GAUTENG SHARED SERVICE CENTRE

STRATEGIC PLAN

A GPG PARTNERSHIP FOR IMPROVING 'BACK OFFICE' SERVICES

1. EXECUTIVE SUMMARY

1.1 Preface

As we enter the second phase of the Gauteng Shared Service Centre, the Gauteng Provincial Executive is confident that progress on services to the Provincial Departments and the Citizen's of Gauteng is on target. The Province is growing as the socio- economic hub of South Africa and Africa as a whole. This undoubtedly puts a lot of strain on the resources of the Province, as the growth in demand for services is not met by the concomitant growth in revenue.

It is comforting to note that the vision that led to the formation of the GSSC, has been put in proper context by the Strategic Objectives that will drive the Provincial mandate in the next five years; in the areas of economic development, employment creation, Black Economic Empowerment, poverty alleviation, skills development, good governance and universal access to information. The GSSC's strategic objectives for the next five years, are being focussed more intensely in these areas, by ensuring a back office support system that is results driven, transparent, efficient and customer focused.

This next phase of the GSSC, will see the transformation of the organisation from its "start up" stage to an operationally sound and mature Provincial Government Department. This will create continuation and stability in our Human Capital to ensure the internalisation of a work ethic that promotes a service orientated ethos, interlaced with the Batho Pele principles that must guide all our endeavours.

This Strategic Plan, is designed to be operational, rather than intellectual. It is designed to deliver on the contract between the Province and its citizens and ultimately ensure a "Better Life for All".

1.2 Vision

Our vision is to improve the quality of service in the public sector by providing province-wide, cost- effective and efficient transversal services.

This will be achieved by:

- Being customer and process focused
- Using leading-edge technologies
- Implementing quality service standards and performance measures
- Consolidating limited (high-level) functional expertise into centres of excellence

1.3 Mission

To deliver a World-class reference site with the best of breed practices, procedures and systems – to provide province-wide support services to the public sector.

1.4 Values

In our quest to achieve our vision and mission, we embrace and are driven by the following values:

- Striving for superior performance and continuous improvement.
- Striving for high levels of customer satisfaction.
- Focusing on organisational learning and development to continuously maximise the return on our Human Capital Investment.
- Maintaining high moral and ethical standards.
- Optimising the use of appropriate technologies to improve efficiency and productivity.
- Being competitive and cost-effective.

1.5 Mandate and role of the Department

The core business mandate of the Gauteng Shared Service Centre is to provide support services to the GPG Departments in the areas of Human Resources, Procurement, Finance, Technology Support Services and Internal Auditing. The GSSC's core focus is on providing customer satisfaction using the benefits of centralisation - such as economies of scale, standardisation and the provision of a single leading edge technological base for improved service delivery.

This Department was set up with a view to free up the line Departments to spend more time performing higher value–adding tasks.

Furthermore, the GPG PEC established the shared service centre to optimise the productive use of scarce resources within the province. This will improve the focus of management in all the departments - and their attention to the core Government services they provide - whilst ensuring that internal support functions are provided in a professional manner that reduces duplication, and improves the allocation of funds between the core functions and support functions.

1.6 Stakeholder Management

TABLE 1: Identification of key Stakeholders and their needs

Stakeholder	Stakeholder Expectations	How will GSSC address these?	How will it be measured? Key Indicator/s	Target Date
1. GPG Departments	To receive timeous, high-quality and cost effective services	1. Measuring services 2. Setting benchmarks 3. Resource planning 4. Monitoring of suppliers to ensure speedy delivery of quality products & services to GPG.	1. SLA's 2. LOE's 3. Trend analyses 4. Benchmarking results	Ongoing
2. GPG Cabinet & Legislature	That the GSSC delivers services in accordance with its mandate	1. Strategic plan 2. Budget speech 3. Annual reporting 4. On-going reports on cost-benefit case for GSSC	1. Reports Completed 2. Oversight reviews by the Finance Committee	Every year
3. Audit Committees	Report on the control environment in departments	Perform timeous audits as contracted	Performance against audit plan	Ongoing
4 Auditor-General	Reduce AG work and qualification of departments	Ensure quality work allows AG to rely on it	No of departments/entities not qualified re areas we perform for them	Ongoing
5. GSSC employees	To be part of a vision that makes a difference to the Province	1. Communicate the Vision 2. Benchmark performance 3. Celebrate impact	1. SLA achievement 2. Client surveys	September 2004
6. National departments :- DPSA, DOL & Nat Treasury	Support for national and provincial initiatives	1. Collaboration 2. Education regarding the GSSC	Level of support enjoyed by the GSSC	Ongoing
		1. Formalised	Degree of support	As appropriate

Stakeholder	Stakeholder Expectations	How will GSSC address these?	How will it be measured? Key Indicator/s	Target Date
7. Labour/Unions and collective bargain structures	To be consulted on transversal matters affecting their members	consultation when appropriate	for new policies	
8. Provincial Employees	Efficient administration of conditions of employment And The provision of effective services impacting employees	1. SLAs achieved 2. Priority services identified and delivered	1. Utilisation level of services (e.g. EAP) 2. Satisfaction survey	September 2004
9. Provincial Line Managers & HOD's	Comprehensive Reports against agreed Service Level Agreements and Letters of Engagement for all projects/processes undertaken in the respective departments	1. Accurate reports generated and supplied to departments 2. Generate Reporting Template/process for all HR Consulting Services rendered	1. Accurate reports generated and submitted to clients per month 2. Client Satisfaction Survey	November 2003
10. Premier's Office	To support the office as a customer as well as leveraging off and link to GPG initiatives where relevant	1. Through SLA as with other clients 2. Through coordinating our initiatives with their GPG programmes and leveraging	1. Communicate 2. Deliver against SLA and address cost effectiveness through working together	Ongoing
11. Senior Managers	Efficient & timeous administration of their service benefits & providing effective services with positive impact on their work.	1. Consultation on services required 2. Prioritising their requests.	1.SLA achievements 2.Satisfaction survey	Ongoing
12. Suppliers to the GPG Departments	Procurement reform – fair access to tendering opportunities; Timeous and accurate payments; Responsiveness to supplier queries Support the development of HDI	Provide equal opportunity to tender for Govt work Timeous and accurate payments in return for goods and services rendered The Contact Centre and the business units are required to respond promptly to supplier queries Support / education to BEE SME suppliers. .	Respondents per RFP % of suppliers paid within pre-negotiated terms Supplier satisfaction surveys Spend with BEE / SME suppliers	Ongoing Ongoing Ongoing Ongoing

Stakeholder	Stakeholder Expectations	How will GSSC address these?	How will it be measured? Key Indicator/s	Target Date
	empowerment			
13. Provincial GITO Council	Collaboration with respect to setting of standards and policies	Standards and Policy sub-committee of the Provincial GITO Council	% of GPG-Wide standards and policies completed	Ongoing

1.7 Summary of Challenges that Hinder Effective Service Delivery

Resource availability

Even though GSSC is now almost fully operational, there is still a severe lack of skills resulting in the limited human resources being available at high premiums. Some parts of the economy that serve as our catchment area for skilled resources are presently characterised by high turnover of staff - due to imbalances in the supply – demand equation

The consulting divisions in the GSSC continue to struggle with poor skills levels - both technical and general consulting. Furthermore, given the focus on development within the GSSC, competent employees are regularly lured to more senior roles in other public service departments or to the private sector.

Demand for certain services far exceed capacity

The GPG departments have a great demand for certain GSSC services, especially the specialised units of forensic audit, computer audits, performance audit services Labour Relations, desktop support, etc. This poses a severe challenge in attempting to fulfil their needs - with the limited resources available. Due to the size and extent of the departments, the risk areas to be audited cannot be serviced adequately.

High turnover of staff

Due to the high turnover of certain categories of staff - indicative of industry trends in those categories - the retention of suitable skilled staff members poses a challenge. The resignation of senior staff members often results in delayed service delivery and continuity issues.

Resource Development (human, physical, technological, and service)

An extensive investment has been made in the development of resources. This has in some cases had a startling impact on capacity. In others, development needs have been greater than expected. The development process thus remains as one of the biggest leadership focus areas within the GSSC.

Billing for services

In order to establish the exact portion of the budget that must be surrendered back to each department - an activity based, cost allocation system will be implemented during the next financial year.

Remaining Line Structure Partnership

The quality of the relationship with RLS's is improving, but is not yet effective enough. Whilst a comprehensive education programme was completed during the migration process, additional education of the RLS structures has been necessitated by ongoing staff movement within the RLS's. Some departments are still not taking advantage of certain services offered by GSSC – particularly some of the consulting services such as Labour Relations.

Legacy Systems

The GSSC Processing Divisions are dependant on both BAS and Persal – which are managed by SITA on behalf of National Treasury. The GSSC has little control over these systems. Both the architecture of BAS & Persal and their downtime/unavailability present significant challenges to GSSC's capacity to function effectively. The GSSC's productivity is adversely impacted by the regular Persal & BAS downtimes. The pilot implementation of SAP may enable us to lessen our reliance on these in future.

Transitioning to more customer focused service delivery

Back Office provincial employees have not historically perceived themselves to be customer/service driven. The transition for GSSC employees has been extensive - but is not yet resulting in sufficient customer/service orientation. Employee perspectives are still dominated by the need to be "compliant" as opposed to providing solutions.

Client Service Reporting

Client Service reporting was delayed by our deliberate suspension of the ineffective workflow system and related processes. This resulted in the GSSC being unable to rely on the reporting tool initially designed for client reporting. Manual substitute workflow tracking systems had to be developed and these took a long time to establish. This resulted in substantial delays in our ability to generate monthly detailed client service reports for most of 2004. The manual process of report generating is laborious and time consuming – which resulted in only the larger client entities receiving detailed reports on a monthly basis during 2004. This matter has been rectified with the introduction of a new tool that was operationalised during the last quarter of the 2004-5 financial year. This will allow us to revert to the originally planned level of reporting - during the forthcoming financial years.

1.8 Good Governance Mandate

The Gauteng Shared Service Centre is one of the Gauteng Government's Departments and will thus observe and adhere to the principles of good governance promoted by Gauteng Provincial Government - and conduct its activities within the parameters of section 41 of the Constitution of the republic of South Africa.

1.9 Contributions to GPG 5 Year Strategic Priorities

1.9.1 Enabling faster economic growth and job creation

The fast tracking of economic growth and job creation is a priority that is being focused on by all the GSSC's functional areas. The most efficient and expedient way of making contributions towards the attainment of this goal, is through the addressing of past anomalies in the system, by the inclusion of sectors of society that were previously outside the main economy and paying extra emphasis on the small, micro and medium enterprises The GSSC's functional areas, particularly Procurement Services, are implementing a strategy that focuses on Black Economic Empowerment (BEE) advancement and SMME suppliers. A programme to raise awareness, training, support and development of SMME's is being implemented. Tendering processes and the tendering documents are being reviewed for vendor-friendliness and simplicity and removal of the red tape without compromising the important controls.

New technology and processes will be implemented to track the effectiveness and results of these initiatives.

1.9.2 Fighting poverty and building safe and sustainable communities

The fight against poverty is intrinsically intertwined with the creation of employment. The GSSC's skills development and skills transfer strategy, increases the employability of individuals, which contributes to the fight against poverty. Management of Bursary schemes, provides the GPG departments with focussed efficiencies for greater output in terms of volume of beneficiaries.

The assurance of safety and security of communities is a function of the employment of discipline in the selection of suitable inputs, goods and services. The selection procedure in

the procurement of goods and services at the GSSC, is guided by strict adherence to conditions that ensure the sustainability of resources and protection of the environment. Commodity sourcing strategies therefore, encourages the promotion of non-polluting and environmentally friendly methods of production.

1.9.3 Developing a healthy, Skilled and productive people

The GSSC ethos of delivery excellence permeates through every area of interaction with our stakeholders. Service Level Agreements (SLA's) entered into with GPG departments, ensure the inculcation of a work ethic and optimum output, which is sustained by the department's Performance Management system. Optimum productivity is therefore assured.

Various programmes have been introduced to raise the health of employees. The embracing of the HIV / AIDS support programme and stress management training, contribute towards this end.

Upgrading of skills is a priority in the attainment of a productive workforce. This has been demonstrated in various ways that benefit this provincial strategic focus. The GSSC has become a member of the Institute of Purchasing and Supply of South Africa. Through this institute, an overall training and strategy to build skills in procurement is being implemented in conjunction with UNISA. Cadet and Learnership programmes have also been implemented in the IT field, Finance Human Resources and Finance.

1.9.4 Deepening democracy and promoting constitutional rights

The GSSC has demonstrated its commitment to ensuring that conditions are in place for the deepening of democracy and participation in democratic processes for citizens of the Province. The empowerment of women, transparency and access to information, are practices that are in place in the day to day operations of the department. Women and people with disabilities are treated as preferential cases in the procurement process. The GPG hotline for members of the general public to reports transgressions by GPG staff has been put in place and this is yielded the expected results.

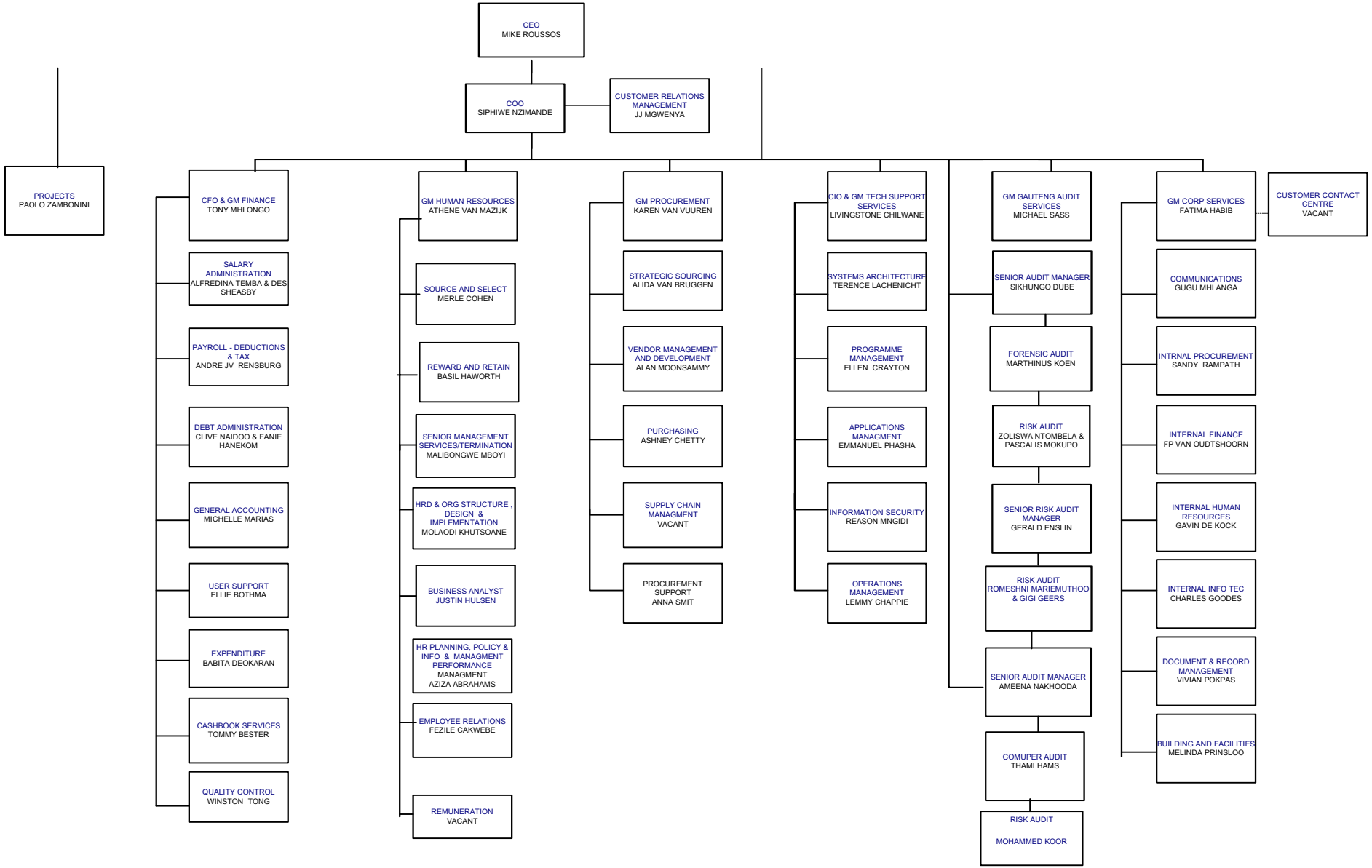
1.9.5 Building an effective and caring government

A GPG citizen Contact Centre has now been successfully used to address an important provincial service, the driver license

testing centre bookings. The call centre is part of the e-Government strategy which aims to provide a single point of access into a variety of government information by Gauteng citizens. Plans are underway to expand e-Government services into to other areas of the province rolling out the internet based GPG- wide Portal and implementing appropriate technologies to support the Multi-Purpose Community Centres (MPCC).

Over and above these initiatives, various other projects will be implemented to improve the capacity of Government to deliver. These projects include provision of transversal training to staff, introduction and use of self service kiosks to get information and process data quickly and effectively, pilot-implementation of an integrated Enterprise Resource Planning system to improve the overall administrative capacity of government entities.

