Presidential Youth Employment Funds (PYE)	500	-
	- Paymaster-General Account (PMG)	394,254	244,552
		406,754	**507,052**
Call accounts:	- Government Technical Advisory Centre (GTAC)	166,155	3,914,906
	- Building a Capable State Programme (BCS)	-	2,025,331
	- Project Development Facility (PDF)	738,514,654	753,562,298
	- Neighbourhood Development Programme (NDP)	15,663,253	13,431,421
	- Independent Power Procurement Programme (IPPP)	403,577,117	224,059,960
	- Jobs Fund Partner Funds (JF)	273,486,281	16,612,969
	- Presidential Youth Employment Funds (PYE)	188,784,463	-
	- Corporation for Public Deposits	10,004,658	-
		1,630,196,581	**1,013,606,885**
Total cash and cash equivalents		**1,630,603,335**	**1,014,113,937**

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.

	2022	2021
During 2021/22 funds were invested in call accounts with Nedbank to maximise the interest earned (3.4% and 4.15% 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.	**1,359,100,700**	**779,038,328**

9. Trade and other payables from exchange transactions

		2022	2021
Accruals		15,529,080	10,093,085
Other payables		1,213,383	1,373,523
Leave accrual		7,478,110	8,151,031
VAT payable		-	322,998
Income received in advance – cost recovery	-Infrastructure Improvement Programme	7,096,584	7,096,583
	-Project Preparation Infrastructure (CPAU)	22,689,000	-
	-Presidential Youth Employment (PYE)	3,747,499	
		57,753,656	**27,037,220**

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.

10. Payables from non-exchange transactions

Income received in advance		
- Employment creation facilitation fund	10,704,609	11,938,634
- Building a capable state		1,362,986
- Flanders	30	455,681
Unspent government funding		
- Job Fund partner funds **	274,609,270	16,731,296
- National Youth Development Agency **	181,830,841	-
- Neighbourhood Development Programme * **	15,759,564	13,481,284
- Development Bank of Southern Africa (Independent Power Producer Procurement Programme)**	435,261,462	226,931,520
- Municipal Finance Improvement Programme III**	176,609,554	155,403,699
- Department of Public Works – Salvokop**	249,385,611	278,101,118
- Department of Public Works – Energy**	-	62,745,014
- Department of Public Works – Department of Agriculture, Forestry and Fisheries**	15,000,000	15,000,000
- 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
	1,369,805,339	**795,360,773**

* 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 act as the agent for the above listed departments in a principal agent relationship (refer to note 31)

11. Provisions

	2022	2021
Provisions for bonuses	1,206,778	2,840,835
	1,206,778	**2,840,835**

Reconciliation of employee provisions – 2022

	Opening balance	Provided	Utilised	Unutilised	Closing balance
Provisions for bonuses	**2,840,835**	**2,708,644**	**(4,342,701)**	**-**	**1,206,778**

Reconciliation of employee provisions – 2021

	Opening balance	Provided	Utilised	Unutilised	Total
Bonus provision	**2,619,232**	**2,840,837**	**(1,757,334)**	**(861,900)**	**2,840,835**

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% - 2022 (0.5% ceiling - 2021) 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.

12. Administration fees

Employment Facilitation (Jobs Fund Project Management Unit)	1,672,178	1,920,939
Neighbourhood Development Programme	378,000	360,000
Presidential Youth Employment	112,452	-
National Pathway Management Network	33,445	-
	2,196,075	**2,280,939**

13. Cost recovery revenue

Technical Advisory Services	49,559,610	52,628,938
Infrastructure Delivery Improvement Programme (IDIP)	-	38,938
Employment Facilitation (Jobs Fund Project Management Unit)	55,739,204	64,031,313
Municipal Finance Improvement Programme III (MFIP)	15,688,182	14,341,159
Presidential Youth Employment	3,748,387	-
National Pathway Management Network	1,114,837	-
	125,850,220	**131,040,348**

14. Interest revenue

	2022	2021
Interest	33,239,296	25,729,620
	33,239,296	**25,729,620**

The interest is derived from the funds in the GTAC and PDF call accounts (refer to note 8). The other call accounts' interest do not accrue to GTAC and is as such disclosed as payables from non-exchanges transactions (refer to note 10).

