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National Treasury
REPUBLIC OF SOUTH AFRICA



ANNUAL REPORT

2022/2023

23



national treasury

Department:
National Treasury
REPUBLIC OF SOUTH AFRICA

GOVERNMENT TECHNICAL ADVISORY CENTRE (GTAC) ANNUAL REPORT

2022/2023

The GTAC Annual Report 2022/23 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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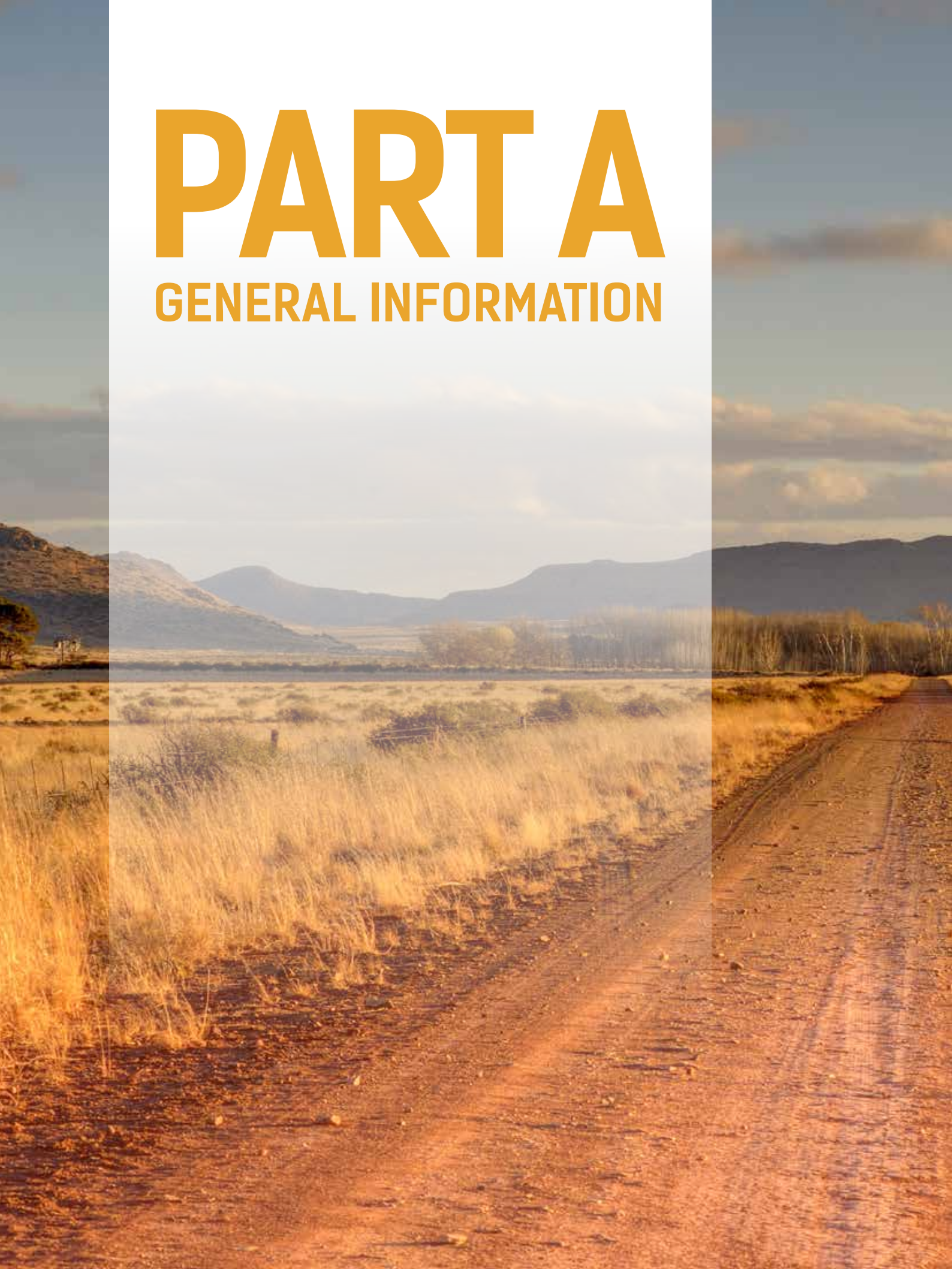
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LIST OF ABBREVIATIONS AND ACRONYMS

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 Capacity
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





An aerial photograph of Johannesburg, South Africa, featuring the M102 tower prominently in the background. The foreground is filled with a dense urban landscape of various high-rise buildings and residential structures. The sky is clear, and the overall scene is bathed in a warm, golden light, suggesting either sunrise or sunset. A large orange vertical bar is positioned on the right side of the image, serving as a background for the title and text.

MINISTER'S FOREWORD

I am pleased to provide the foreword for the Government Technical Advisory Centre's (GTAC) annual report for 2023. In our ever-changing and dynamic economic landscape, the role of GTAC becomes increasingly crucial. This report highlights the remarkable contributions made by GTAC in various crucial areas, including infrastructure development, big data analytics, expenditure reviews, organisational development, technical advice, knowledge sharing, and public-private partnerships. GTAC's dedication to supporting the centre of government, particularly the South African National Treasury, in building government capacity in public finance and addressing complex challenges in this field is commendable.



ENOCH GODONGWANA
MINISTER OF FINANCE

At the same time, this report goes beyond presenting numbers and statistics. It reflects the resilience and adaptability of GTAC in its unwavering dedication to sound economic principles, innovation, and inclusivity. South Africa's macro and microeconomics have been pivotal in shaping our nation's growth trajectory. As we strive for economic progress, it is essential to have a robust public finance system that effectively manages resources, promotes fiscal sustainability, and facilitates equitable development. GTAC has played a vital role in this regard by providing expert advice and technical assistance to the government.

One of GTAC's notable achievements has been in the field of infrastructure development. The centre's expertise has significantly contributed to the planning and implementation of critical infrastructure projects across the country. Leveraging their knowledge and experience, GTAC has helped optimise resource allocation, enhance project efficiency, and promote sustainable infrastructure solutions. These efforts have undoubtedly facilitated economic growth and improved the quality of life for our citizens. Furthermore, GTAC's expertise in big data analytics has strengthened evidence-based decision-making within the government. Through their analytical capabilities, GTAC has provided valuable insights into complex economic trends, fiscal risks, and expenditure patterns. This data-driven approach has enabled informed policy choices, efficient resource allocation, and greater accountability and transparency in public financial management.

The annual report also emphasises GTAC's contribution to expenditure reviews, organisational development, and specialised technical advice. By conducting rigorous assessments of government spending, GTAC has identified opportunities for cost savings, improved efficiency, and enhanced service delivery. Additionally, through capacity-building initiatives and critical strategic advice and interventions, GTAC has on the one hand helped develop skilled professionals within the public sector, fostering a culture of excellence and continuous improvement and on the other hand equally contributed to improved service delivery. Knowledge sharing and collaboration have been integral to GTAC's success. The centre's commitment to disseminating best practices, facilitating peer learning, and fostering partnerships has strengthened our collective efforts in public finance management. GTAC's initiatives, have created

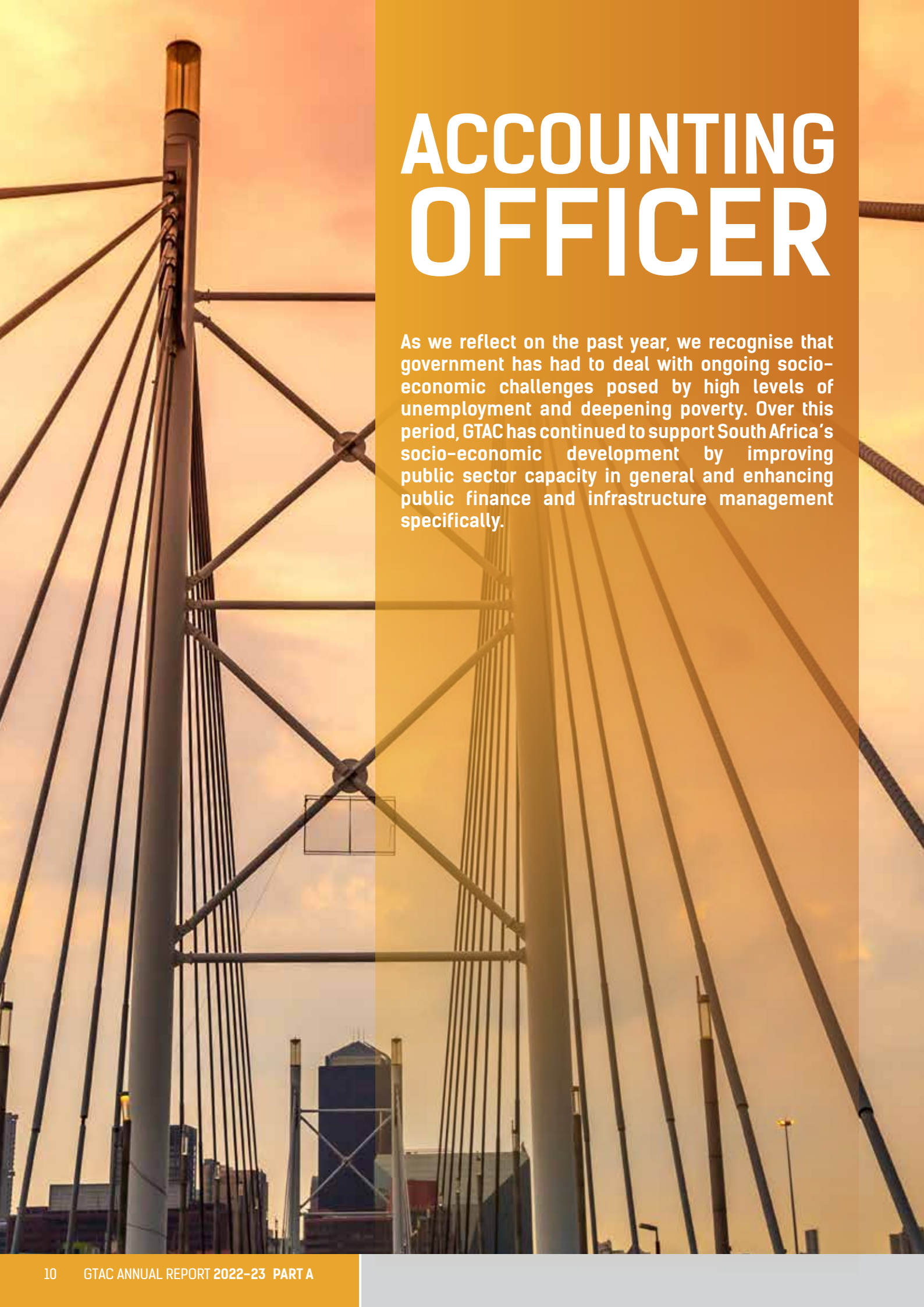
platforms for engagement and dialogue, promoting innovation and the exchange of ideas.

Public-Private Partnerships (PPPs) have emerged as powerful tools for addressing infrastructure gaps and unlocking investment opportunities. GTAC's involvement in PPPs has been invaluable in promoting effective collaboration between the public and private sectors. By providing technical expertise and advisory support, GTAC has helped structure and implement successful PPP projects that deliver sustainable outcomes and drive economic growth. It is important to acknowledge that GTAC's achievements are the result of a collective effort. The collaboration between GTAC, policymakers, stakeholders, and citizens has been instrumental in driving their successes. Together, they have fostered an environment of trust, open dialogue, and shared aspirations, contributing to navigating complex economic landscapes and finding solutions that benefit all. As GTAC embarks on the next phase of its journey, I encourage them to remain steadfast in their commitment to providing expert advice in the field of sound financial management, maintaining prudent fiscal policies, and striving towards inclusive economic growth.

In conclusion, I would like to commend GTAC for its unwavering commitment to supporting the South African National Treasury and the broader government in addressing complex challenges in public finance. The centre's expertise has been pivotal in building government capacity and finding innovative solutions to priority challenges. I look forward to witnessing GTAC's continued contributions to our nation's socioeconomic development.

ENOCH GODONGWANA
MINISTER OF FINANCE

Date: 31 July 2023



ACCOUNTING OFFICER

As we reflect on the past year, we recognise that government has had to deal with ongoing socio-economic challenges posed by high levels of unemployment and deepening poverty. Over this period, GTAC has continued to support South Africa's socio-economic development by improving public sector capacity in general and enhancing public finance and infrastructure management specifically.



RONETTE ENGELA
ACTING HEAD AND ACCOUNTING OFFICER: GTAC

Together with National Treasury and other key partners in the public and private sector, GTAC has provided strategic advice, specialised project management, evidence-based learning, institutional support and policy advice to support the fulfilment of the country's economic and development recovery efforts. In addition, GTAC is establishing itself as the 'go-to' government partner in the field of big data analytics, with key government decisions informed by big data analysis provided by GTAC. Expenditure reviews, and the capacitation of public finance officials to do expenditure reviews, are becoming an institutionalised element of planning and delivery by government.

The central role of infrastructure development is well understood. Working closely with NT, the Presidency, the Centre of Government, other key stakeholders such as the DBSA and industry leads, GTAC provides specialised expertise to advise on mega infrastructure projects, provides a platform for knowledge sharing and brings key partners together to jointly map the infrastructure development needs and solutions for South Africa. In addition, GTAC plays a critical role in facilitating public-private partnerships that are key to igniting economic activity – the PPP portfolio continues to grow as the private sector takes up the invitation by the President to co-partner with government in developing infrastructure.

A core mandate of GTAC is to seek out new knowledge and harvest innovation. In the rapidly evolving knowledge base of

the 21st century world, governments have to invest time and resources into thinking about and planning for the future. To this end, GTAC has established a knowledge hub that is set to be the premier site of learning and research for government with more than 1500 knowledge products. As we look ahead to the coming year, GTAC remains committed to our goal of strengthening state capability and will focus on becoming more strategic and impactful at the centre of government.

I would like to thank the GTAC team for their hard work and dedication over the past year. We have achieved much but there is still much work to be done. I am confident that together we can continue to make a positive impact on South Africa's economic recovery and development.

A handwritten signature in black ink, reading "R. Engela".

RONETTE ENGELA
ACTING HEAD AND ACCOUNTING OFFICER: GTAC
Date: 31 July 2023

A large bronze statue of a Kudu antelope stands prominently in a fountain. The antelope is depicted in a dynamic pose, with its head turned slightly to the left and its long, spiraling horns clearly visible. Water splashes around its legs, creating a sense of movement. In the background, a yellow building with a green, domed roof is partially visible under a clear blue sky. The right side of the image features a semi-transparent orange overlay containing the title text.

ACCOUNTING OFFICER STATEMENT



RONETTE ENGELA
ACTING HEAD AND ACCOUNTING OFFICER: GTAC

Statement of responsibility and confirmation of accuracy for the annual report for the year ended 31 March 2023.

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 2023.

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.

RONETTE ENGELA
ACTING HEAD AND ACCOUNTING OFFICER: GTAC
Date: 31 July 2023

1. STRATEGIC OVERVIEW

1.1 VISION, MISSION AND VALUES

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



VISION



MISSION

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

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

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.



VALUES & PRINCIPLES

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 INSTRUCTIONS¹

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:

¹ Government Gazette, No. 25 of 2012, and GTAC Business Case, 2011.

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

1.4 MEDIUM-TERM STRATEGIC FRAMEWORK

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

- **Priority 1:** A capable, ethical and developmental state
- **Priority 2:** Economic transformation and job creation
- **Priority 3:** Education, skills and health
- **Priority 4:** Consolidating the social wage through reliable and quality basic services
- **Priority 5:** Spatial integration, human settlements and local government
- **Priority 6:** Social cohesion and safe communities
- **Priority 7:** A better Africa and world

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

1.5 GTAC'S BUSINESS FOCUS

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

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

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

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

1.6 BUSINESS MODEL

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

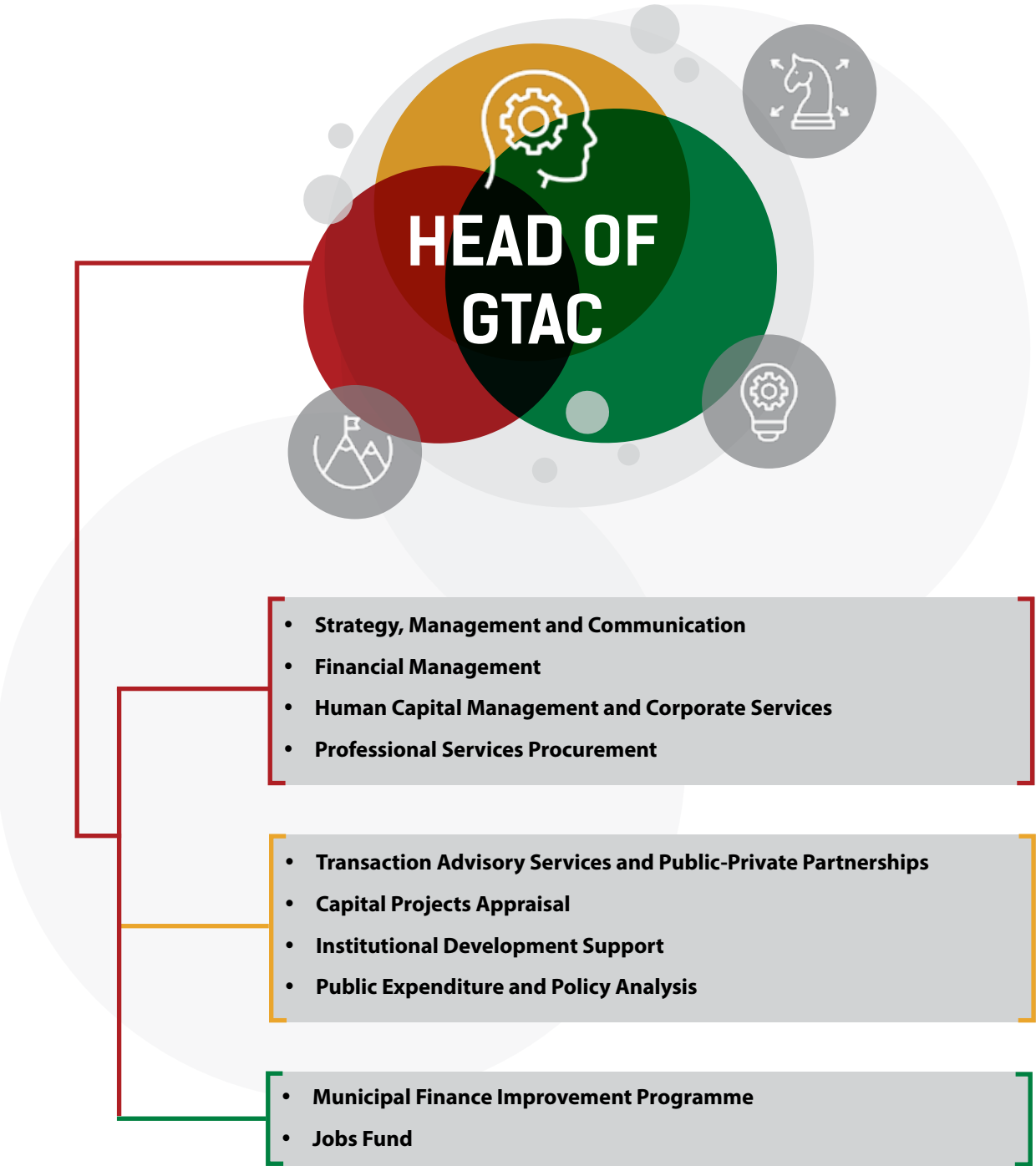
GTAC's business model is guided by a strategic intelligence through which it constantly maps its actions and interventions against a changing environment. This allows it to innovate; respond creatively, appropriately and timeously to new pressures; and seek out new opportunities for responding to public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

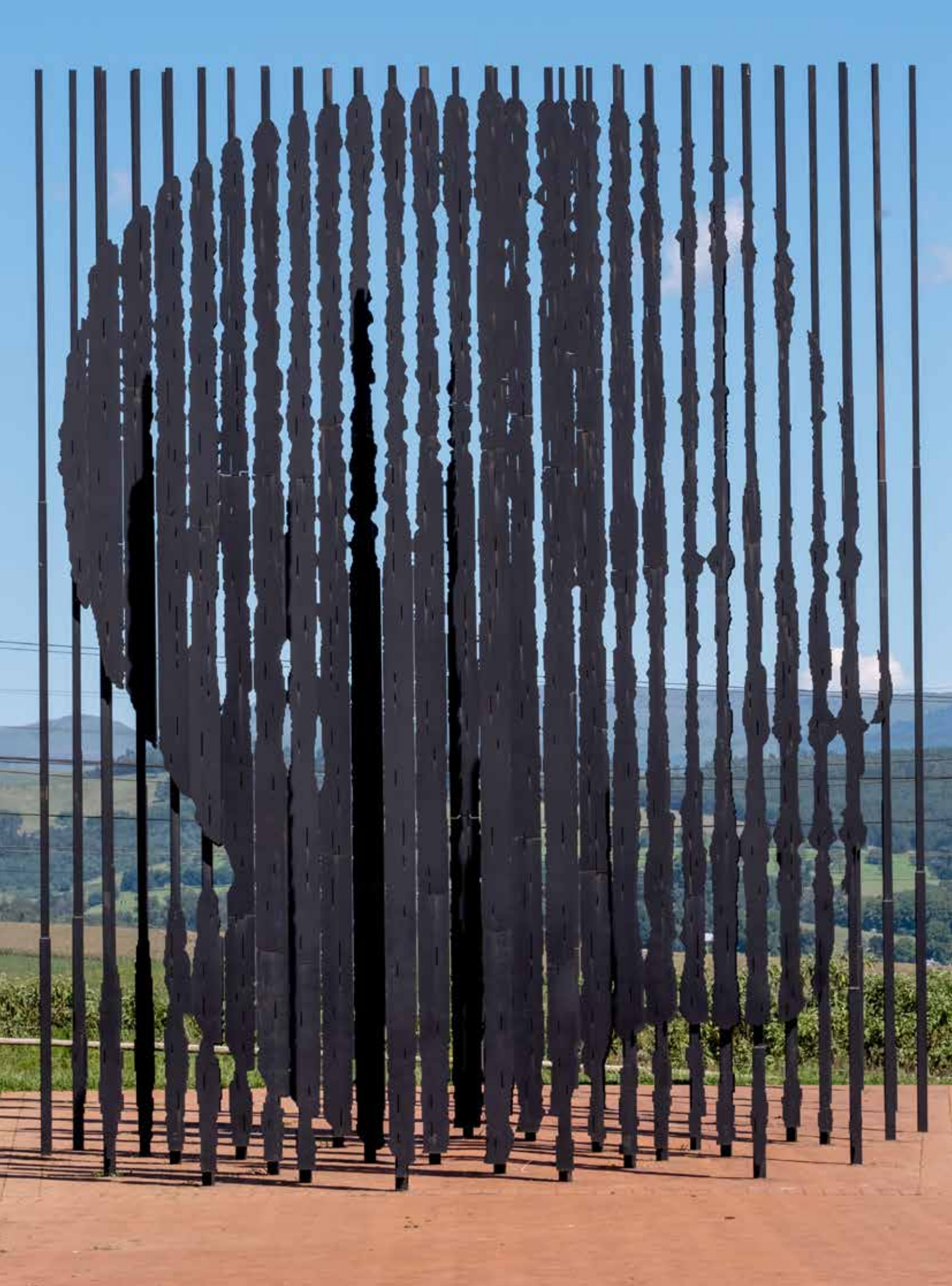
GTAC determines the viability of the requests it receives by assessing whether they are aligned with its mandate of building state capability. If so, it brings together the skills needed to deliver on the request. A significant part of the GTAC business model is based on cost recovery, so that departments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

1.7 ENTITIES REPORTING TO THE MINISTER/MEC

Not applicable to GTAC

1.8 ORGANISATIONAL STRUCTURE





PART B

PERFORMANCE INFORMATION





2.