1.10 Organizational Structure



1.11 GSSC Human Resource Requirements

Programme	1st April 05 Estimate	1st April 06 Estimate	1st April 07 Estimate	1st April 08 Estimate
Internal Audit	222	222	222	222
HR	322	322	329	329
Procurement	313	299	299	299
Financial	328	374	401	428
TSS	158	158	158	158
Corporate services	167	167	167	167
Total	**1,510**	**1,542**	**1,576**	**1,603**

Occupational Categories	1st April 05 Estimate	1st April 06 Estimate	1st April 07 Estimate	1st April 08 Estimate
Managers (12 - 16)	83	86	86	85
Professionals (9 - 11)	16	15	15	15
Team leaders (7 - 8)	287	223	226	229
Specialists (7 - 8)	357	395	407	407
Practitioners (1- 6)	671	734	753	777
Other (1- 6)	96	89	89	89
Total	**1,510**	**1,542**	**1,576**	**1,603**

1.11.1 Monitoring Mechanisms and implementation of mandates

The following mechanisms are in place to monitor effective performance and service delivery:-

- Regular presentations to the oversight committees of the Gauteng Provincial Legislature, i.e. the Finance Committee and SCOPA.
- Quarterly review of results by Management and reporting to GPG Treasury.
- Regular review of the Department's performance against the Service Level Agreements and the Partnering Agreements.
- Daily/weekly/monthly review of operational performance reports (by appropriate levels of management)

- Periodic risk management assessments to ensure that all the required checks and balances are in place.
- Review of monthly financial reports
- Regular review by the internal auditors
- Annual audit by the Auditor General
- Benchmarking of the key performance areas

1.11.2 Core Functions and Responsibilities of the Department

The Gauteng Shared Service Centre brings together the support functions that were duplicated across the eleven departments of the Gauteng Provincial Government. These service functions include Human Resource Services, Procurement Services, Technology Support Services, Financial Services, and Internal Audit Services. By operating these functions along best practice business principles and benchmarking them against national and international performance standards, the Gauteng Shared Service Centre has begun to free up the GPG departments to focus on performing their core value-adding services, whilst the Gauteng Shared Centre focuses on delivering business support services to them - effectively and efficiently. During the last financial year a Corporate Services unit was formed to streamline the back-office functions within the GSSC. Prior to this, these functions operated without a formal team structure – within the externally focused business units.

2. PROGRAM 1: GAUTENG AUDIT SERVICES (GAS)

2.1 Programme Overview

The main aim of GAS is to provide world-class service in corporate governance, integrated risk management processes and best practices, to maintain an efficient and effective internal control environment.

Even though this division has been fully operational since 2001, it still has limited resources. Right from the start, it was envisioned that a phased approach would be followed in staffing the division. Even though this approach was taken, the division did not manage to achieve its set targets for acquiring the resources. Even taking this into consideration - all targets for the year were achieved – by outsourcing some of the work – and achieving more work with existing resources.

Currently, GAS is fully operational with regards to Risk and Compliance, Computer, Performance (to a more limited extent) as well as Forensic audits. GAS has initiated the roll-out of the Control Self Assessment (CSA) tool at various departments to assist the entities in evaluating their own risks. A software tool, Barnowl, has been procured to assist in the administration of CSA. GAS has commenced with the conducting of training for departmental staff - on the implementation of the CSA tool.

During the coming year the division will perform more than 250 audits on areas identified as high risk by the various departments. Areas that have already been highlighted by the Auditor General will also be targeted. We aim to ensure that no department receives an Auditor General qualification in respect of an area that has been audited by GAS during the year.

2.2 Risk and Compliance audit

Risk and Compliance audit evaluates the department's control environment and make recommendations with regards to performance improvement. Further, it evaluates a department's level of compliance with legislation, regulations, plans and procedures.

The 2004-5 year was the third year that this unit performed against the set audit plan as approved by the various departmental audit committees.

Last year the unit managed to achieve 97% of its stated audit coverage for the year. This was achieved even though problematic recruitment for outstanding positions as well as bedding down the knowledge acquired by staff during the previous year was experienced. We anticipate doing the same during the 2004-5 year.

2.3 Forensic Auditing

Forensic auditing assists the Accounting Officers in discharging their responsibility of actively preventing, detecting and investigating fraud, as required in section 38 of the PFMA.

At present the Forensic Audit unit is fully operational. The unit manages the GPG Anti-Fraud and Corruption Hotline Facility for the province. This service provides whistle-blowers with the opportunity to report improper or fraudulent activities anonymously - 24 hours per day - via phone, fax or e-mail in 6 of the official languages. To date, 500 reports were received that bore reference to the province. Thirty-five of these initial reports warranted further forensic investigation. 89% of the reports received were related to fraud, corruption and other crimes.

The Forensic Audit unit has been instrumental in the development and implementation of a Provincial Anti-Corruption Strategy - with the main objective of institutionalising all fraud prevention initiatives throughout all the departments of the GPG. This program is guided by the Office of the Premier, with the Forensic unit adding specialised skills to the process.

The unit plans to conduct 104 audits and to enable the departments of the GPG to recover R37 million due to its forensic intervention. Through these actions, the unit will in effect recover the full operational cost of the entire GAS.

2.4 Computer auditing

Computer auditing evaluates a department's general computer environment - specific applications being used - as well as new systems being developed.

Even though this unit is operational, it has extremely limited resources. This is due to the severe lack of specialised IT audit skills in the country, resulting in these limited human resources only being available at a high premium. As a result, GAS has embarked on a programme to train internal staff to fulfil this role - and is still not fully capacitated.

Despite the above limitation, the unit plans to conduct 12 audits during the next year. This will enable departments to better understand their IT environments - and improve on their own service to internal customers

2.5 Performance Audit

Performance audits allow managers to assess the effectiveness, efficiency as well as the economic viability of any specific system or project.

The Performance Audit unit is not fully operational - but has successfully assisted departments in updating their risk assessments. It has also extended the scope of these assessments so that responsible officials could have a risk profile per programme as well as per entity.

In order to allow large entities, such as various hospitals, to be equipped with their own risk assessments – the unit has rolled out CSA (controlled self assessment). This allows officials to be fully informed with regard to their responsibilities - and to be equipped to measure their performance against peers in similar units such as hospitals, schools and pension pay-points. This unit will continue extending the use of this tool during the coming year.

The Performance audit unit will also conduct at least 7 performance audits - enabling departments to initiate a saving of R5 million as a result of the recommendations forthcoming from these audits.

GAS will further continue with the implementation various personnel development programmes during the year. The aim of these programmes will be to assist departments by equipping them with adequately trained staff in the financial and internal auditing environment.

2.6 Review of the current financial year and Outlook for the coming year

The *Risk and Compliance Audit* unit managed to achieve 100% of its stated audit coverage for the year. This was achieved despite problems in recruitment for outstanding positions – and some issues re bedding down the knowledge acquired by some staff during the previous year. The unit managed to issue 224 reports and made recommendations that impacted positively on the entire province. The unit has successfully implemented specialised software that resulted in a decrease in the time required per audit.

The *Forensic Audit* unit managed the GPG Anti-Fraud and Corruption Hotline Facility for the province.

It has been instrumental in the development and implementation of a Provincial Anti-Corruption Strategy with the main objective of institutionalising all fraud prevention initiatives throughout all departments of the GPG. The unit has successfully concluded 100 audits and has enabled the departments of the GPG to recover R35 million due to its forensic intervention.

Forensic Audit has initiated a new Special Resolution unit responsible for liaison between the various role players with regards to criminal, civil and disciplinary matters to ensure successful resolution of forensic audit related matters. This was done to close the loop on investigations – to assist with the process all the way to the end.

Even though the *Computer Audit* unit has limited skilled capacity the unit managed to perform 12 audits during the year.

The *Performance Audit* unit was successfully assisted the departments in updating their risk assessments. The unit successfully facilitated the implementation of Control Self Assessment assignments at all entities.

This unit has also successfully concluded 7 performance audits - to test this new performance audit methodology. This resulted in an estimated saving of R5 million for the department.

GAS a whole has successfully implemented a Learnership programme to provide aspiring internal auditors with the experience to equip them to fulfil their role as internal auditors after conclusion of their article programme.

GAS played a leading role within the internal audit profession - especially with regard to forums such as FOSHIA.

GAS has formed and nurtured the alliance we have with our twinning partner in Canada - as part of the Canadian initiative to effect a transfer of appropriate skills.

2.7 Priorities and Strategic Objectives

GAS aims to provide a full range of Internal Audit services, to all GPG departments. The services are:

2.7.1 Risk and Compliance Audit

- To evaluate the department's control environment and make performance improvement recommendations thereon.

- Evaluates a department's level of compliance with legislation, regulations, plans and procedures.

2.7.2 Forensic Audit

- Assists the Accounting Officers in discharging their responsibility of actively preventing, detecting and investigating fraud, as required in section 38 of the PFMA.

2.7.3 Computer Audit

- Evaluates a department's general computer environment, specific applications and new systems being developed.

2.7.4 Performance Audit

- Assists managers to assess the effectiveness, efficiency and the economical viability of any specific system or project.
- Implement control self assessment (a self assessment tool) throughout the Province.
- To assist management of each Department in the Province in updating the risk assessment.

2.10 Measurable outputs and performance indicators

Outcome: Provision of internal audit services to ensure business risks are identified and managed in order to improve good governance throughout the Gauteng Province.

Risk and Compliance Audit

Measurable output	Performance indicator	2004/5 (estimate)	2005/6 (target)	2006/7 (target)	2007/8 (target)
Effectively planned and completed audit projects	Completed within budgeted time and cost	1% over/under budget	1% over/under budget	1% over/under budget	1% over/under budget
	Client feedback and client satisfaction surveys	80% of surveys rated 3 or more	85% of surveys rated 3 or more	90% of surveys rated 3 or more	95% of surveys rated 3 or more
Audit coverage in accordance with approved audit plans	No. of audit reports issued	Completed 214 audits	Completed 224 audits	Completed 236 audits	Completed 249 audits
Reduction in AG qualifications	No. of AG qualifications in areas audited by GAS	No qualifications	No qualifications	No qualifications	No qualifications

Forensic Audit

Measurable output	Performance indicator	2004/5 (estimate)	2005/6 (target)	2006/7 (target)	2007/8 (target)
Effectively planned and completed audit projects	Completed within budgeted time and cost	1% over/under budget	1% over/under budget	1% over/under budget	1% over/under budget
	Client feedback and client satisfaction surveys	80% of surveys rated 3 or more	85% of surveys rated 3 or more	90% of surveys rated 3 or more	95% of surveys rated 3 or more
Audit coverage in accordance with approved audit plans	No. of audit reports issued	Completed 214 audits	Completed 224 audits	Completed 236 audits	Completed 249 audits

Reduction in AG qualifications	No. of AG qualifications in areas audited by GAS	No qualifications	No qualifications	No qualifications	No qualifications

Computer Audit

Measurable output	Performance indicator	2004/5 (estimate)	2005/6 (target)	2006/7 (target)	2007/8 (target)
Effectively planned and completed audit projects	Completed within budgeted time and cost	1% over/under budget	1% over/under budget	1% over/under budget	1% over/under budget
	Client feedback and client satisfaction surveys	80% of surveys rated 3 or more	85% of surveys rated 3 or more	90% of surveys rated 3 or more	95% of surveys rated 3 or more
Audit coverage in accordance with approved audit plans	No. of audit reports issued	Completed 214 audits	Completed 224 audits	Completed 236 audits	Completed 249 audits
Reduction in AG qualifications	No. of AG qualifications in areas audited by GAS	No qualifications	No qualifications	No qualifications	No qualifications

Performance Audit

Measurable output	Performance indicator	2004/5 (estimate)	2005/6 (target)	2006/7 (target)	2007/8 (target)
Audit coverage	No. of audits concluded	Completed 5 audits	To complete 7 audits	To complete 10 audits	To complete 15 audits
Completion of audit plans	Audit plan coverage	100% coverage	100% coverage	100% coverage	100% coverage
Roll out of Control Self Assessment Tool	No. of CSA assignments concluded	70	80	90	100
Facilitation of risk management	Completed or updated signed off risk assessment documents	Facilitate 50 risk assessment (update 20 and facilitate 30)	Facilitate 93 risk assessments (update 50 and facilitate 43)	Update 93 risk assessments	Update 93 risk assessments

2.11 Human Resource Requirements

Programme	1st April 05 Estimate	1st April 06 Estimate	1st April 07 Estimate	1st April 08 Estimate
GM Office	12	12	12	12
Risk Audit	118	118	118	118
Forensic Audit	53	53	53	53
Computer Audit	11	11	11	11
Performance Audit	17	17	17	17
Control Self Assessment	11	11	11	11
Total	**222**	**222**	**222**	**222**

Occupational Categories	1st April 05 Estimate	1st April 06 Estimate	1st April 07 Estimate	1st April 08 Estimate
Managers (12 - 16)	17	17	17	17
Professionals (9 - 11)	0	0	0	0
Team leaders (7 - 8)	28	28	28	28
Specialists (7 - 8)	0	0	0	0
Practitioners (1- 6)	177	177	177	177
Other (1- 6)	0	0	0	0
Total	**222**	**222**	**222**	**222**

3. PROGRAMME 2: HUMAN RESOURCES SERVICES

3.1 Programme Overview

The HR Services business unit provides centralised transversal HR administration services and specialised HR consulting services, to the 12 Gauteng Provincial Departments. The services are as follows:

1. Source and Select (advertising, response handling and short listing)
2. Reward and Retain (administration of all HR transactions, except Exits, for levels 12 and below)
3. Terminations (administration of employee exits for levels 1-12)
4. Senior Management Services (all HR administration for senior managers)
5. Policy and Procedure Development (HR reporting/intelligence, HR Communications, Policy development and Performance Management)
6. Organisation Design and Implementation (job evaluations, organisation design)
7. HR and Organisation Development (generic training delivery, Organisation and HR Development)
8. Employee Relations (Labour relations and the provincial Employee Assistance Programme)

These services are offered in the context of a shared responsibility with line departments, who provide the mandate for delivery.

Review of current financial year

During the course of 2004/5, the business unit will (inter alia) have:

- Processed almost 300 000 cv's (excluding teachers and student nurses) and 15 000 advertised positions
- Completed more than 900 000 HR administration transactions
- Improved the SLA target achievements by 100% in HR Administration
- OCR technology reduced the cost of processing leave forms by 40%
- Achieved a pension payout norm of less than 60 days from last working day
- Completed and validated the business case for the use of SAP R3 in HR area in pilots at GSSC and JHB Hospital
- Supported the first cycle of performance appraisals in the province
- Administered the exit of more then 8000 people from the province
- Provided 3600 HR Information reports to departments
- 30 day turnaround on labour investigations, in 90% of cases
- Trained 30 000 employees through 22 generic transversal programme offerings

- Will have launched a provincial EAP Service
- Co-ordinated the roll out of a provincial Learnership and ABET delivery programme

The ***HR Processing Division*** continued enhancing the application of the support systems and streamlining the business processes. Service delivery has now reached a consistent standard and SLA targets are being met most of the time. Process efficiencies have been achieved through a range of interventions, including the re-arrangement of teams across business units, re-routing of documents and the application of technology. Improved technology has allowed for more accurate reporting and measuring of productivity, and has highlighted areas for further improvement and the setting of benchmarks.

New service types have been introduced across the administration division:- Qualification and Reference checking, Capturing of Performance Reviews and SMS Tax service. However, planning for expected peaks and valleys continues to be a challenge, with patterns of work remaining difficult to anticipate.

The focus area for the next financial year is to bed down the cost of rendering services and driving that cost down through efficiencies.

The ***HR Consulting division*** has begun to make an impact. Several services are being well received and utilisation levels are increasing steadily. In two service units, the services have been changed to accommodate departmental requirements that were not well understood at the time that GSSC services were designed. In one service unit, a new service has been introduced – Assessment Centres. Skills development in this division remains a priority – specifically project management, HR technologies and methodologies and Business Case planning. Service benchmarks and measurement in this division remain critical challenges. Consultants have had to develop competence in contracting for services with departments – inter alia through "Letters of Engagement (LOE)" - whilst departments have not always acknowledged the need for such and have avoided commitment to the LOE's in several cases.

Priorities and strategic Objectives

The HR Services business unit aims to provide a full range of HR support services, to both the line managers and HR practitioners within each of the 12 departments serviced. The services fall into two broad categories, namely HR transactional services and Consulting services-defined below:

A. Transaction Based Services

1. *Source and Select (Recruitment Services)*
   This function advertises vacancies, handles responses (applications) and short-lists the best candidates for departments to select. Special large scale recruitment projects are managed for GDE (teacher in-take) and GDH (student nurse in-take). In addition, a qualifications and reference checking service is now on offer.

2. *Reward and Retain (Human Resources Administration Services)*
   The administration of all basic conditions of employment for in-service non SMS level staff that are in the employ of GPG departments.

3. *Senior Management Service (SMS)*
   A "one stop HR service" for senior managers regarding conditions of employment – including salary structuring.

4. *Terminations*
   The administration of all GPG employee exits (resignations, dismissals, retirements etc).

B. Consulting Services

5. *Human Resource and Organisation Development*
   The formulation of employee and organisation development solutions, the delivery of transversal training, ABET coordination, Learnership Coordination, Bursary management and Assessment Services.

6. *Organisational Design and Implementation*
   The provision of advice and technical support in the design and costing of departmental business structures, the evaluation of jobs within such structures and the administration of departmental organograms.

7. *Policy Planning and HR Procedure Development*
   The development of transversal HR Policies, Procedures and Communications; and the provision of HR Information to departments. Performance Management is also located within this portfolio.

8. *Employee Relations*
   The provision of Labour Relations advice, investigation services and the co-ordination of labour relations support services. The EAP service is delivered by this service unit.