15. Appropriated funding (National Treasury vote)

Government Technical Advisory Centre (GTAC) – Contribution to operations project allocations:	51,345,000	35,859,000
- Employment Creation Facilitation (Jobs Fund) – Projects	1,234,025	2,410,815
	52,579,025	**38,269,815**

16. Donor funding

"Building a Capable State" (BCS)	8,738,443	3,509,789
- funding from the Canadian department of Foreign Affairs, Trade and Development		
"Assessing the viability of utilising outcomes -based instruments for contracting service delivery by government"	-	204,565
- funding from the Government of Flanders		
	8,738,443	**3,714,354**

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 the 2019/20 financial year, during the 2020/21 financial year the payment has been received from ECPED and the allowance for impairment of debtors is reversed.

18. Goods and services

	2022	2021
Administrative fees	334,083	1,378,603
Advertising	86,961	127,925
Assets less than capitalisation threshold and maintenance	90,792	123,316
Audit committee fees	338,411	-
Audit fees	3,650,192	2,507,898
Bank charges	45,055	43,783
Bursaries	275,124	189,812
Bursaries - Public Economics Capacity Building (donor funded)	-	336,484
Internship	(293,944)	(449,733)
Catering	12,245	7,379
Communications	1,268,317	1,189,086
Computer services - internet charges and website	35,473	1,796,782
consumables and maintenance	79,411	219,918
Contractors general management	135,903	26,186

		2022	2021
Courier services		311	1,001
Entertainment		129	858
Injury on duty		824	-
Legal services		107,693	633,092
Licence fees		494,716	2,273,304
Losses and damages		62,488	29,347
Operating leases		425,398	234,796
Parking services		-	400
Project expenditure:	- Building a Capable State (Canadian Government funding)	8,572,869	3,490,574
	- Technical Advisory Services	38,190,671	54,114,218
	- Employment Facilitation - Jobs Fund Operations	8,939,242	16,002,107
	- Employment Facilitation - Jobs Fund Projects	27,078	1,047,911
	- Specialised Procurement - Project Development Facility	-	41,188
	- Capital Projects Appraisal	326,993	534,422
	- Assessing the viability of utilising outcomes based instruments for contracting service delivery by government	-	201,787
	- Consulting Services: Communications	1,814,555	-
	- National Pathway Management Network	1,110,335	-
	- Presidential Youth Employment	3,684,323	-
Resettlement cost		-	32,434
Security services		65,556	-
Stationery and printing		154,997	189,959
Subscriptions		54,511	661,357
Training		1,046,586	354,039
Transfers-Budget Portal		-	815,727
Transfers & disbursements-international organisation		1,062,358	-
Travel and subsistence		745,089	1,042,527
Venues and facilities		96,328	10,151
Covid -19 response		20,923	321,266
		73,061,996	**89,529,904**

18.1. Impact of Covid-19

Covid-19 had an impact in the operations of GTAC, in total R20,925 for 2021/22 (R321 266 - 2020/21) has been spent 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 have less of an 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	76,545,327	80,275,019
UIF, pensions and medical aid	9,131,366	9,586,856
Service bonuses	2,788,798	2,551,012
Performance bonuses	(448,577)	611,153
Other employee related costs	117,893	3,599,891
Housing allowances	777,649	810,254
Non pensionable	41,280,192	38,052,656
	130,192,648	**135,486,841**

20. Depreciation and amortisation

	2022	2021
Office equipment	359,208	173,434
Computer equipment	1,005,398	1,376,610
Furniture and fittings	44,565	44,565
Computer software	25,204	25,204
	1,434,375	**1,619,813**

21. Interest income

Interest income at the beginning of the year	5,126,314	8,245,840
Interest income received per the Statement of Financial Performance	33,239,296	25,729,620
Accrued net interest income at the end of the year	(10,936,323)	(5,126,314)
	27,429,287	**28,849,146**

22. Net cash flows from operating activities

Surplus/(Deficit) for the year	18,265,297	(15,148,289)
Adjustments for:		
Depreciation and amortisation	1,434,375	1,619,813
Loss on disposal of assets	62,488	29,347
(Decrease)/Increase in salary provisions and accruals	(2,306,980)	3,481,895
Increase in unspent government funding from non-exchange transactions	580,062,371	88,915,661
Increase/ (Decrease) in income received in advance	23,383,837	(941,236)
from exchange transactions	26,436,499	(38,938)
from non-exchange transactions	(3,052,662)	(902,299)
Changes in working capital		
Increase in receivables from exchange transactions	(2,263,417)	(11,689,056)
(Increase)/Decrease in receivables from non-exchange transactions	(2,639,633)	9,719,168
Decrease in inventory (work in - progress)	-	815,727
Increase/ (Decrease) in payables from exchange transactions	4,952,858	(2,764,008)
(Decrease)/ Increase in payables from non-exchange transactions	(2,565,143)	99,502
	618,386,053	**74,138,525**