AUDITOR GENERAL'S REPORT: PREDETERMINED OBJECTIVES



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. The audit report does include a paragraph on the audit of the annual performance report.

Refer to page 93 of the report of the Auditor-General, published as Part F: Financial Information.

TSAKANI MALULEKE
AUDITOR GENERAL

Date: 31 July 2023

A photograph of three construction workers on a rooftop. One worker in the foreground is wearing a bright yellow safety vest and is kneeling on concrete blocks, working with a tool. Two other workers are in the background, one in a blue shirt and another in a blue shirt and blue pants. The background shows a cityscape with buildings and greenery. A green geometric pattern of lines and dots is overlaid on the left side of the image.

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 with efforts 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.

GTAC needs an agile approach to effectively respond to demands from clients. At the same time GTAC needs to be well positioned to contribute to reshaping government with a people-centred development approach.

Achieving these objectives requires a stable economic environment and this is one of the main challenges that GTAC specifically, and the country as a whole has faced during the period under review.

In the period of the current strategic plan, GTAC has experienced continuous and significant reductions in its operating budget and this trend is expected to continue. The donor priorities have shifted from traditional, untied funding to a model that emphasises trilateral cooperation on identified focus areas. This shift in donor priorities has negatively affected GTAC's donor funding environment. As at the end of the year under review, GTAC only had one donor.

The GTAC Accounting Officer's position is still vacant, with the rate of vacancies in GTAC currently at 25%. This has put a strain on human resources and is reflected by the number of leave days not taken by personnel in general. GTAC has not been able to meet its gender equity target but is showing a positive trend in meeting its other equity targets.

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

- **Continued implementation of the funding model, including a review of GTAC's costing model for deploying consultant resources to project delivery.** This also covers the sustainability of other investments GTAC makes to ensure adequate funding streams, to help counteract lower appropriations and donor resources.
- **Personnel shortages will be addressed by implementing the HR plan,** prioritising appointments according to Section 21 regulation to meet Employment Equity targets and continuing to engage the executive authority in finalising the recruitment process for the Head of GTAC.

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	2022/23 progress
1. Capacity of government institutions improved through the provision of technical and advisory support	1.1 GTAC's offering influences and strengthens the work of government	Nil	Build capability of government officials in conducting performance and expenditure reviews (PERs), making sound infrastructure submissions, and undertaking public-private partnerships (PPPs). Strengthen capacity of government institutions to deliver services.	PEPA: Two spending review projects completed, and four remuneration reports completed. CPAU: Twenty-three appraisal reports completed; four knowledge products produced, and four stakeholder interventions held. PPP: Three projects recommended for NT approval, four foundational and two municipal capacity building events held. IDS: Nineteen projects were completed contributing to improved capacity of institutions and two knowledge management events held. GTAC has contributed to a capable state by strengthening national and provincial government capacity for public finance analysis. Departments that have completed spending reviews under the guidance of the PEPA unit have used the findings to make decisions about resource allocation and efficiency improvements. By blending training and technical assistance, the PEPA unit was able to deepen the analytic skills of public officials. Thus, ensuring that officials work as a team on a spending review, the current capacity-building model also built institutional capacity to conduct spending reviews. To contribute to infrastructure planning, budgeting, financing, procurement and implementation capacity improvements, the CPAU has strengthened the capacity of the National Treasury by providing the analytical and advisory ability to appraise large and complex projects in the economic and social sectors. Furthermore, GTAC provided transaction advice on PPPs and guidance for conventional infrastructure procurement around infrastructure development. These advisory services have deepened the capacity of national and provincial departments and municipalities to enter into PPPs as an alternative means of financing their infrastructure programmes. To enhance capacity of client institutions to develop their strategic and operational plans and recalibrate their institutional structure to deliver on their mandate more efficiently and effectively, the IDS unit supported organs of state in organisational planning and design to execute their responsibilities more efficiently and cost-effectively.
2. Responsive and customised services for programme implementation support	2.1 Percentage 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, 96% satisfaction achieved.
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, Strategy and Procurement) and the ability of the business to provide feedback on these services. The following criteria was used: responsiveness, professionalism, quality and communication.				

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 four sub-programmes:

- Financial Management;
- Human Capital Management and
- Corporate Services;
- Professional Service Procurement; and
- Strategic Management and Communications.

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 2020/21	Audited actual performance 2021/22	Planned annual target	Actual achievement 2022/23	Deviation from target to actual achievement 2022/23	Reasons for deviations
Responsive and customised services delivered for programme implementation support	1.1 Efficient and effective financial services to GTAC	1.1.1. Unqualified audit opinion	n/a	Unqualified audit opinion	Unqualified audit opinion	Unqualified audit opinion	n/a	n/a
		1.1.2. Percentage reduction of material findings per annum	n/a	n/a	10% reduction of material findings	40% reduction of material findings	30%	Over performance is attributed to improvement in the control environment
		1.1.3. Percentage of invoices received and paid in 30 days	100%	n/a	100%	99.97% (3196/3197)	-0,03%	Under performance is attributed to an administrative error during processing of invoices.
	1.2 Employment Equity targets achieved	1.2.1. Percentage of people with disabilities	2,53%	0%	2%	0,72%	-1,28%	Under performance is attributed to the fact that the applicants from the designated group were not successful in the recruitment process and there were no new disclosures from the current employees.
		1.2.2. Percentage of females in SMS positions	32.65%	35%	50%	35%	-15%	Under performance is attributed to limited SMS positions available for filling.
		1.2.3. Percentage of females as a percentage of total headcount	n/a	n/a	51%	57%	6%	Over performance is attributed to a greater number of females applying and being successfully appointed in MMS and entry level posts.
		1.2.4. Percentage of black employees as a percentage of total headcount	n/a	n/a	92%	89%	-3%	Under performance is attributed to several resignations in the designated group.

PROGRAMME 1: MANAGEMENT SUPPORT SERVICES								
Outcome	Output	Output indicator	Audited actual performance 2020/2021	Audited actual performance 2021/2022	Planned annual target	Actual achievement 2020/21	Deviation from target to actual achievement 2020/21	Reasons for deviations
Responsive and customised services delivered for programme implementation support	1.3 Knowledge Innovation Capacity Development (KIC) function delivered	1.3.1 Percentage of interventions enabled through the KIC model	n/a	n/a	100%	100%	n/a	n/a
	1.4 Visibility and branding improved	1.4.1 Percentage growth in people reached through digital and social media channels	n/a	n/a	25%	91%	66%	Over achievement is attributed to active implementation of the communication strategy and exponential growth of interest in the work and the value add of GTAC knowledge products.

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

OUTPUT INDICATOR	ACTION PLAN
1.1.3. Percentage of invoices received and paid in 30 days	GTAC will improve the administration process and strengthen quality assurance
1.2.1 Percentage of people with disabilities	GTAC will continue positioning the brand as an employer of choice amongst social society and disability advocacy groups. Temporary disability applications will also be considered in terms of these statistics.
1.2.2 Percentage of females in SMS positions	The GTAC EE plan will continue to be used to drive talent pool numbers. All interview panels will be provided with a complete EE Analysis to guide their decision making in the process. Disaggregated data will be collected for the position advertised to ensure that trends can be analysed to inform specific action plans (training/talent pools/sparse skills headhunting etc) which will be put in place to mitigate the risks of not having suitable designated candidates from which to source.
1.2.4. Percentage of black employees as a percentage of total headcount	The GTAC EE plan will continue to be used to drive talent pool numbers. All interview panels will be provided with a complete EE Analysis to guide their decision making in the process. Disaggregated data will be collected for the position advertised to ensure that trends can be analysed to inform specific action plans (training/talent pools/sparse skills headhunting etc) which will be put in place to mitigate the risks of not having suitable designated candidates from which to source.

Note: SMS – senior management service



PROGRAMME 1 OUTPUTS

Indicator 1.1.1. Unqualified audit opinion

GTAC continued with efforts to ensure good governance and internal control through effective administration of funds. As at the end of the period under review, GTAC received an unqualified audit opinion from AGSA.

Indicator 1.1.2. Percentage reduction of material findings per annum

As at the end of the period under review, GTAC's improved systems and processes have resulted in the successful reduction of material findings from 21 audit findings reported in the previous year to 15 findings (40% reduction). This is 30% better than the anticipated target of 10%, clearly showing that the systems and processes are successful.

Indicator 1.1.3. Percentage of invoices received and paid in 30 days

In the period under review, a total of 3196 invoices were processed and paid within 30 days. Through-out the financial year, GTAC's phenomenal achievement of only one invoice exceeding the prescribed turnaround time (due to an error during the administration process) needs to be acknowledged.

Indicator 1.2.1 Percentage of people with disabilities

GTAC has shown progress in achieving this target. Unfortunately, the designated group was not sufficiently successful in applying for advertised positions. GTAC is committed to create more awareness among the designated group as it relates to opportunities in GTAC.

Indicator 1.2.2 Percentage of females in SMS positions

The employment equity target for the appointment of women to the senior management service (SMS) remains at 35%. GTAC underachieved on this target, primarily because of a limited number of vacancies.

Indicator 1.2.3. Percentage of females as a percentage of total headcount

GTAC has achieved its aim to create gender equity in the workforce with 57% female employees. The pool of female Middle Managers (MMS) employees will be empowered to become a pipeline for meeting the SMS representativity target, whilst at the same time there will be a focus to attract skilled males employees at the lower level to create a balance between the two competing targets.

Indicator 1.2.4. Percentage of black employees as a percentage of total headcount

GTAC is well on its way to ensuring transformation of the organisation with a steady increase in the number of people in this category, with racial representation standing at 89% black employees as a percentage of total headcount. The consistent focus on the analysis will ensure that the balance between the designated and non-designated group is achieved and then maintained.

Indicator 1.3.1 KIC percentage of interventions enabled through the KIC model

GTAC has fully delivered on this target by executing all interventions requested and initiated.

Indicator 1.3.2 Percentage growth in people reached through digital and social media channels

GTAC aims to improve its visibility and branding through digital and social media channels. GTAC is represented on three social media platforms (X (formally Twitter) LinkedIn, and YouTube). At the beginning of this financial year, GTAC had 700 subscribers across all three platforms (as a baseline).

As at the end of the period under review, GTAC has seen exponential growth with a total of 2890 followers on all social media platforms (X (formally Twitter):451, YouTube:115 and LinkedIn: 2324), while a total of 5236 users visited the GTAC website. The growth can be ascribed to the active implementation of the communication strategy and interest relating to the content shared such as bi-weekly *WhatsUps* (GTAC public economics publication-reaching approximately four thousand readers bi-weekly), knowledge products, GTAC vacancies and tenders.

Support Services Key highlights

Human Capital Management (HCM)

HCM initiated several initiatives to address the under achievement on certain equity targets, like the submission of the proposed Employment Equity Section 20 Plan to the Department of Employment and Labour. GTAC distinguished itself by completing an in-depth lifestyle audit of the full Senior Management Service. The learning and development needs of personnel was prioritised, and this will see GTAC receive a return on investment, in the years to come.

Professional Services Procurement

GTAC's goal over the Medium Term Expenditure Framework (MTEF) period has been to provide specialised procurement of critical expertise through a fast-track, flexible mechanism within the remit of the Public Finance Management Act. As at the of the year under review, a mechanism for the procurement of scarce skills has been successfully delivered through continuous refreshing of the Service Providers Panels. The following panels were concluded: Neighbourhood Development Panel and the Transaction Advisory and PPP Panel.

Through this specialised procurement, GTAC has been able to assist with skills as needed, while also providing efficiencies of scale. GTAC continued to provide administrative and operational support to the National Treasury's Jobs Fund and Municipal Finance Improvement Programme (MFIP) through provision of specialised procurement support.

Strategic Management & Communications

GTAC has established a knowledge Hub which currently has more than one thousand knowledge products, covering a broad range of subject matter.

GTAC's knowledge management function has directly contributed to improving government capacity by organising knowledge-sharing and peer-learning events in the period under review. The knowledge management function delivered more than forty online webinars with more than three thousand attendees. In addition to this several capacity-building learning events took place, including the GTAC Winter School with more than five hundred attendees from across the world.

GTAC also coordinated the development and publication of the first edition of the official South African Covid-19 Country Report. The second Covid-19 country report has also been prepared in the reporting period. GTAC is also the proud owner of the *Development Southern Africa Journal*.

5.2 PROGRAMME 2: TECHNICAL AND ADVISORY SERVICES

PURPOSE

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

OVERVIEW

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

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

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 2020/21	Audited actual performance 2021/22	Planned annual target 2022/23	Actual achievement 2022/23	Deviation from planned target to actual achievement 2022/23	Reasons for deviations
Capacity of government institutions improved through provision of technical and advisory support	2.1.1 Capital appraisal reports completed	2.1.1.1 Percentage of project appraisal reports completed per year	n/a	n/a	100%	100%	n/a	n/a
	2.1.2 Knowledge products produced	2.1.2.1 Number of knowledge products produced per year	n/a	3	4	4	n/a	n/a
	2.1.3 Stakeholder events held	2.1.3.1 Number of stakeholder interventions held	3	3	4	4	n/a	n/a
	2.2.1 Institutional development support provided	2.2.1.1 Percentage of approved institutional development support projects completed on time and within budget	100%	100%	100%	100%* (19/19)	n/a	n/a
		2.2.1.2 Number of knowledge-sharing events held	2	2	2	2	n/a	n/a
	2.3.1 Procurement ready projects supported	2.3.1.1 Number of memos submitted for NT Approval 1 consideration	n/a	n/a	3	3	n/a	n/a
	2.3.2 Capacity-building initiatives delivered	2.3.2.1 Number of foundational PPP capacity-building events held	1	4	4	4	n/a	n/a
		2.3.2.2 Number of PPP biannual capacity building events held	0	2	2	2	n/a	n/a
	2.4.1 Spending review reports assessed in terms of the PEPA quality standards	2.4.1.1 Percentage of spending review reports assessed in terms of the PEPA quality standards	n/a	n/a	100%	100%	n/a	n/a
	2.4.2 Remuneration analysis reports developed	2.4.2.1 Number of remuneration reports developed	4	4	4	4	0	n/a
	2.4.3 Spending review e-course quality assessed	2.4.3.1 Percentage satisfaction rating of spending review e-course by respondents	n/a	n/a	75% or above satisfaction rating of e-course	95% satisfaction rating of e-course	n/a	n/a

*Eleven (11) projects were extended as provided for in the governance documents (9 for no-cost time extensions, and 2 for cost and time extensions).

PROGRAMME 2 OUTPUTS

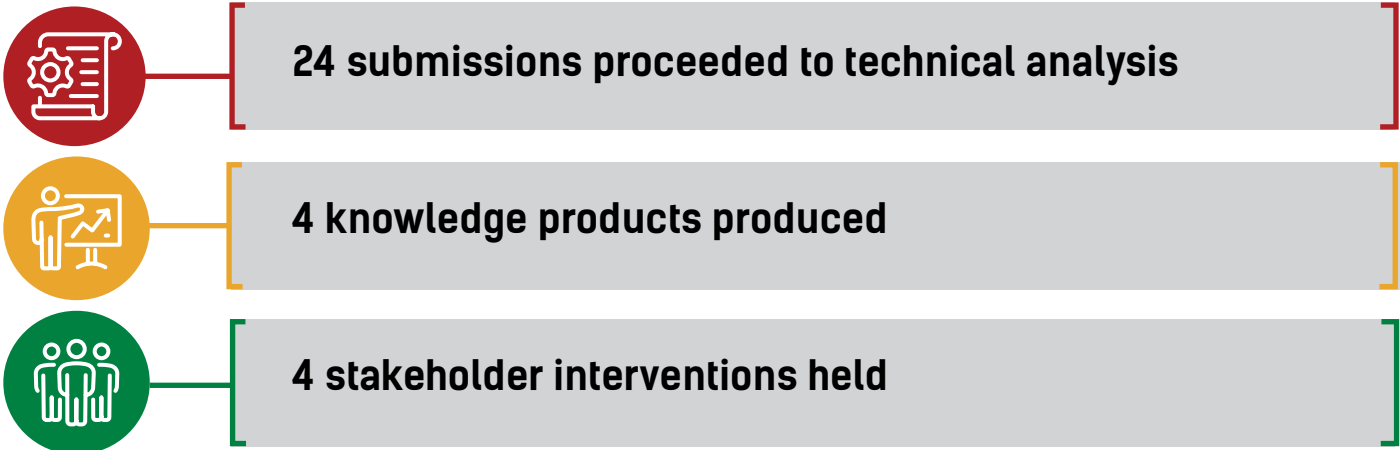
Capital Projects Appraisal Unit

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 National Treasury issued the sixth call for submissions under the Budget Facility for Infrastructure (BFI). The call was issued in two parts, one for the adjustment budget (2022/23) and the other for the 2023 MTEF period.

A total of twenty-four proposals met the requirements to proceed to detailed technical analysis. The unit compiled appraisal reports to highlight findings and make recommendations to the Joint Technical Committee of the BFI on how the proposals should proceed. The Committee decided on which proposals should be submitted into the budget process with a funding recommendation, which proposals should be reconfigured, and which proposals should be referred to the Project Preparation Facility for further support. The appraisal reports were included in the National Treasury responses to sponsors on the outcomes of their submissions.



The following appraisal reports were completed:

- Lufhereng Bulk Infrastructure Programme
- Rural Bridges Programme
- Square Kilometre Array Observatory Data and Infrastructure Hosting Obligations
- Student Housing Infrastructure Programme Phase 2: clusters 1 & 2 (SHIP)
- North-West Roads Programme
- Ngqura Manganese Export Terminal Project
- Cape Town Container Terminal Expansion
- Space Infrastructure Hub
- Potsdam Wastewater Treatment works expansion and upgrade
- Avoca Node
- Tsantsabane-Postmasburg development
- NMBMM water security programme, Part A: Short-term interventions
- Umkhomazi Water Project - Raw Water Component
- COEGA Sez Water Security Programme
- Northern Cape Education Programme
- Lufhereng Mixed Use Development
- Lanseria Wastewater Treatment Works - Phase 1
- Sol Plaatje Local Municipality Integrated Bulk Supply System Intervention
- Moretele North Klipvoor Bulk Water Supply Project
- Gauteng Schools Programme
- Rehabilitation And Upgrade of The Drakenstein Sanitation Infrastructure Project
- Kwazulu-Natal Agri-Hubs Programme
- SA Connect Broadband Programme
- Pilanesberg Bulk Water Supply Scheme Phase 2

Indicator 2.1.2.1 – Number of knowledge products produced per year

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

In the period under review, four knowledge products were produced:

- a. The Eskom Debt Takeover Financial Sustainability Model** – The unit developed a cashflow model to contribute to understanding the impacts of the Eskom debt takeover on the utility's financial metrics.
- b. A report on Infrastructure Implementation Challenges** – The unit compiled a research report that identifies challenges that plague public sector infrastructure development during the implementation of projects and their contributing factors. The report also proposes ways in which the challenges can be addressed.
- c. A note on common reasons why submissions fail to meet the BFI appraisal requirements** – The unit compiled a report that identifies, and documents common pitfalls found during the BFI appraisal process. The report also advises sponsors on how to avoid these pitfalls in future submissions.
- d. Water Sector Review** – The unit completed a report that is aimed at better understanding the water industry dynamics, trends, value chains, challenges and systemic issues from an infrastructure perspective.

Indicator 2.1.3.1– Number of stakeholder interventions held

As part of its learning and capacity-building strategy, the Capital Projects Appraisal Unit engages in various stakeholder discussions. As at the end of the year under review, four strategic interventions were held:

In collaboration with the **National School of Government and the Department of Planning, Monitoring and Evaluation (DPME)**, the unit participated in delivering a module in the Evidence Based Policy Making course targeted at public sector officials. Several sessions were held with different audiences across all spheres of government.