3.6 Measurable Outputs and Performance Indicators

The previous 2 performance years have been dedicated to establishing the basic services in each of the HR Service sub programmes. For these services to remain relevant, they need to innovate, become more efficient and recreate themselves, in response to client needs. For these reasons, each of the sub programmes will ensure their focus on both core service delivery and service enhancement through innovation. Measurable objectives are as follows:

Human Resources Transaction Processing Services

Outcome: Provision of an efficient and effective Human Resource administration in terms of:

- Recruitment
- Human Resource Administration
- Administration of all exists from the Province
- Administration of Senior Management conditions of employment

a. SOURCE AND SELECT

Measurable Outputs	Performance Indicator	Base year 2004/5 (estimate)	Year 1 2005/6 (target)	Year 2 2006/7 (target)	Year 3 2007/8 (target)
Positions filled through the short listing service	1. Number of filled positions	10% increase in filled posts	20% increase in filled posts	30% increase in filled posts	40% increase in filled posts
Reduction in advertising costs for clients	Rand reduction on clients advertising invoices – based on 2003 and 2004 baseline	10% saving on original baseline	15% saving on original baseline	20% saving on original baseline	Sustained savings
Increased service offering to clients	Additional services available to clients	First phase of Assessment facility Qualification & Reference	Recruitment based assessment tool available to for clients Introduced	30% Increase in demand (based	Fully functional assessment facility 40% Increase in demand (based on

Measurable Outputs	Performance Indicator	Base year 2004/5 (estimate)	Year 1 2005/6 (target)	Year 2 2006/7 (target)	Year 3 2007/8 (target)
		Checking Improved statistical reporting Quality Assurance	 Introduced Introduced through improved SAP R3 functionality and reporting	on 2004/5) Enhanced Enhanced	2004/5) Ongoing Ongoing
Vacancies filled timeously	Turnaround time to fill posts from date of vacancy	90 days	90 days	75 days	70 days
Improved efficiency in process handling	Percentage applications channelled through the Portal	Implement Portal functionality	10%	20%	30%

b. REWARD AND RETAIN

Measurable Outputs	Performance Indicator	Base year 2004/5 (estimate)	Year 1 2005/6 (target)	Year 2 2006/7 (target)	Year 3 2007/8 (target)
Transaction turnover time	3 days for non leave related transactions 5 Days for leave related transactions	99% achievement of service measures 5 Days for leave related transactions	100% 5 Days for leave related transactions	120% 5 Days for leave related transactions	(Target change to 3 days) 100% 3 Days for leave related transactions
Productivity Improvement – introduction of automated leave capturing	% automated capturing	Introduce system	10-30%	30-80%	80-100%
Number of transactions processed	Number of transactions	800 000	900 000	1 000 000	1 100 000

c. SENIOR MANAGEMENT SERVICES

Measurable Outputs	Performance Indicator	Base year 2004-5 (estimate)	Year 1 2005-6 (target)	Year 2 2006-7 (target)	Year 3 2007-8 (target)
Direct service delivery to primary customer (Senior Managers) on HR administrative queries	Utilisation of service % satisfied clients	80%	90%	100%	100%
Contact sessions with new senior managers	Contact within 4 weeks of appointment	100%	100%	100%	100%
Providing each senior manager with own copy of SMS Handbook.	No. of SMS Handbooks distributed to managers.	5%	100%	100%	100%
Electronic self service for Senior Managers.	% Utilisation of service.	40%	60%	80%	100%

d. TERMINATIONS

Human resources Consulting Services (Centre of Excellence)

Outcome: Provision of support, advice and interventions to enhance the development and retention of employees and to improve organizational effectiveness. This will be achieved through:

- Human resource and organizational development
- Organisation design and implementation
- Policy development, HR communication and information management tools
- Labour relations services
- Employee assistance

Measurable Outputs	Performance Indicator	Base Year 2004/5 (estimate)	Year 1 2005/06 (target)	Year 2 2006/07 (target)	Year 3 2007/08 (target)
Termination of employment contracts and associated benefits.	Turn over time per transaction	80% 2-14 days	100% 2-14 days	100% 2-10 days	100% 2-5 days
Payment of pensions	Lead time to payment- less than 60 days	60% < 60 days	90% 60-40 days	90% 39-30 days	95% < 30 days
Exit Interview conducted	Number of interviews out of avoidable turn over as a %	40%	70%	70%	70%

e. POLICY PROCEDURE PLANNING AND HR INFORMATION SERVICES

Measurable Outputs	Performance Indicator	Base year 2004/05 (estimate)	Year 1 2005/06 (target)	Year 2 2006/07 (target)	Year 3 2007/08 (target)
Department policies	Customer satisfaction	Department policies (12) 12 Workshops	Department policies (12) 12 Workshops	Department policies (12) 12 Workshops	Department policies (12) 12 Workshops
HR Information	Customer satisfaction	3600 reports 6 databases 24 Business/ trend analyses	3600 reports 6 databases 24 Business/ trend analyses	3600 reports 6 databases 24 Business/ trend analyses	3600 reports 6 databases 24 Business/ trend analyses
HR Communiqué	Customer satisfaction	12 HR newsletters Distribution of all circulars 6 presentations	12 HR newsletters Distribution of all circulars 6 presentations	12 HR newsletters Distribution of all circulars 6 presentations	12 HR newsletters Distribution of all circulars 6 presentations

e. ORGANISATION DESIGN AND IMPLEMENTATION

Measurable Outputs	Performance Indicator	Base year 2004/05 (estimate)	Year 1 2005/06 (target)	Year 2 2006/07 (target)	Year 3 2007/08 (target)
Job Profiles/Descriptions developed	% of completed Generic Job Profiles	40% Generic Profiles Developed	70% Generic Profiles Developed	100% Generic Profiles Developed	50% reviewed and updated
Established Departmental JE Panels in all GPG Departments	Trained JE Panellists JE Panels in place and functioning	70% of them trained	100% trained	30% maintenance and retraining	50% Refresher training and maintenance
Job Evaluation of Level 9 posts and above	% of level 9 and above posts evaluated and panelled	100% of all jobs in the time frame evaluated	70% re-evaluation of all compulsory evaluations every 2 years	90% re-evaluation of all compulsory evaluations every 2 years	100% re-evaluations and maintenance
Organization design	% of departmental organization structures re-aligned to the respective departmental strategies	30% of GPG department	50% of GPG department	70% of GPG department	70 of GPG department
	No. of business processes aligned to the structure and mandate	80% of all aligned departments	80% of all aligned departments	80% of all aligned departments	80% of all aligned departments
Implementation and Maintenance of Departmental Structures	% of accurately reflected Organization Charts on Persal and changes reported to the DPSA	100%	100%	100%	100%

f. HR AND ORGANISATION DEVELOPMENT

Measurable Outputs	Performance Indicator	Base year 2004/05 (target)	Year 1 2005/06 (target)	Year 2 2006/07 (target)	Year 3 2007/08 (target)
Succession planning strategy developed and implemented	Strategy, Policy and methodologies in place by department	50%	80%	100%	100%
GPG Bursary Scheme effectively managed and accessible by students	Customer satisfaction index (survey) Baseline to be developed 2004/5	Scheme in place Satisfaction index	80%	90%	100%
Assessment Services established	Utilization of the Assessment Centre by Departments (% of all departments) 3 Assessment Services available Candidates assessed	80% Design complete 100	100% 2 500	100% 3 1000	100% 3 1000
HR & OD consulting delivered	LOE achieved Services being established and baseline developed Number of billable hours per consultant Billable hours as a percentage of total hours worked	100% 60%	100% 80%	100% 90%	100% 100%
Training Delivered	1. Number of programmes on offer 2. Number of employees trained 3. E learning delivery option in place	22 30 000 System established	25 35 000 5% training delivered via e learning	25 40 000 10% training delivered via e learning	30 42 000 15% training delivered via e learning
Learnership established and implementation co-ordinated	Number of learners on learnerships	100	4 % of total employment	6%	8%

g. EMPLOYEE RELATIONS

Resolving labour cases (investigations)	% cases investigated in SLA timeframe	60 days	30 days	30 days	30 days
Line Management training on handling of non performing employee and referral of the troubled employee	Number of managers trained	160	1000	1200	1200
Access to First line counselling service	Service available	Implemented	1 000 calls	1 000 calls	1 000 calls
Dispute Resolution – suite of services to be delivered	Disputes to be effectively resolved within SLA	Benchmark being established	50%	75%	80%
Establishment and utillisation of EAP service	Service implemented/ utilisation	15% utilisation	20% utilisation (of total staff count accessing)	20% utilisation	20% utilisation

3.7 Human Resource Requirements

Programme	1st April 05 Estimate	1st April 06 Estimate	1st April 07 Estimate	1st April 08 Estimate
GM Office	2	2	2	2
Source & Select	45	45	45	45
Terminations	33	33	33	33
Reward & Retain	94	94	90	90
SMS	3	3	2	2
Policy & Procedures	15	15	17	17
HR & Organisation Development	49	49	50	50
Employee Relations	51	51	60	60
Organisation Design	30	30	30	30
Total	**322**	**322**	**329**	**329**

Occupational Categories	1st April 05 Estimate	1st April 06 Estimate	1st April 07 Estimate	1st April 08 Estimate
Managers (12 - 16)	11	11	11	11
Professionals (9 - 11)	0	0	0	0
Team leaders (7 - 8)	39	39	39	39
Specialists (7 - 8)	123	123	135	135
Practitioners (1- 6)	149	149	144	144
Other (1- 6)	0	0	0	0
Total	**322**	**322**	**329**	**329**

4. PROGRAMME 3: PROCUREMENT SERVICES

PROGRAMME OVERVIEW

The aim of GSSC Procurement is to build a team of Procurement professionals, both socially conscious and driven by customer satisfaction, using simple, standardised processes, enabled by state of the art technology to drive continuous improvement in delivery of goods and services to GPG customers. This will be achieved by

- standardising procurement processes to ensure satisfactory delivery of goods and services to the GPG departments;
- supporting good governance by building a purchasing organisation that is based on teamwork and performance – flexible, yet aligned to process - socially conscious, yet driven by value for money and customer satisfaction;
- using up-to-date, reliable systems to facilitate our processes - and to provide management with the information required to drive continuous improvement (via Strategic Sourcing and Shared Supply Chain optimisation);
- ensuring that our procurement professionals set new trends in the field of 'socially responsible public sector procurement' thus facilitating economic development in historically disadvantaged sectors;
- establishing and implementing a provincial BEE policy in accordance with the Preferential Procurement Framework Act and the new Broad Based Black Economic Empowerment Act.

Main Services

The Procurement Business Unit provides two types of services:

Transactional Services to migrated entities:

- *Demand Management*:- Requisition and Goods Receipt capturing on SAP;
- *Acquisition Management*:- Obtaining quotations and tenders, order and contract processing and management, expediting orders, vendor performance management, including dispute resolution;
- *Tender administration*:- Compiling and publicising tender information, issuing to prospective bidders, receiving bids and close tender box, conducting administrative compliance on received bids.

Centres of Excellence, in support of GSSC Procurement:

- *Strategic Sourcing and Supply Chain Management*:- Developing and implementing sourcing strategies, setting up of long term purchasing agreements for the GPG, optimization of stock holding and reducing distribution cycle times, managing GPG's exposure to commercial risks, market research on identified strategic commodities, training of SCM staff and end-users at GSSC and entities;

- *Content and Catalogue Management*:- Updating and maintaining vendor database and materials catalogue;
- *BEE Development*:- BEE strategy development and implementation, training, support and development for BEE and SMME companies;
- *Quality Management*:- Developing quality standards and procedures for GPG commodities, performing Quality Control (QC) inspections, providing feedback to vendors and entities, taking corrective measures;
- *Vendor Pre-qualification and Accreditation*:- Designing and administering the GPG vendor pre-qualification process, including a BEE accreditation approach, performing the inspection or verification procedure, providing feedback to vendors and entities, taking corrective measures;
- *Procurement Support Services*:- Providing legal services on contract compilation and management, legal advise on contract dispute resolution, secretariat services to Acquisition Councils and Supply Chain forums as well as system and process optimisation support, which also includes document management within the Procurement Business Unit.

Review of the current financial year: 2004/2005

Procurement Repositioning: Value optimisation & interim volume sharing

A service delivery customisation suggestion, work shopped in detail with key decision makers in GDH during the first two quarters of 2004/2005. The Procurement Repositioning, implemented with effect from October 2004, resting on four pillars, namely:

- GSSC focusing on value optimisation through putting new term agreements in place, contract management and BEE tracking on all such contracts, as well as processing higher value transactions > R30 000 per case, i.e. RFQs and RFPs;
- GDH (migrated and non-migrated entities) processing their own RFQs and call-offs < R30 000 per case;
- Non-migrated entities continuing the migration to GSSC for RFQs / RFPs > R30 000 per case, but maintaining the processing of their own RFQs and call-offs < R30 000 per case; and
- GPG agencies probably being included in the migration to GSSC for RFQs / RFPs > R30 000 per case and being trained on the processing of their own RFQs and call-offs < R30 000 per case, as per the standard GPG manual acquisition model.

As term agreements are put in place by GSSC, the entities included in the interim volume sharing will be able to do call-off SAP orders, in stead of engaging in the much longer and less reliable three quotation route. Such term agreements will thus reduce unit prices, lead times for ordering as well as improve the quality of goods and shorten delivery times based on quality standards and contractual delivery lead times.

The Procurement Repositioning is being implemented in the following six waves, partly during 2004/2005 and completing activities during 2005/2006:

PHASE 0: PREPARATION FOR REPOSITIONING:
October 2004 – December 2004
GSSC's structural changes were effected as detailed in Annexure A, while the process redesign and system optimisation work done at CHB was completed by the development of a blueprint for complex sites.

PHASE 1: RECONFIGURATION AND STABILISATION OF 58 MIGRATED ENTITIES:
January 2005 – May 2005

- Wave 1: Finance RLS incorporation into PTP process and change in documentation flow at entities
- Wave 2: Pilots at CHB and JHB Hospital based on agreed blueprint
- Wave 3: Rollout of < R30 000 orders to migrated GDH entities based on refined blueprint
- Wave 4: Rollout of SAP Finance functionality to migrated non-GDH entities based on refined Finance PTP blueprint (all POs still placed by GSSC on SAP)

PHASE 2: MIGRATION OF 44 NON-MIGRATED ENTITIES:
June 2005 – August 2005

- Wave 5: Migration of > R30 000 orders from non-migrated GDH entities (including SAP rollout) based on refined GDH blueprint
- Wave 6: Migration of > R30 000 orders from non-migrated non-GDH entities (including SAP rollout) based on refined GDH blueprint

Finally GPG agencies will probably be included in the final part of the migration to GSSC, using a similar approach as that suggested for non-migrated entities. In order to ensure Provincial-wide standard application of SCM principles, the GPG agencies will have to be trained on the processing of their own RFQs and call-offs < R30 000 per case, as per the standard GPG manual acquisition model.

Resolving governance and legal compliance issues

During the last quarter of 2004/2005 GPG Treasury reconfirmed the role of the PAC as originally defined in the Cabinet Memo of December 2001 and as detailed below. The award of transversal term agreements is now handled by the GSSC DAC, with a clearly defined process to be followed for the establishment of such agreements.

During the final quarter of 2004/2005 GPG Treasury also issued the following documents in the interest of improving good SCM governance in the Province:

- an **acquisition framework**, based on which all GPG Departments will only acquire a predetermined limited number of items through the sundries process (so-called non-negotiable non-discretionary items) versus those where the procurement process (so-called negotiable discretionary items) should be followed; and
- a **best practice procedure** on the **hierarchy of procurement** which compels GPG departments to comply with contracts, e.g. GPG entities must first make call-offs from existing term agreements (i.e. honoring existing and new contracts) before they consider purchasing on an ad hoc basis, using the three quotation system.

The transition to using Broad-based Black Economic Empowerment as the basis for contract award had to be managed and buyers trained to apply the principles in an uniform manner, which implied that all procurement above R30,000 per case now had to be based on a BBBEE Scorecard. This meant that the seven areas of the BBBEE scorecard have to be measured, in order to ensure a fair and equitable acquisition management process.

A solution to Province-wide tracking of BEE spend on a single system, based on which Provincial and departmental BEE spend targets are now being set with effect from the last quarter of 2004/2005, was implemented by partly using BAS payment data for all entities, analysed on a monthly basis.

Resolving capacity and customisation issues

In order to resolve the supply-side of the problem, GSSC had to optimise its use of resources in order to create more capacity. The best way of doing this was by GSSC implementing two actions, namely:

- ***The fast tracking of term agreements for goods and services***
  Such term agreements will realise efficiencies by eliminating the need for obtaining three telephonic quotations every time goods of a reoccurring nature have to be sourced, thereby reducing ordering lead times from the current 19 days to 2 days for a contract call-off. Term agreements will deliver greater effectiveness by locking in provincially determined **lower prices** (based on harnessing the GPG economies of scale), while enabling GPG to enforce the **shortened delivery lead times** as per contract terms. A separate unit entitled Contract Management was established in October 2004 at GSSC to focus on contract management.

- ***The increased usage of common item content, contained within material masters in the SAP catalogue***
  This was needed in order to take full advantage of economies of scale, which then enables buyers to combine similar requisitions from different institutions. These new common standardised specifications for goods and services will continuously enable GSSC to enforce and manage **improved quality**, whether goods are bought on single orders based on three quotations or in terms of larger tenders (RFPs – Requests for Proposal), based on which term agreements will be established. The Purchasing unit at GSSC focuses on training of GSSC Procurement staff, RLS staff and end-users in the usage of material masters in the GPG catalogue.

These two actions were implemented as from October 2004, together with improving buyers' productivity. GSSC Procurement recognized that these actions alone would not increase GSSC's capacity fast enough to allow for further migrations. As such a further change to the model was implemented, namely the sharing of the workload volumes between GSSC and entities.

In order to implement the Repositioning Model, a revised GSSC Procurement structure was implemented with effect from October 2004 with the approval of the acting HOD. The impact of the Repositioning Structure is detailed in Annexure A.

Internal capacity building

GPG's Procurement Reforms requires large-scale internal capacity building, both in terms of training on basic Procurement practices as well as training in the various Centres of Excellence (COE) areas. These advanced skills are needed to continue with Procurement Reforms in the Province. Since the start of the migration process in November 2002 more than 1000 officials were trained in terms of the new standardised procurement processes, while in excess of 500 people received SAP systems training – this including both staff at GSSC as well as those working at the institutions. Through this process GSSC is starting to address the drastic shortage of procurement skills, partly due to the previous manual procurement environment.