23. Commitments

	2022	2021
Operating commitments		
- Contractual commitments	**829,247,202**	**88,441,406**

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 60 months. The commitments do 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 in the same sphere of government namely National Treasury is the Principal entity to GTAC. GTAC is a government component

Related party balances

Receivables		
Department of Employment and Labour (DEL)	1,148,282	-
Department of Planning, Monitoring and Evaluation (DPME)	323,180	-
Department of Higher Education and Training (DHET)	-	486,591

		2022	2021
Department of Public Works and Infrastructure (DPWI)		95,590	-
Department of Social Development (DSD)		-	1,103,056
Department of Science and Technology		-	544,920
Department of Tourism		-	499,248
National Treasury		9,189,187	8,462,960
Office of the Military Ombudsman		492,960	
Parliament		745,760	
South African Space Agency		470,840	
		12,465,799	**11,096,774**
Trade and other payables			
National Treasury	- Infrastructure Delivery Improvement Programme	7,096,584	7,096,583
	- Employment Creation Facilitation Programme	10,704,609	11,938,634
	- Municipal Finance Improvement Programme lll	176,609,554	155,403,699
	- Neighbourhood Development Programme	15,759,564	13,481,284
	- Jobs fund	274,609,270	16,731,296
Department of Public Works - Salvokop		-	278,101,118
Department of Public Works – DAFF*		15,000,000	15,000,000
Department of Public Works – Energy			62,745,014
Development Bank of Southern Africa Ltd (Independent Power Producer Procurement Programme)		435,261,462	226,931,520
Department of Social Development*		10,000,000	10,000,000
Department of Transport*		644,398	644,398
		185,578,340	-
		1,131,263,781	**798,073,546**

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

		2022	2021
National Treasury	- GTAC	51,345,000	35,859,000
	- Municipal Finance Improvement Programme lll	162,578,000	134,560,000
	- Neighbourhood Development Programme	180,755,000	60,626,337
		394,678,000	**231,045,337**

Services provided to related parties	2022	2021
Department of Basic Education	1,923,408	1,789,069
Department of Co-operative Governance & Traditional Affairs	1,085,840	153,354
Department of Employment and Labour	-	1,016,730
Department of Environmental Affairs (DEA)	-	1,740,275
Department of Higher Education and Training (DHET)	-	3,187,356
Department of Employment and Labour - National Pathway Management Network	1,148,282	
Department of Labour - Sheltered Employment Factory	1,248,200	-
Department of Performance Monitoring and Evaluations	443,654	
Department of Public Enterprises	2,595,000	1,546,155
Department of Public Service Administration	93,432	-
Department of Public Works and Infrastructure	402,505	-
Department of Science and Technology	453,720	544,920
Department of Social Development	1,592,345	2,500,230
Department of Telecommunications and Postal Services	-	1,087,232
Department of Tourism	-	499,248

	2022	2021
Government Pensions Administration Agency	151,680	-
National Economic Development and Labour Council	-	216,600
National Prosecuting Authority	614,080	1,560,601
National Treasury	91,399,493	92,043,263
National Youth Development Agency	3,860,838	-
Office of the Military Ombudsman	492,960	-
Parliament	745,760	-
Parliamentary Budget Office	316,000	-
Quality Council for Trade and Occupation	-	296,860
South African National Aids Council	291,510	-
South African National Space Agency	1,326,964	1,713,699
The Presidency	1,054,745	-
	111,240,420	**109,895,593**

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

Services received at no cost

National Treasury	16,103,173	20,894,994
	16,103,173	**20,894,994**

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

National Treasury -Consultancy	106,631	507,508
	106,631	**507,508**

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
6) Facilitation of the NPC's Strategic Planning Session