The Capital Projects Appraisal Unit hosted a webinar that sought to contribute to public discourse on the challenges within the freight and logistics industry, from the **perspective of Transnet**.

Sustainability within healthcare -this was the second part of in a series of webinars that seek to contribute to public discourse on health infrastructure issues.

The CPAU also hosted a webinar showcasing the **Infrastructure Fund (IF)** whose implementation unit is housed within the Development Bank of Southern Africa.

Highlights of Capital Projects Appraisal initiatives

Success of the BFI as a reform to the budget process depends on the quality of submissions received, robustness of the appraisal process and the availability of fiscal funding to proposals received. The report on common reasons why submissions fail to meet the BFI appraisal requirements contributes to improving the quality of submissions in future BFI windows. This is because in addition to identifying the common pitfalls found during the appraisal process, it advises on what sponsors should do to avoid future recurrence.

Notwithstanding the importance of increased infrastructure investment in the economy, sustaining the benefits of infrastructure depends on the efficacy of the investments, the value for money, and the cost-effectiveness of the interventions, amongst others. The report on infrastructure implementation challenges highlights the challenges in infrastructure delivery that undermine the quality of spending, affordability, and spill-over effects. The report uses the findings to inform how the government may address the inefficiencies that plague public infrastructure delivery, in efforts to accomplish the set development policy targets and outcomes.

Institutional Development Support

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

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

Indicator 2.2.1.1 – Institutional Development Support projects completed

During the 2022/23 financial year, a total of 40 projects were supported, of which 19 have been completed. Completed projects were all on time and within budget. These projects covered a range of support areas including business case development, organisational reviews and development, feasibility studies, inter-governmental infrastructure delivery support, facilitation, policy analysis and advice, and programme and project management support.

The following projects were completed:

- **City of Tshwane:** Review of the operating model and organisational structure
- **Department of Forestry, Fisheries & the Environment:** Review of the Terms of Reference for the Working on Fire programme
- **Department of Military Veterans:** Institutional implications of the implementation of the Amendment Bill
- **Department of Science and Innovation:** Business case for the establishment of a National Astronomy Observatory
- **Department of Public Service and Administration:** Review of HR Management and Development Policies
- **Department of Public Works and Infrastructure:** Development of a business case for the Independent Development Trust (IDT)
- **Department of Transport:** Assistance with the finalisation of the High-Speed Rail (HSR) Framework for the rail industry
- **Department of Transport:** Assistance with finalisation of the draft Private Sector Participation (PSP) Framework
- **Eastern Cape Department of Transport:** Feasibility study for utilising Bhisho Airport as a cargo hub
- **Eastern Cape Gambling Board:** Review and assessment of the organisational maturity framework / model
- **Eastern Cape Provincial Treasury:** Supply Chain Management Review
- **KZN Department of Economic Development, Tourism and Environmental Affairs:** Rationalisation of Public Entities
- **Limpopo Department of Public Works, Roads & Infrastructure:** Limpopo Infrastructure Delivery Support Programme (Phase 3)
- **National Planning Commission:** Facilitation of strategic planning session
- **National Planning Commission:** Facilitation of strategic planning sessions for EQL and ACCSL workstreams
- **Office of the Military Ombud:** Development of a business case for the establishment of a public entity
- **Saldanha Bay IDZ:** Support with the ease of doing business operationalisation model
- **South African National Space Agency (SANSA):** Review and development of policies, micro-structure, and job profiles
- **The Presidency:** Support for the establishment of a Red Tape Reduction Team

Indicator 2.2.1.3 – Number of knowledge-sharing events held

- A virtual knowledge sharing webinar on the **challenges and opportunities in strengthening the South African Centre of Government** was held. The webinar intended to share some of the IDS unit's experiences on matters related to the role of the Centre of Government, based on several projects (undertaken over the last four years) that sought to strengthen coordination in government. Valuable lessons have been learnt in the process which could benefit Centre of Government (CoG) departments and agencies as they endeavour to impact positively on service delivery. The presentation spoke to the role of GTAC in providing experts services to the CoG, provided a comparative analysis of CoG organs internationally, and applied to CoG in South Africa.
- In supporting the Buffalo City Metropolitan Municipality (BCMM) to institutionalise its Growth and Development Strategy over a 5-year period, a virtual event was held to share the approach followed and outcomes achieved. The capacity-building model used, drew interest and appreciation. The successes and challenges as well as the value of supporting clients on a long-term basis, formed the basis of the discussion with participants agreeing on the relevance of this specific approach.

- **Support to the Department of Science and Innovation (DSI) for the establishment of a National Astronomy Observatory.** This project is the result of a need to explore, rationalise and possibly consolidate astronomy functions in considering a National Astronomy Observatory (NAO). The contemplated consolidation takes place within the broader and longer-term Science, Technology and Innovation (STI) reform process and provides a more immediate opportunity for improvement of astronomy. The DSI therefore launched a process to investigate the feasibility of, and to develop a business case for, a consolidated National Astronomy Observatory, merging the South African Radio Astronomy Observatory (SARAO) and South African Astronomical Observatory (SAAO) as well as the gamma ray functions.

Following a situational analysis and consequent institutional options assessment, functional and organisational options for the establishment of the Astronomy Observatory were recommended. Based on the preferred option for a consolidated Astronomy Facility, a business case was developed detailing the organisational form, service delivery model, institutional structure, systems, capacity and funding model. Such a consolidation of Government's Astronomy portfolio into a National Astronomy Observatory will strengthen government's ability to (a) make inputs for astronomy into the next decade of the science, technology, and innovation strategy planning and (b) to better pursue new astronomy opportunities.

- **Review of the operating model and organisational structure of the City of Tshwane Metropolitan Municipality.** This project intended to assist the City of Tshwane (CoT) to conduct a review of the macro-organisation relative to service delivery challenges since its last review in 2016, and to provide guidance on macro structure arrangements that CoT could adopt to support improvements in service delivery. GTAC undertook to identify the main service delivery pressures, operational and financial challenges, strategic priorities, and the extent to which these may require changes to the service delivery model and the macro-organisational structure, and to reflect on the nature of and/or options for the service delivery model and macro-organisational structure, if it was clear that changes to these are desirable.

Key organisational design principles were suggested for consideration and action by the CoT. The initial feedback from the key internal and external stakeholders that GTAC interacted with, indicates that the root causes were effectively identified, and that the proposed improvements resonate with the leadership.

- **Advisory support to the Kwa-Zulu Natal Department of Economic Development, Tourism and Environmental Affairs (KZN EDTEA) for the Rationalisation of Public Entities.** In 2015, the provincial government embarked on a process to rationalise its 13 entities. Technical expertise was sought from GTAC to provide guidance throughout the rationalisation process in order to streamline the EDTEA public entities, eliminate duplications between the public entities and the Department, and create and maintain efficiencies within the EDTEA portfolio.

GTAC provided support to the management of KZN EDTEA and the management/boards of the identified public entities, for the following five (5) processes affecting eight (8) of KZN EDTEA's public entities:

- Merger of KZN Tourism and the KZN Film Commission;
- Merger of the KZN Liquor Authority and the KZN Betting and Gaming Board;
- Merger of the KZN Sharks Board and Ezemvelo KZN Wildlife;
- Conversion of the Moses Kotane Institute (MKI) from its current status as a Non-Profit Company registered under section 21 of the Companies Act, 1973 into a public entity and its rationalisation; and
- Conversion of the KZN Growth Fund from the current private trust into a public entity.

The support included legislative inputs, business case development, and sharing of knowledge/providing guidance in the areas specified.

Transaction Advisory Services and PPPs

The Transaction Advisory Services and PPP unit supports the delivery of large or complex infrastructure projects by providing transaction advisory services for both public-private partnerships (PPPs), as well as conventional procurement as part of supporting National Treasury's focus on improving budgeting and financing processes. The support is 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 - Number of memos submitted to NT for Approval 1 consideration

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 three projects were recommended to National Treasury for NT approval 1:

- **Elundini Municipality** - for the development of the municipal agro processing hub as a PPP project;
- **eThekweni Municipality** - for the municipal independent power producer to design, finance, construct, operate, and maintain the independent power producer plants as a Public Private partnership (PPP); and
- **Mpumalanga Department of Culture, Sport and Recreation** - the development of a Cultural and Creative Hub as one of three flagship projects in the province.

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 over three days each. These events aim to contribute to government capacity building initiatives and to capacitate institutions in the field of PPP.

Indicator 2.3.2.2 – Biannual capacity-building events held

As at the end of the period under review, two Municipal Public Private Partnership (PPP) capacity-building events were successfully delivered through a virtual platform over three days. These events covered the Municipal Service Delivery and PPP guidelines and simplified regulatory requirements on how municipalities can use the PPP process as a tool to bring private sector finance and expertise on board.

Highlights of Transaction Advisory Services and PPPs

Six ports of entry project of Department of Home Affairs - Six of South Africa's largest land ports of entry (by traffic volume) have been designated for infrastructural improvement. A redevelopment master plan for these ports was developed and a suitable funding model identified. The designated ports are:

- Beitbridge (bordering Zimbabwe)
- Lebombo (bordering Mozambique)
- Maseru Bridge (bordering Lesotho)
- Kopfontein (bordering Botswana)
- Ficksburg (bordering Lesotho)
- Ashoke (bordering Swaziland)

Environmentally sustainable and modern premises for the Department of Rural Development and Land Affairs. PPP's partnership with the Department and other key stakeholders has translated into modern and environmentally-friendly head office for the Department. This PPP approach is an important example of the transformation of government infrastructure into environmentally and technologically advanced working hubs for government. At the same time, it reaffirms the importance of collaboration between government and the private sector to stimulate investment and job creation.

Public Expenditure and Policy Analysis

Spending reviews are widely used internationally to assess the cost-effectiveness of public policies/programmes' implementation 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 such as 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. The preceding steps of the methodology inform costing models that explore the fiscal implications of policies/programmes/interventions through developing different cost 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 and execution.

Indicator 2.4.1.1 – Percentage of spending review reports assessed in terms of the PEPA quality standards

Spending reviews investigate the resourcing and performance of government operations in relation to the applicable policy and/or programme. The unit provides a wide range of initiatives in deploying this methodology, which are either directly driven by GTAC or demand driven. A total of 2 final spending review reports were assessed based on PEPA quality standards and quality review reports were produced.

Indicator 2.4.2.1 – Remuneration reports developed

PEPA conducts investigations on the key drivers of compensation expenditure and personnel trends and analysis 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, different aspects of remuneration were analysed and reported on:

- **SANDF Generals Report** - analysis were conducted to provide the ratio of Generals to other ranks for Defence Act personnel to compare with international standards. To expand on this, an analysis also looked at the public service appointees by analysing the Senior Management System compared to other salary levels.
- **Defence remuneration analysis** – The Defence remuneration expenditure as captured on the PERSAL database for the period 2010/11 to 2021/22 was analysed. The analysis identified areas of high expenditure growth by analysing trends in remuneration expenditure, number of staff and expenditure per staff member. An analysis of savings through various headcount reduction strategies was included. This is the sixth in a series of annual remuneration analysis reports, with the first one released in February 2017.
- **MTBPS Background Report** - An analysis of the compensation spending in national and provincial governments between 2006 and 2021 was completed. The analysis was split into three parts: i) the overall trends in compensation spending between 2006 and 2021; ii) the effects that the Covid-19 pandemic had on compensation expenditure between 2019 and 2021; and iii) the new changes that occurred between 2020 and 2021 after the latest PERSAL data drop.
- **Commuted Overtime Report** - An analysis of common lessons from the previous two spending reviews was conducted. This analysis provided more detailed data on the expenditure on commuted overtime for doctors. The main focuses were the total expenditure, the drivers of the expenditure, how significant commuted overtime is to doctors' overall salaries and whether there is sufficient coverage.

Indicator 2.4.3.1 Percentage satisfaction rating of spending review e-course by respondents

PEPA delivers the spending review e-course to allow efficiencies of scale and provide access to the spending review methodology to inform policy decision-making and test whether public spending objectives are efficient, aligned to, and properly articulate and capture what government is trying to achieve. As at the end of the period under review, training was conducted for the Western Cape Provincial Treasury and Department of Science and Innovation. Thirty-eight respondents from the Western Cape Provincial Treasury and the Department of Science and Innovation rated the spending review e-course. Thirty-six respondents indicated that they were satisfied with the e-course, translating to 95% satisfaction with the e-course.

Highlights of PEPA projects

Capacity building initiatives:

- **Savings at Work Conference** - the 2022 Savings@Work Conference took place under the theme “Acting on what we now know” in the year under review. The conference provided a platform for officials that had received training on the spending review methodology to share what they had done to implement spending reviews in their respective departments and sectors.

Presenters and speakers highlighted success stories but also shared the challenges they have faced during implementation of spending reviews and the implementation of their spending review recommendations. The purpose of the conference was not only to hear about success stories, but to also motivate and appeal to alumni and other stakeholders to act on what they now know to achieve the desired goals. The 2022 Savings@Work Conference proved to be an invaluable platform for knowledge exchange, networking, and collaborative discussions. The insights gained from the conference are expected to contribute significantly to improved public finance management and policy implementation.

- **Department of Science and Innovation (DSI) Spending Review Training** - the objective of the capacity building delivered to DSI was to provide training to officials involved in policy and budget planning, specifically in spending review methodology. A hybrid approach was followed in the delivery of the training by combining both virtual and physical training sessions.

Spending reviews conducted as part of the training focused on a selected subset of Technology Stations Programmes (TSPs) and Centres of Excellence (CoE). However, the collection and analysis of data posed certain challenges due to limited data availability and inconsistencies. Despite these obstacles, the spending reviews revealed significant findings for both TSPs and CoEs. In the case of TSPs, the key findings highlighted the need for clarification on roles and responsibilities, as well as a thorough review of key performance indicators. On the other hand, the examination of CoEs shed light on high expenditure in areas such as bursaries, operating expenses, and research-related costs.

- **Western Cape Provincial Treasury Spending Review Training** - the Western Cape Provincial Treasury attended a second round of training on the spending review methodology. The objective of this training was to enhance the skills of officials who had not received previous training and strengthen the capabilities of those who had. The aim was to enable these officials to conduct independent spending reviews and contribute valuable insights to the budget process.

This training programme has equipped the 16 officials who successfully completed the project with the necessary skills and knowledge to contribute to positive change and ensure that existing public service budgets are being spent as efficiently as possible.



5.3 PROGRAMME 3: INCUBATION AND IMPLEMENTATION SUPPORT FOR PROGRAMMES

PURPOSE

This programme aims to provide high-quality incubation and implementation support on request to 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.

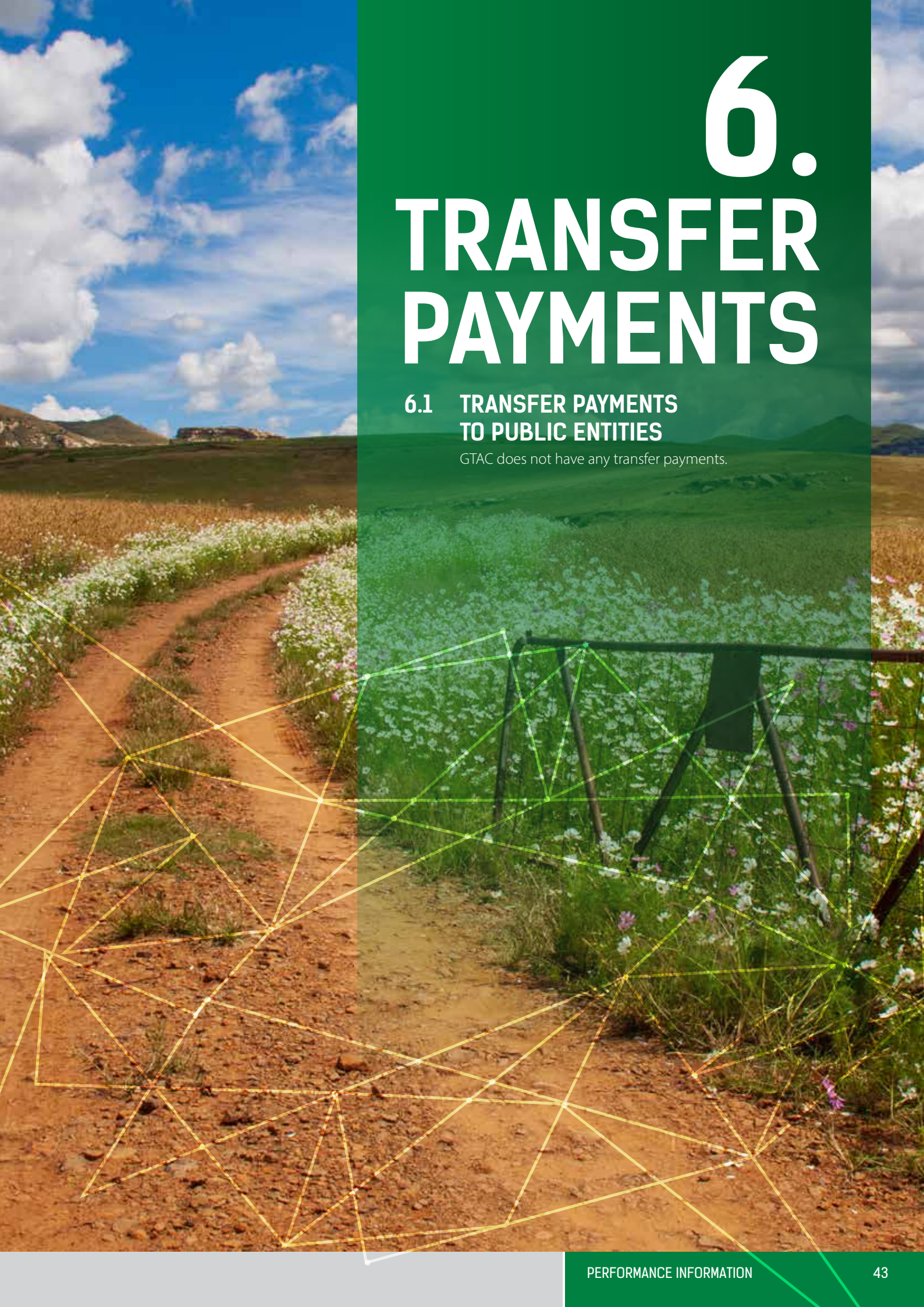
There are no outputs for Programme 3 on the annual performance plan

5.4 LINKING PERFORMANCE WITH BUDGETS

Table 5.4.1: Programme expenditure

Programme name	2021/22			2022/23		
	Budget	Actual	Variance	Budget	Actual	Variance
	R'000	R'000	R'000	R'000	R'000	R'000
Management Support Services	65 171	52 331	12 840	68 597	50 931	17 666
Transaction and Advisory Services	117 473	76 026	41 447	114 250	73 633	40 617
Incubation and Implementation Support for Programmes (PMUs)	126 731	76 332	50 399	138 859	90 661	48 198





6. TRANSFER PAYMENTS

6.1 TRANSFER PAYMENTS TO PUBLIC ENTITIES

GTAC does not have any transfer payments.

7. CONDITIONAL GRANTS

7.1 CONDITIONAL GRANTS AND EARMARKED FUNDS PAID

GTAC does not have any conditional grants.





8. DONOR FUNDS

8.1 DONOR FUNDS RECEIVED

GTAC has one active donor partnership, namely with the German Government's agency GIZ, which ends on 10 December 2023.

Table 8.1.1: Donor funds received

Name of donor	German government's Deutsche Gesellschaft für Internationale Zusammenarbeit GmbH (GIZ)
Full amount of the funding	EUR 678,329.20
Period of the commitment	10 November 2022 to 10 December 2023
Purpose of the funding	- Implementation of the Multi-sectoral Programme Management - Support to improve the Integrated School Health Programme
Expected outputs	Output 1 ISHP Policy Review Output 2 Inter-Ministerial knowledge exchange Output 3 ISHP Advocacy Training in Eastern Cape Output 3 Funding requests from CBOs Output 4 Financial model for ISHP Output 5 Establish Governance Arrangements
Actual outputs achieved	Output 1: ISHP Policy Review GTAC LTA has been appointed to undertake the ISHP policy review, and the DSD ISHP guidelines. Output 4: Financial Model for ISHP GTAC LTA has been appointed to create a financial model for ISHP and provide appropriate training to key stakeholders. Output 5: Establish Governance Arrangements Q1- Q3 The project administrator has been appointed to provide administrative support service to the GTAC team managing the Integrated School Health Project (ISHP) enabling efficient and smooth operations, and to provide ad-hoc administrative support to the Steering Committee and the National ISHP Task Team.
Amount received (R'000)	R 5 102 996.08
Amount spent by the department (R'000)	R 272 240.00
Reasons for the funds unspent	- The responsibility for the Inter-Ministerial Knowledge Platform Exchanges (output 2.1) is the responsibility of the Steering Committee but the Steering Committee has not yet been formed. - Implementation on Outputs 3.1 & 3.2 has not commenced because there is not enough support for or ownership of by either the National ISHP Task Team or from the representatives from the ECDBE and ECDoH. - GTAC is still in the process of appointing the strategic communication, public relations and social media team to be a turnkey service in strategic communications and social media expertise to ISHP project.
Monitoring mechanism by the donor	Financial reports

9. CAPITAL INVESTMENT

9.1 CAPITAL INVESTMENT, MAINTENANCE AND ASSET MANAGEMENT

GTAC does not have any capital investment.

PART C

GOVERNANCE





10.

GOVERNANCE



10. INTRODUCTION

In the period under review, GTAC remained committed to recognising the link between effective governance, sustainable performance, and the creation of long-term value for all its stakeholders. GTAC continued to conduct its operations ethically and in compliance with applicable laws and regulations.

GTAC has the following governance structures in place to effectively, efficiently, and economically utilise state resources:

- Management Committee
- Operational Management Meeting
- Enterprise Risk Management Meeting
- Audit Committee
- Governance Review Committee

Consideration of risk and opportunity informs all the material issues in the development and execution of the strategy. Significant strides have been made to integrate the combined assurance model within the risk management processes. Embedding and monitoring combined assurance throughout GTAC remained the key area of focus during the period under review.