Further training of RLS staff on the SAP system is being undertaken to ensure that RLS staff understands the importance and impact of the use of Material Masters. Prices are impacted, because the use of a Material Master ensures that the buyer will automatically have access on the SAP system to the last price paid for this item. As such price differences for the same item can be managed, until such time as a mini-term or full term agreement is in place for the said item. Quality is impacted, as the vendor will have to supply goods to the full specification of the Material Master, instead of being held contractually liable only to a vague free text description of the requested item.

In our endeavour to increase the level of professionalism of our staff, GSSC has joined the Institute for Purchasing and Supply of South Africa (IPSA), GSSC being the first public sector corporate member of this internationally affiliated body. The GSSC's General Manager: Procurement also serves as the President of IPSA. GSSC started to address the lack of commercial orientation of buyers - 25 buyers commenced their studies towards the IPSA accredited year-course presented at UNISA. After the initial course, students will be able to continue with the Advance Certificate in Purchasing Management and eventually qualifying as CPMs (Certified Purchasing Managers).

Centres of Excellence

GPG supports a holistic approach to economic development to ensure stable economic growth, job creation, poverty alleviation and the economic empowerment of historically disadvantaged individuals and enterprises. In support of this integrated development plan, GSSC Procurement is in the process of establishing the GPG Preferential Procurement policy and detail procedures. In March 2004 GSSC announced that they have become a Founder Sponsor of Blue Catalyst. The GSSC is responsible for the purchasing of the bulk of the provinces requirements – and in the process – for promoting the development of BEE and of SMMEs. The GSSC made the decision to become a Founder Sponsor because of the value it is able to provide, both within the procurement and buying arena as well as high levels of business advisory expertise within the organisation. GSSC fully support this venture because it is in line with the overall GPG Trade and Industry development strategy.

The Black Economic Development (BEE) Development unit interacts with the vendors in the identified sectors, concentrating specifically on ”casting the net wide” to bring in all willing economic players at fairly low levels. The Quality Unit and Pre-Qualification Unit aims to assist emerging enterprises to understand and reach the required level of quality production and/or service delivery. With the implementation of the BEE SMME portal, scheduled for November 2004, vendors are now able to register with GPG as potential bidders.

During the past year the various COEs were phased in, supported by an intensive training programme. Our COEs are delivering value-added services such as increasing the level of term agreements in the Province to 45% by financial year end. These new term agreements will have a positive impact both in terms of cost savings and service delivery timelines for customers. As part of the implementation of the new term agreements, GSSC aims to save in excess of R100 million. GSSC Procurement also implemented effective price increase measures as part of our new vendor management system on all new term agreements.

GSSC also managed more than 200 tenders or RFPs (Request for Proposals) for Departments during 2004/2005. These RFPs were issued and jointly evaluated between GSSC and Departmental users, in terms of the Preferential Procurement Policy Framework Act (PPPFA). Recommendations on award are then presented to the relevant AC (Acquisition Council), be it the provincial body or the 12 GPG Departments’ bodies, known as the DACs (Departmental Acquisition Councils). At present GSSC Procurement renders an advisory procurement service to the DACs of migrated departments. GSSC tables submissions to recommend the award of new contracts, based on which the relevant AC then has the final choice regarding the supplier, based on the application of the PPPFA. GSSC also tables submissions for contract changes, as and when required.

Outlook for the coming financial year: 2005/2006

This section reviews the activities of the Business Unit for the coming year. The first steps towards strengthening the weaknesses in GPG procurement, as identified in the Webb Report and CPAR Report, were already contained within the GPG Procurement Strategy 2004 – 2006, on which this document now builds forth for the MTEF planning period 2006 - 2008.

This will assist the Province in increasing its **effectiveness** – that is “doing the right things”. GPG implemented the new GPG Supply Chain Management Manual in February 2004, which will assist GPG on its road towards greater **efficiency** - that is “doing (the right) things well”. As such both the Strategy, as well as the Manual, are needed in order to give effect to the GPG Procurement Vision and detailing the Province’s implementation plan towards transforming GPG Procurement into a WCSCM (World Class Supply Chain Management) organisation.
In order to advance along the path of developing a ‘best practice Procurement function’ the following improvements are being effected by GSSC:

- Implement a single point of contact with the Departments / entities, thus reducing the procurement lead times and ensuring that they get the right product/service at the right place at the right time;
- Implement a 'service oriented' and 'customer focused' culture - that ensures accountability by signing service level agreements between the GSSC and the Departments / entities, supported by regular monitoring and reporting;
- Replace manual (and often laborious) processes with automated - streamlined - processes using the SAP system as platform;
- Discourage 'paper creation driven by meaningless rules' and instead develop the capacity amongst procurement staff to make quality decisions, driven by an understanding of what needs to be achieved and what controls are essential to ensure such achievement, without allowing the space for embezzlement and fraud; and
- Improve process efficiency, by standardising and simplifying the processes - thus improving the controls and clarifying roles and responsibilities.

4.1 Finalisation of Procurement Repositioning and Migration

The outstanding 2 waves of Phase 2, as detailed in Paragraph 3.1, need to be completed during the first quarter of 2005/2006, while the migration of the 44 non-migrated entities are scheduled to be completed by the end of the second quarter of 2005/2006.

GPG agencies will probably be included in the final part of the migration to GSSC, using a similar approach as that suggested for non-migrated entities. In order to ensure Provincial-wide standard application of SCM principles, the GPG agencies will have to be trained on the processing of their own RFQs and call-offs < R30 000 per case, as per the standard GPG manual acquisition model.

Through the implementation of its Procurement Repositioning, GPG will be on its path towards a ***'best practice'*** solution. GSSC will focus on the following functions:

GSSC Procurement:

- Spend analysis and sourcing strategies
- Market research
- Training and staff development
- Establishment of term agreements and mini term agreements
- Content and catalogue management
- RFPs and general purchase orders over R30 000 per case (GDH migrated entities)
- General purchase orders and RFPs (non GDH migrated entities)
- Contract management
- Vendor Pre-qualifications and Accreditation
- Quality Management and
- BEE Policy & Vendor development

GSSC Finance:

- Accounts payable

GPG's Procurement Repositioning approach will deliver on three goals, namely:

- to realize greatest possible value by leveraging the Provincial economies of scale, both in terms of value and volume;
- to measurably improve the purchasing efficiencies for the benefit of the GPG entities and the suppliers through the implementation of the simplified process and systems model; and
- to accelerate the economic transformation in terms of Preferential Procurement by pursuing a suitable broad-based Black Economic Empowerment Policy by capturing all discretionary spend on the SAP R/3 system ensuring visibility of overall Provincial improvements in BEE spend and consistently using preferences only within GSSC Procurement.

4.2 Procurement's Objectives and Priorities

While there are many possible improvements to Procurement within GPG change needs to be affected in a way and at a pace, which best suits GPG. The focus of change will be on moving GPG towards World Class Supply Management (WCSM), by delivering on the six key change drivers, as defined in below:

- the implementation of an overall Procurement strategy, including a BEE framework;
- eliminating duplication of procurement support functions throughout GPG;
- benefits of bulk buying, pooling of efforts and economies of scale;
- improving process efficiency, based on standardisation and simplification;
- implementing an enabling new technology, such as an ERP system, with its added potential to streamline processes;
- reduced stock holding and reduced wastage.

Through the abovementioned six key change drivers, both internal and external to GPG, both cost reduction and improved productivity can be achieved. In terms of the envisaged pace of implementing Procurement Reforms within GPG, GSSC Procurement is fully aware of the danger in trying to do too much too quickly. According to the Webb Report (p.5, E11, April 2000) Procurement Reforms should preferably be implemented incrementally over time, otherwise the resistance of people to change increases to a point where very few of the original objectives are ever achieved.

STRATEGIC OBJECTIVES

Procurement	Strategic Objectives
	TRANSACTIONAL SERVICES
Purchasing (Sub-Programme 3)	3.1 **Purchase Order Cycle Times** – Develop and maintain World Class Cycle Times in the public sector for quotations (RFQs – Requests for Quotation). 3.2 **Tracking Vendor Performance** - Implement expediting on purchase orders to monitor quality, on time deliveries, Preferential Procurement and savings. 3.3 **Timely Resolution of Mismatches** - Ensure that mismatched GRVs and / or purchase orders on Procure-to-Pay POs are cleared in order to enable timeous payment of vendors.
Procurement	**Strategic Objectives**
	CENTRES OF EXCELLENCE
Strategic Sourcing and Shared Supply Chain (Sub-Programme 1)	1.1 **Sourcing Strategies -** Develop alternative sourcing strategies for top value commodities and track vendor performance in terms of achieving value for money savings and social objectives such as BBBEE opportunities and increased local development (Joint Sourcing Initiatives with Gauteng Metros) 1.2 **Vendor Management Process Optimisation** - Continuously improve the Vendor Management process, to ensure social objectives (such as Preferential Procurement and a greener government) are achieved, while reducing red tape in the tendering process. 1.3 **Training and Development** - Develop and implement an overall training strategy to build up SCM skills. 1.4 **Shared Supply Chain projects –** To be engaged in on customer requests: 2.4.1 **Distribution delivery improvements** – Improve the delivery lead times from central distribution centre to institutions. 2.4.2 **Stock availability & -holding** – Improve stock availability at the distribution centre.
Vendor Management and Development (Sub-Programme 2)	**2.1 Vendor Management:** 2.1.1 **Prequalification and Accreditation** – Develop and implement a differentiated Vendor Pre- qualification and Accreditation strategy. 2.1.2 **Increase regional access to bidding opportunities -** Develop and implement a BEE SMME Portal, providing vendors the opportunity to register as a potential bidders on a joint GPG / Gauteng Metros BEE SMME database as well as accessing bidding opportunities for GPG and Gauteng Metros. **2.2 Vendor Development:** 2.2.1 **BBBEE Policy –** Participate with DFEA on the finalisation of the GPG BBBEE policy, with specific reference to Preferential Procurement (PP) and its definitions, linked to the Vendor Management (pre-qualification and accreditation) process. 2.2.2 **PP baseline and targets** – Determining baseline information on departmental PP spend, enabling GPG Treasury to set annual Provincial PP targets. 2.2.3 **PP reporting** – Compiling monthly reports for migrated entities on PP spend as a percentage of overall spend against Treasury targets, using on a GPG tracking mechanism. 2.2.4 **BEE SMME Tendering Assistance -** Support and training of potential bidders on tendering process via Supplier Forums and co-operation with partnered Tender Advice Centres (TACs).
Procurement	**Strategic Objectives (Continued)**

	CENTRES OF EXCELLENCE (continued)
Procument Support (Sub-Programme 4)	4.1 **System roll out, Migration and User Support** – Ensure electronic communication between entities and GSSC Procurement and project manage the migration of the balance of entities and GPG agencies, including roll out of SAP and user system support of RLSs as well as SAP system and control optimisation for Procurement. 4.2 **Content & Catalogue Management** - Develop a system-based catalogue of goods and services on SAP and ensure increased GPG usage of material masters. 4.3 **Ensure SCM Good Governance –** Monitor adherence to relevant SCM legislation and GPG Procurement processes and procedures, centrally report on SCM performance by all GSSC Procurement sub-programmes to units internally as well as customer sites. 4.4 **Legal Support -** Provide internal legal services in drafting contracts after award decision by DACs / PAC. 4.5 **Secretariat Services and Document Management -** Provide efficient secretariat services to the Provincial AC and Supply Chain Forums, as well as document management services to the GSSC Procurement Business Unit. 4.6 **Advertising and closing Tenders -** Provide Tender Administration services by hosting issue meetings for every advertised RFP and being responsible for the closure of RFPs and conducting administrative compliance against agreed timelines.
Contract Management (Sub-Programme 5)	5.1 **Tender Cycle Times** - Develop and maintain World Class Cycle Times in the public sector for ad hoc tenders (RFPs – Requests for Proposal). 5.2 **Enablement** – Establish supply agreements based on customer needs to increase the spend though term agreements. 5.3 **Tracking Vendor Performance** - Implement Contract Management on all contracts (transversal Term Agreements, mini-terms and ad hoc contracts) to monitor vendor performance in terms of savings, quality and on time deliveries, as well as progress on BBBEE.

MEASURABLE OUTPUTS AND PERFORMANCE INDICATORS

Outcome: Provision of basic procurement-related services driven by a customer ethos regarding delivery at the right time, the right place, to the right specification and at a demonstrably improved and competitive cost, whilst supporting the development of BEE SME vendors.

Sub-program 1: Strategic Sourcing

Measurable Outputs for each sub-programme	**Performance Indicator**	**Source of data**	**Output Targets**			
			Base year 2004/05 (estimate)	**Year 1 2005/06 (target)**	**Year 2 2006/07 (target)**	**Year 3 2007/08 (target)**
1.1 Sourcing Strategies Develop alternative sourcing strategies for top value commodities and track vendor performance in terms of achieving value for money (savings) and social objectives such as • BBBEE opportunities • Increased local development (Joint Sourcing Initiatives with Gauteng Metros)	Top 20 spend items covered by TAs, with involvement by Commodity Teams with end-users	Training database	Train participants in Total Cost of Ownership (TCO) principles	Train participants in TCO principles	Train participants in TCO principles	Train participants in TCO principles
		SAP R/3 and spend analysis	5% of top 20 spend items on TAs	15% of top 20 spend items on TAs	30% of top 20 spend items on TAs	45% of top 20 spend items on TAs
	Collaboration with Gauteng Metros on joint sourcing initiatives	GPG SAP R/3 and spend analysis	(New target)	Established a GPG / Metros SCM Forum by July 2005	Joint lists of Top 20 spend items	Joint lists of Top 20 spend items
		GPG / Metros SCM Forum minutes	(New target)	Joint design of Top 20 spend item lists – based on spend analysis	Design and implementation of joint sourcing initiatives	Design and implementation of joint sourcing initiatives

Measurable Outputs for each sub-programme	Performance Indicator	Source of data	Output Targets			
			Base year 2004/05 (estimate)	Year 1 2005/06 (target)	Year 2 2006/07 (target)	Year 3 2007/08 (target)
1.2 Vendor Management Process Optimisation- Continuously improve the Vendor Management process, to ensure social objectives (such as Preferential Procurement and Greener Government) are achieved, while reducing red tape in the tendering process.	Vendor Management process developed and refined	SAP R/3 ProQure	Restated target - Methodology completed in 02/03 – process refined	Methodology annual review by December 2005	Methodology annual review by December 2006	Methodology annual review by December 2007
	Monitor vendor performance on Top 20 TAs in terms of • Savings (actual versus estimated price)	Savings database SAP R/3 SAP BW	Minimum 5% saving of value of top 20 spend items on TAs	Minimum 5% saving of value of top 20 spend items on TAs	Minimum 5% saving of value of top 20 spend items on TAs	Minimum 5% saving of value of top 20 spend items on TAs
	• On time Delivery	SAP R/3 SAP BW	35% open call-off POs (i.e. >65% on-time deliveries)	20% open call-off POs (i.e. >80% on-time deliveries	10% open call-off POs (i.e. >90% on-time deliveries	10% open call-off POs (i.e. >90% on-time deliveries
	• Preferential Procurement	SAP R/3 ProQure	5% increase in overall BBBEE spend	10% increase in overall BBBEE spend	15% increase in overall BBBEE spend	20% increase in overall BBBEE spend
	Reducing Tendering Red Tape initiative	RFP Pack and General Conditions of Contract (GGC)	(New target)	Simplify tender forms (RFP Pack and GGC) by July 2005	Tender forms annual review by December 2006	Tender forms annual review by December 2007
	Greener Government Procurement initiative	GPG SCM Manual, (linked to refined RFP Pack, GGC & specifications)	(New target)	SCM Manual updated with Green Government principles by July 2005	SCM Manual annual review by December 2006	SCM Manual annual review by December 2007

Measurable Outputs for each sub-programme	**Performance Indicator**	**Source of data**	**Output Targets**			
			Base year 2004/05 (estimate)	**Year 1 2005/06 (target)**	**Year 2 2006/07 (target)**	**Year 3 2007/08 (target)**
1.3 Training & development Develop and implement an overall training strategy to build up SCM skills	Training strategy and courses Basic process training information and document flows	Training database Basic SCM training to all SCM staff of GPG on the new Procurement processes	Process and systems training conducted All GSSC Procurement staff are trained Entities' Procurement RLS staff are trained	Training strategy and building blocks defined SCM training needs analysis conducted	Training strategy and courses refined SCM training conducted in terms of needs analysis	Training strategy and courses refined SCM training conducted in terms of needs analysis
1.4 Shared Supply Chain projects – To be engaged in on customer requests: **1.4.1 Service delivery improvements** Delivery lead time from central DC to institutions	Lead time	Baseline manual data	Baseline 5 – 15 working days at pilot sites before intervention 1 working day at participating sites after intervention	1 working day at participating sites after intervention	1 working day at participating sites after intervention	1 working day at participating sites after intervention
1.4.2 Stock availability & -holding Improve stock availability at DCs	Stock availability	Baseline manual data	70% Stock availability at pilot sites before intervention 98% Stock availability at participating sites after intervention	98% Stock availability at participating sites after intervention	98% Stock availability at participating sites after intervention	98% Stock availability at participating sites after intervention