Key management personnel

2022		Basic	Performance	Service	Pension	Other allowances*	Total
		(Basic salary and non-pensionable)	Bonus	Bonus			
Name	**Designation**	R	R	R	R	R	R
R Engela	**Head of GTAC** (Acting) (from 01 February 2022)/ **DDG:** Public Expenditure and Policy Analysis	1,466,778	32,156	101,487	158,320	69,715	1,828,456
SPM Rautenbach	**Chief Director:** Financial Management	1,601,147	-	-	158,254	109	1,759,510
B Mashilo	**Chief Director:** Capital Projects Appraisal	1,149,526	-	77,432	120,794	109	1,347,861
S Naidoo (3 months)	**Chief Director:** Strategy Management and Communications	287,738	-	-	28,383	75,480	391,601
E Venter	**Acting Chief Director:** Strategy Management and Communications (from 01 July 2021)	1,152,500	14,799	-	113,340	19,266	1,299,905
TP Moleke	**Chief Director:** Transaction Advisory Services and PPP	1,500,646	-	-	125,912	8,149	1,634,707
N Allie -Edries	**Deputy Director-General:** Employment Facilitation	1,500,316	32,156	101,487	158,320	109	1,792,388
LO Ndlela	**Chief Director:** Institutional Development Services/ Head of GTAC (Acting) (to 31 January 2022)	1,502,988	-	-	136,132	420,676	2,059,796
EC Gille	**Chief Director:** Institutional Development Services	1,262,548	21,038	-	105,089	109	1,388,784
GH Louw (7 months)	**Chief Director:** Professional Services Procurement	633,994	-	71,252	71,319	134,887	911,452
NT Gobozi	**Acting Chief Director:** Professional Services Procurement (from 01 November 2021)	986,483	-	77,732	106,093	111,782	1,282,090
MJ Matshivha	**Acting Chief Director:** Municipal Finance Improvement Programme(from 1 July 2020)	1,302,915	-	-	-	10,397	1,313,312
EJ Stokes	**Director:** Human Capital Management and Corporate Services	958,654	27,091	31,393	95,367	33,857	1,146,362
H Boraine	**Acting DDG:** Public Expenditure and Policy Analysis (from 01 February 2022 to March 2022)	236,394	-	-	21,629	18	258,041
		15,542,626	**127,240**	**460,784**	**1,398,954**	**884,668**	**18,414,265**

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

Key management personnel

2021		Basic	Performance	Service	Pension	Other allowances*	Total
		(Basic salary, non-pensionable and acting allowance)	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**	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.

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/agent 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.

2022	Carrying amount	Current	30 Days	60 Days	90 Days	120 Days and more
	R	R	R	R	R	R
Trade receivables	12,824,290	10,754,468	-	-	-	2,069,822

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

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

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.

2022	Carrying amount	Current	30 Days	60 Days	90 Days	120 Days and more
	R	R	R	R	R	R
Trade payables	14,466,733	14,456,021	13	10,675	3	21

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

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
Condonement of the irregular expenditure

During the 2021/22 financial year, GTAC were in the process of applying for irregular expenditure condonement and as at 31 March 2022 the conditions existed relating to the application of condonement of irregular expenditure. The approval has been received on the 30 June 2022 and the Annual Financial Statements are authorised for issue on the 31 July 2022.

Effects on the 2021/22 financial year period	2021	2020
Increase in irregular expenditure condoned	52,562,021	-
Decrease in irregular expenditure balance	(52,562,021)	-

Refer to note 30

27. Notes to statement of comparison of budget and actual amounts
The accrual basis were used for budgetary purposes in line with the accounting framework

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

Adjustments to the approved budget
During the AENE, significant budget adjustments done were for BCS donor fund due to project extension to September 2021; Cost recovery projects budget reduced as a result of low demand and lastly; Jobs Fund was reduced with almost 28% by NT.

Two new programmes were added on the PMUs budget in the third quarter of the year which are National Pathway Management Network (NPMN) & Presidential Youth Service (PYS), Jobs Fund PMU in GTAC were appointed as a Fund Manager for the two programmes.

27.1 Cost recovery revenue

Under budget

The variance was mainly due to lower demand on technical advisory services projects than budgeted for. PER projects actuals were in line with projections; and lastly underspend on the PMUs National Pathway Management Network (NPMN) & Presidential Youth Service (PYS) which started in the third quarter, the programmes are expected to be rolled over to 2022/23. The other two PMUs (Jobs Fund and MFIP) also underspent, mainly due staff working remotely and that resulted in savings on operating costs.

27.2 Interest revenue

Over budget

All surplus funds are transferred to a call account that earns interest between 3.4% and 4.35% depending on the period fixed. The positive variance was mainly due to unspent monies and more funds received on principal agent projects and spending was slower than anticipated.

27.3 Administration fees and royalties

Under budget

The variance was mainly due to the underspend from PMUs (JF, PYS and NPM). The two new programmes (PYS & NPM) only started in the third quarter of the year and are expected to be rolled over to the next financial year.