The Risk Committee (RC) continued to provide strategic support and oversight over the Enterprise Risk Management (ERM) processes. The RC also reviews the level of risk exposure against the risk tolerance and appetite levels. The Audit Committee provides significant support to the accounting officer by providing independent oversight and direction over the adequacy and effectiveness of internal controls, risk management, information technology and governance including the implementation of the combined assurance model.

In the new financial year, GTAC will continue to conduct its operations ethically and in compliance with all applicable laws and regulations thereby ensuring an appropriate balance between strategy, risk, performance, and long-term sustainability.

10.1 RISK MANAGEMENT

The risk management culture is informed by the GTAC risk management framework, risk management policy and other guidelines as well as GTAC policies and procedures. The risk management plan aligned to the approved Risk Management Strategy is compiled annually and continuously updated to consider changes in the external environment and organisational developments. In this regard, GTAC actively evaluates its risks and encourages a pipeline of opportunities aligned to the strategic priorities. Decision-making processes are supported by a robust risk management process that identifies and seeks to address potential risks.

In terms of the PFMA, the Accounting Officer is ultimately accountable to ensure that there is a system of effective and efficient risk management in the department. This function has been delegated to the GTAC Risk Committee supported by the GTAC Enterprise Risk Management (ERM) team and the Shared Service with the National Treasury. Management and officials within GTAC are responsible for implementing risk management which include identifying, assessing, managing, and reporting on opportunities and risks that affect the achievement of GTAC objectives. The GTAC ERM Team facilitates and coordinates the implementation of the Risk Management Strategy and Framework to ensure that an effective and efficient system of risk management is maintained.

The Risk Committee advises management on the overall system of risk management concerning the efficiency and effectiveness of risk management processes. Risk management reports containing, inter alia, the top risks for GTAC in different categories and emerging risks, are provided to and discussed by the Executive Committee, and the Audit Committee on a quarterly basis. In the current year, GTAC has begun to follow a combined assurance model, which covers key risks through an appropriate combination of assurance service providers and functions. The business continuity plan was also implemented according to the risk profile of GTAC.

GTAC continues to follow a systematic and formalised process to identify, assess, manage and monitor risks. Risk assessments are conducted at both strategic and operational levels. During the year, risk registers were reviewed and updated every quarter to improve institutional performance and prevent unnecessary exposure to risk. Over the medium term, GTAC will continue to embed risk management in its operations and make risk management more explicit in key and strategic decision-making processes. The capacity of the task team on governance, risk, and compliance continues to be developed to help GTAC improve its understanding and skill in this critical area of work.

10.2 MINIMISING CONFLICT OF INTEREST

GTAC is committed to entrenching an ethical culture throughout the organisation and sets the tone by formulating ethical values and ensuring ethical dealings with all its stakeholders. The Executive Management members seek to demonstrate integrity, competence, responsibility, accountability, fairness and transparency to ensure effective leadership. To this end, GTAC maintains a zero-tolerance stance towards any form of unethical practices including fraud and corruption.

In the reporting period, GTAC continued to maintain a 100% compliance rate on the financial disclosures of SMS members and other designated employees. All employees are required to obtain approval from the Accounting Officer prior to conducting business outside the department. The Ethics Officer manages the declaration of gifts and the gift register which is scrutinised for actual or potential conflicts of interest. Members of different committees responsible for SCM had to declare and sign a declaration of interests during their committee meetings. SCM practitioners were issued with a Code of Conduct for SCM Practitioners and are required to sign the code of conduct.

GTAC has in the period under review, adopted the compliance management policy and developed the regulatory universe. This is aimed at ensuring that GTAC conducts its operations strictly within the confines of the laws and assists in the detection of contraventions of laws, regulations, and internal policies, to enable the organisation to address transgressions immediately.

Ongoing training and awareness campaigns are regularly conducted throughout GTAC on ethics including during induction of new employees and contracting of outsourced service providers. Allegations of corrupt practices or unethical behaviour are reportable through the anonymous hotline or directly to the ethics officer, and the National Anti-Corruption Hotline (NACH). In the year under review, there were no violations reported.

10.3 CODE OF CONDUCT

The Code of Conduct for the Public Service is a guiding document that sets the minimum standards expected of all employees in GTAC. Communication and awareness of the Code of Conduct are conducted on an ongoing basis through workshops, management meetings, notifications and publications, intranet, induction, and other platforms. The Disciplinary Code and Procedures for the Public Service applies to instances of non-compliance or a breach of the Code of Conduct.

10.4 HEALTH SAFETY AND ENVIRONMENTAL ISSUES

Workplace health, safety and environmental matters remained one of the Risk Committee's areas of focus. The committee supports the Accounting Officer and Exco in managing the performance and culture, and great focus is placed on improvement in this regard. 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) as part of the shared services with the National Treasury.

10.5 PORTFOLIO COMMITTEES

Table 10.5.1: Portfolio Committees

Date of the meeting	Matters raised by the committee	Action taken by management
Standing Committee on Finance		
30 March 2023	The Committee required quarterly written updates to be submitted by GTAC on the implementation of unresolved matters on its audit action plan, particularly on vacancies and consequence management.	GTAC has expedited the process of resolving all matters and progress updates are submitted to the SCOF on a quarterly basis on actions taken.

10.6 SCOPA RESOLUTIONS

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

10.7 PRIOR MODIFICATIONS TO AUDIT REPORTS

GTAC received an unqualified audit opinion in respect of the 2021/22 financial year and there were no prior modifications to the GTAC audit reports.

10.8 INTERNAL CONTROL UNIT

GTAC continued to maintain effective and efficient systems of financial, risk management and internal control as required in terms of section 38 of the PFMA. The Governance Review Committee (GRC) supports and guides the work of the internal control function in line with the approved GTAC Internal Control Framework. The Executive Committee and Risk Committee monitors and provides advice on the control environment on a quarterly basis. The Internal Audit function provides independent assurance on the adequacy and effectiveness of the system of internal control. The audit committee oversees the overall work conducted by management and internal audit. These efforts have culminated in the reduction of material audit findings raised by the external auditors against the entity year-on-year.

10.9 INTERNAL AUDIT AND AUDIT COMMITTEES

Internal auditing, as an independent and objective assurance and consulting activity, provides a value adding support to improve the operations within GTAC. It assists GTAC in accomplishing its objectives by bringing a systematic and disciplined approach to evaluate and improve the effectiveness of the organisation's governance, risk management, and internal control. Internal Audit (IA) implemented its annual risk-based audit plan for 2022/23 as part of the three-year rolling plan, after consultation with management and approval by GTAC's Audit Committee. There were five audits planned for GTAC. All five planned audits were completed which resulted in a 100 percent completion of the approved 2022/23 Internal Audit annual plan. All audit engagements and other work of internal audit were executed in accordance with the International Professional Practice Framework of Internal Audit (IPPF), issued by the Institute of Internal Auditors.

The Audit Committee is established as a statutory committee in terms of section 38(1)(a)(ii) of the PFMA and Treasury Regulations. The committee performs an oversight and advisory role to the GTAC 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.

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

Table 10.9.1 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	6 of 6
Mr Brandon Furstenburg	MSc Financial Management; MCom Economics; BCom Honours; BCom; MInstD	External	n/a	1 June 2017	30 April 2022	0 of 6
Mr Freddy Sinthumule	MBA (Limpopo); BCom Accounting (Univen); Dip Finance and Auditing (Unizul)	External	n/a	16 July 2019	n/a	6 of 6
Ms. Marlon Geswint	B. Admin (Majors: Public Admin & Economics) B. Admin (Hons) Economics	External (Internal NT)	Chief Director for Country and Thematic Analysis	24 May 2022	n/a	4 of 6

AUDIT COMMITTEE REPORT



MS PUMLA MZIZI CA(SA)
CHAIRPERSON OF THE AUDIT COMMITTEE

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

Audit Committee Responsibility

The Audit Committee reports that it has complied with its responsibilities arising from Section 38 (1) (a) (ii) of the Public Finance Management Act and Treasury Regulation 3.1.13. The Audit Committee also reports that it has adopted appropriate formal terms of reference as its Audit Committee Charter, has regulated its affairs in compliance with this charter and has discharged all its responsibilities as contained therein, except that we have not reviewed changes in accounting policies and practices.

Internal Audit

The Audit Committee approved a risk-based three-year rolling Strategic Plan and an Annual Internal Audit Coverage Plan for period 1 April 2022 to 31 March 2023. Five audits were planned and conducted during the year.

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

- Review of Annual Financial Statements.
- Review the implementation of the SLA's signed between GTAC and its clients to verify the recovery of costs spent on the client's behalf.
- IT General Control Review (Limited scope on Pastel).
- Review of irregular expenditure reported during the 2021/2022 financial year.
- Review of performance information on the draft APP at GTAC (Consulting).

The Audit Committee's Responsibilities

The Committee is satisfied that it has discharged its responsibilities in assisting the Accounting Authority with the following activities:

- Reviewing the adequacy, reliability and accuracy of the financial information provided by management and other users of such information;
- Overseeing the activities of, and ensuring coordination between, the activities of internal and external audit;
- Providing a forum for discussing exposures to financial and enterprise-wide risks and monitoring of controls designed to minimise these risks;
- Reviewing the entity's quarterly performance information, annual report, including annual performance information and annual financial statements, and any other public reports or announcements containing financial & non-financial information;
- Receiving and dealing with any complaints concerning the accounting practices, internal and external audit or the content and audit of its financial statements or related matters; and
- Annually reviewing the Committee's work in line with the charter and making recommendations to the Accounting Officer to ensure the Committee's effectiveness.

Risk Management

Management is responsible for the establishment and maintenance of an effective system of governance, risk management, the prevention and detection of fraud and internal controls.

Internal Audit was guided by the risk profile, provided by management, critical audit areas and managements inputs in the formulation of its 3-year strategic and annual plans.

A risk register is updated quarterly to ensure that all the major risks including emerging risks facing the organisation are effectively managed. The Committee monitors management's implementation of the risk management plans on a quarterly basis.

Compliance With Legal and Regulatory Provisions

The Committee has reviewed the in-year management and quarterly reports submitted in terms of the Public Finance Management Act is satisfied that no material deviations were noted. The Committee also noted management's policies and procedures to ensure compliance with applicable laws and regulations. The Committee also noted the external auditor's report highlighting that no instances of non-compliance were identified.

The Effectiveness of Internal Control

The Committee considered all the reports issued by the various assurance providers e.g., Internal and External auditors, Risk Committee, etc. Noted management's actions in addressing identified control weaknesses and is satisfied with the following achievements reported for the year:

Assurance provider	Total findings	Resolved findings	In progress	Unresolved findings
Internal Audit	24	23	0	1
External Audit	15	12	3	0

Evaluation of Financial Statements

We have reviewed the annual financial statements prepared by the organisation.

Auditor General's Report

The Committee has reviewed the independence and objectivity of the external auditors; noted that there were no non-audit services rendered by them during the year. To ensure that there are no unresolved issues, the Audit Committee met with the AGSA to discuss its audit report. We have also reviewed the management's responses to the issues raised in the management report. Continuous oversight will be exercised to ensure unresolved findings are adequately addressed.

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 be accepted and read together with the report of the Auditor-General.

Appreciation

We would like to express our appreciation to the Acting Head of GTAC for her leadership and support and to Internal Audit and management for their commitment and cooperation.

AUDIT COMMITTEE CHAIRPERSON

Ms Pumla Mzizi CA(SA)

Chairperson of the Audit Committee

Date: 31 July 2023



PART D

HUMAN RESOURCE MANAGEMENT





11.

OVERVIEW OF HUMAN RESOURCES



11. OVERVIEW OF HUMAN RESOURCES

GTAC has demonstrated resilience and adaptability in managing its human resources effectively. This annual report serves as a testament to our unwavering commitment to our workforce amidst budget cuts, the implementation of hybrid working models, and our collective efforts to overcome the obstacles imposed by the Covid-19 crisis. Despite the tumultuous landscape, we have not only safeguarded our employees' well-being but also fostered an environment that promotes productivity, growth, and continued success. This report highlights our strategies, accomplishments, and the innovative measures undertaken to ensure a sustainable and thriving human resources ecosystem in these extraordinary times.

11.1 HUMAN RESOURCE PRIORITIES FOR THE YEAR UNDER REVIEW

The Human Resources Plan (HR Plan) was aligned to ensure the achievement of GTAC's 2020-25 Strategic Plan deliverables through an efficient and capable workforce. This effective utilisation of human capital offset the reduced financial capital allowing for the business to continue to achieve its strategic outputs. The continued HR practitioner's generalist focus has allowed for partnerships to be agile and business responsive. This has resulted in an increased generation of HR developed business solutions.

11.2 WORKFORCE PLANNING AND KEY STRATEGIES TO ATTRACT AND RECRUIT A SKILLED AND CAPABLE WORKFORCE

The provisioning of proactively sourced, specialised skills and the creation of talent pools allowed for the enhanced provision of public service delivery and impactful advisory services through a myriad of projects and programmes by GTAC business units. The positioning of GTAC as an Employer of Choice through previously introduced virtual recruitment platforms has resulted in the increased attraction of key talent and skills. The employee churn and turnover rates were mitigated by responsive and speedy recruitment processes to ensure minimal disruption to the business. Other successful strategies to retain capable staff included professional body registrations, professional certification, and bursary offerings to further mitigate these risks.

11.3 EMPLOYEE PERFORMANCE MANAGEMENT

The performance management system was aligned with the organisational strategic goals to ensure improved individual and business performance. Where possible and within budgetary allowance, performance related rewards were provided. The performance evaluation process for financial year 22/23 has been concluded and will be moderated for final approval. The performance agreements for the financial year 23/24 have been contracted between business leaders and it is envisaged that the business will continue to grow through the achievement of these agreed upon outcomes.

11.4 EMPLOYEE WELLNESS PROGRAMMES

The adoption of the hybrid model of work has proven successful. Employees are in a better position to manage their work-life balance and are thus more adept at coping with the increased demands of the business. Various support systems are in place, including a partnership with National Treasury Wellness for employee referrals, counselling and wellness days. GTAC has also continued with wellness interventions in the form of cancer awareness and screenings from external service providers. These were provided at no cost to staff to ensure maximum participation and awareness reach.

11.5 ACHIEVEMENTS, CHALLENGES AND FUTURE PLANS AND GOALS

Vacancy management, whilst better than the previous years, proved to be a challenge with critical positions being filled with acting incumbents whilst non-critical positions were managed as additional functions. This strategy, whilst not ideal, did not hamper business deliverables nor impact substantially on employee engagement levels. Focus was applied to filling senior management positions and business critical positions, with the majority being close to finalisation at the end of 22/23 financial year, resulting in a more complete structure going into the new financial year. Leaders were also afforded executive and management coaching, as well as the opportunity to attend various conferences.

The Human Resources Plan for 2023-2025 is being developed and consulted and will focus on creating future fit proactive solutions matched to the strategic intent of GTAC. To ensure that this new HR Plan is realised the focus on human capital skills, knowledge and competency development will be prioritised. The Integrated Business Model will continue to be utilised in 23/24 as it has allowed for greater cooperation, improved innovation and continuous improvement through the usage of technology which has a strategic focus on information management, communication, knowledge collection and dissemination. GTAC's competencies have been

partially mapped through a skills audit which will be concluded in 2023/24. The Succession Management Policy, once approved, will be implemented accordingly. The achievement of the numeric employment equity targets continues to be a challenge. Solutions have been identified and built into the subsequent approved Section Plan 20, which became operational from 1 October 2022 and runs until 30 September 2025. Focus will continue to be applied to the attraction and development of women and people with disabilities to create a representative workforce at all levels. Transformation is evident in GTAC with the Executive Committee being fully representative of both gender and designated groups.

Occupational Health and Safety is a fundamental aspect of GTAC's employee proposition and is managed closely through a Service Level Agreement partnership with National Treasury. The Medium-Term Strategic Framework for 2019–24 emphasises the building of an ethical and professional public service. 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. GTAC embarked on a lifestyle audit of all Senior Management Staff in November 2022, and this was successfully implemented across the business. Progress reports for the process have been monitored and the final report is due to be tabled in June 2023. The completion of this process will ensure that GTAC is confirmed as an ethical and professional public service component.



A photograph of a male worker in a blue cap and jacket operating a textile machine. The machine features large spools of white thread. The background is filled with more spools and machinery. A semi-transparent dark grey box on the right side of the image contains the title text. The entire image is overlaid with a network of thin, light blue lines.

12.

HUMAN RESOURCES OVERSIGHT STATISTICS

12.1 PERSONNEL RELATED EXPENDITURE

The following tables summarises the final audited personnel-related expenditure by programme and by salary bands. In particular, it provides an indication of the following:

- Amount spent on personnel; and
- Amount spent on salaries, overtime, homeowner's allowances, and medical aid.

Table 12.1.1: Personnel expenditure by programme for the period 1 April 2022 to 31 March 2023

Programme	Total expenditure (R'000)	Personnel expenditure (R'000)	Training expenditure (R'000)	Professional and special services expenditure (R'000)	Personnel expenditure as a % of total expenditure	Average personnel cost per employee (R'000)
1	50 931	33 641	400	4 877	66.05%	782
2	73 633	37 745	0	33 840	51.26%	1020
3	90 661	56 501	816	27 265	62.32%	627
Total	215 225	127 887	1 216	65 982	59.42%	752

Table 12.1.2: Personnel costs by salary band for the period 1 April 2022 to 31 March 2023

Salary band	Personnel expenditure (R'000)	% of total personnel cost	No. of employees	Average personnel cost per employee (R'000)
Lower skilled (levels 1-2)	0	0	0	0
Skilled (level 3-5)	98	0.08%	9	10
Highly skilled production (levels 6-8)	15 458	12.09%	31	498
Highly skilled supervision (levels 9-12)	53 651	41.95%	90	596
Senior and Top management (levels 13-16)	58 680	4.6%	40	1467
Total	127 887	58.72%	170	752

Notes: The headcount includes those who have left, since they were paid during the period 01 April 2022 to 31 March 2023.

Table 12.1.3 Salaries, overtime, homeowners allowance and medical aid by programme for the period 1 April 2022 to 31 March 2023

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)	HOA as a % of personnel costs	Amount (R'000)	Medical aid as a % of per-sonnel costs
1	21 771	29.42%	87	82%	454	53.98%	865	62.50%
2	25 409	34.33%	0	0	369	43.88%	416	30.06%
3	26 833	36.25%	19	17.92%	18	2.14%	103	7.44%
Total	74 013	100%	106	100%	841	100%	1 384	100%

Table 12.1.4 Salaries, overtime, homeowners allowance and medical aid by salary band for the period 1 April 2022 to 31 March 2023

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)	HOA as a % of personnel costs	Amount (R'000)	Medical aid as a % of personnel costs
Lower skilled (level 1-2)	0	0	0	0	0	0	0	0
Skilled (level 3-5)	71	0%	0	0	0	0	0	0
Highly skilled production (levels 6-8)	10 751	15%	39	37%	449	53%	649	47%
Highly skilled supervision (levels 9-12)	34 236	46%	55	52%	142	17%	444	32%
Senior management (level 13-16)	28 955	39%	12	11%	250	30%	291	21%
Total	74 013	100%	106	100%	841	100%	100%	100%

12.2 EMPLOYMENT AND VACANCIES

The tables in this section summarise the position with regards to employment and vacancies.

The following tables summarise the number of posts on the establishment, the number of employees, the vacancy rate, and whether there are any staff that are additional to the establishment.

This information is presented in terms of three key variables:

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

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

Table 12.2.1 Employment and vacancies by programme as on 31 March 2023

Programme	Number of posts on approved establishment	Number of posts filled	Vacancy rate	Number of employees additional to the establishment
Programme 1	51	42	16%	1
Programme 2	42	36	12%	1
Programme 3	110	74	35%	16
Total	203	152	25%	18

Table 12.2.2 Employment and vacancies by salary band as at 31 March 2023

Salary band	Number of posts on approved establishment	Number of posts filled	Vacancy rate	Number of employees additional to the establishment
Lower skilled (1-2)	0	0	0	0
Skilled (3-5)	9	8	11%	1
Highly skilled production (6-8)	36	30	17%	1
Highly skilled supervision (9-12)	103	74	28%	16
Senior management (13-16)	55	40	27%	0
Total	203	152	25%	18

Table 12.2.3 Employment and vacancies by critical occupations as at 31 March 2023

Critical occupation	Number of posts on approved establishment	Number of posts filled	Number of vacant posts	Number of employees additional to the establishment
Financial Analysts	13	12	1	7
Learning & Evaluation	4	2	2	0
Agricultural Specialist	2	1	1	0
Research Analyst	1	0	1	0
Total	20	15	5	7

Notes

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

12.3 FILLING OF SMS POSTS

The tables in this section provide information on employment and vacancies as it relates to members of the Senior Management Service by salary level. It also provides 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 at 31 March 2023

SMS level	Total number of funded SMS posts	Total number of SMS posts filled	% of SMS posts filled	Total number of SMS posts vacant	% of SMS posts vacant
Director-General/ Head of Department	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	10	67%	5	33%
Salary level 13	37	28	76%	9	24%
Total	55	40	73%	15	27%

Table 12.3.2 SMS post information as at 30 September 2022

SMS level	Total number of funded SMS posts	Total number of SMS posts filled	% of SMS posts filled	Total number of SMS posts vacant	% of SMS posts vacant
Director-General/ Head of Department	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	9	60%	6	40%
Salary level 13	37	33	89%	4	11%
Total	55	44	80%	11	20%

Table 12.3.3 Advertising and filling of SMS posts for the period 1 April 2022 to 31 March 2023

SMS level	Advertising	Filling of posts	
	Number of vacancies per level advertised in 6 months of becoming vacant	Number of vacancies per level filled in 6 months of becoming vacant	Number of vacancies per level not filled in 6 months but filled in 12 months
Director-General/Head of Department	None	None	None
Salary level 16	None	None	None
Salary level 15	None	None	None
Salary level 14	1	1	1
Salary level 13	3	1	1
Total	4	2	2

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 2022 and 31 March 2023

Reasons for vacancies not advertised within 6 months
Level 16 National Treasury is responsible for advertising the GTAC Head position, Ministry of Finance Instruction issued in December 2022.
Reasons for vacancies not filled within 12 months
Level 16 National Treasury is responsible for advertising the GTAC Head position, Ministry of Finance Instruction issued in December 2022.