Sub-program 2: Vendor Management and Development

Measurable Outputs for each sub-programme	**Performance Indicator**	**Source of data**	**Output Targets**			
			Base year 2004/05 (estimate)	**Year 1 2005/06 (target)**	**Year 2 2006/07 (target)**	**Year 3 2007/08 (target)**
2.1 VENDOR MANAGEMENT						
2.1.1 Pre-qualification & Accreditation of Vendors Develop and implement a differentiated Vendor Pre-qualification and Accreditation strategy.	Pre-qualify vendors from open database	Pre-qualification & Accreditation strategy	Redefined target - Differentiated strategy* by March 2005	Strategy annual review by December 2005	Strategy annual review by December 2006	Strategy annual review by December 2007
*Band 1: Top value vendors **Band 2: > R500,000 pa Band 3: < R500,000 pa	Accredit BEE SMEs	SAP Vendor Master ProQure vendor database	5% of Band 2** vendors pre-qualified by March 2005	25% of Band 2** vendors pre-qualified by March 2006	45% of Band 2** vendors pre-qualified by March 2007	65% of Band 2** vendors pre-qualified by March 2008
		SAP Vendor Master	5% of Band 2** BEE SMME vendors pre-qualified by March 2005	25% of Band 2** BEE SMME vendors pre-qualified by March 2006	45% of Band 2** BEE SMME vendors pre-qualified by March 2007	65% of Band 2** BEE SMME vendors pre-qualified by March 2008

Measurable Outputs for each sub-programme	**Performance Indicator**	**Source of data**	**Output Targets**			
			Base year 2004/05 (estimate)	**Year 1 2005/06 (target)**	**Year 2 2006/07 (target)**	**Year 3 2007/08 (target)**
2.1.2 Increase regional access to bidding opportunities Develop and implement a BEE SMME Portal, providing vendors the opportunity to register as a potential bidders on a GPG BEE SMME database as well as accessing bidding opportunities for GPG.	BEE SMME Portal establishment	GPG Portal	New target - Portal development & Testing	Portal to be launched by end of Q1	Continued enrichment of functionality	Continued enrichment of functionality
	Collaboration with Gauteng Metros on a joint BEE SMME database	GPG Portal	(New target)	Established a GPG / Metros SCM Forum by July 2005	Joint publishing of lists of advertised tenders	Joint publishing of lists of advertised tenders

Measurable Outputs for each sub-programme	Performance Indicator	Source of data	Output Targets			
			Base year 2004/05 (estimate)	Year 1 2005/06 (target)	Year 2 2006/07 (target)	Year 3 2007/08 (target)
2.2 VENDOR DEVELOPMENT						
2.2.1 BBBEE Policy Participate with DFEA on the finalisation of the GPG BBBEE policy, with specific reference to Preferential Procurement and its definitions, linked to the Vendor Management pre-qualification and accreditation) process.	BBBEE Policy and detail PP procedures	Relevant legislation Research	Redefined target - Input supplied to DFEA on Preferential Procurement (PP) as part of GPG BBBEE Policy			
			Detail PP procedures developed and implemented	PP procedures refined annually by December 2005	PP procedures refined annually by December 2006	PP procedures refined annually by December 2007
2.2.2 PP baseline and targets Determining baseline information on departmental PP spend, enabling GPG Treasury to set annual Provincial PP targets.	Facilitate setting of departmental PP spend targets by GPG Treasury	BAS SAP R/3	Redefined target - Departmental PP baseline spend for migrated entities determined by March 2005			
2.2.3 PP reporting Compiling monthly reports for migrated entities on PP spend as a percentage of overall spend against Treasury targets, using on a GPG tracking mechanism.	Implement tracking of BEE spend against targets	BAS SAP R/3 ProQure	Timely provision of monthly reports as per National and GPG Treasury requirements	Timely provision of monthly reports as per National and GPG Treasury requirements	Timely provision of monthly reports as per National and GPG Treasury requirements	Timely provision of monthly reports as per National and GPG Treasury requirements
2.2.4 BEE SMME Tendering Assistance Support and training of potential bidders on tendering process via Supplier Forums and co-operation with partnered Tender Advice Centres (TACs)*> including:	Provide support on how to tender to potential bidders and explain GPG tendering and Procure-to-Pay processes	GSSC Vendor Awareness Register	Weekly Vendor Forums and Vendor Awareness sessions hosted at GSSC per identified commodities	Weekly Vendor Forums and Vendor Awareness sessions hosted at GSSC per identified commodities	Weekly Vendor Forums and Vendor Awareness sessions hosted at GSSC per identified commodities	Weekly Vendor Forums and Vendor Awareness sessions hosted at GSSC per identified commodities
		TAC Vendor Awareness Register	Monthly Vendor Awareness sessions hosted at partnered TACs	Monthly Vendor Awareness sessions hosted at partnered TACs	Monthly Vendor Awareness sessions hosted at partnered TACs	Monthly Vendor Awareness sessions hosted at partnered TACs

Measurable Outputs for each sub-programme	Performance Indicator	Source of data	Output Targets			
			Base year 2004/05 (estimate)	Year 1 2005/06 (target)	Year 2 2006/07 (target)	Year 3 2007/08 (target)

Sub-program 3: Purchasing

Measurable Outputs for each sub-programme	Performance Indicator	Source of data	Output Targets			
			Base year 2004/05 (estimate)	Year 1 2005/06 (target)	Year 2 2006/07 (target)	Year 3 2007/08 (target)
3.1 PO Cycle Times Develop and maintain World Class Cycle Times in the public sector for RFQs	Contract call-off POs placed	SAP R/3 SAP BW	2 working days req to PO	2 working days req to PO	2 working days req to PO	2 working days req to PO
	POs placed (< R30,000 per case)	SAP R/3 SAP BW	5 working days req to PO	5 working days req to PO	5 working days req to PO	5 working days req to PO
	POs placed (> R30,000 and < R500,000 per case)	SAP R/3 SAP BW	15 working days req to Contract	12 working days req to Contract	12 working days req to Contract	12 working days req to Contract

Measurable Outputs for each sub-programme	Performance Indicator	Source of data	Output Targets			
			Base year 2004/05 (estimate)	Year 1 2005/06 (target)	Year 2 2006/07 (target)	Year 3 2007/08 (target)
3.2 Tracking vendor performance Implement expediting on purchase orders to monitor quality, on time deliveries, Preferential Procurement and savings	Monitor vendor performance on POs in terms of • Savings (actual versus estimated price) • On time Delivery	SAP R/3 SAP BW SAP R/3 SAP BW	3% savings on total value 35% open POs	3% savings on total value 20% open POs	3% savings on total value 10% open POs	3% savings on total value 10% open POs

Sub-program 4: Procurement Support

Measurable Outputs for each sub-programme	Performance Indicator	Source of data	Output Targets			
			Base year 2004/05 (estimate)	Year 1 2005/06 (target)	Year 2 2006/07 (target)	Year 3 2007/08 (target)
4.1 Content & Catalogue Management Develop a system-based catalogue of goods and services on SAP and ensure increased GPG usage of material masters.	Commodity items on SAP catalogue	SAP R/3 e-CATS	45% of commodity items on catalogue: estimated 20,000 material masters	65% of commodity items on catalogue: estimated 30,000 material masters	75% of commodity items on catalogue: estimated 40,000 material masters	85% of commodity items on catalogue: estimated 50,000 material masters

Measurable Outputs for each sub-programme	**Performance Indicator**	**Source of data**	**Output Targets**			
			Base year 2004/05 (estimate)	**Year 1 2005/06 (target)**	**Year 2 2006/07 (target)**	**Year 3 2007/08 (target)**
4.2 Procurement Systems and Business Support and Optimisation Continuous customisation of systems and business processes inside GSSC Procurement, including control improvements. Establishing a central reporting capability internally to all GSSC Procurement sub-programmes and externally to migrated entities.	Project plan systems and process improvements	Gap Analysis Systems and Process Enhancement	Systems and Process Enhancement	Systems and Process Enhancement	Systems and Process Enhancement	Systems and Process Enhancement
	Centralised reporting on Procurement	BAS SAP R/3 SAP BW ProQure e-CATS	New target - Timely provision of monthly / quarterly ❖ operational reports internally to all GSSC Procurement sub-programmes; ❖ customer reports externally to migrated entities and ❖ SCM performance reports as per National and GPG Treasury requirements	Timely provision of monthly / quarterly ❖ operational reports internally to all GSSC Procurement sub-programmes; ❖ customer reports externally to migrated entities and SCM performance reports as per National and GPG Treasury requirements	Timely provision of monthly / quarterly ❖ operational reports internally to all GSSC Procurement sub-programmes; ❖ customer reports externally to migrated entities and SCM performance reports as per National and GPG Treasury requirements	Timely provision of monthly / quarterly ❖ operational reports internally to all GSSC Procurement sub-programmes; ❖ customer reports externally to migrated entities and SCM performance reports as per National and GPG Treasury requirements
4.3 Business Portal Implementation and enhancement of a business and a BEE SMME portal including user and vendor training and support.	BEE SMME Portal establishment	GPG Portal	New target - Portal launched by March 2005	Continued enrichment of functionality	Continued enrichment of functionality	Continued enrichment of functionality
	Collaboration with Gauteng Metros on a joint BEE SMME database	GPG Portal	(New target)	Established a GPG / Metros SCM Forum by July 2005	Joint BEE SMME database design and establishment	Database Administration
4.4 Legal Support and Secretariat Services Provide internal legal services in drafting contracts after award decision by DACs / PAC, as well as efficient secretariat services to the PAC and Supply Chain Forums (SCFs).	Draft contracts against agreed timelines	Internal SLA of 5 working days	80% contracts drafted against agreed timelines	95% contracts drafted against agreed timelines	95% contracts drafted against agreed timelines	95% contracts drafted against agreed timelines
	Compiling and distribution of submission packs	Internal SLA of 5 working days before meeting	100% packs compiled and distributed against agreed timelines	100% packs compiled and distributed against agreed timelines	100% packs compiled and distributed against agreed timelines	100% packs compiled and distributed against agreed timelines
	Minutes drafted & distributed:	Minutes drafted -	100% minutes drafted against agreed timelines	100% minutes drafted against agreed timelines	100% minutes drafted against agreed timelines	100% minutes drafted against agreed timelines

Measurable Outputs for each sub-programme	Performance Indicator	Source of data	Output Targets			
			Base year 2004/05 (estimate)	Year 1 2005/06 (target)	Year 2 2006/07 (target)	Year 3 2007/08 (target)
	- DAC - PAC - SCF	Internal SLA of 5 working days				
		Minutes distributed Internal SLA of 5 working days	100% minutes distributed against agreed timelines	100% minutes distributed against agreed timelines	100% minutes distributed against agreed timelines	100% minutes distributed against agreed timelines
4.5 Procurement Document Management Management of the document management system within procurement including filing, document retrieval and archiving	Development of a document management process	Project Plan	New target - Process developed by March 2005	Process refinement	Process refinement	Process refinement
	Filing, retrieval and archiving	Filing Register	Within 1 day	Within 1 day	Within 1 day	Within 1 day
4.6 Advertising and closing Tenders Provide Tender Administration services before and after closure of RFPs, conducting administrative compliance against agreed timelines.	Advertise tenders against agreed timelines	Internal SLA of 1 working day	100% advertising of RFPs within agreed timelines	100% advertising of RFPs within agreed timelines	100% advertising of RFPs within agreed timelines	100% advertising of RFPs within agreed timelines
	Complete Admin Compliance on closed RFPs against agreed timelines	Internal SLA of 2 working days	100% Admin Compliance completed within agreed timelines	100% Admin Compliance completed within agreed timelines	100% Admin Compliance completed within agreed timelines	100% Admin Compliance completed within agreed timelines
	Provide support on how to tender to potential bidders and explain GPG tendering and Procure-to-Pay processes	RFP Register	Advertised tenders issued on request to potential bidders Issue meeting hosted at GSSC per each advertised RFP	Advertised tenders issued on request to potential bidders Issue meeting hosted at GSSC per each advertised RFP	Advertised tenders issued on request to potential bidders Issue meeting hosted at GSSC per each advertised RFP	Advertised tenders issued on request to potential bidders Issue meeting hosted at GSSC per each advertised RFP

Sub-program 5: Contract Management

Measurable Outputs for each sub-programme	**Performance Indicator**	**Source of data**	**Output Targets**			
			Base year 2004/05 (estimate)	**Year 1 2005/06 (target)**	**Year 2 2006/07 (target)**	Year 3 2007/08 (target)
5.1 Tender Cycle Times Develop and maintain World Class Cycle Times in the public sector for RFPs	Contracts placed (> R500,000 per case)	RFP register DAC submissions	70 working days req to Contract	60 working days req to Contract	50 working days req to Contract	**50 working days req to Contract**
5.2 Enablement Establish supply agreements based on customer needs to increase the spend though TAs.	% spend covered by TAs (baseline 2001/2002: 18.8%)	BAS SAP R/3	45% of overall spend covered by TAs	65% of overall spend covered by TAs	85% of overall spend covered by TAs	**90% of overall spend covered by TAs**
5.3 Tracking vendor performance Implement Contract Management on all contracts (transversal TAs, mini-terms and ad hoc contracts) to monitor vendor performance	Monitor vendor performance in terms of • Savings (actual versus baseline)	SAP R/3 SAP BW	5% savings on total value of items placed on TAs and based on ad hoc RFPs	5% savings on total value of items placed on TAs and based on ad hoc RFPs	5% savings on total value of items placed on TAs and based on ad hoc RFPs	5% savings on total value of items placed on TAs and based on ad hoc RFPs
	• On time Delivery	SAP R/3 SAP BW	35% open POs	20% open POs	10% open POs	10% open POs

4.7.7 Human Resource Requirements

Programme	1st April 05 Estimate	1st April 06 Estimate	1st April 07 Estimate	1st April 08 Estimate
Strategic Sourcing	78	42	42	42
Vendor Management	37	35	35	35
Purchasing	168	129	129	129
Procurement support	28	53	53	53
Shared Supply chain	2	40	40	40
Total	**313**	**299**	**299**	**299**

Occupational Categories	1st April 05 Estimate	1st April 06 Estimate	1st April 07 Estimate	1st April 08 Estimate
Managers (12 - 16)	16	20	20	20
Professionals (9 - 11)	10	9	9	9
Team leaders (7 - 8)	110	42	42	42
Specialists (7 - 8)	54	92	92	92
Practitioners (1- 6)	117	130	130	130
Other (1- 6)	6	6	6	6
Total	**313**	**299**	**299**	**299**

5. PROGRAMME 4: FINANCE SERVICES

5.1 Programme Overview

Sound financial management and accounting are critical to the functioning of all organisations. The GSSC's Finance Services Programme handles all financial administration and processing services for all twelve GPG departments.

The primary aim of this unit is to bring the GPG's financial administration to optimum levels of efficiency. It provides an efficient payroll administration service, effective debt collection and prompt and accurate payment to suppliers of goods and services.

The key areas in which the unit provides services to its customers are:

- Accounts payable
- Salary/payroll administration
- Debtor management
- System user support
- General accounting / cash book services

The Finance Services Programme processes more than 1 million transactions per annum. While a large proportion of the processing of transactions is still reliant on manual verification of documentation, the Finance Services Unit has implemented streamlined systems, processes and procedures to expedite the processing of transactions to ensure creditors are paid timeously. This is particularly important in the light of the Government's Black Economic Empowerment (BEE) initiatives, as many are SMEs and need prompt payment.

Beyond these basic necessities of sound financial management, the division supports the GPG departments to ensure that they run their businesses efficiently and cost effectively.

5.2 Finance Services - Summary of Key Functions

Finance Division	Annualized no of transactions	Financial Systems Used	Key functions
Debt management (Sundry debts)	• 34 000 debtors accounts	Debtpack BAS Persal	• Entire debt administration • Collecting and tracing debt • Handling queries
Debt collection – Hospital Debts	• Pilot project for Johannesburg Hospital	Medicom	• Refinement of debt administration process • Improvement of debt collection infrastructure • Debt collection

Accounts Payable	• 240 000 supplier payments • 12 000 supplier master file maintenance	BAS SAP R3 SAP CRM	• Supplier transactions - matching, reconciling, payment • Supplier master file maintenance • Administration of motor vehicle schemes • Travel & subsistence advances • Handling queries
Financial Management Services	• Various projects	Microsoft Office	• Quality assurance • Process reviews • Financial feasibilities • Project management
Salary Admin	• 120 000 employees • 420 000 payroll transactions	BAS Persal SAP CRM	• Payment of employee allowances and claims • Processing salary amendments • Termination related transactions • Travel and subsistence claims
Payroll deductions and Tax	• 1800 institutions paid per month • 120 000 IRP5's administered	BAS Persal SAP	• Payroll deductions • Employee Tax services • General Ledger reconciliation's • Payments to payroll creditors • Handling queries
Cashbook Services	• 20 banks accounts managed • 200 fraud cases • 156 000 cash receipts	BAS CATS	• Bank reconciliation's • Cheque administration • Cheque fraud recovery • Recording cash Receipts • Processing day-ends • Handling queries
General Accounting	• 216 000 journals • 400 general ledger accounts	BAS SAPR3	• General journals • General ledger reconciliation's • Fixed register maintenance • Suspense accounts and ledger account clearing • Month end and year end closures

5.3 Strategic Objectives

GSSC Finance Business Units	**Basic Strategic Objectives**
Cashbook Services	To provide timeous bank reconciliation services, effective accounting for cash related transactions and timeous detection of cheque & EBT fraud.
General Accounting	Effective and sound financial accounting for GPG

Services	
Accounts Payable (Expenditure)	To make GPG a client of choice by making sure that the creditors use paid in negotiated payment terms using best practices and maintaining a high level of customer satisfaction
Debt Management	To achieve the collection requirements in term of legacy debt cost effectively over a 3 year period and minimise the inflow of new debt
Salary Administration	Full automation of administration of salaries using best practices for all bona fide GPG employees
Systems Support (BAS & PERSAL)	Maintain all financial transversal systems and support all GPG end users and develop and maintain an effective user support
Payroll Deductions and Taxation	To provide a cost effective and quality payroll deduction service to GPG
Quality Control & Systems	To enable GPG to improve general financial management
Debt Patient Management	To maximize revenue collection for the GPG through the cost-effective collection of material recoverable patient fees

5.4 Review Of The Operations

Despite a number of different challenges, we have had huge operational achievements in the field of Finance. The significant challenges that were faced by the Unit included: - Legacy financial systems, unstable Procure –To – Pay system, customers expectations, skilled staff shortage and others.