27.4 Appropriated funding

Under budget

The significant variance was mainly due to unspent funds for the Infrastructure Planning Support project. The project never started due to delays on the implementation and procedural process between GTAC and NT. The other variance amount was due to underspend on the ECFF programme, currently only the Young Economic Graduate Programme is funded on the programme.

27.5 Donor funding

Under budget

The Building a Capable State (BCS) programme was the only donor fund active in the current year. The National Lockdown resulted in delays on some projects that resulted on some savings. However, the BCS programme ended in September 2021 and all unspent funds were returned to the donor.

27.6 Goods and services

Under budget

The under spending was due to a significant decrease in the number of projects budgeted for. Delays in implementation of the Infrastructure Support Planning project as a result of a MOA that is not signed. Limited spending on the travelling as most meeting are held virtually. Lastly, overall savings on operational costs as most employees work remotely from home.

27.7 Compensation of employees

Under budget

Under spending on compensation of employees was due to vacancies mainly on Jobs Fund, reversed leave and bonus provision and lastly lower COLA paid than projected.

27.8 Depreciation

Under budget

The variance was immaterial.

28. Financial instruments

	2022	2021

Categories of financial instruments

2022

Financial assets	At amortised cost	Total
Receivables from exchange transactions	24,776,544	24,776,544
Receivables from non-exchange transactions	2,639,634	2,639,634
Cash and cash equivalents	1,630,603,335	1,630,603,335
	1,658,019,513	**1,658,019,513**

Financial liabilities	At amortised cost	Total
Trade and other payables from exchange transactions	57,753,656	57,753,656
Payables from non-exchange transactions	1,369,805,339	1,369,805,339
	1,427,558,995	**1,427,558,995**

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**

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

	2022	2021
Opening balance	95,799,520	82,800,626
Add: irregular expenditure that relates to prior year non-compliance	28,744,773	38,482,867
Add: irregular expenditure identified during the current year		1,487,848
Less: irregular expenditure condoned in the prior years	(15,365,789)	(26,971,821)
Less: irregular expenditure condoned in the current year	(52,562,021)	-
Irregular expenditure to be condoned	**56,616,483**	**95,799,520**

The Internal Audit unit of the National Treasury has reviewed the Irregular expenditure for the 2017/18 financial year, and GTAC has submitted a condonation request to OCPO (NT) during 2021/22 financial year and the approval was granted on the 30 June 2022 before the Annual Financial Statements are authorised for issue (31 July 2022).

Refer to note 26, events after reporting period.

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.

			2022	2021
Bank balance			273,486,781	16,613,469
Assets-interest receivable			1,122,489	117,827
Liability			(274,609,270)	(16,731,296)
Revenue	–	Appropriated funds	596,768,000	513,037,210
	–	Interest accrued	7,298,680	3,449,568
Expenditure	–	Jobs Fund partner payments	346,187,603	648,670,540
	–	Bank charges	1,104	1,092

Presidential Youth Employment: implementation of the project on behalf of National Youth Development Agency (NYDA)

GTAC undertakes the administration of the Presidential Youth Employment sub-programme on behalf of NYDA. The programme is administered by a Project Management Unit, whose costs are recovered from NYDA. Disbursements to Partners for the implementation of approved projects is undertaken by GTAC, as an agent, on behalf of NYDA, as principal.

Bank balance (including operational funds)	188,784,963	-
Assets - interest receivable	42,954	-
Liability (including operational funds)	(185,578,340)	-
Difference - inter account transfer between GTAC/PDF and the PYE account. To be corrected in the next financial year.	**3,249,577**	**-**

Revenue	- Appropriated funds	189,396,320	-
	- Interest accrued	42,954	-
Expenditure	- Payments to service providers	3,860,839	-
	- Bank charges	95	-

National Pathway Management Network: Implementation of the project on behalf of Department of Employment and Labour (DEL)

GTAC undertakes the administration of the National Pathway Management Network sub-programme on behalf of Department of Employment and Labour (DEL). The programme is administered by a Project Management Unit, whose costs are recovered from DEL. Disbursements to Partners for the implementation of approved projects is undertaken by GTAC, as agent, on behalf of DEL, as principal.

	2022	2021
Receivable (payable to GTAC)	1,114,837	-
Difference - inter account transfer between GTAC and the NPM account. To be corrected in the next financial year.	1,114,837	-
Expenditure - Payments to service providers	1,114,837	-

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.