Notes:

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



Table 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 2022 to 31 March 2023

Reasons for vacancies not advertised within 6 months
None
Reasons for vacancies not filled within 6 months
D: HCM position advertised but no candidate deemed suitable - position to be re-advertised.

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

In terms of the regulations, all vacancies on salary levels 9 and higher must be evaluated before they are filled. The following table summarises the number of jobs that were evaluated during the year under review. The table also provides statistics on the number of posts that were upgraded or downgraded.

Table 12.4.1 Job evaluation by salary band for the period 1 April 2022 to 31 March 2023

Salary band	Number of posts on approved establishment	Number of jobs evaluated	% of posts evaluated by salary bands	Posts upgraded		Posts downgraded	
				Number	% of posts evaluated	Number	% of posts evaluated
Lower skilled (levels 1–2)	0	0	0	0	0	0	0
Skilled (levels 3–5)	9	9	100%	0	0	0	0
Highly skilled production (levels 6–8)	36	0	0	0	0	0	0
Highly skilled supervision (levels 9–12)	103	9	9%	8	89%	1	11%
Senior Management Service Band A (13)	37	0	0	0	0	0	0
Senior Management Service Band B (14)	15	1	7%	0	0	1	100%
Senior Management Service Band C (15)	2	0	0	0	0	0	0
Senior Management Service Band D (16)	1	0	0	0	0	0	0
Total	203	19	9%	8	42%	2	10%

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 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 2022 to 31 March 2023

Gender	African	Asian	Coloured	White	Total
Female	6	0	0	1	7
Male	1	0	0	0	1
Total	7	0	0	1	8

Employees with a disability	0
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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 2022 to 31 March 2023

Occupation	Number of employees	Job evaluation level	Remuneration level	Reason for deviation
None	None	None	None	None
Total number of employees whose salaries exceeded the level determined by job evaluation				None
Percentage of total employed				None

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

Table 12.4.4 Profile of employees who have salary levels higher than those determined by job evaluation for the period 1 April 2022 to 31 March 2023

Total number of Employees whose salaries exceeded the grades determined by job evaluation	None
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12.5 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 2022 to 31 March 2023

Salary band	Number of employees at beginning of period 1 April 2022	Appointments and transfers into the department	Terminations and transfers out of the department	Turnover rate
Lower skilled (levels 1-2)	0	0	0	0
Skilled (levels 3-5)	0	8	0	
Highly skilled production (levels 6-8)	35	2	10	23%
Highly skilled supervision (levels 9-12)	59	28	16	20%
Senior Management Service Bands A (13)	33	0	7	21.21%
Senior Management Service Bands B (14)	11	0	2	18.18%
Senior Management Service Bands C (15)	2	0	0	0
Senior Management Service Bands D (16)	0	0	0	0
Contracts	0	0	0	0
Total	140	38	35	25%

Table 12.5.2 Annual turnover rates by critical occupation for the period 1 April 2022 to 31 March 2023

Critical occupation	Number of employees at beginning of period April 2022	Appointments and transfers into the department	Terminations and transfers out of the department	Turnover rate
Learning & Evaluation	4	0	2	50%
Financial Analyst	13	8	1	53.8%
Agricultural Specialist	2	0	1	50%
Research Analyst	1	0	1	0%
TOTAL	20	8	5	15%

Notes:

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

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

Table 12.5.3 Reasons why staff left the department for the period 1 April 2022 to 31 March 2023

Termination type	Number	% of total resignations
Death	1	3%
Resignation	24	68%
Expiry of contract	8	23%
Dismissal – operational changes	0	0
Dismissal – misconduct	0	0
Dismissal – inefficiency	0	0
Discharged due to ill-health	0	0
Retirement	1	3%
Transfer to other Public Service Departments	1	3%
Other	-	-
Total	35	100%
Total number of employees who left as a % of total employment		23%

Table 12.5.4 Promotions by critical occupation for the period 1 April 2022 to 31 March 2023

Occupation	Employees 1 April 2022	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					
TOTAL	0	0	0	0	0

Table 12.5.5 Promotions by salary band for the period 1 April 2022 to 31 March 2023

Salary Band	Employees 1 April 2022	Promotions to another salary level	Salary bands promotions as a % of employees by salary level	Progressions to another notch within a salary level	Notch progression as a % of employees by salary band
Lower skilled (levels 1-2)	0	0	0	0	0
Skilled (levels 3-5)	0	0	0	0	0
Highly skilled production (levels 6-8)	35	0	0	0	0
Highly skilled supervision (levels 9-12)	59	9	15.25%	1	1.69%
Senior Management (level 13-16)	46	2	4.34%	1	2.17%
Total	140	11	7.85%	2	1.42%

Note: There are eleven employees who were promoted to the next salary level, however, two employees were progressed to another notch within the salary level due to counteroffers.

12.6 EMPLOYMENT EQUITY

Table 12.6.1 Total number of employees (including employees with disabilities) in each of the following occupational categories as at 31 March 2023

Occupational category	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Legislators, senior officials and managers (13 – 15)	19	1	2	4	6	1	0	7	40
Professionals (9 – 12)	28	2	1	0	34	3	0	6	74
Technicians and associate professionals (6 – 8)	5	0	0	0	21	4	0	0	30
Clerks (1 – 5)	4	0	0	0	4	0	0	0	8
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	56	3	3	4	65	8	0	13	152
Employees with disabilities	0	0	1	0	0	0	0	0	1

Table 12.6.2 Total number of employees (including employees with disabilities) in each of the following occupational bands as at 31 March 2023

Occupational band	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top management (15 – 16)	0	0	0	0	0	1	0	1	2
Senior management (13 – 14)	19	1	2	4	6	0	0	6	38
Professionally qualified and experienced specialists and mid-management (11 – 12)	24	2	1		24	1	0	6	58
Skilled technical and academically qualified workers, junior management, supervisors, foreman and superinten-dents (6 – 10)	9	1	0	0	31	5	0	0	46
Semi-skilled and discretionary decision making (3 – 5)	4	0	0	0	4	0	0	0	8
Unskilled and defined decision making (1 – 2)	0	0	0	0	0	0	0	0	0
Total	56	4	3	4	65	7	0	13	152

Table 12.6.3 Recruitment for the period 1 April 2022 to 31 March 2023

Occupational band	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top Management	0	0	0	0	0	0	0	0	0
Senior Management Level 13-16	2	0	0	0	0	0	0	0	2
Professionally qualified and experienced specialists and mid-management Level 9-12	11	2	1		11			1	26
Skilled technical and academically qualified workers, junior management, supervisors, foreman and superintendents Level-6-8	4	0	0	0	7	0	0	0	11
Semi-skilled and discretionary decision making	0	0	0	0	0	0	0	0	0
Unskilled and defined decision making	0	0	0	0	0	0	0	0	0
Total	17	2	1	0	18	0	0	1	39
Employees with disabilities	0	0	1	0	0	0	0	0	1

Table 12.6.4 Promotions for the period 1 April 2022 to 31 March 2023

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

Table 12.6.5 Terminations for the period 1 April 2022 to 31 March 2023

Occupational band	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top management (15 – 16)	0	0	0	0	0	0	0	0	0
Senior management (13 – 14)	4	0	0	2	2	1	0	0	9
Professionally qualified and experienced specialists and mid-management (11 – 12)	5	0	0	0	4	1	0	0	10
Skilled technical and academically qualified workers, junior management, supervisors, foreman and superintendents (6 – 10)	4	0	0	0	9	1	0	1	15
Semi-skilled and discretionary decision making (3 – 5)	0	0	0	0	0	0	0	0	0
Unskilled and defined decision making (1 – 2)	0	0	0	0	0	0	0	0	0
Total	13	0	0	2	15	3	0	1	34
Employees with disabilities	0	0	0	1	0	0	0	0	1

Note:

Total resignation excludes one transfer hence total is 34. The employee with a disability is included in the total of 34.

Table 12.6.6 Disciplinary action for the period 1 April 2022 to 31 March 2023

Disciplinary action	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Written warning	1	0	0	0	0	0	0	0	1

Table 12.6.7 Skills development for the period 1 April 2022 to 31 March 2023

Occupational category	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Legislators, senior officials and managers	3	0	1	0	5	1	0	2	12
Professionals	13	0	1	0	23	3	0	3	43
Technicians and associate professionals	2	1	0	0	10	0	0	0	13
Clerks	2	0	0	0	12	2	0	0	16
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	20	1	2	0	50	6	0	5	84
Employees with disabilities	0	0	0	0	0	0	0	0	0

12.7 SIGNING OF PERFORMANCE AGREEMENTS BY SMS MEMBERS

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 at 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	1	0	0	0%
Salary level 15	2	2	1	50%
Salary level 14	15	10	10	100%
Salary level 13	37	28	28	100%
Total	55	40	39	98%

Table 12.7.2 Reasons for not having concluded performance agreements for all SMS members as at 31 March 2023

Reasons
The outstanding Performance Agreement is for the Acting Head of GTAC, as it has to be finalised by the Minister of Finance.

Table 12.7.3 Disciplinary steps taken against SMS members for not having concluded performance agreements as at 31 March 2023

Reasons
None

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 2022 to 31 March 2023

Race and gender	Beneficiary profile			Cost	
	Number of beneficiaries	Number of employees	% of total within group	Cost (R'000)	Average cost per employee
African	0	0	0	0	0
Male	0	0	0	0	0
Female	0	0	0	0	0
Asian	0	0	0	0	0
Male	0	0	0	0	0
Female	0	0	0	0	0
Coloured	0	0	0	0	0
Male	0	0	0	0	0
Female	0	0	0	0	0
White	0	0	0	0	0
Male	0	0	0	0	0
Female	0	0	0	0	0
Total	0	0	0	0	0

Table 12.8.2 Performance rewards by salary band for personnel below Senior Management Service for the period 1 April 2022 to 31 March 2023

Salary band	Beneficiary profile			Cost		Total cost as a % of the total personnel expenditure
	Number of beneficiaries	Number of employees	% of total within salary bands	Total cost (R'000)	Average cost per employee	
Lower skilled (levels 1-2)	0	0	0	0	0	0
Skilled (level 3-5)	0	0	0	0	0	0
Highly skilled production (level 6-8)	0	0	0	0	0	0
Highly skilled supervision (level 9-12)	0	0	0	0	0	0
Total	0	0	0	0	0	0

Table 12.8.3 Performance rewards by critical occupation for the period 1 April 2022 to 31 March 2023

Critical occupation	Beneficiary profile			Cost	
	Number of beneficiaries	Number of employees	% of total within occupation	Total cost (R'000)	Average cost per employee
None					
Total	0	0	0	0	0

Notes:

No performance rewards were paid due to the DPSA Directive on performance reward. Only pay progression was paid to qualifying employees for all levels.

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

Table 12.8.4 Performance related rewards (cash bonus), by salary band for Senior Management Service for the period 1 April 2022 to 31 March 2023

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

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 2022 to 31 March 2023

Salary band	01 April 2022		31 March 2023		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)	0	0	0	0	0	0
Contract (level 9-12)	6	40%	5	38%	1	17%
Contract (level 13-16)	9	60%	8	62%	1	11%
Total	15	100%	13	100%	2	13%

Table 12.9.2 Foreign workers by major occupation for the period 1 April 2022 to 31 March 2023

Salary band	01 April 2022		31 March 2023		Change	
	Number	% of total	Number	% of total	Number	% Change
Learning and Evaluation	1	100%	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 2022 to 31 December 2023

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)	186	90%	19	31%	9.78	309 248.09
Highly skilled supervision (levels 9 -12)	150	92%	30	48%	5	496 983.23
Top and senior manage-ment (levels 13-16)	78	83%	13	21%	6	378 244.36
Total	414	90%	62	100%	6.67	1 184 475.68

Table 12.10.2 Disability leave (temporary and permanent) for the period 1 January 2022 to 31 December 2023

PERCENTAGE OF TOTAL EMPLOYEES AS AT 31 DECEMBER 2020						
Salary band	Total days	% days with medical certification	Number of employees using disability leave	% of total employees using disability leave	Average days per employee	Estimated cost (R'000)
Lower skilled (levels 1-2)	0	0	0	0	0	0
Skilled (levels 3-5)	0	0	0	0	0	0
Highly skilled production (levels 6-8)	187	100%	2	67%	94	389 123.91
Highly skilled supervision (levels 9-12)	0	0	0	0	0	0
Senior management (levels 13-16)	115	100%	1	33%	115	319 807.80
Total	302	100%	3	100%	209	708931.71

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

Table 12.10.3 Annual Leave for the period 1 January 2022 to 31 December 2022

Salary band	Total days taken	Number of employees using annual leave	Average per employee
Lower skilled (levels 1-2)	0	0	0
Skilled (levels 3-5)	0	0	0
Highly skilled production (levels 6-8)	607	35	17.34
Highly skilled supervision (levels 9-12)	1073	65	16.50
Senior management (levels 13-16)	878	44	19.95
Total	2558	144	17.64

Table 12.10.4 Capped leave for the period 1 January 2022 to 31 December 2023

Salary band	Total days of capped leave taken	Number of employees using capped leave	Average number of days taken per employee	Average capped leave per employee as at 31 March 2022
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	7	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 2022 to 31 March 2023

Reason	Total amount (R'000)	Number of employees	Average per employee (R'000)
Leave pay out for 2022/23 due to non-utilisation of leave for the previous cycle	0	0	0
Capped leave pay-outs on termination of service for 2022/23	0	0	0
Current leave pay out on termination of service for 2022/3	1395	26	53.65
Total	1395	26	53.65

12.11 HIV/AIDS & 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

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		Neil Davis, Acting 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, however 3 resigned. New members to be appointed with the annual budget R68 999.
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, educational talks as well as health screenings to employees.
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 stake-holder(s) that they represent.	X		Kenny Machaka (HCM&CS) Babalwa Madikane (PSP) Nyeleti Baloyi (CPAU) Anna Maleka (PPP) Matthew Mokoena (MFIP) Helena Roodt (Jobs Fund) 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		Recruitment policy
6. Has the department introduced measures to protect HIV-positive employees or those perceived to be HIV-positive from discrimination? If so, list the key elements of these measures.	X		The department has an operating clinic and nurse available on site for counselling and screening
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 screenings through educational talks and internal communication.
8. Has the department developed measures/indicators to monitor & evaluate the impact of its health promotion programme? If so, list these measures/indicators.	X		Wellness events planned as per wellness calendar. Screening reports (not results) are shared with management to mitigate risks.

12.12 LABOUR RELATIONS

Table 12.12.1 Collective agreements for the period 1 April 2022 to 31 March 2023

Total number of collective agreements	None
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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 2022 to 31 March 2023

Outcomes of disciplinary hearings	Number	% of total
Correctional counselling	0	0
Verbal warning	0	0
Written warning	1	100%
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	1	100%

Table 12.12.3 Types of misconduct addressed at disciplinary hearings for the period 1 April 2022 to 31 March 2023

Type of misconduct	Number	% of total
None	nil	none

Table 12.12.4 Grievances lodged for the period 1 April 2022 to 31 March 2023

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

Table 12.12.5 Disputes lodged with councils for the period 1 April 2022 to 31 March 2023

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

Table 12.12.6 Strike actions for the period 1 April 2022 to 31 March 2023

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

Table 12.12.7 Precautionary suspensions for the period 1 April 2022 to 31 March 2023

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

12.13 SKILLS DEVELOPMENT

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

Table 12.13.1 Training needs identified for the period 1 April 2022 to 31 March 2023

Occupational category	Gender	Number of employees as at 1 April 2022	Training needs identified at start of the reporting period			
			Learnerships	Skills programmes & other short courses	Other forms of training	Total
Legislators, senior officials and managers	Female	16	0	8	0	8
	Male	30	0	14	0	14
Professionals	Female	27	0	20	0	20
	Male	21	0	8	0	8
Technicians and associate professionals	Female	7	0	0	0	0
	Male	4	0	0	0	0
Clerks	Female	29	0	23	0	23
	Male	6	0	3	0	3
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		140	0	76	0	76



Table 12.13.2 Training provided for the period 1 April 2022 to 31 March 2023

Occupational category	Gender	Number of employees as at 1 April 2022	Training provided within the reporting period			
			Learnerships	Skills programmes & other short courses	Other forms of training	Total
Legislators, senior officials and managers	Female	16	0	8	0	8
	Male	30	0	4	0	4
Professionals	Female	27	0	28	2	30
	Male	21	0	14	0	14
Technicians and associate professionals	Female	7	0	9	0	9
	Male	4	0	3	0	3
Clerks	Female	29	0	11	3	14
	Male	6	0	2	0	2
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
Sub-total	Female	0	0	56	5	61
	Male	0	0	23	0	23
Total		140	0	79	5	84

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 2022 to 31 March 2023

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 to 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 for any of the following professional services to a department against remuneration received from any source:

- (a) The rendering of expert advice;
- (b) The drafting of proposals for the execution of specific tasks; and
- (c) 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 2022 to 31 March 2023

Project title	Total number of consultants who worked on project	Duration (work days)	Contract value in rand
Assistance towards a sustainable turnaround of the PRASA business	2	3	R24 350.09
Assistance with the finalisation of the High-Speed Rail (HSR) Framework for the rail industry	5	91	R1 013 346.06
Bhisho Airport Feasibility Study	2	55	R553 067.11
Business case for the establishment of a National Astronomy Observatory	4	81	R690 792.42
Business Case ToR for the establishment of a State Owned Companies Restructuring Unit	7	43	R398 821.96
Business case: GTAC Programme Management Services	1	1	R13 392.55
Common lessons learnt on the spending reviews	6	18	R170 887.72
Conducting a skills audit of the Office of the Public Service Commission (OPSC)	4	33	R271 623.13
Covid-19 Country Report - 2nd Edition	1	74	R666 619.26
Cities Support Programme GTAC Partnership (Phase 2)	3	450	R5 861 019.18
Development of a business case for the Independent Development Trust (IDT)	6	51	R501 971.00
Development of a funding framework for the three-stream model	2	42	R426 593.61
Development of a Turnaround Strategy for KZN Growth Fund (KGFT)	6	73	R754 261.06
Development of Business Processes and Standard Operating Procedures for National School of Government (NSG)	2	11	R100 620.29
Development Bank of Southern Africa Publication	2	3	R35 146.28
Department of Science and Innovation Spending Reviews Training	8	65	R634 601.85
Due diligence to determine the appropriate location and management of Shiluvana Frail Care Centre	2	2	R18 245.07
Facilitation of the Strategic Planning Workshop of the Enhancing Quality of Life (EQL) Workstream	2	8	R90 555.14
Feasibility study for the Shiluvana Frail Care Centre	4	35	R348 209.29
Finalisation of the Draft Private Sector Participation (PSP) Framework	6	91	R889 440.81
GTAC Programme 1 Work Study	2	56	R337 744.62
Human Capital Management and Corporate Support	2	6	R41 971.78
IDS 2022 Operational Plan	15	65	R436 064.72
Implementation of a turnaround strategy and improved governance for Government Printing Works	3	24	R200 863.88
Incorporation of the Small Enterprise Finance Agency (sefa) and Cooperative Banks Development Agency (CBDA) into the Small Enterprise De-velopment Agency (Seda)	8	166	R1 607 106.88
Institutional implications of the implementation of the Amendment Bill for the Department of Military Veterans	4	71	R633 522.02
Integrated School Health Programme (ISHP)	2	30	R272 240.05
KZN Spending Reviews Training	3	11	R149 966.06
Limpopo Department of Public Works and Roads Infrastructure - Infrastructure Delivery Support (IDS)	6	425	R3 135 520.06
Office of the Head	11	92	R872 431.45
Other Spending reviews sup-port	1	2	R24 025.61
NT Spending Reviews in support of Budget 22/23	6	63	R629 815.13
Partnerships Policy and Strategy for South African Post Office	1	57	R556 095.41

Project title	Total number of consultants who worked on project	Duration (work days)	Contract value in rand
PEPA operational plan 2022	14	42	R268 450.74
Project Preparation Facility	1	2	R90 706.62
PSP Turnaround - management support	1	13	R10 308.00
Quality assurance: Infrastructure Implementation Challenges	1	2	R15 827.55
Rationalisation of Public Entities	5	71	R699 482.48
Review and assessment of the organisational maturity framework / model	3	33	R336 683.95
Review of HR Management and Development Policies	3	38	R351 955.16
Review of SANSA Policies, Procedures and Governance Framework	4	75	R671 261.41
Review of Terms of Reference for the Working on Fire Pro-gramme	2	7	R62 987.81
Review of the capacity building system for local government	4	139	R1 295 869.03
Review of the Gauteng Provincial Government (GPG) Agencies	9	249	R2 449 289.63
Review of the implementation of the National Environmental Compliance Entities Support (NECES) strategy and organisational review of the compliance and enforcement functions	6	149	R1 574 915.84
Review of the operating model and organisational structure of the City of Tshwane	5	168	R1 472 676.27
Shared Services model analysis	7	53	R497 363.92
SoC Funding Framework	5	55	R532 374.98
Solomon Kalusha Mahlangu project	1	2	R18 262.54
Strategy Management and Communications 2022 Operational Plan	8	340	R2 542 445.27
Supply Chain Management Review	1	6	R59 657.75
Support for priority infrastructure projects (strategic roads delivery and hospital upgrade and maintenance)	3	68	R643 419.83
Support for the establishment of a Red Tape Reduction Team	1	5	R48 000.08
Support for the implementation of the rationalisation of public entities	1	2	R15 217.83
Support for the restructuring of Department of Employment and Labour	1	7	R80 930.50
Support to deliver on the objectives of the Presidential State-Owned Enterprises Council (PSEC) on SOE Reform	4	92	R1 213 503.65
Support to Provincial and Local Government Infrastructure (PLGI)for the implementation of the Municipal Long Term Financial Plan (LTFP) Programme (Phase 3)	2	7	R58 760.58
Support to the Western Cape Education Department to Achieve Value for Money Outcomes through procurement	4	48	R509 309.31
Support with the Ease of Doing Business Operationalisation Model (Phase2)	2	2	R23 715.08
Technical support for the rebuilding of Parliament	1	1	R11 566.30
Transaction Advisory Services-PPP	1	2	R19 480.08
Western Cape Spending Reviews Phase Two Training	6	42	R574 744.52
Total number of projects	Total individual consultants	Total duration	Contract value in rand
63	39*	4018	R38 510 098.27