The existing (‘‘legacy’’) financial systems (BAS and Persal) in Government, hosted by SITA and managed by Accenture and Comparex, are based on outdated technology and architecture. Significant revisions of governance practices in recent years have had a fundamental impact on public sector management and associated information technology solutions. In particular, the PFMA requires the introduction of Generally Recognised Accounting Practice, which, in turn, calls for the introduction of new integrated financial management solutions to meet the requirements of the public service.

These requirements necessitated comprehensive analysis of the existing financial systems – BAS and Persal, to determine their suitability. New integrated financial management solutions (ERP) will need to be phased in over time but, in the interim, existing systems will be maintained and enhanced in certain priority areas. Currently, SAP Finance is being piloted within GSSC and Johannesburg Hospital.

Implementation of SAP as a procurement system for the Province resulted in major changes of processes within the institutions and such changes had huge impacts on the operations.

More than 75% of the Unit's employees were transferred from the other GPG Departments. The GSSC's complexities and challenges were new to them and as a result they had to cope with the new environment, higher performance standards, customer pressures (tight SLA targets) and higher expectations. Using the relevant performance measurement tools like Balanced Scorecards, we managed to improve the work ethics, customer orientation and the sense of urgency. This resulted in overall good performance by the Unit over the last two years.

More than 98% of the inherited accounting backlogs have been eliminated and the plan going forward is to maintain a clean set of financial records for the Province.

During 2003/2004 financial year, the GPG transversal debts were reduced by approximately 25%. Our target is to collect and phase-out old debts over a period of three years. The controls and procedures that allow for quick turn-around on the collection of debts are now in place. We have also implemented various controls which reduce the creation of new debts.

Although systems and procedures are in place to ensure that all GPG staff members are paid accurately and on time, there are still unresolved problems with regard to the roll-over of the three-month temporary teachers for the Education Department.

On behalf of GPG province, we successfully converted the old Chart of Accounts to the new Standard Chart of Accounts in accordance with the requirements of National Treasury in April 2004.

We are at an advanced stage in the design and development of an Electronic Salary Mandates system. This process will replace the paper flow between the GSSC and the Departments with regard to payroll related transactions / documents.

We are currently enabling GPG staff to submit tax returns on time by ensuring that IRP5s are issued on time. For the tax year ended February 2004, all IRP5's were issued within two weeks after the tax year-end. During the year, we commenced with our tax '' Help Desk'' service to GPG employees.

The unit has completed more than twenty months of operational existence – providing Finance Services to the GPG.

The significant progress on Service Delivery was noted as follows:

- All services have stabilised and in more than 90% of cases, we comply with all SLA targets

- Currently 99,8% of all National Treasury's deadlines are met

- All inherited accounting backlogs which were inherited by the GSSC have been completed - other than those which are earmarked for write-off.

- Due to the new processes in place, the financial year-end is no longer different from any month-end.

- During the year, we implemented Electronic Journal functionality within the GSSC to replace the traditional manual journal. This functionality has been piloted successfully within the GSSC and we are planning to roll-it-out to different Departments during the coming year.

- Although the processing lead times in Accounts Payable have improved significantly, the benefits to suppliers are at a minimum – due to problems associated with end-to-end processes (from procurement-goods receipting-accounts payable). Due to the complexities associated with the Procure-to-Pay system within the GSSC and the migrating entities, the processes are still unstable and as a result, the levels of services have actually deteriorated in some cases.

- There were huge improvements with regard to debt management and the activities for the year included the following items:

    - Implementation of appropriate debt systems (ITC and Experian)
    - Implementation of an appropriate debt management system (the Debtpack System)
    - Streamlining and intensification of the management of employee debts

- During the year, we implemented an electronic connection with SARS, where all tax directives required from SARS are requested and delivered electronically.

- We have designed electronic salary input documents with the intention of replacing the existing manual documents over the next year.

5.5 Outlook for The Coming Financial Year

Over the next three years, the Unit will assist in developing a comprehensive set of financial policies that will provide the foundation for moving to a full accrual basis of accounting based on the standards set by the National Treasury. These standards will be developed based on the GRAP (Generally Recognized Accounting Practice) Framework

– that is in respect of GRAP accounting standards on the treatment of revenue, expenditure, assets, liabilities and equity.

Cash accounting is beneficial in that it is a simple, objective system that assesses compliance with cash budgets. However, the system generates limited information on Government's financial and economic position. The current system prevents an easy statement of Government's financial position and its economic results – that is, whether Government is incurring a saving or dis-saving. At the moment, it is very difficult to cost Government services due to the lack of "'matching'' of expenses to the relevant benefits.

GRAP standards therefore need to address these shortcomings of cash accounting and ensure that there is improved disclosure and enhanced accountability in public sector financial reporting.

As the accounting policies and practices are developed and approved, the financial accounting and reporting system of Government will migrate from a cash basis to an accrual basis of accounting. There are two interim stages before full accrual accounting is realised. From a cash basis, the system will migrate to modified cash accounting - where the majority of policies used for the preparation of the accounting records are cash accounting policies - supplemented by certain accrual accounting policies. The second migration is to a modified accrual system where the majority of policies used are accrual accounting policies, supplemented by certain cash accounting policies. Full accrual accounting will be achieved when all the policies used for preparation of accounting records are accrual accounting policies.

For the survival and sustainability of BEE's and SMME's, there are four key minimum requirements: -
(a) Availability of business opportunities,
(b) Initial capital outlay and working capital,
(c) Entrepreneurial flair and
(d) Basic administration skills.

The Government and other organisations have been very successful in dealing with the first requirement (provision of business opportunities). Some organisations address Point (b) but with the Government, there is no evidence that this point is dealt with adequately. Points (c) and (d) are generally not covered by organisations assisting BEE's.

The biggest failures of BEE's are due to Point (b), (c) and (d). In order to build sustainable BEE's all four will have to be fulfilled.

Without competing with existing organisations, it is essential for us to address the above-mentioned shortfalls. As from the forthcoming budget year, the Unit will actively participate in facilitating basic administration training and basic working capital financing for BEE's.

Our aim is also to deal with (b) by ensuring that the BEE's are paid within ten days after delivery of services to the respective Departments.

During the 2003/2004 financial year, the GPG Government overspent its budget allocation by more than R470 million for the first time since 1994. Based on competing demands from various areas - like the Gautrains, Blue IQ, migration pressures from people moving from other provinces to Gauteng, population growth and other factors, the situation is unlikely to improve unless alternative sources of revenues are identified and utilised. With real budgeted expenditure shrinking and customer expectations rising, it is essential to focus on the functions and processes that are taking up more than their fair allocation of the budget - for possible corrective action

Existing other sources of revenues are Patient fees, License fees and revenues generated by various trading entities. In order to minimise the impact of budget short-falls, we will be intensifying our efforts to assist in the collection of these debts. Plans are in place to roll-out debt management solutions to each and every hospital.

Over this period, (given the appropriate delegations) we are in a position to take over the debt management function for traffic fines and license fees. We believe that we have enough capacity in terms of resources (manpower, equipment, networks, skills, economies of scale) to clean-up these debts as well.

In the field of Financial Management – it is critical that we improve our understanding of how we spend our resources – what it costs us to provide specific services and how effective that expenditure is - in helping to achieve the Government's policy goals. The GSSC will be in a position to help in determining the key costs and their drivers – information that can be integrated into Departmental decision–making processes - to help the Departments become more efficient. We can provide a broad range of costing services, ranging from a diagnostic review - to detailed studies and assistance with implementation to For example – understand the relationship between cost, value and price; performing trend analyses and other statistical analyses.

The programme will focus on the following key activities:

- Rolling-out the streamlined and improved Patient Debts Management solution to all hospitals within the Department of Health with the intention of improving debt collection and generating more revenue.
- Rolling-out of the Electronic journals to all GPG Departments
- Complete the roll-out of the new automated revenue receipting function on BAS
- Extension of the collection portfolio in order to include other types of debtors like traffic fines and traffic licensing.
- Stabilisation and elimination of the problems associated with end-to-end-Procure-to-Pay system.

- Currently, we are piloting the Electronic 'Remittance Advice' Project (replacing the manual remittance advice). The roll-out will be completed during 2005/06.
- Introduction of new finance services – provision of monthly treasury reports and preparation of the Annual Financial Statements on behalf of GPG Departments.
- Pilot and roll-out of the Electronic Salary Mandates
- Facilitate provision of basic administration training to BEE's and SMME's in conjunction with the relevant vendors.
- Together with the Provincial Treasury - rolling-out the standardised fixed asset register to all the GPG Department

5.8 Measureable Outputs And Performance Indicators

Outcome: Provision of an accurate, complete and speedy Financial service.

Measurable Objective	Performance Indicator	Base year 2004/05 (estimate)	Year 1 2005/06 (target)	Year 2 2006/07 (target)	Year 3 2007/08 (target)
Cashbook Services					
Provide bank reconciliations on a monthly basis.	Number and the age of outstanding reconciling items at month ends	Target 30 days of o/s items	Target 30 days of o/s items	Target 30 days of o/s items	Target 30 days of o/s items
Recover long outstanding EBT/Cheque fraud amounts	Amounts recovered %	50%	10%		
Timeous and accurate recording of receipts	% of compliance with SLA's	100% compliance with SLA	100% compliance with SLA	100% compliance with SLA	100% compliance with SLA
General Accounting					
Reconcile all ledger accounts for GPG	Balances are not older than 30 days	100%	100%	100%	100%
Month and year-end closure for GPG	Number of successful closures	100%	100%	100%	100%
Unqualified audit opinions in GPG as a result of Finance BU activities in GSSC	Number of unqualified audit reports	100%	100%	100%	100%
Expenditure (Accounts Payable)					
Payments to the supplier of goods and services as per SLA's	% of compliance	95% of time with 100% accuracy	96% of time with 100% accuracy	96% of time with 100% accuracy	96% of time with 100% accuracy

Debt Management Collect all old Gauteng Provincial Government debts	Debtor's age analysis (age of debt) Recoveries as % of the debts outstanding (assume write-off of 35% of original debts)	No debts in arrears by more than 90 days 25% of the original debts	No debts in arrears by more than 90 days 25% of the original debts	No debts in arrears by more than 60 days None	No debts in arrears by more than 60 days None
Salary Administration Timeous and accurate processing of payments of allowances to GPG employees Timeous and accurate payment of salaries to all GPG employees	% compliance to SLA's % of employees paid to total employees	97% 99,66%	98% 99,8%	98% 99,91%	100% 99,96%
Systems Support (BAS & PERSAL) To develop and maintain the system to user support To provide training and Help-desks support	% of compliance Customer satisfaction	95% 70%	97% 80%	99% 90%	99% 95%
Payroll Deductions and Taxation Issuing, reconciliation & distribution of annual IRP5's Payment of 3rd party payroll creditors Tax advisory service on restructuring of remuneration and tax returns to GPG	Timelines and the number of unknown reconciling items % payment on due date % level of satisfaction	100% distribution of IRP5's by 31 March, with IRP5 recon submitted to SARS 100% on due date 70%	100% distribution of IRP5's by 31 March, with IRP5 recon submitted to SARS 100% on due date 80%	100% distribution of IRP5's by 31 March, with IRP5 recon submitted to SARS 100% on due date 90%	100% distribution of IRP5's by 31 March, with IRP5 recon submitted to SARS 100% on due date 95%

employees					
Quality Control & Systems Review					
Quality assurance reviews based on needs analysis and requirements	Timeous delivery of reports and customer satisfaction	Report per project due date	Report per project due date	Report per project due date	Report per project due date
Business case for financial management assistance and training	Level of customer satisfaction	Initial reviews	80%	90%	5%
Implementation of accrual accounting system	Review and implementation to timelines	Assess accrual capability	100%	Stabilised	N/A
Patient Debts Management					
Collection of current Patient Debts and elimination of old debts over a three year period	1. Debtors age analysis	Set-up processes and systems	20% of debts in arrears by more than 60 days	10% of debts in arrears by more than 60 days	No debts in arrears by more than 60 days
	2. Reduction of legacy debts	Setting-up processes and systems	40% reduction in original debts	30% reduction in original debts	10% reduction in original debts (assume 20% write-offs)

5.9 Human Resource Requirements

Programme	1st April 05 Estimate	1st April 06 Estimate	1st April 07 Estimate	1st April 08 Estimate
CASH Book Services	40	40	40	40
General Accounting	24	26	26	26
Debt Management	45	88	115	142
Payroll Administration	118	119	119	119
Accounts Payable	78	78	78	78
System User support	20	20	20	20
Quality Control	3	3	3	3
Total	**328**	**374**	**401**	**428**

Occupational Categories	1st April 05 Estimate	1st April 06 Estimate	1st April 07 Estimate	1st April 08 Estimate
Managers (12 - 16)	10	9	9	9
Professionals (9 - 11)	1	1	1	1
Team leaders (7 - 8)	77	81	84	87
Specialists (7 - 8)	8	8	8	8
Practitioners (1- 6)	169	219	243	267
Other (1- 6)	63	56	56	56
Total	**328**	**374**	**401**	**428**

6. PROGRAMME 5: TECHNOLOGY SUPPORT SERVCIES (TSS)

6.1 Programme Overview

Technology Support Services (TSS) is responsible for all transversal or cross departmental Information Communication Technology (ICT) infrastructure. This infrastructure includes applications, networks, hardware, software and any other ICT related assets. It is the responsibility of TSS to manage these assets on a daily basis to ensure an adequate ICT enabled working environment for all departments using this cross departmental infrastructure. From a functional perspective, TSS is organized in a way that forms a value chain of the different sub-programmes and these key areas are:-

- **Operations Management** – which is responsible for the day to day management of the whole operational ICT environment to ensure that GPG Departments and employees can carry their daily tasks

- **Applications Management** – which is responsible for the management and provision of application support expertise to ensure cross departmental application deliver to the requirements of users in GPG and the GSSC

- **Programme Management** – which is the discipline responsible for the execution of cross departmental projects and administration of a GPG Wide projects register to ensure less duplication and leveraging of economies of scale in projects. Another key responsibility is the execution of the e-government programme within GPG.

- **Planning and Architecture** – which is responsible among others for the development of standards and policies associated with the technical direction of the transversal infrastructure to ensure interoperability of the GPG Wide ICT environment, and,

- **Information Security Management** – which is responsible for all aspect of GPG Wide information security on the network, transversal and cross departmental applications.

The stated intention of GPG to enable faster and integrated service delivery through e-government will place a huge demand on the transversal infrastructure that the TSS manages on behalf of the province. In addition, TSS will play a key role in facilitating some of the projects required to enable e-government because they are cross-departmental in nature.

Currently more than 12000 employees across all departments utilize the transversal ICT infrastructure in one way or another and with over 100 000 employees in the province the usage increases on a yearly basis as departments look up technology to enable their employees to carry

on their work of delivering services to the Gauteng citizens. The rollout of the GPG wide citizen facing e-government pilots means that the load on the infrastructure will increase dramatically in the coming years.

The role that TSS plays in the province, that is managing and providing transversal and cross-departmental ICT service to enable GPG employees and departmental administration is in line with the new GPG five year priorities of and effective, efficient and caring government and that of utilizing technology and a key enabler to deliver services to citizens.

6.2 Summary of Key Functions

TSS Division	Estimated No. of users Supported	Key functions
Operations Management – Desktop Support	• 1 400 in GSSC • 130 in OoP • 140 in DFEA • 2 000 BAS, Persal – in whole of GPG • 2 000 Citrix (including SAP) – in whole of GPG	• User support for PC and Laptop users – hardware and software (GSSC & DFEA & OoP) • BAS technical support (GPG) • Incident management – First level support (GSSC & DFEA & OoP) • New installations (Moves, additions, etc) (GSSC & DFEA & OoP) • Anti-virus projects (GPG) • Transformation process (GPG)
Operations Management – Data Centre Services	• OVER 12,000 USERS IN WHOLE OF GPG	• E-mail administration • Internet and Intranet administration • Anti-virus administration • Active directory administration • Backup administration • Citrix administration • Microsoft operations Management • SNA Administration • SQL database administration • Server administration for all applications (SAP, Livelink, BAS addressing, Procure, Teammate, Heat, Rightfax, Digidata, e-Cats, Business Objects etc)

Operations Management – Connectivity	• WAN – in excess of 250 buildings located across GPG (all departments)
	• LAN – GSSC, DFEA and OoP only
	• Telephony – GSSC Only
		• Administration of the WAN, LAN and Telephony using
		  o Solarwinds
		  o Concord E-Health
		  o Cisco Works
		  o HP Openview
		  o QPM
		  o Netflow

Operations Management – Change Management	• GSSC Controlled infrastructure including WAN, LANs, Desktops, Business Applications	• Administering changes for GSSC controlled infrastructure • IT Laboratory management • Configuration management • Software Licenses administration

Operations Management – Facilities	• Main data centre and five regional data centres	• Air conditioning • Fire control • Access management • Asset movement control
Operations Management – Service Level Management	• All GSSC controlled IT infrastructure	• Incident Management – Dept Service Management • Management of all TSS service levels and monitoring thereof for all entities in GPG receiving IT services from GPG • Management of all back-to-back service level agreements with IT vendors who supply to GPG (e.g. Telkom, SITA, Microsoft, ATH, etc)
Application Management	• All GPG departmental websites • All GSSC Controlled applications like o BAS o PERSAL o LIVELINK o Digidata – (Scanning) o RIGHTFAX o HEAT o TEAMMATE o Proqure o eCats o Business Objects etc	• GPG specific Application Support • Transversal Systems support – PERSAL • Web site administration - including programming changes, monitoring of hosted websites, content updates • Business Applications Administration • Stress and Volume Testing of applications
Programme Management	• All GSSC controlled projects like	• E-Government programme execution • Business Analysis • Business case development • Projects office administration • Project Management
Planning and Architecture	• Whole of GPG Transversal infrastructure	• Standards and Policies • Design and implementation of a GPG wide flexible and scalable architecture • Yearly refreshing of the GPG-Wide Master Systems plan.
Information Security Management	• Whole of GPG Transversal infrastructure	• Business Continuity Monitoring – Legal Compliance • Development and implementation of IT security policies in line with legislation • Intrusion detection and monitoring of viruses and hacking • Design, Development and implementation of Disaster recovery

6.3 Strategic Objectives

Sub-Programmes	Strategic Objectives
1. Planning & Architecture	a. Develop GPG-wide enterprise architecture framework in conjunction with departmental CIOs b. Ensure the continual update of departmental Master Systems Plans as the basis of how IT supports each GPG Department. c. To establish quality assurance mechanisms for IT changes.
2. Programme Management	d. To develop and implement a common ICT programme management methodology e. To create a centrally coordinated projects office for GPG f. Implement a GPG-wide Portal as a multi-year project that transitions information sharing and transactions for employees and citizens g. Implement the GPG-wide Call Centre as a multi-year project to provide an alternative service delivery channel to citizens
3. Applications Management	h. To develop an application framework for the co-existence of transversal systems and new ERP systems for GPG i. To create an internal support specialist team that focuses on managing key business applications within GPG
4. Information Security Management	j. To develop an information security strategy, policies and procedures for GPG that incorporate compliance to existing regulations and legislation
5. Operations Management	k. Manage the GPG Wide ICT infrastructure to provide an optimal, flexible and secure environment that meets business needs l. Manage the GPG Wide DRP infrastructure to provide an optimal, flexible and secure alternate environment to be utilized in case of disaster m. Increase capacity through training of employees on essential technologies required within GPG

6.4 Review of the Current Financial Year (2004/05).

TSS has come a long way in preparing the necessary infrastructure upgrades and recruitment of permanent personnel required to provide services to GPG Departments. During the current financial year (2004/05) a number of critical projects will be completed to complement the work done in the prior financial years since the operationalisation of the GSSC. Following is some of these critical projects:-

- Completion of the Connectivity Infrastructure project incorporating the WAN, MAN and transfer of Telephony from Department of Transport to GSSC. Even though the bulk of the WAN physical upgrade was completed in the prior year, delay in Both Telkom and the GPG in finalizing some of the sites necessitated that this be completed this year. In addition, the implementation of Virtual Private Networks (VPNs) on top of these physical infrastructure for each department will be completed this year to ensure that we can execute managed bandwidth with network traffic prioritization in conjunction with each GPG Department.