		2022	2021
Bank balance		403,577,617	224,310,459
Assets - Interest receivable		6,683,845	2,621,061
Liability		(435,261,462)	(226,931,520)
Difference - inter account transfer between GTAC and the IPPPP account. To be corrected in the next financial year.		(25,000,000)	-
Revenue	- Development and request for proposal fees	294,789,864	46,929,252
	- Appropriated funds	100,000,000	
	- Interest accrued	13,541,683	7,702,825
Expenditure	- Salaries and overheads	200,000,000	119,440,000
	- Bank charges	1,606	1,781

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.

		2022	2021
Bank balance		15,663,753	13,431,922
Assets - Interest receivable		70,610	49,362
Liability*		(15,759,564)	(13,481,284)
Difference – inter-account transfer between GTAC and the NDP account. To be corrected in the next financial year.		(25,201)	-
Revenue	- Appropriated funds *	180,755,000	60,626,337
	- Interest accrued	1,163,969	490,314
Expenditure	- Payments to service providers	179,261,585	60,626,337
	- Administration fees	378,000	360,000
	- Bank charges	1,104	1,092

* -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 Programme.

		2022	2021
Funds available		176,609,554	155,403,699
Liability		(176,609,554)	(155,403,699)
Revenue	- Appropriated funds	162,578,000	134,560,000
Expenditure	- Payments to service providers	141,372,144	102,744,084

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.

	2022	2021
Funds available	644,398	644,398
Liability	(644,398)	(644,398)

Department of Public Works – Salvokop

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

Funds available	249,385,611	278,101,118
Liability	(249,385,611)	(278,101,118)
Funds received	-	194,000,000
Expenditure - payments to service providers	28,715,507	1,512,380

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
Asset (receivable by GTAC)	2,639,634	(62,745,014)
Difference - DPW to reimburse GTAC. To be done in the next financial year.	2,639,634	-
Funds received	-	59,743,093
Expenditure - payments to service providers	65,384,648	1,053,881

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 manage-ment support and procurement services to assist with the appointment of a transactions advisor to Durban Water Recycling Plant and KwaMashu & Northern Waste Water Treatment Works (WWTW).

Funds received	-	7,507,977
Expenditure – payments to service providers	-	7,507,977

32. Prior period errors

1. Error in disclosure of prior year commitments

The prior year commitments did not include some of the contracts that started in the year 2020/21 financial year, this resulted in an error in the prior year calculation.

Increase in commitments	-	12,928,184

Refer to note 22.

	2022	2021

2. Error in disclosure of cash flow statement

In the prior year the calculations on contingent liability (retention of surplus) did not include the provision as per the guideline on the GRAP standard, this resulted in an error in the prior year calculation.

Decrease in contingent liability (retention of surplus)		2,840,835

Refer to note 33

33. Contingent liability

	2022	2021
Legal case against the Minister of Finance/National treasury and the service provider, on the contract terminated by GTAC	2,041,130	

Contracts (2020/06/1027/571/GTAC and 2020/06/1027/576/GTAC) were terminated by GTAC on 2 July 2021 due to poor performance by the allocated resources. One resource from the service provider initiated a process of suing the Minister of Finance and the NT: DG, the matter is with high court and NT is defending the case. It remains unclear whether GTAC will be joined in the case as the Respondent or not in future and therefore no present obligation exists for GTAC. As at 31 March 2022 there is still uncertainty on a possible obligation by GTAC as a result of the past event of terminating a contract.

	2022	2021 Restated
Accumulated surplus (unspent government funds)	229,253,740	211,388,235

In terms of the PFMA, all surplus funds (cash and cash equivalents plus receiva-bles less current liabilities) as at the reporting date may be forfeited to the National Treasury.

In terms of PFMA section 53(3), the accounting authority must submit the formal request to retain surplus funds thorough the designated department (National Treasury).

A request for the retention of the accumulated surpluses resulting from operations in the financial year ended 31 March 2022 and prior years will be made to the National Treasury in September 2022 and there is uncertainty around the probable out-flow/retention of these funds.

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 in 2020/21 year. Management has used their best estimates, if implemented, a 4% (equivalent to R5,419,474.00) is anticipated and it will be backdated to 01 April 2020. The court case was concluded in 2021/22 financial year, the agreement was reached and the payment were made from persal system in accordance with the agreement from DPSA

NOTES:

ANNUAL REPORT

The GTAC Annual Report 2021/22 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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