*Individual consultants were used on more than one project

Table 12.15.2 Analysis of consultant appointments using appropriated funds, in terms of Historically Disadvantaged Individuals (HDIs) for the period 1 April 2022 to 31 March 2023

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 2022 to 31 March 2023

Project title	Total number of consultants that worked on project	Duration	Number of consultants from HDI groups that work on the project
Integrated School Health Prog (ISHP)	2	58	R242,004.60

Total number of projects	Total individual consultants	Total duration	Number of consultants from HDI groups that work on the project
1	2	58	R242,004.60

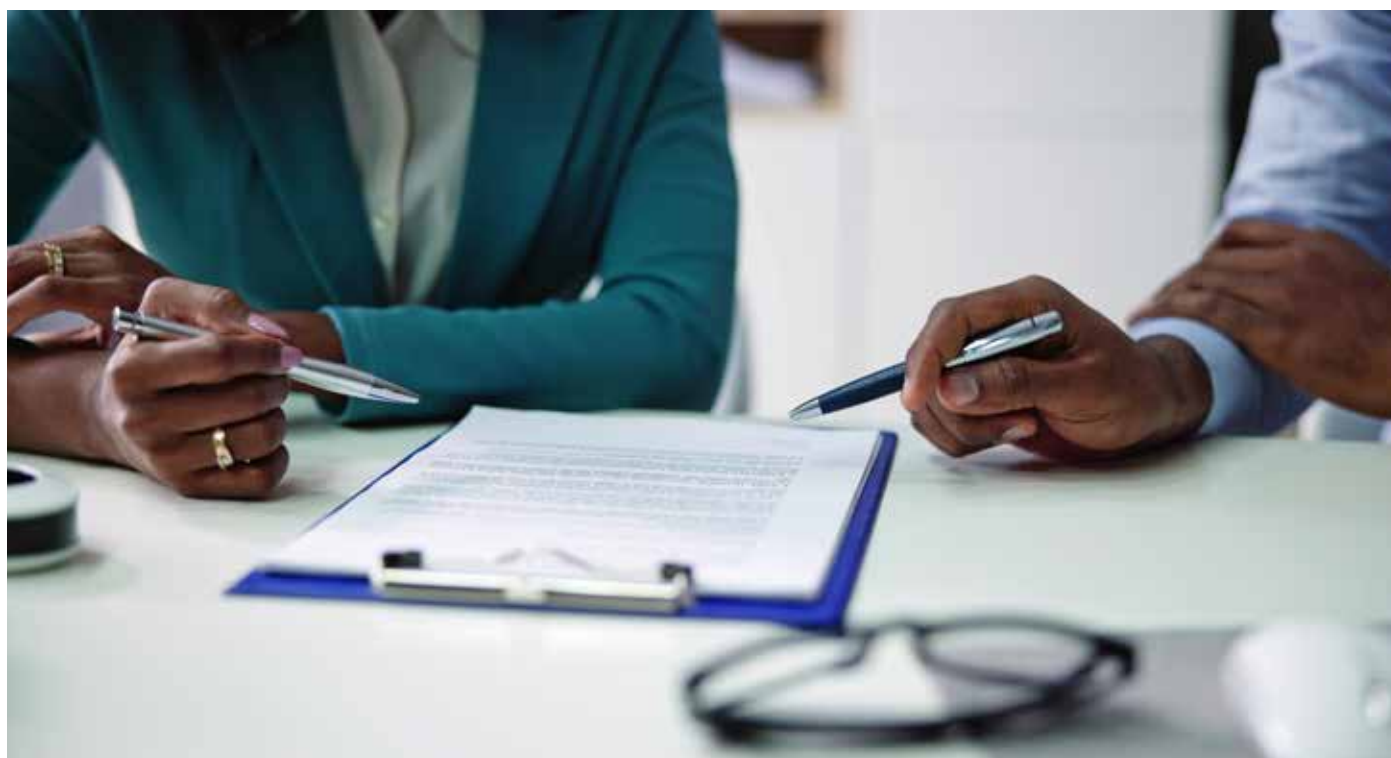
Table 12.15.4 Analysis of consultant appointments using donor funds, in terms of Historically Disadvantaged Individuals (HDIs) for the period 1 April 2022 to 31 March 2023

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 2022 to 31 March 2023

Salary band	Number of applications received	Number of applications referred to the Ministry of Public Service and Administration (MPSA)	Number of applications supported by MPSA	Number of packages approved by department
Lower skilled (levels 1-2)	0	0	0	0
Skilled (levels 3-5)	0	0	0	0
Highly skilled production (levels 6-8)	0	0	0	0
Highly skilled supervision (levels 9-12)	0	0	0	0
Senior management (levels 13-16)	0	0	0	0
Total	0	0	0	0



PART E

PFMA COMPLIANCE





1. IRREGULAR, FRUITLESS AND WASTEFUL, UNAUTHORISED EXPENDITURE AND MATERIAL LOSSES

Irregular expenditure

a) Reconciliation of irregular expenditure		
Description	2022/2023	2021/2022
	R'000	R'000
Opening balance	56,616.48	95,799.52
Prior period errors		
As Restated (if applicable)	56,616.48	95,799.52
Add: Irregular expenditure confirmed	22,312.32	28,744.77
Less: Irregular expenditure condoned	(1,223.38)	(67,927.81)
Less: Irregular expenditure not condoned and removed	-	-
Less: Irregular expenditure recoverable	-	-
Less: Irregular expenditure not recovered and written off	-	-
Closing balance	77,705.43	56,616.48

Request to condone irregular expenditure for the 2018/19, 2019/20 and 2020/21 financial years was submitted to the OCPO, and a response requesting amendments was received in July 2023. At the reporting date, GTAC is finalising the amendments for re-submission to the OCPO.

The Irregular expenditure for the 2017/18 financial year was condoned by OCPO (NT) on 30 June 2022 before the Annual Financial Statements were authorised for issue (31 July 2022). The condonement amounted to R52,562,020.96.

Reconciling notes to the annual financial statement disclosure		
Description	2022/2023	2021/2022
	R'000	R'000
Irregular expenditure that was under assessment in 2021/2022	-	-
Irregular expenditure that relates to 2021/22 and identified in 2022/23	-	-
Irregular expenditure for the current year	21,088.94	12,257.62
Total	21,088.94	12,257.62

b) Details of current and previous year irregular expenditure (under assessment, determination, and investigation)		
Description	2022/2023	2021/2022
	R'000	R'000
Irregular expenditure under assessment	-	-
Irregular expenditure under determination	-	-
Irregular expenditure under investigation	-	-
Total	-	-

No irregular expenditure under assessment, determination, or investigation for the current and previous financial year

c) Details of current and previous year irregular expenditure condoned		
Description	2022/2023	2021/2022
	R'000	R'000
Irregular expenditure condoned	1,223.38	67,927.81
Total	1,223.38	67,927.81

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

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

No irregular expenditure was removed that was condoned

e) Details of current and previous year irregular expenditure recoverable

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

No irregular expenditure was recovered in the current and previous financial year.

f) Details of current and previous year irregular expenditure not recoverable and written off (irrecoverable)

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

No irregular expenditure written off in the current and previous financial year.

Additional disclosure relating to Inter-Institutional Arrangements**g) Details of non-compliance cases where an institution is involved in an inter-institutional arrangement (where such institution *is not* responsible for the non-compliance) - Not Applicable**

Description	2022/2023	2021/2022
	R'000	R'000
None		
Total		

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

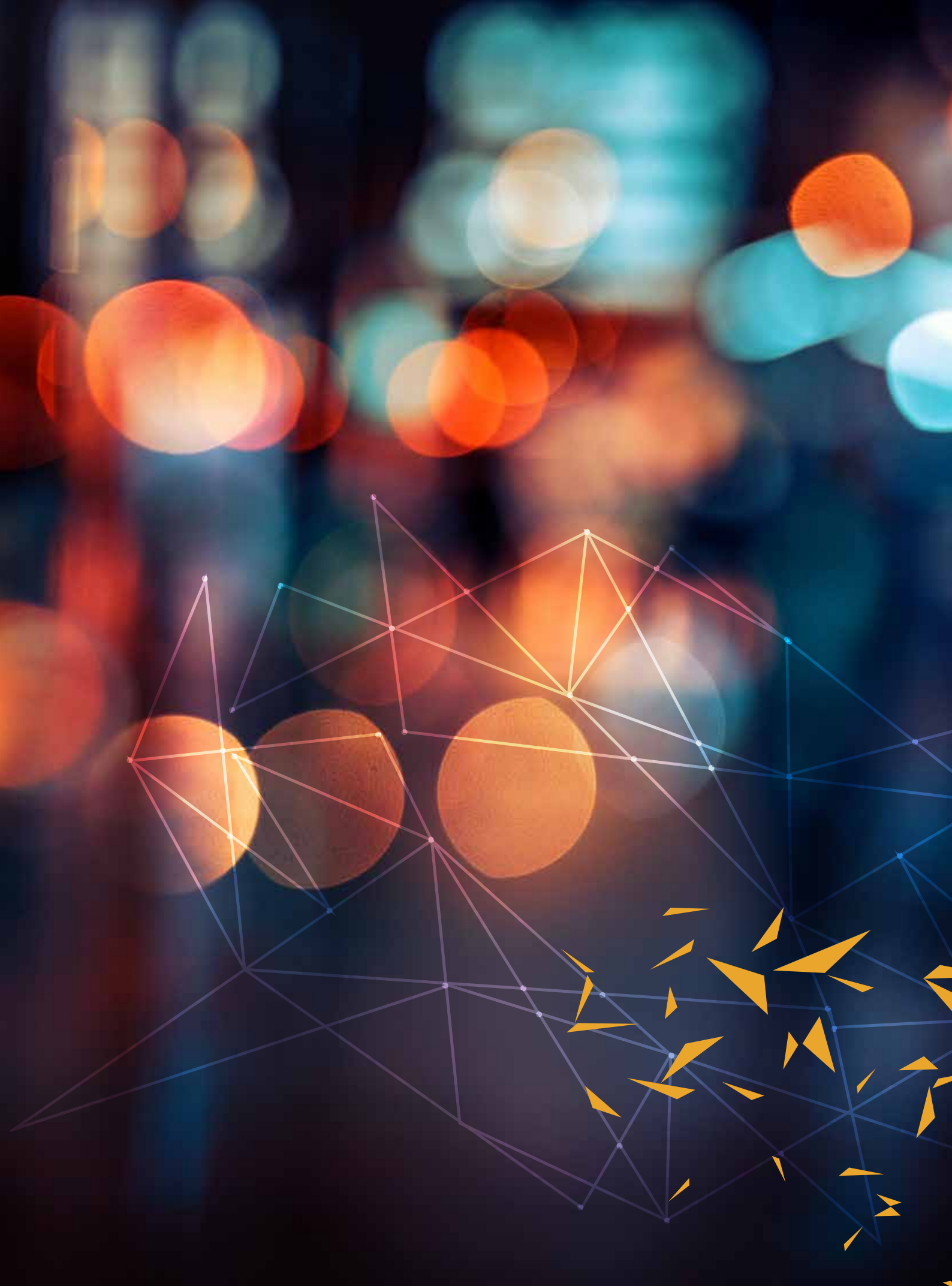
Description	2022/2023	2021/2022
	R'000	R'000
Total		

i) Details of current and previous year disciplinary or criminal steps taken as a result of irregular expenditure - not applicable

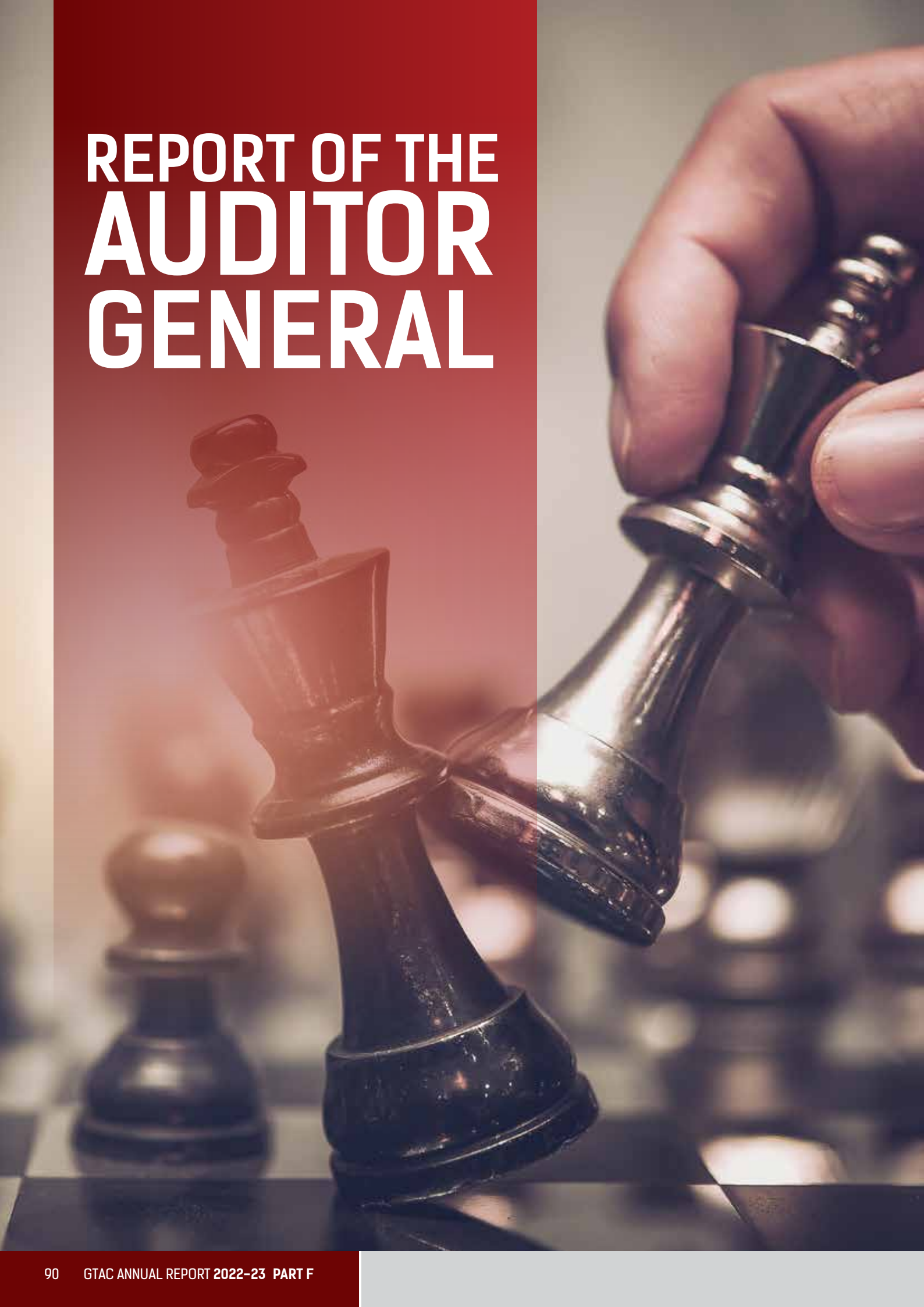
Description	2022/2023	2021/2022
	R'000	R'000
Disciplinary steps taken		
Total		

PART F

FINANCIAL INFORMATION



REPORT OF THE AUDITOR GENERAL





TSAKANI MALULEKE
AUDITOR GENERAL

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

Report on the audit of the financial statements

Opinion

1. I have audited the financial statements of the Government Technical Advisory Centre set out on pages 98 to 128, which comprise the statement of financial position as at 31 March 2023, statement of financial performance, statement of changes in net assets, cash flow statement and statement of comparison of budget information with actual amounts for the year then ended, as well as notes to the financial statements, including a summary of significant accounting policies.
2. In my opinion, the financial statements present fairly, in all material respects, the financial position of the Government Technical Advisory Centre as at 31 March 2023, and its financial performance and cash flows for the year then ended in accordance with the Standard of Generally Recognised Accounting Practice (Standards of 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 responsibilities of the auditor-general 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 matter

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

Irregular expenditure

7. As disclosed in note 27 to the financial statements, the government component incurred irregular expenditure of R21 million, which relates to non-compliance with applicable procurement legislation.

Other matters

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

Unaudited supplementary schedules

9. The supplementary information set out on pages 58 to 83 and pages 86 to 87 does not form part of the financial statements and is presented as additional information. I have not audited these schedules and, accordingly, I do not express an opinion on it.

National Treasury Instruction Note No. 4 of 2022-23: PFMA Compliance and Reporting Framework

10. On 23 December 2022 National Treasury issued Instruction Note No. 4: PFMA Compliance and Reporting Framework of 2022-23 in terms of section 76(1)(b), (e) and (f), 2(e) and (4)(a) and (c) of the PFMA, which came into effect on 3 January 2023. The PFMA Compliance and Reporting Framework also addresses the disclosure of unauthorised expenditure, irregular expenditure and fruitless and wasteful expenditure. Among the effects of this framework is that irregular and fruitless and wasteful expenditure incurred in previous financial years and not addressed is no longer disclosed in the disclosure notes of the annual financial statements, only the current year and prior year figures are disclosed in note 27 to the financial statements. The movements in respect of irregular expenditure and fruitless and wasteful expenditure are no longer disclosed in the notes to the annual financial statements of Government Technical Advisory Centre. The disclosure of these movements (e.g. condoned, recoverable, removed, written off, under assessment, under determination and under investigation) are now required to be included as part of other information in the annual report of the auditees.
11. I do not express an opinion on the disclosure of irregular expenditure and fruitless and wasteful expenditure in the annual report.

Responsibilities of the accounting officer for the financial statements

12. The accounting officer is responsible for the preparation and fair presentation of the financial statements in accordance with the Standards of 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.
13. In preparing the financial statements, the accounting officer is responsible for assessing the government component's ability to continue as a going concern; disclosing, as applicable, matters relating to going concern; and using the going concern basis of accounting unless the appropriate governance structure either intends to liquidate the government component or to cease operations, or has no realistic alternative but to do so.

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

14. 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.
15. A further description of my responsibilities for the audit of the financial statements is included in the annexure to this auditor's report.

Report on the audit of the annual performance report

- 16.** In accordance with the Public Audit Act 25 of 2004 (PAA) and the general notice issued in terms thereof, I must audit and report on the usefulness and reliability of the reported performance against predetermined objectives for the selected programme presented in the annual performance report. The accounting officer is responsible for the preparation of the annual performance report.
- 17.** I selected the following programme presented in the annual performance report for the year ended 31 March 2023 for auditing. I selected a programme that measures the government component's performance on its primary mandated functions and that is of significant national, community or public interest.

Programme	Page Number	Purpose
Technical and Advisory Services	32	To build the capacity of government institutions through the provision of technical and advisory services.

- 18.** I evaluated the reported performance information for the selected programme against the criteria developed from the performance management and reporting framework, as defined in the general notice. When an annual performance report is prepared using these criteria, it provides useful and reliable information and insights to users on the government component's planning and delivery on its mandate and objectives.
- 19.** I performed procedures to test whether:
- the indicators used for planning and reporting on performance can be linked directly to the government component's mandate and the achievement of its planned objectives
 - the indicators are well defined and verifiable to ensure that they are easy to understand and apply consistently and that I can confirm the methods and processes to be used for measuring achievements
 - the targets can be linked directly to the achievement of the indicators and are specific, time bound and measurable to ensure that it is easy to understand what should be delivered and by when, the required level of performance as well as how performance will be evaluated
 - the indicators and targets reported on in the annual performance report are the same as what was committed to in the approved initial or revised planning documents
 - the reported performance information is presented in the annual performance report in the prescribed manner
 - there are adequate supporting evidence for the achievements reported and for the reasons provided for any over- or underachievement of targets.
- 20.** I performed the procedures for the purpose of reporting material findings only; and not to express an assurance opinion.
- 21.** I did not identify any material findings on the reported performance information for the selected programme.

Report on compliance with legislation

- 22.** In accordance with the PAA and the general notice issued in terms thereof, I must audit and report on compliance with applicable legislation relating to financial matters, financial management and other related matters. The accounting officer is responsible for the government component's compliance with legislation.
- 23.** I performed procedures to test compliance with selected requirements in key legislation in accordance with the findings engagement methodology of the Auditor-General of South Africa (AGSA). This engagement is not an assurance engagement. Accordingly, I do not express an assurance opinion or conclusion.
- 24.** Through an established AGSA process, I selected requirements in key legislation for compliance testing that are relevant to the financial and performance management of the government component, clear to allow consistent measurement and evaluation, while also sufficiently detailed and readily available to report in an understandable manner. The selected legislative requirements are included in the annexure to this auditor's report.
- 25.** I did not identify any material non-compliance with the selected legislative requirements.