- The building of the Demilitarised Zone (DMZ) as part of the required information security infrastructure will be completed during the year. This is required to increase security and also ensure that as we implement e-government initiative and open up our systems to citizens through the GPG Wide Portal, the necessary security is in place to managed and control access to information.

- We will also build a Disaster Recovery facility for GPG which will be used for the provincial IT Infrastructure. We have been looking for an existing government building with enough space to house this initiative.

- The executive support team will pilot and implement e-mail encryption targeted at MECs and Head of Departments to ensure an even higher level of security for e-mail communications.

- The multi-year transformation of GPG Departments to the newly created Main Data Centre and Regional Data Centres will move towards completion with more than 90% of the work completed this year.

- We will also finalise the Master Systems Plans for each GPG Department and the Provincial Master Systems Plan as the basis for IT planning and future architecture designs for the province.

- The set-up of processes for the execution of large scale IT projects will be finalized through the Programme Management function and this should provide us with the necessary discipline and process for managing projects.

- With respect to our e-government initiative for the current year was the establishment of two channels for delivering services in the future where undertaken – firstly we have gone live with Phase 1 of the GPG Wide Call Centre providing 100 seats in the GSSC for both the GSSC and the Department of Transport. We will increase these seats by adding another 50 seats this year to accommodate demand from other GPG Departments and the seats will either be located in the GSSC at another site including a GPG departmental site. Our design of the Call centre allows for this distributed approach if required.

- The second e-government channel is the Internet Portal and we will go live with the GPG Wide Portal this year incorporating more than 10 initial use cases. The Portal will house the GPG Departmental Web Sites, the GPG Wide Intranet and any citizen services developed at the time. The use cases include processes such as e-recruitment, the online booking system for drivers and learners licenses, matric results database online access to name but just a few. In addition, the portal will include a capability for citizens to register online so that the right profile could be generated based on a role.

- We have also been engaged with a GPG Wide re-branding process for the GPG Departmental websites in consultation with stakeholders, especially the departmental communications directorates in line with portal designs.

- We will develop and get approved the foundation policies for information security and foundation standards for base ICT equipment including cabling, Local Area Network equipment, and Computer Servers.

- The need to large scale document management solutions (DMS) in GPG departments has also necessitated that we finalise the process of setting a standard for DMS solutions to avoid unnecessary duplication across departments. We will be issuing a tender in this regard.

- We will also initiate the development of an Open Source Software (OSS) initiative as part of the strategic directions adopted by government. The OSS environment will present numerous opportunities for ICT in government including software development and operating platform environment like operating systems and databases. This would also contribute to local SME development if partnerships are created in this regard.

Apart from the above projects we have continued with our capacity building initiatives and in this regard we have employed 20 learners on a learnership. We continue to struggle to attract highly skilled individuals into our COEs and this has a direct impact on our

dependence on external contractors for certain functions. We are however discussing alternate approaches to resolving this as the sustainability of these skills is a critical success factor to our e-government and specialized application deployment activities.

In the Applications Management area we have been building a new function to test business applications using user defined criteria before operational deployment. This component based testing function mainly focused on whether an application would scale and handle the projected volumes of transactions and number of users in a production environment whilst response times remained reasonable. This is a critical area of our applications team and building capacity for this function will enhance our future application deployment capability and our e-government programme.

In the operations management area we continue to increase the reliability of the ICT infrastructure as we have done in the past financial year and with the upgraded infrastructure we will be able to provide proper performance statistics and utilization information to departments and entities. This information will be important for providing feedback on service levels and also for utilization in future planning scenarios by GPG departments.

6.5 Outlook for the Coming Financial Year - 2005/2006

Building on the progress made in the current year, the next financial year will largely focus on stabilising the initiatives started whilst also enhancing the GPG Wide Information Communication Technology (ICT) environment with new initiatives to enable e-government.

In driving to do so, reference will need to be made to the Master System Plans (MSP) that has been drafted for each department, together with acknowledgement during this period of the importance of assessing the viability and priorities of projects being considered. It is also important however to always acknowledge that there may be times when political requirements may need to take a higher priority than had been envisaged and hence the plans might be impacted.

This assessment of the viability and priorities should be structured according to whether services provided by these projects can be shared between different departments for economies of scale and interoperability, reducing the operations and maintenance costs required for the value derived for citizens, and eliminating the need for middleware. This should be used to help determine relative priorities, with projects offering economies of scale selected to be undertaken.

Organisationally, whilst we have succeeded in appointing senior managers for the Programme Management, Information Security and Architecture functions, we need to entrench these functions and continue resourcing appropriately in order for them to play the critical

roles they are meant to in terms of the ICT value chain when providing services.

Our Service Management function which is the key contact function with our customers – the GPG departments and entities – including the vendor management - responsible for service levels with our key vendors – will continue refining the agreements to reflect the modernisation process and new services being added on the infrastructure whilst also improving the quality and frequency of reporting.

Our Application Management function will continue to have demands placed on them to support streamlined applications, new applications like the portal and other e-government applications added as we expand the use of common and cross departmental applications in the province.

Operations Management's responsibilities for managing the operational environment will continue to grow by the same factor as the growth in the dependence on ICT system for service delivery but also by the success of our e-government programme which will add to the infrastructure as we deploy more applications, hardware and software including the necessary security mechanisms required.

More specifically, following is some of the key focus areas and projects for 2005/6:

- An all encompassing e-government programme building on the initiatives and pilot projects completed in the current year will be a key focus. This will include the streamlining the prioritisation process for executing citizen focussed and IT enabled services within our e-government programme. In addition this will contribute to the compilation of a service catalogue framework that clearly defines the priorities TSS is to follow. This catalogue will set out realistic timelines for project delivery, as agreed with GPG departments, and will help to avoid development of unreasonable expectations by GPG departments;

- Formation of an activity based costing, zero-based budgeting system whereby project viability assessment tools are utilised to select project priorities, and estimate the corresponding funding sources;

- Derivation of a comprehensive people, process, and technology foundation for attention to these projects, without loss of vision on ancillary service resource requirements that may be required, including resources for staff recruiting, training and development, project administration, legal support services required to support the projects.

- We will also focus on strengthening the collaboration with local government entities (Cities and municipalities) as we execute the e-government programme due to the implied requirements of joined up government across spheres of government when delivering services electronically.

- The GPG Wide portal will continue to be expanded and enhanced with more online services as they are prioritised for development in consultation with departments and the e-government political steering committee.

- The GPG Wide Call Centre will continue to be expanded with new citizen facing services as they are prioritised for implementation and enablement through this channel.

- Open Source Software (OSS) has become a strategic direction for government and from a GPG Perspective we will be creating a Centre of Excellence (COE) that will focus on developing and implementing a strategy and plan for GPG in this regard. OSS can have a very positive impact on long term ICT costs and flexibility of choice with respect to IT in the province in the long run if approached in the right way and we will be focusing to ensure we consider the most practical approach through consultation with the GPG Departments, CSIR and other National and Local government departments.

- We will also focus to develop our Component Based Application Testing team within Applications Management to resource it and ensure that application monitoring and tuning is integral to their activities for greater value to GPG.

- Depending on the decision regarding the rollout of the SAP Pilot we will in conjunction with the ERP Team execute the rollout to prioritised entities within GPG in the quest to improve financial management and budget execution transparency for GPG managers

- Continual improvement of the service level management, vendor management and customer relationships with all departmental stakeholders

- Improvement of the daily operational management of the GSSC Controlled GPG ICT Infrastructure including the to be created DRP site

- Completion of the GPG Wide Telephony migration from Department of Transport and integration into the operations sub-programme

- Expansion of the to be created Remote Support Centre for efficient user and desktop support

6.8 Measureable Outputs And Performance Indicators

Outcome: Enable GPG business processes and provision of government services to citizens through ICT

Sub-programme	Measurable Output	Performance Indicators	Source of Data	Output Target 2005/06	Output Target 2006/07	Output Target 2007/08
Operations Management						
1. Main Operational Systems	Systems availability and uptime • Transversal systems (subject to SITA SLA) • SAP • E-mail • Internet access • Other GSSC hosted applications like Livelink, Rightfax, departmental websites, GPG wide portal, Drivers license booking system, etc.	% availability	Monitoring tools	95%	95%	95%
2. Connectivity Infrastructure	Connectivity availability and managed bandwidth for: • Wide Area Network (WAN) • Metropolitan Area Network(MAN) • GSSC Managed Local Area Networks (LAN) • GSSC Managed Telephony	% availability	Monitoring tools	95%	95%	95%
3. DRP	Systems availability as per agreed turnaround time for switching operations	DRP Tests	Operations reports	1 DRP test report per quarter	1 DRP test report per quarter	1 DRP test report per quarter
4. Anti-virus	Virus detection and protection	% failed detections on known viruses				
5. Network Traffic	Managed Bandwidth	Network statistics on traffic	Monitoring tools	GPG wide bandwidth management	GPG wide bandwidth management	GPG wide bandwidth management
6. IT Platform	IT Platform transformation for cross-departmental services GPG Wide	% completion	Project Office	100%		
7. DMZ Administration	DMZ uptime and availability	% availability	Monitoring tools	95%	95%	95%
8. Systems Backup	Secure and recoverable systems backup with offsite storage	Daily backup execution - Success rate	Operations backup logs	100% daily execution	100% daily execution	100% daily execution
9. IT Changes	Technology change management	Number of unauthorized changes	Operations	0 unauthorized changes	0 unauthorized changes	0 unauthorized changes
10. Service Management	Service Level Management	SLA	SLA Reports	80% SLA adherence	90% SLA a8dherence	80% SLA adherence
11. Infrastructure	Infrastructure support	Turnaround time	SLA report	80% SLA adherence	90% SLA a8dherence	80% SLA adherence
Application Management						

Sub-programme	Measurable Output	Performance Indicators	Source of Data	Output Target 2005/06	Output Target 2006/07	Output Target 2007/08
1. Applications Support	High Application Availability	% uptime	Heat reports	95%	95%	95%
2. Applications Development	Quality applications with no defects	On time delivery of applications	Project plans	95%	95%	95%
3. Applications Integration	Ensure that the application architecture enables the business to extract accurate information from application	Adopted applications architecture for GSSC and Transversal applications	Master System Plan. Integrated applications plan	100%		
4. Quality Assurance	Ensure that applications are of good quality and can scale before going Live	Capacity planning and resource planning reports	Capacity reports	95%	95%	95%
Programme Management						
1. Financial Projects	Charge back system for services	70% EPMO costs charged out	Project Office	70%	100%	100%
	Financial costs and benefits model	Model tool in use for business cases	Project Office	70%	100%	100%
2. GPG Wide Project – DRP rollout	All transversal services in DRP site	% completion	Project Office	100%		
3. GPG Wide Project – SAP rollout	SAP Functionality usage by entity	Number of sites	Project Office	5	10	15
4. GPG Wide Project – Portal	Development and implementation of Use Cases	Number of use cases	Project Office	10	10	10
5. GPG Wide Project – Call Centre	Development and implementation of Use Cases	Number of use cases	Project Office	10	10	10
7. Other GPG Wide Projects	Quality projects on time and within budget	% projects not on time	Project Office	Less than 10%	Less than 10%	Less than 10%
Information Security Management						
1. Information access	Monitoring if unauthorized access to information	Number of security breaches	Monitoring systems			
2. e-mail encryption	Encrypted e-mail implementation for MECs and HoDs	% completion	Project Office	100%	100%	100%
3. DRP	All transversal services in DRP site and recoverable	DRP test reports	Information Security Office	1 report per quarter	1 report per quarter	1 report per quarter
4. IT Security Policies	Implementation of IT Security Policies – most critical	Number of policies signed of by business	Project Office	10 most critical		
Planning and Architecture						
1. IT Planning	Master Systems Plans (MSP) based on common format GPG Wide	Yearly updates % completion	Project Office	100%	100%	100%
2. Standards and policies	GPG Wide technology standards and policies on common infrastructure	% completion	Planning and architecture office	50%	80%	100%

6.9 Human Resource Requirements

Programme	1st April 05 Estimate	1st April 06 Estimate	1st April 07 Estimate	1st April 08 Estimate
Applications	27	27	27	27
Programme management	16	16	16	16
Planning & Architecture	7	7	7	7
Information Security	7	7	7	7
Service management	17	17	17	17
Operations support	84	84	84	84
Total	**158**	**158**	**158**	**158**

Occupational Categories	1st April 05 Estimate	1st April 06 Estimate	1st April 07 Estimate	1st April 08 Estimate
Managers (12 - 16)	6	6	6	6
Professionals (9 - 11)	0	0	0	0
Team leaders (7 - 8)	10	10	10	10
Specialists (7 - 8)	142	142	142	142
Practitioners (1- 6)	0	0	0	0
Other (1- 6)	0	0	0	0
Total	**158**	**158**	**158**	**158**

PROGRAMME 6: CORPORATE SERVICES

7.1 Programme Overview

During the last financial year a Corporate Services unit was formed to streamline the back-office functions of the GSSC. Corporate Services is a structured unit reporting to a General Manager. One of the primary functions of Corporate Services is delivering efficient services to the GSSC in the field of Human Resources, Building and Facilities Management, Communications, Procurement and Information Technology.

The Corporate Services business unit is the back-office of the GSSC. Corporate Services provides the internal support services to enable the 5 externally-oriented business units to provide efficient and cost-effective services to the greater GPG.

7.2 Finance Services

Finance Services will introduce Activity based Management model and a charge out model to enable the GSSC to charge GPG departments for the services rendered by the GSSC. These services also need to be benchmarked against similar services rendered in the market.

7.3 Procurement

The aim of the Internal Procurement is to provide an effective internal procurement to the GSSC business units. This will be achieved by standardizing procurement processes to ensure satisfactory delivery of goods and services to the GSSC business units.

7.4 Human Resources

During the last financial year the unit's primary focus was to ensure that the GSSC is fully resourced. The GSSC is currently approximately % resourced with 1400 employees.

Most of the employees who migrated from the Gauteng Provincial Government (GPG) Departments have been orientated on the GSSC induction and basic computer skills training. In addition all employees have been trained on the GPG Performance Management process and GSSC values process. Other training needs were also identified and employees needing more specialized or advanced skills went on various courses (e.g. Consulting Skills, SAP, Programming, Facilitation skills). Managers have attended the Seven Habits of Highly Effective People by Stephen Covey.

Internal HR also implemented a Bursary scheme and successful applicants now benefit from financial assistance to study at tertiary institutions/Technikons etc. A major achievement for Internal HR unit was the implementation of a Performance Management system

7.5 Document Management Centre

The document management centre processes an average of 129 000 documents per month. The documents arrive from the various GPG entities, and then get registered into the DigiData system before they are indexed, scanned and distributed to the GSSC business units for functional processing.

7.6 Citizen Contact Centre

The GSSC Call centre has recently been turned into a platform to build the first phase of a GPG Citizen Contact centre which is part of the GPG's e-Government initiative. The day to day management and skills of the GPG Call Centre has been in-sourced from a special purpose consortium of three external companies. The role of the consortium is to design, build, operate into a world-class call centre and then transfer the centre to GPG management.

The implementation of technology platform has been completed. The Citizen Contact Centre has already started playing an important role in

the delivery of services. The driver license testing centre bookings are at advanced stages of centralization in this centre with the results that service delivery to the citizens is being significantly enhanced and the risks of fraud and corruption significantly mitigated.

7.7 Summary of Key Functions

Corp Services Division	Key functions
Finance Services	• Maintenance of the GSSC general ledger, fleet and asset register • Financial and Management reporting • Administration of sundry payments • Provision of petty cash services • Development, implementation and management of activity based costing • Budgeting, Financial Strategic planning, Internal Controls and Reporting • Annual Report and co-ordination of Annual audit by Auditor-General
Human Resources Services	• Skills development and Learnerships • Labour Relations • Recruitment • HR administration • HR Policy development • Performance Management • Generic Training & Development
Procurement Services	• Procurement of goods and services • Expediting of purchase orders • Demand planning • Contract Management • Monitoring BEE Compliance • Administration & Secretariat services to the GSSC DAC
Information Technology Services	• Desktop Support & Desktop Deployments • Software Support & Software Licenses administration • IT Infrastructure Support • Applications Support • Internal asset control administering changes for GSSC controlled infrastructure • IT asset movement control
Building & Facilities Management	• Air conditioning • Lifts maintenance • Space planning & management • Fire control • Access management • Asset movement control
Document Management Centre	• Control over the receiving of documents • Registration of documents received and giving feedback to senders • Indexing of documentation to meet business requirements • Scanning of documents • Distribution of documents to and from the business units
Records Management	• Development of the records management and archival strategy, policy and plan • Ensuring that GSSC policy and plan are compliant to National Archives Act and other relevant Legislation • Management of the archives • Training internal users to effectively adhere to plan
Communications	• Branding, • Internal Communications; which includes the Newsletter, Intranet, posters, launches, events, • Internet and intranet, • Publishing the Annual Report, • Public Relations, • External Communications • Knowledge Management.
Customer Relationship Management	• Management and improvement of customer relationship
Customer Contact Centre	• Provision of call centre services for GSSC and for GPG

7.8 Strategic Objectives

Sub-Programmes	Strategic Objectives
Finance Services	• Introduction of Activity Based Management model • Introduction of a charge out model • Establishing the service benchmarks. • Introduction of creditor's reconciliations.
Procurement	• Introduction of GSSC contract management • Introduction of BEE spend analysis
Human Resources	• Skills Development Strategy/Learnership • Employment Equity • SAP HR Admin and Payroll, • Labour Relations, • Employee Assistance programme • Organisation Development • Job Banding Project • Organisation Structures
Information Technology	• To establish and well resourced service unit • Implement CS IT Infrastructure Support Structure in order to allow GSSC business units to achieve their strategy
Document Management Centre	• Processing of bulk-, hand-, and courier mail. • Recording of documents through Digi-data • Recording of processing turnaround times.
Building & Facilities Management	• Improvement of security • Maintenance of high Health and Safety standards
Communications	• Re branding exercise for the GSSC • Revamping of the internet and intranet • Revision of the GSSC concept document • Re vamping of the internal Newsletter • Marketing and positioning the GSSC to external stakeholders. • Resourcing Knowledge Management Centre • Establishing Archiving Solution
Customer Relationships Management	• Implementing a strategy for direct service review and inter-actions between the GSSC business units and the GPG entities (Clients) • Co-ordination of a uniform and consistent reporting process to clients • Implementing a customer issues management solutions and process • Analysis of customer issues & complaints trends and advising the business units to take corrective actions • Conducting the customer satisfaction surveys
Customer Contact Centre	• Improve the GSSC quality of service – quick response times and providing accurate responses to customers • Ensuring that all customer contacts are properly routed via the call centre to ensure that all are managed to ensure customer satisfaction • Roll-out of the call centre services in pursuit of the GPG e-Government strategy.

7.9 Outlook For The Coming Financial Year

7.9.1 Finance

The outlook for the coming year is to continue and improve on all the services currently rendered by CS – Finance although we have to implement ABM and a charge out model which will enable the GSSC to start charging for their services.

We also need to implement a system whereby we have to reconcile our top 20 creditors on a monthly basis before payment is made to our suppliers. Currently we are doing reconciliations after payment. This will enable us to utilize creditors payment terms and also to enable us to pay them on time.

7.9.2 Procurement

- Contract Management

  Centralization of all contracts the GSSC has entered into to achieve better vendor management, payments made on time to vendors to maintain good relationships between the GSSC and suppliers. Tracking of contracts in terms of expiry will be undertaken so that renewals and new contracts are timeously dealt with. Reductions of over expenditure as payments are made within the contract agreement and timeframe.

- BEE compliance

  Monitor and track BEE compliance for the GSSC in terms of the province's strategic objectives. Provide as an advisory service to the business units outlining the BEE spend against the targets set out as per strategic plan. Monitor and provide reporting using the SAP system to Senior Management. Draft a policy outlining the criteria to be used to assist business units in the achievement of BEE spend. By 2005-2006 the target is to reach 30% thereby empowering SMME's. By 2006-2007 the aim is to achieve a target of 60% and by 2007-2008 to have 80% BEE compliance.

7.9.3 Human Resources

Internal HR's critical focus area for the current financial is to design and implement a remuneration framework which is linked to unit standards and clearly defined competencies.

Other focus areas are Employee Relations, Employee Assistance Programme, Employment Equity, Learnerships and the SAP HR implementation. These areas will continue to be focused on during the 2005/06 period.

7.9.4 Technology Support Services

The outlook for the coming year is to set up and resource the service unit in order to allow Corporate Services (CS) to deliver a structured IT support infrastructure to the GSSC.

CS Internal IT will be implementing an Infrastructure Support function. The focus of this function is to ensure that the needs of the operating entities within the GSSC relating to the following are addressed;

- Hardware
- Software
- New Business Concepts
- Improved Operational workflow
- SLA's
- Projects

The scope and focus of the above will be aligned with the greater vision of TSS.

7.9.5 Document Management Centre

Initiatives include the setting up of a CRM/Enquiries helpdesk with a view to ensuring that entities are educated regarding DMC processes and compliance to ensure that DMC standards are maintained. The biggest challenge is to ensure consistent and total accountability for all the records that are received. A system of documentary acknowledgement of documents received is being introduced. Detailed document throughput reports are being implemented to ensure that the DMC can track and account for the whereabouts of any document during processing.

7.9.6 Citizen Contact Centre

Now that the technology is in place and the first of the call centre almost fully operational, the priority is to bring these current processes into perfection and enhance the reporting to the service owners. The next challenge will be to introduce the next wave of services for the other departments. As we do this, we will also be building a disaster recovery site to ensure that should we encounter any problems at one of our centres, we have an alternative site and sufficient capacity to continue operating and giving service to citizens.

7.9.7 Customer Relationship Manager

A much sharper degree of focus is going to be given to our clients. Every employee will be re-inducted to our customer care

programme. A significant part of employees' performance contracts is going to be service delivery that results in satisfaction to our customers.

The management of customer inter-actions and giving regular feedback to customers regarding the delivery of our whole range of services is our biggest task. Service delivery discussions with GPG departments are resulting in a deeper understanding of service levels, challenges facing our environment and early identification of problem areas that require management attention. The service delivery feedback discussions remove the perceptions and give the customers the real facts upon which they can judge the GSSC services.

7.10 Measurable Outputs and Performance Indicators

Outcome: To streamline the back-office functions of the GSSC

Sub-programme	Measurable output	Performance Indicators	Source of Data	Output Target 2005/06	Output Target 2006/07	Output Target 2007/08
FINANCE	ABC & ABM Model	Completed model	ABC Model	100%	100%	100%
	Charge out model	Completed Model	Charge out model	100%	100%	100%
	Completion of top 20 creditors reconciliations on a monthly basis	No of reconciliations completed	Creditors reconciliations	100%	100%	100%
COMMUNICATIONS	Re branding of the GSSC	Develop and refine existing logo and brand identity Produce CI Manual	Existing logo and ID	100%	100%	100%
	Revamp internet and intranet	Produce new content for internet and Intranet Re-design look and feel Re do architecture of the sites	Internet & Intranet	100%	100%	100%
	Produce new GSSC Concept document	Produce new content Produce innovative design	Concept document	100%	100%	100%
	Revamp internal Newsletter	New concept and editorial line for Newsletter	Newsletter	100%	100%	100%
	Market GSSC to	Promote services		50%	100%	100%

Sub-programme	Measurable output	Performance Indicators	Source of Data	Output Target 2005/06	Output Target 2006/07	Output Target 2007/08
	external stakeholders	offered by Contact Centre PR to the GPG clients		50%	100%	100%
	Re source Knowledge Management Centre	Equip KMC with archiving and data management infrastructure		50%	100%	100%
PROCUREMENT	Management of GSSC Contracts o Compliance by business units on contract policy o Good relationship between GSSC and suppliers o Payments made on time	Records management of contracts		50%	70%	80%
Black Economic Empowerment	GSSC BEE Spend Analysis	Able to monitor GSSC BEE spend per Business Unit so as to measure GSSC support of socio-economic development in line with the PEC's objective.	SAP	30%	60%	80%
INTERNAL HR	Skills development through Learnership	Learners Employed	Recruitment	100%		
Organizational Development	Job Banding Project implemented Organisation Structures signed off and implemented	Remuneration framework Establishment signed off	SAP Persal Persal/ SAP	70% 90%	80% 95%	100% 100%
Employee Relations	Employee Assistance programme implemented	EAP programme launched	Questionnaire /Surveys	70%	90%	100%
HR Admin	SAP HR Admin and Payroll system implemented,	SAP HR live	Persal	50%	70%	80%

Sub-programme	Measurable output	Performance Indicators	Source of Data	Output Target 2005/06	Output Target 2006/07	Output Target 2007/08
DOCUMENT MANAGEMENT CENTRE	Timeous processing of all incoming mail from GSSC Entities through the courier system Timeous processing of all hand delivered mail from public Timeous processing of bulk mail to and from S A Post Office	Mail delivered in accordance with Service Level agreements Record of mail processed Record of mail not processed	Digidata system Manual records	95% 97% 97%	97% 97% 97%	97% 97% 97%
RECORDS MANAGEMENT CENTRE	Space	Aqcuisition of suitable warehouse/site	Contract with supplier	100%	100%	100%
	Technology	Explore available technologies in terms of suitability and costs	Contract with supplier	100%	00%	100%
	Equipment	Acquisition of equipment in accordance with equipment plan	Purchase and delivery	100%	100%	100%
	Staffing	Appointed staff in terms of approved staff plan	Human Resources records and management expenses reports	100%	100%	100%
	Operational expenses	Approved budget for Records Management Department	Budget and management expenses report	100%	100%	100%
	Roll out	Implementation in Business Units as per Roll Out plan and deadlines	Records Management departmental statistics	80%	90%	100%
INTERNAL IT	Establish business unit	Unit Operational Level of support enjoyed by the GSSC Competent workforce	Terms of Reference Client Surveys Accurate reports generated &	100%	100%	100%

Sub-programme	Measurable output	Performance Indicators	Source of Data	Output Target 2005/06	Output Target 2006/07	Output Target 2007/08
			submitted to clients per month			
	Infrastructure Support	Monthly meetings Setting Benchmarks SLA's & OLA's % rating achieved	Performance against survey results Management Reports Standard of service provided	Obtain 80% rating from client survey results	Obtain 90% rating from client survey results	Obtain 98% rating from client survey results

7.11 Human Resource Requirements

Programme	1st April 05 Estimate	1st April 06 Estimate	1st April 07 Estimate	1st April 08 Estimate
CS Finance	15	15	15	15
CS IHRS	25	25	25	25
CS Procurement	11	11	11	11
Building & Facilities	23	23	23	23
Communications	13	13	13	13
Contact Centre	10	10	10	10
Customer relations Management	12	12	12	12
Documents Management Centre	38	38	38	38
Records Management Centre	3	3	3	3
Office of the CEO	17	17	17	17
Total	**167**	**167**	**167**	**167**

Occupational Categories	1st April 05 Estimate	1st April 06 Estimate	1st April 07 Estimate	1st April 08 Estimate
Managers (12 - 16)	23	23	23	23
Professionals (9 - 11)	5	5	5	5
Team leaders (7 - 8)	23	23	23	23
Specialists (7 - 8)	30	30	30	30
Practitioners (1- 6)	59	59	59	59
Other (1- 6)	27	27	27	27
Total	**167**	**167**	**167**	**167**

SOCIAL RESPONSIBILITY INITIATIVES

1. Youth Development

1.1 Learnerships

The Gauteng Shared Service Centre (GSSC) has embarked on following three pilot Learnerships programme as part of implementing a broader Human Resources Development (HRD) Strategy for the Gauteng Provincial Government (GPG):-

- **Human Resources Learnerships** (piloted with PSETA)
- **Information Technology Learnerships** in Technology Support Services (piloted with ISETT and Durban Institute of Computer Technology)
- **Training Outside Auditing Public Practice** (**TOPP) programme** caters for the Learnership needs of the **Procurement and Finance business units** (run by SAICA and Finance and Services SETA)

The GSSC has adopted a strong focus, due to the nature of its business, on support services, and is therefore the ideal environment in which to pilot these Learnerships. They have identified the Learnership programme within a context of an environment which is not fully staffed, therefore it is an ideal opportunity to use the Learnership concept to up-skill the GSSC as well as resource the departments which, to date, are still experiencing difficulty to skill to full capacity.

These Learnership programme are aimed primarily at the unemployed youth – (See table below). Eighty percent of the candidates on the programme were previously unemployed. They have also been assigned to a mentor/coach within each business unit and are currently placed on a rotational basis. Each Learner has the opportunity to learn from at least four different business units for three months, to complete the twelve month Learnership.

These learners are paid a monthly salary and are required to meet certain on-going requirements, namely classroom tests and on-the-job assessments from the Mentor/Coach.

1.2. GSSC Budget for Learnerships

See Tables below indicating the Learnership programme by Number, Race and Gender:-

Table i. - GSSC Learners by number, category & budget

Programme	Accounting	Technology	HR	Internal Audit	Total
No of Learners	17	59	21	13	110
Budget	R1,275000	R 600000	R630,000.00	R1,332 420	R3,837,420.00

Table ii. - GSSC Learners by Race and Gender

	Male					Female					
	African	Coloured	Indian	White	Sub Total	African	Coloured	Indian	White	Sub Total	Grand total
No	48	3	4	1	**56**	49	1	4	0	**54**	**110**
%	43.64%	2.73%	3.64%	0.91%	**50.91%**	44.55%	0.91%	3.64%	0.00%	**49.09%**	**100.00%**

2. Employment Equity

The GSSC has, in accordance with the Employment Equity Act, established an Employment Equity Forum representing all stakeholders. The forum members have been equipped to deal with issues such as fairness, equity, discrimination and make reasonable accommodation for people with disabilities in the workplace. Project plans have been developed for the implementation of Employment Equity at the GSSC.

Below are the results of implementing affirmative action in recruitment at the GSSC from June 2002 to end of June 2004.

Table iii –Recruitment in race and gender as at June 2004

	Male					Female					
	African	Coloured	Indian	White	Subtotal	African	Coloured	Indian	White	Sub Total	Grand Total
No	**152**	**33**	**30**	**44**	**259**	**205**	**38**	**20**	**50**	**313**	**572**
%	**27%**	**6%**	**5%**	**8%**	**45%**	**36%**	**7%**	**3%**	**9%**	**55%**	**100%**

2.1. The Disabled

There are twelve disabled people employed at the GSSC. who have volunteered information of their physical disabilities. Some employees are still reluctant to declare their disability. However as part of the strategic EE initiatives, the EE Forum is to embark on a sensitivity campaign, which will enable people with disabilities to volunteer information without fear or sensitivity.

2.2. Facilities for the disabled

The following has been done to create reasonable accommodation for the disabled at the GSSC, Imbumba House :

- Ablution facilities installed
- Ramps at the main entrance of building
- Ramps at the basement garage entrance of the building
- Demarcated parking bays for people with disabilities

3. Gender Budgets

Although the Department has not specifically budget for Gender, gender issues wil be addressed through the Employment Equity Forum, focusing on events such Women's day, Cancer awareness campaigns and gender sensitivity events. As a "back office" at this point in time the GSSC is unable to support the female specific services and outcomes as requested in the Gender Budget Format. However the department will strive to identify output and outcomes that will promote gender equality in the workplace.

Below is a table of the GSSC employees in race and gender in Department of Labour occupational categories as at June 2004:

Table iv – GSSC employees by race and gender as at 30 June 2004

	Male						Female					
Occupational Category	African	Coloured	Indian	Black Total	White		African	Coloured	Indian	Black Total	White	Grand total
Leg. Snr Off	8	1	2	**11**	10		3	1	2	**6**	1	**28**
Professionals	91	16	10	**117**	31		67	9	5	**81**	32	**261**
Service &Sales Workers	45	10	17	**72**	25		42	13	8	**63**	18	**178**
Clerks	185	21	12	**218**	26		281	51	23	**355**	77	**676**
Craft & Related	6	2	0	**8**	4		5	0	3	**8**	0	**20**
Elementary positions	6	2	2	**10**	4		2	0	0	**2**	0	**16**
Technical	6	3	3	**12**	1		9	2	1	**12**	2	**27**
TOTAL	**347**	**55**	**46**	**549**	**101**		**409**	**76**	**42**	**657**	**130**	**1206**

4. HIV/Aids & Employee Wellness Programme

The GSSC has an implement an HIV/Aids strategy which includes the following activities:
Distribution of condoms in ablution facilities, Peer education, Voluntary Counseling and Testing (VCT) prevalence testing, awareness campaigns through workshops. In addition the GSSC has staged the annual World Aids Day in conjunction with NGO's.

4.1 Employee Wellness programme

The GSSC has also linked the HIV/Aids strategy to Employee Wellbeing Programme (EWP) which offers confidential support service to the employees. The EWP is managed by ICAS (an Independent Counseling & Advisory Service). The service includes telephonic and face to face counseling, trauma management, a managerial referral and consultancy). In addition the service offers life others services, such as family care, financial management, and health matters