Other information in the annual report

26. The accounting officer is responsible for the other information included in the annual report. The other information referred to does not include the financial statements, the auditor's report and the selected programme presented in the annual performance report that have been specifically reported on in this auditor's report.
27. My opinion on the financial statements, the report on the audit of the annual performance report and the report on compliance with legislation, do not cover the other information included in the annual report and I do not express an audit opinion or any form of assurance conclusion on it.
28. My responsibility is to read this other information and, in doing so, consider whether it 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.
29. 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.

Internal control deficiencies

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

Auditor General

AUDITOR GENERAL

**Pretoria
31 July 2023**



ANNEXURE TO THE AUDITOR'S REPORT

The annexure includes the following:

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

AUDITOR-GENERAL'S RESPONSIBILITY FOR THE AUDIT

Professional judgement and professional scepticism

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

Financial statements

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

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

COMPLIANCE WITH LEGISLATION - SELECTED LEGISLATIVE REQUIREMENTS

The selected legislative requirements are as follow:

Legislation	Sections or regulations
Public Finance Management Act 1 of 1999 (PFMA)	Section 38(1)(b); 38(1)(c)(i); 38(1)(c)(ii); 38(1)(d); 38(1)(h)(iii); Section 40(1)(a); 40(1)(b); 40(1)(c)(i) Section 44; Section 45(b).
Public Service Regulation	Public service regulation 25(1)(e)(i); 25(1)(e)(iii) PSR 18 (1) and 18(2).
Treasury Regulations	Treasury Regulation 4.1.1; 4.1.3 Treasury Regulation 5.1.1; 5.2.1; 5.2.3(a); 5.2.3(d); 5.3.1 Treasury Regulation 7.2.1 Treasury Regulation 8.1.1; 8.2.1; 8.2.2; 8.2.3. Treasury Regulation 9.1.1; 9.1.4 Treasury Regulation 10.1.1(a); 10.1.2 Treasury Regulation 11.4.1; 11.4.2; 11.5.1 Treasury Regulation 12.5.1 Treasury Regulation 15.10.1.2(c) Treasury Regulation 16A 3.2; 16A 3.2(a); 16A 6.1; 16A6.2(a) & (b) & (e); 16A 6.3(a); 16A 6.3(a)(i); 16A 6.3(c); 16A 6.3(b); 16A 6.3(e); 16A 6.4; 16A 6.5; 16A 6.6; TR 16A.7.1; 16A.7.3; 16A.7.6; 16A.7.7; 16A 8.2(1) & (2); 16A 8.3; 16A 8.3(d); 16A 8.4; 16A9; 16A9.1; 16A9.1(b)(ii); 16A 9.1(c) & (d); 16A 9.1(e). 16A9.1(f); 16A 9.2; 16A 9.2(a)(ii) & (iii) Treasury Regulation 17.1.1 Treasury Regulation 18.2 Treasury Regulation 19.8.4.
Prevention and Combating of Corrupt Activities Act No.12 of 2004 (PRECCA)	Section 34(1).
Construction Industry Development Board Act No.38 of 2000 (CIDB)	Section 18(1).
CIDB Regulations	CIDB regulation 17 & 25(7A).
Preferential Procurement Policy Framework Act No. 5 of 2000 (PPPFA)	Section 1(i); 2.1(a); 2.1(b); 2.1(f)
Preferential Procurement Regulations, 2017	Paragraph 4.1; 4.2 Paragraph 5.1; 5.3; 5.6; 5.7 Paragraph 6.1; 6.2; 6.3; 6.5; 6.6; 6.8 Paragraph 7.1; 7.2; 7.3; 7.5; 7.6; 7.8 Paragraph 8.2; 8.5 Paragraph 9.1; 9.2 Paragraph 10.1; 10.2 Paragraph 11.1; 11.2 Paragraph 12.1 and 12.2.
The State Information Technology Agency Act No. 88 of 1998 (SITA)	Section 7(3).
NT SCM Instruction Note 03 2021/22	Paragraph 4.1; 4.2 (b); 4.3; 4.4; 4.4 (c)-(d); Paragraph 7.2
NT SCM Instruction 4A of 2016/17	Paragraph 6
NT SCM Instruction Note 11 2020/21	Paragraph 3.1; 3.4 (a) and (b); 3.9.
NT SCM Instruction note 2 of 2021/22	Paragraph 3.2.1; 3.2.4(a) and (b). 1 Paragraph 4.1.
Practice Note 5 of 2009/10	Paragraph 3.3.
NT instruction note 4 of 2015/16	Paragraph 3.4
Erratum NTI 5 of 2020/21	Paragraph 1 Paragraph 2
Practice note 7 of 2009/10	Paragraph 4.1.2
NT instruction note 1 of 2021/22	Paragraph 4.1.
PFMA SCM Instruction 04 of 2022/23	Paragraph 4(1); 4(2); 4(4)
Practice Note 5 of 2009/10	Paragraph 3.3
PFMA SCM Instruction 08 of 2022/23	Paragraph 3.2 Paragraph 4.3.2; 4.3.3
Competition Act No 89 of 1998	Section 4(1)(b)(ii)
Practice note 11 of 2008/9	Paragraph 3.1 Paragraph 3.1 (b)
PFMA SCM Instruction no. 09 of 2022/2023	Paragraph 3.1; 3.3 (b); 3.3 (c); 3.3 (e); 3.6



ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

The reports and statements set out below comprise the 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:

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The annual financial statements set out on pages 100 to 128, which have been prepared on the going concern basis were approved and signed on 31 March 2023:



Markus Rautenbach
Chief Director: Financial Management



Ronette Engela
Accounting Officer

Statement of Financial Position

	Notes	R 2023	R 2022
ASSETS			
Non-Current Assets			
Property, plant and equipment	4	4 414 939	3 382 969
Intangible assets	5	4	10 226
		4 414 943	3 393 195
Current Assets			
Receivables from exchange transactions	6	39 591 251	24 776 544
Receivables from non-exchange transactions	7	-	2 639 634
Cash and cash equivalents	8	2 362 414 352	1 630 603 335
		2 402 005 603	1 658 019 513
TOTAL ASSETS		2 406 420 546	1 661 412 708
LIABILITIES			
Current Liabilities			
Trade and other payables from exchange transactions	9	66 784 126	57 753 656
Payables from non-exchange transactions	10	2 091 033 344	1 369 805 339
Provisions	11	1 247 796	1 206 778
TOTAL LIABILITIES		2 159 065 266	1 428 765 773
NET ASSETS		247 355 280	232 646 935
Accumulated surplus		247 355 280	232 646 934
NET ASSETS		247 355 280	232 646 934

Statement of Financial Performance

	Notes	R 2023	R 2022
REVENUE			
Revenue from exchange transactions			
Administration fees received	12	2 725 621	2 196 075
Cost Recovery Revenue	13	130 578 269	125 850 220
Interest revenue	14	42 682 896	33 239 296
Royalties and sundry Income		207 046	351 257
Total revenue from exchange transactions		176 193 832	161 636 848
Revenue from non-exchange transactions			
Appropriated Funding	15	53 467 862	52 579 025
Donor Funding	16	272 240	8 738 443
Total revenue from non-exchange transactions		53 740 102	61 317 468
TOTAL REVENUE		229 933 934	222 954 316
EXPENDITURE			
Goods and Services	17	85 009 105	73 061 998
Compensation of Employees	18	128 156 490	130 192 648
Depreciation and amortisation	19	2 059 993	1 434 373
TOTAL EXPENDITURE		215 225 588	204 689 019
SURPLUS FOR THE YEAR		14 708 346	18 265 297

Statement of Changes in Net Assets

	Note	R Reserves
Balance at 1 April 2023		214 381 637
Net surplus for the period ended 31 March 2022		18 265 297
Balance at 31 March 2022		232 646 934
Balance at 1 April 2022		232 646 934
Net surplus for the period ended 31 March 2023		14 708 346
Balance at 31 March 2023		247 355 280

Cash Flow Statement

		R	R
	Note	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts			
Government funding and other sources		2 646 401 208	1 744 404 399
Interest income	20	23 922 959	27 429 287
		2 670 324 167	1 771 833 686
Payments			
Grants and project payments		1 807 330 932	1 020 948 005
Compensation of employees		127 918 127	132 499 628
		1 935 249 059	1 153 447 633
Net cash flows from operating activities	21	735 075 109	618 386 053
Cash flows from investing activities			
Purchase of property, plant and equipment	4	(3 264 092)	(1 896 655)
Net cash flows from investing activities		(3 264 092)	(1 896 655)
Net increase in cash and cash equivalents		731 811 017	616 489 398
Cash and cash equivalents at the beginning of the year		1 630 603 335	1 014 113 937
Cash and cash equivalents at the end of the year	8	2 362 414 352	1 630 603 335

Statement of Comparison of Budget and Actual Amounts

	R	R	R	R	R	
	Approved budget	Adjustments	Adjusted Budget	Actual	Variance Over / (Under)	Notes
STATEMENT OF FINANCIAL PERFORMANCE						
Revenue						
Revenue from exchange transactions						
Cost recovery revenue	191 510 391	18 175 639	209 686 030	130 578 269	(79 107 761)	25.1
Interest revenue	24 150 000		24 150 000	42 682 896	18 532 896	25.2
Administration fees, royalties and sundry Income	3 600 000	60 000	3 660 000	2 932 667	(727 333)	
Total revenue from exchange transactions	219 260 391	18 235 639	237 496 030	176 193 832	(61 302 198)	
Revenue from non-exchange transactions						
Appropriated funding	81 322 000		81 322 000	53 467 862	(27 854 138)	25.3
Donor funding	–	2 888 734	2 888 734	272 240	(2 616 494)	25.4
Total revenue from non-exchange transactions	81 322 000	2 888 734	84 210 734	53 740 102	(30 470 632)	
Total revenue	300 582 391	21 124 373	321 706 764	229 933 934	(91 772 830)	
Expenditure						
Goods and services	174 750 630	(2 805 562)	171 945 068	84 842 828	(87 102 240)	25.5
Compensation of employees	143 850 000	2 856 002	146 706 002	128 156 490	(18 549 512)	25.6
Depreciation and amortisation	3 055 694		3 055 694	2 059 993	(995 701)	
Transfers	–	–	–	166 277	166 277	
Total expenditure	321 656 324	50 440	321 706 764	215 225 588	(106 481 176)	
Surplus/(Deficit) for the year	(21 073 933)	21 073 933	-	14 708 346	14 708 346	

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 R5 000 is written off in the year of acquisition.

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

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

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

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

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

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

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

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

6. Intangible assets

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

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

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

Item	Useful life
Computer software	5 years

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

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

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

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

7. Financial instruments

Initial recognition

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

Financial assets

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

Cash and cash equivalents

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

Financial assets at amortised cost

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

Effective interest method

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

Impairment testing and uncollectability of financial assets

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

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

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables where the carrying amount is reduced through the use of an allowance account. When a trade receivable is uncollectible,

it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognised in the surplus or deficit.

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

Derecognition

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

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

Financial liabilities

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

Derecognition

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

Other financial liabilities

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

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

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

8. Tax

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

9. Employee benefits

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

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

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

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

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

10. Revenue from exchange transactions

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

10.1 Administration fees received

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

10.2 Cost recovery revenue

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

10.3 Interest revenue

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

10.4 Royalties

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

11. Revenue from non-exchange transactions

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

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

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

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

11.1 Appropriated funding

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

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

11.2 Donor funding

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

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

12. Irregular Expenditure and Fruitless & Wasteful Expenditure

Irregular expenditure is defined in section 1 of the PFMA as 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.

Irregular expenditure is recorded in the notes to the financial statements when and at amounts confirmed and comprises of:

- a) irregular expenditure incurred and confirmed in the previous financial year (comparative amount);
- b) irregular expenditure that was under assessment in the previous financial year and confirmed in the current financial year; and
- c) irregular expenditure that was not discovered in the previous financial year, identified and confirmed in the current financial year.
- d) irregular expenditure payments relating to multi-year contracts that was not condoned or removed.

Where irregular expenditure was incurred in the previous financial years and only condoned in the current financial year, the register and the annual report shall be updated with the condoned amounts.

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

Fruitless and wasteful expenditure is recorded in the notes to the financial statements when and at amounts confirmed and comprises of:

- a) fruitless and wasteful expenditure incurred and confirmed in the previous financial year (comparative amount);
- b) fruitless and wasteful expenditure that was under assessment in the previous financial year, confirmed in the current financial year; and
- c) fruitless and wasteful expenditure that was not discovered in the previous financial year and identified and confirmed in the current financial year.

13. 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.

14. 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.

14.1 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.

14.2 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.

15. Public sector practices and policies

15.1 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.

15.2 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.

16. 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)

17. 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.

18. 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.

19. 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.

20. 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.

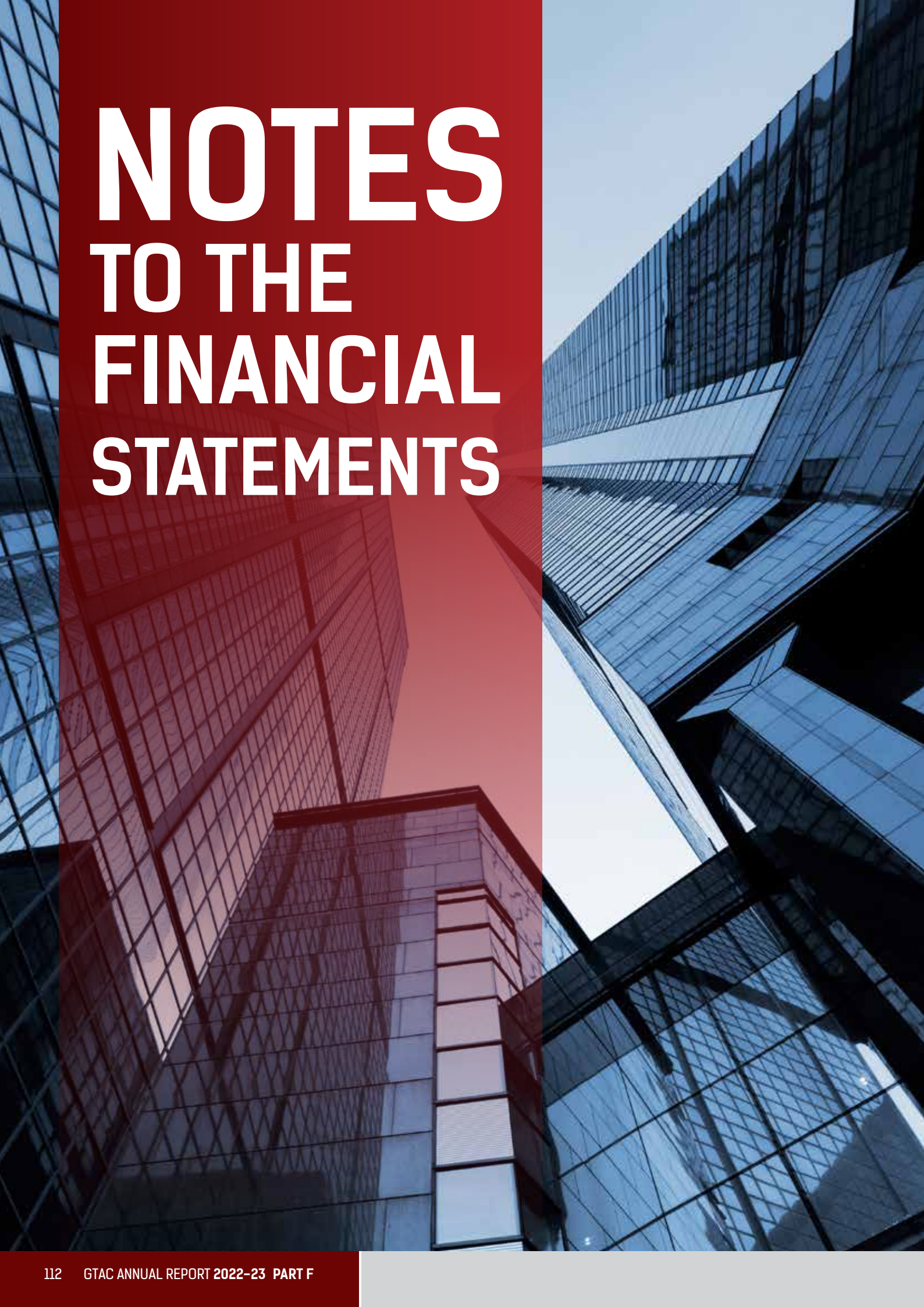
In these programmes and projects, GTAC:

- 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.



NOTES TO THE FINANCIAL STATEMENTS

1. Establishment of GTAC

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

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

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

2. Transfer of functions to GTAC

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

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

3. New Standards and Interpretations

3.1 Standards Issued, but not yet effective

At the date of authorisation of these financial statements, there is no standards/interpretations in issue (approved) but not yet effective. This includes the following standards that are applicable to GTAC and may have an impact on future financial statements:

Standard/ Interpretation:	Effective date: year beginning on or after	Expected impact
GRAP 25 (Revised): Employee benefits	Saturday, 01 April 2023	Not expected to impact results but may result in additional disclosures
GRAP 104 (Revised): Financial instruments	Tuesday, 01 April 2025	Not expected to impact results but may result in additional disclosures
IGRAP 7 on the limit on a defined benefit asset, minimum funding requirements and their interaction (revised)	Saturday, 01 April 2023	Not expected to impact results
IGRAP 21 on the effect of past decisions on materiality	Saturday, 01 April 2023	Not expected to impact results

4. Property, plant and equipment

	2023			2022		
	Cost	Accumulated depreciation	Carrying value	Cost	Accumulated depreciation	Carrying value
Office equipment	1 763 053	1 036 207	726 846	1 846 958	917 640	929 318
Computer equipment	8 138 535	4 668 285	3 470 250	5 811 148	3 612 442	2 198 706
Furniture and fittings	447 290	229 447	217 843	439 540	184 595	254 945
Total	10 348 878	5 933 939	4 414 939	8 097 646	4 714 677	3 382 969

Reconciliation of property, plant and equipment – 2023

	Opening balance (Carrying Value)	Additions	Disposals	Depreciation	Closing balance (Carrying Value)
Office equipment	929 318	171 209	77 458	296 223	726 846
Computer equipment	2 198 706	3 085 132	104 892	1 708 696	3 470 250
Furniture and fittings	254 945	7 750	–	44 852	217 843
	3 382 969	3 264 092	182 350	2 049 771	4 414 939

Reconciliation of property, plant and equipment – 2022

	2023				2022
	Opening balance (carrying value)	Additions	Disposals	Depreciation	Closing balance (carrying value)
Office equipment	683 767	635 505	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	–	–	44 566	254 945
	2 957 972	1 896 655	62 488	1 409 171	3 382 969
Net Carrying Value					
Office equipment				726 846	929 318
Computer equipment				3 470 250	2 198 706
Furniture and fittings				217 843	254 945
				4 414 939	3 382 969

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

5. Intangible assets

	2023			2022		
	Cost	Accumulated amortisation	Carrying value	Cost	Accumulated amortisation	Carrying value
Computer software	124 295	124 291	4	124 295	114 069	10 226
Reconciliation of intangible assets – 2023						
	Opening balance (Carrying Value)	Additions	Disposals	Amortisation	Closing balance (Carrying Value)	
Computer software	10 226	–	–	10 222	4	
Reconciliation of intangible assets – 2022						
	Opening balance (Carrying Value)	Additions	Disposals	Amortisation	Closing balance (Carrying Value)	
Computer software	35 430	–	–	25 204	10 226	
Net Carrying Value						
				2023	2022	
Computer software				4	10 226	

6. Receivables from Exchange Transaction

	2023	2022
Trade Receivables	10 585 172	13 840 220
Interest accrued	29 696 260	10 936 324
Impairment loss of debtors	(690 181)	–
	39 591 251	24 776 544

7. Receivables from non exchange transactions

	2023	2022
Reconstruction and Development Programme*		
-Department of Public Works and Infrastructure - Energy	–	2 639 634
	–	2 639 634

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

8. Cash and cash equivalents

		2023	2022
Cash and cash equivalents consist of:			
Bank accounts:			
- Government Technical Advisory Centre (GTAC)		15 000	10 000
- Project Development Facility (PDF)		500	500
- Neighbourhood Development Programme (NDP)		500	500
- Independent Power Procurement Programme (IPPP)		500	500
- Jobs Fund Partner Funds (JF)		500	500
- Presidential Youth Employment Funds (PYE)		500	500
- National Pathway Management (NPM)		500	–
- Paymaster-General Account (PMG)		900 504	394 254
		918 504	406 754
Call accounts:			
- Government Technical Advisory Centre (GTAC)		4 678 890	166 155
- Project Development Facility (PDF)		396 784 746	738 514 654
- Neighbourhood Development Programme (NDP)		15 807 009	15 663 253
- Independent Power Procurement Programme (IPPP)		1 097 802 353	403 577 117
- Jobs Fund Partner Funds (JF)		532 235 684	273 486 281
- Presidential Youth Employment Funds (PYE)		19 023 567	188 784 463
- National Pathway Management (NPM)		64 206 183	–
- Corporation for Public Deposits		230 957 416	10 004 658
		2 361 495 848	1 630 196 581
Total cash and cash equivalents		2 362 414 352	1 630 603 335

Cash and cash equivalents comprise cash held by GTAC and short-term bank deposits on call. The carrying amount of these assets approximates their fair values. During 202/23 funds were invested in call accounts with Nedbank to maximise the interest earned (4.15% and 7.65% 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 setout in the principal and agent relationship agreement.

2 076 035 809 **1 359 100 700**

9. Trade and other payables from exchange transactions

		2023	2022
Accruals		7 893 733	15 529 080
Other payables		486 997	1 213 383
Leave accrual		7 675 455	7 478 110
Income received in advance – Cost Recovery	-Infrastructure Improvement Programme	5 349 941	7 096 584
	-Project preparation Infrastructure (CPAU)	45 378 000	22 689 000
	-Presidential Youth Employment (PYE)	–	3 747 499
		66 784 126	57 753 656

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

	2023	2022
Income received in advance		
- Employment creation facilitation fund	10 166 747	10 704 609
- GIZ donor fund	4 830 756	
- Flanders	30	30
Unspent government funding		
- Job Fund partner funds **	539 840 922	274 609 270
- National Youth Development Agency **	15 266 784	181 830 841
- Department of Labour and Employment (National Pathway Management) ` **	64 803 323	-
- Neighbourhood Development Programme * **	15 973 348	15 759 564
- Development Bank of Southern Africa (Independent Power Producer Procurement Programme)**	1 120 393 612	435 261 462
-Municipal Finance Improvement Programme III**	213 171 878	176 609 554
-Department of Public Works - Salvokop**	80 941 544	249 385 611
-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
	2 091 033 342	1 369 805 339

* 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 an Principal agent relationship (Refer Note 28).

11. Provisions

	2023	2022
Provisions for service bonuses	1 247 796	1 206 778
	1 247 796	1 206 778

Reconciliation of employee provisions - 2023

	Opening balance	Adjustments	Utilised	Unutilised	Closing balance
Provisions for service bonuses	1 206 778	2 556 199	(2 515 181)	-	1 247 796

Reconciliation of employee provisions - 2022

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

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

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

12. Administration fees

	2023	2022
Employment Facilitation (Jobs Fund Project Management Unit)	1 623 649	1 672 176
Neighbourhood Development Programme	396 900	378 000
Indendent Power Producers Programme (IPPP)	120 000	–
Presidential Youth Employment	398 070	112 452
National Pathway Management Network	187 002	33 445
	2 725 621	2 196 073

13. Cost recovery revenue

Technical Advisory Services	39 850 625	49 559 610
Employment Facilitation (Jobs Fund Project Management Unit)	54 121 628	55 739 204
Municipal Finance Improvement Programme III (MFIP)	17 103 608	15 688 182
Presidential Youth Employment	13 268 992	3 748 387
National Pathway Management Network	6 233 416	1 114 837
	130 578 269	125 850 220

14. Interest revenue

Interest:	42 682 896	33 239 296
	42 682 896	33 239 296

The interest is derived from the funds in the GTAC and PDF call accounts (refer note 8). The other call accounts' interest do not accrue to GTAC and is as such disclosed as payables from non-exchanges transactions (refer note 10 and 28).

15. Appropriated funding (National Treasury vote)

Government Technical Advisory Centre (GTAC) - Contribution to Operations	52 930 000	51 345 000
Project allocations:		
-Employment Creation Facilitation (Jobs Fund) - Projects	537 862	1 234 025
	53 467 862	52 579 025

16. Donor funding

"Building a Capable State" (BCS)	–	8 738 443
- Funding from the Canadian department of Foreign Affairs, Trade and development		
" Integrated School Health Programme (ISHP)"	272 240	–
- funding from the German department Deutsche Gesellschaft für Internationale Zusammenarbeit		
	272 240	8 738 443

17. Goods and services

	2023	2022
Administrative fees	3 017 415	334 083
Advertising	197 032	86 961
Assets less than capitalisation threshold and maintenance	271 506	90 792
Audit committee fees	181 503	338 411
Audit fees	3 620 786	3 650 192
Bank charges	47 798	45 055
Bursaries	130 225	275 124
Internship	–	-293 944
Catering	80 705	12 245
Communications	1 059 369	1 268 317
Computer services - Internet charges and website	33 286	35 473
Consumables and maintenance	203 270	79 411
Contractors General management	497 683	135 903
Courier services	–	311
Entertainment	–	129
Gifts and Promotions	60 528	–
Impairment of debtors	690 181	–
Injury on duty	–	824
Legal services	–	107 693
Licence fees	2 371 510	494 716
Losses and damages	475 978	62 488
Operating leases	592 116	425 398
Parking services	210	–
Project expenditure:		
- Building a Capable State (Canadian Government funding)	–	8 572 869
- Technical and Advisory Services	37 368 894	38 190 671
- Employment Facilitation - Jobs Fund Operations	9 394 797	8 939 242
- Employment Facilitation - Jobs Fund Projects	22 080	27 078
- Specialised Procurement - Project Development Facility	258 227	–
- Capital Projects Appraisal	21 915	326 993
- Support to the National Treasury in National Health Insurance Design	272 240	–
- Consult Serv-Comms	773 869	1 814 555
- National Pathway Management Network	5 825 914	1 110 335
- Presidential Youth Employment	12 043 822	3 684 323
Resettlement cost	5 489	–
Security services	–	65 556
Stationary and printing	121 303	154 997
Subscriptions	184 114	54 511
Training	1 216 094	1 046 586
Transf & disb-International organisation	166 277	1 062 358
Travel and subsistence	3 627 265	745 089
Venues and facilities	175 704	96 328
Covid -19 Response	–	20 925
	85 009 105	73 061 998

17.1. Impact of Covid-19

Covid-19 had a limited impact in the operations of GTAC, in total R0 for 2022/23 (R20,925.00 - 2021/22) has been spent mainly on hand sanitizers, face masks, decontamination, desk screens and financial relief to external bursary holders as a measure of responding to the pandemic.

17.2. Impairment loss

Impairment loss on debtors	690 181	–
	690 181	–

- In 2016 GTAC launched the bursary programme of GTAC's public economics capacity building initiative, which seeks to address the skills gap in public policy and public economics in South Africa.
- GTAC awarded the bursary contracts to the students under that programme with one of the clause that the students upon completion of their studies will work for the government for a period 3 years.
- 3 of the students defaulted on that clause and the debtor was raised as they had to repay GTAC the bursary amount.
- Since the debtors were raised GTAC has informed the defaulted students of their debt and requested them to make an arrangement to repay the monies due to GTAC but no response has been received from those students.

18. Compensation of employees

	2023	2022 (Restated)
Salaries and wages	74 015 319	76 545 327
UIF, pensions and medical aid	8 891 339	9 115 389
Service bonuses	2 878 976	2 788 798
Performance bonuses	111 794	-448 577
Overtime	107 160	–
Other employee related costs*	2 339 690	867 979
Housing allowances	841 870	777 649
Non pensionable	38 970 342	40 546 083
	128 156 490	130 192 648

* Other employee related costs includes leave paid out, bargaining council contributions and acting allowances.
Refer to note 29 (Prior year errors)

19. Depreciation and amortisation

Office equipment	296 223	359 208
Computer equipment	1 708 696	1 005 398
Furniture and fittings	44 852	44 566
Computer software	10 222	25 204
	2 059 993	1 434 375

20. Interest income (relating to cash flow statement)

Interest income at the beginning of the year	10 936 323	5 126 314
Interest income received per the Statement of Financial Performance	42 682 896	33 239 296
Accrued net interest income at the end of the year	(29 696 260)	(10 936 323)
	23 922 959	27 429 287

21. Net cash flows from operating activities

Surplus for the year	14 708 347	18 265 298
Adjustments for:		
Depreciation and amortisation	2 059 993	1 434 374
Loss on disposal of assets	182 350	62 488
Increase/(Decrease) in salary provisions and accruals	238 363	(2 306 980)
Increase in unspent government funding from non-exchange transactions	716 935 109	580 062 371
Increase in Income received in advance	21 487 753	23 383 837
from Exchange transactions	17 194 859	26 436 499
from Non-Exchange transactions	4 292 894	(3 052 662)
Changes in working capital		
Increase in receivables from exchange transactions	(14 814 707)	(2 263 417)
Decrease/ (Increase) in receivables from non-exchange transactions	2 639 634	(2 639 634)
(Decrease)/ Increase in payables from exchange transactions	(8 361 733)	4 952 858
(Decrease)in payables from non-exchange transactions	–	(2 565 143)
	735 075 109	618 386 052

22. Related parties

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

Receivables	2023	2022
Department of Employment and Labour (DEL)	1 487 660	1 148 282
Department of Planning, Monitoring and Evaluation (DPME)	108 666	323 180
Department of Small Business Development	93 600	–
Department of Public Works and Infrastructure (DPWI)	146 150	95 590
Department of Basic Education	390 708	–
Department of Science and Innovation	1 057 160	–
Department of Public Enterprises	626 044	–
Government Printing Works	120 971,31	–
National Department of Transport	862 816	–
National Youth Development Agency	2 136 552	–
National Treasury	–	9 189 187
Office of the Military Ombudsman	–	492 960
Parliament	–	745 760
Public Service Commission	325 948	–
South African Space Agency	–	470 840
	7 356 275	12 465 800

Trade and other payables

National Treasury	-Infrastructure Delivery Improvement Programme	5 349 941	7 096 584
	-Employment Creation Facilitation Programme	10 166 747	10 704 609
	-Municipal Finance Improvement Programme III	213 171 878	176 609 554
	-Neighbourhood Development Programme	15 973 348	15 759 564
	-Jobs fund	540 254 145	274 609 270
Department of Public Works-Salvokop		80 941 544	–
Department of Public Works - DAFF*		15 000 000	15 000 000
Development Bank of Southern Africa Ltd (Independent Power Producer Procurement Programme)		1 120 393 612	435 261 462
Department of Social Development*		10 000 000	10 000 000
Department of Transport*		644 398	644 398
National Youth Development Agency (NYDA)		15 266 784	185 578 340
Department of Employment and Labour (DEL)		64 803 323	–
		2 091 965 720	1 131 263 781

These funds have been committed against projects

* - There were no movements on these payables due to the nature of the projects

Related party transactions

Funding provided by relating parties

National Treasury	-GTAC	52 930 000	51 345 000
	-Municipal Finance Improvement Programme III	162 716 000	162 578 000
	-Neighbourhood Development Programme	188 779 707	180 755 000
		404 425 707	394 678 000

Services provided to related parties

	2023	2022
Department of Agriculture, Forestry and Fisheries (Branch Fisheries)	921 987,27	-
Department of Basic Education	1 862 018,00	1 923 408
Department of Co-operative Governance & Traditional Affairs	-	1 085 841
Department of Employment and Labour - National Pathway Management Network	6 420 418,00	1 148 282
Department of Environmental Affairs (DEA)	550 361,61	-
Department of Military Veterans	1 146 290,00	-
Department of Labour - Sheltered Employment Factory	-	1 248 200
Department of Performance Monitoring and Evaluations	519 057,31	443 655
Department of Public Enterprises	1 872 008,47	2 595 000
Department of Public Service Administration	429 311,23	93 432
Department of Public Works and Infrastructure	752 305,36	402 505
Department of Science and Innovation	1 749 450,75	453 720
Department of Social Development	-	1 592 345
Department of Small Business Development	1 805 967,39	-
Department of Transport	2 327 911,85	-
Government Pensions Administration Agency	-	151 680
Government Printings	120 971,31	-
National Prosecuting Authority	-	614 080
National Treasury	85 633 061,70	91 399 493
National Youth Development Agency	13 667 062,14	3 860 839
Office of the Military Ombudsman	-	492 960
Parliament	-	745 760
Parliamentary Budget Office	-	316 000
Public Service Commission (PSC)	325 948,26	-
South African National Aids Council	-	291 510
South African National Space Agency	1 012 780,00	1 326 964
The Presidency	184 693,50	1 054 745
	121 301 604	111 240 420

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

Services received at no cost

National Treasury	14 138 021	16 103 173
	14 138 021	16 103 173

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	-	106 631
National Planning Commission	32 900	-
The Presidency	48 000	-
	80 900	106 631

> The consultancy services rendered:

- 1) State Bank
- 2) Facilitation of the NPC's Strategic Planning Session
- 3) Support for the establishment of a Red Tape Reduction Team

Key management personnel

2023		Basic	Performance	Service	Pension	Other allowances*	Total
		(Basic salary and non-pensionable)	Bonus	Bonus			
Name	Designation	R	R	R	R	R	R
R Engela	Acting Head of GTAC (from 01 February 2022)/DDG: Public Expenditure and Policy Analysis	1 689 399	–	104 532	163 070	341 088	2 298 089
SPM Rautenbach	Chief Director: Financial Management	1 625 190	–	-	160 661	114	1 785 966
B Mashilo	Chief Director: Capital Projects Appraisal	1 183 891	–	79 789	124 471	114	1 388 265
E Venter	Acting Chief Director: Strategy Management and Communications (from 01 July 2021)	1 203 951	–	-	118 491	24 564	1 347 006
TP Moleke	Chief Director: Transaction Advisory Services and PPP	1 523 299	–	-	127 828	8 154	1 659 282
N Allie -Edries	Deputy Director-General: Employment Facilitation	1 544 716	–	104 532	163 070	114	1 812 432
LO Ndlela	Chief Director: Institutional Development Services (01 April 2022 - 30 June 2022)	351 851	–	-	35 054	68 769	455 674
EC Gille	Chief Director: Institutional Development Services	1 300 381	–	-	108 290	114	1 408 785
NT Gobozi	Acting Chief Director: Professional Services Procurement (from 01 November 2021)	1 119 760	–	-	116 853	90 686	1 327 298
MJ Matshivha	Chief Director: Municipal Finance Improvement Programme	1 324 425	–	-	-	3 943	1 328 368
EJ Stokes	Director: HRM (01 April 2022 - 31 December 2022)	764 966	–	-	75 563	86	840 615
NM Davis	Acting Director: HRM (from 01 January 2023)	232 211	–	-	-	49 249	281 459
MT Buthelezi	Acting DDG: Public Expenditure and Policy Analysis (from 01 April 2022)	942 892	–	64 481	100 590	4 754	1 112 717
		14 806 933	–	353 334	1 293 939	591 751	17 045 957

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

2022		Basic	Performance	Service	Pension	Other allowances*	Total
		(Basic salary, 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	1 828 457
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	1 347 862
S Naidoo (3 months)	Chief Director: Strategy Management and Communications	287 738	–	–	28 383	75 480	391 600
E Venter	Acting Chief Director: Strategy Management and Communications (from 01 July 2021)	1 152 500	14 799	–	113 340	19 266	1 299 906
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	1 792 389
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	911 453
NT Gobozi	Acting Chief Director: Professional Services Procurement (from 01 November 2021)	986 483	–	77 732	106 093	111 782	1 282 089
MJ Matshivha	Acting Chief Director: Municipal Finance Improvement Programme(from 1 July 2020)	1 302 915	–	–	–	10 397	1 313 312
EJ Stokes	Director: HRM	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	258 042
		15 542 626	127 240	460 784	1 398 954	884 668	18 414 271

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

23. 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.

2023	Carrying amount	Current	30 Days	60 Days	90 Days	120 Days and more
	R	R	R	R	R	R
Trade receivables	9 663 498	6 302 069	–	2 045 475	–	1 315 953

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

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

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.

2023	Carrying amount	Current	30 Days	60 Days	90 Days	120 Days and more
	R	R	R	R	R	R
Trade payables	7 893 734	7 865 823	-2 114	37 095	-300	-6 770

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

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.

24. 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.

2023	2022
------	------

Effects on the 2021/22 financial year period

Increase in Irregular expenditure condoned	–	52 562 021
Decrease in Irregular expenditure balance	–	(52 562 021)
No material events after the reporting date.		

25. 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 2022 AENE, the adjustment was mainly done on technical advisory services and cost recovery to realign the budget with the low demand on projects. The second adjustment was done in Q4 as per the outcome on the budget for deficit decision from NT. With the approval of the 2022 retention of surpluses, GTAC was able to adjust the 2023 FY budget from the deficit to a break even point.

25.1 Cost Recovery revenue

Under budget

The variance was mainly due to due to underspend by the PMUs on their operational budget and delays in the implementation of some projects and lower demand on technical advisory services projects than budgeted for.

25.2 Interest revenue

Over budget

All surplus funds are transferred to a call account that earns interest between 4,15% and 7,65 % depending on the period fixed. The positive variance was mainly due to unspent monies and more funds received on principal agent projects as well as increase in interest rates.

25.3 Appropriated funding

Under budget

The significant variance was mainly due to unspent funds for the Infrastructure Planning Support project. The MoA was only approved in January 2023 and the project is expected to start in the new financial year.

25.4 Donor funding

Under budget

Donor funding was from the German Government through Federal Ministry for Economic Cooperation and Development (GIZ). The project started in Q3 and could not materialise. The project will continue in the next financial year.

25.5 Goods and services

Under budget

The under spending was due to a number of projects being delayed and some never materialized as per the budgeted.

Delays in implementation of the Infrastructure Support Planning project as the MoA to enable spending was only signed in Q4. There were delays in the implementation of some projects (Technical advisory and Spending reviews).

The donor funded project budget started in Q3 did not materialise. The project will continue in the next financial year. No ECFF projects identified this year. Few bursaries issued than budgeted. Lastly, overall savings on operational costs as most employees work remotely from home.

25.6 Compensation of employees

Under budget

Under spending on compensation of employees was due to a number of vacancies.

26. Financial instruments

Categories of financial instruments

2023

Financial assets	At amortised cost	Total
Receivables from exchange transactions	39 591 251	39 591 251
Cash and cash equivalents	2 362 414 352	2 362 414 352
	2 402 005 603	2 402 005 603

Financial liabilities	At amortised cost	Total
Trade and other payables from exchange transactions	66 784 126	66 784 126
Payables from non-exchange transactions	2 091 033 344	2 091 033 344
	2 157 817 470	2 157 817 470

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

27. Irregular Expenditure and Fruitless & Wasteful Expenditure

	2023	2022
Irregular Expenditure	21 088 944	12 257 624
Closing balance	21 088 944	12 257 624

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

28. 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.

	2023	2022
Bank Balance	532 236 184	273 486 781
Assets -Interest receivable	3 605 563	1 122 489
Liability	(539 840 922)	(274 609 270)
Difference – inter account transfer between Jobs Fund and the PYE account.To be corrected in the next financial year.	(3 999 175)	–
Revenue		
– Appropriated funds	652 234 314	596 768 000
– Interest accrued	2 483 074	7 298 680
Expenditure		
– Jobs Fund partner payments	389 484 578	346 187 603
– Bank charges	1 158	1 104

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 agent, on behalf of NYDA, as principal.

Bank Balance (Including operational funds)	19 024 067	188 784 963
Assets – Interest receivable	241 886	42 954
Receivable by GTAC – (cost recovery and administration fees)	2 136 552	–
Liability	(15 266 784)	(185 578 340)
Difference – inter account transfer between Jobs Fund and the PYE account. To be corrected in the next financial year.	6 135 721	3 249 577
Revenue		
– Appropriated funds	307 920 872	189 396 320
– Interest accrued	198 932	42 954
Expenditure		
– Payments to service providers	478 430 202	3 860 839
– Bank charges	1 158	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.

Bank Balance	64 206 683	–
Assets – Interest receivable	596 640	–
Receivable by GTAC - (cost recovery and administration fees)	1 487 660	1 114 837
Liability	(64 803 323)	–
Difference - inter account transfer between Jobs Fund and the PYE account. To be corrected in the next financial year.	1 487 660	1 114 837
Revenue		
– Appropriated funds	260 827 681	–
– Interest accrued	596 640	–
Expenditure		
– Payments to service providers	196 620 029	1 114 837
– Bank charges	968	–

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.

Bank Balance	1 097 802 853	403 577 617
Assets -Interest receivable	22 590 760	6 683 845
Liability	(1 120 393 612)	(435 261 462)
Difference - inter account transfer between GTAC and the IPPPP account.To be corrected in the next financial year.	1	(25 000 000)

		2023	2022
Revenue	– Development and request for proposal fees	779 226 394	294 789 864
	– Appropriated Funds	-	100 000 000
	– Interest accrued	15 906 915	13 541 683
Expenditure	– Salaries and overheads	110 000 000	200 000 000
	– Bank charges	1 158	1 606

Neighbourhood Development Programme - National Treasury

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

Bank Balance		15 807 509	15 663 753
Assets – Interest receivable		165 838	70 610
Liability*		(15 973 348)	(15 759 564)
Difference - interaccount transfer between GTAC and the NDP account.To be corrected in the next financial year.		(1)	(25 201)

Revenue	– Appropriated funds *	190 789 736	180 755 000
	– Interest accrued	95 228	1 163 969
Expenditure	– Payments to service providers	190 273 122	179 261 585
	– Administration fees	396 900	378 000
	– Bank charges	1 158	1 104

* -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 Improvement Programme III.

Funds available		213 171 878	176 609 554
Liability		(213 171 878)	(176 609 554)
		-	-
Revenue	– funds	162 716 000	162 578 000
Expenditure	– Payments to service providers	126 153 676	141 372 144

National Department of Transport (NDoT)

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

Funds available		644 398	644 398
Liability		(644 398)	(644 398)
		-	-

Department of Public Works – Salvokop

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

Funds available		80 941 545	249 385 611
Liability		(80 941 545)	(249 385 611)
		-	-
Funds received		-	-
Expenditure - Payments to service providers		168 444 066	28 715 507

Department of Public Works – Department of Agriculture, Forestry and Fisheries (DAFF)**2023** **2022**

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	–	–
Asset (Receivable by GTAC)	–	2 639 634
Difference – DPW to reimburse GTAC. To be done in the next financial year.	–	2 639 634
Funds received	89 814 669	–
Expenditure – Payments to service providers	87 175 035	65 384 648

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)
	–	–

29. Prior period errors**1. Error in Compensation of Employees (Note 18)**

In the prior year the calculations on the classification of Compensation of Employees were erroneous. The calculations in medical and pension, non-pensionable and other employee related costs were wrong, this resulted in an error in the prior year calculation.

Decrease in medical and pensions	–	15 977
Decrease in non pensionable	–	734 109
Increase in other employee related costs	–	750 086
Refer to note 18		

30. Contingent Liability**Legal case against the Minister of Finance/ National Treasury and the Service provider, on the contract terminated by GTAC**

2 041 130 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 The 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 2023 there is still uncertainty on a possible obligation by GTAC as a result of the past event of terminating a contract.

Accumulated surplus (unspent government funds)

242 940 337 229 253 740

In terms of the PFMA, all surplus funds (cash and cash equivalents plus receivables 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 through 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 was uncertainty around the probable outflow/retention of these funds.

The retention of funds is expected to be granted at the end of September 2023.

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