



**DEPARTMENT OF ECONOMIC DEVELOPMENT AND TOURISM**

**MPUMALANGA PROVINCE**

**VOTE NO: 06**

**ANNUAL REPORT**

**2014/15**





## TABLE OF CONTENTS

### PART A: GENERAL INFORMATION

1.	GENERAL INFORMATION OF THE DEPARTMENT	6
2.	LIST OF ABBREVIATIONS/ACRONYMS	7
3.	FOREWORD BY THE MEC	11
4.	REPORT OF THE ACCOUNTING OFFICER	13
5.	STATEMENT OF RESPONSIBILITY AND CONFIRMATION OF ACCURACY FOR THE ANNUAL REPORT	14
6.	STRATEGIC OVERVIEW	15
7.	LEGISLATIVE AND OTHER MANDATES	16
8.	ORGANISATIONAL STRUCTURE	18
9.	ENTITIES REPORTING TO THE MEC	19

### PART B: PERFORMANCE INFORMATION

1.	AUDITOR GENERAL'S REPORT: PRE-DETERMINED OBJECTIVES	22
2.	OVERVIEW OF DEPARTMENTAL PERFORMANCE	23
2.1	Service Delivery Environment	23
2.2	Service Delivery Improvement Plan	23
2.3	Organisational environment	24
2.4	Key policy developments and legislative changes	24
3.	STRATEGIC OUTCOME-ORIENTED GOALS	25
4.	PERFORMANCE INFORMATION PER PROGRAMME	26
5.	TRANSFER PAYMENTS	73
6.	CONDITIONAL GRANTS	76
7.	DONOR FUNDS	76
8.	CAPITAL INVESTMENT	76

### PART C: GOVERNANCE

1.	INTRODUCTION	78
2.	RISK MANAGEMENT	78
3.	FRAUD AND CORRUPTION	79
4.	MINIMISING CONFLICT OF INTEREST	79
5.	CODE OF CONDUCT / ETHICS	79

6.	HEALTH SAFETY AND ENVIRONMENTAL ISSUES	79
7.	PORTFOLIO COMMITTEES	79
8.	SCOPA RESOLUTIONS	79
9.	PRIOR MODIFICATIONS TO AUDIT REPORTS	81
10.	INTERNAL CONTROL UNIT	81
11.	INTERNAL AUDIT AND AUDIT COMMITTEES	81
12.	AUDIT COMMITTEE REPORT	83

#### **PART D: HUMAN RESOURCE MANAGEMENT**

1.	INTRODUCTION	88
2.	OVERVIEW OF HUMAN RESOURCES	88
3.	HUMAN RESOURCES OVERSIGHT STATISTICS	90

#### **PART E: FINANCIAL INFORMATION**

1.	REPORT OF THE AUDITOR-GENERAL	124
2.	ANNUAL FINANCIAL STATEMENTS	127





Part A:

# General Information



## 1. GENERAL INFORMATION OF THE DEPARTMENT

### PHYSICAL ADDRESS

Building No 4, First Floor  
No 7 Government Boulevard  
Riverside Park Extension 2  
**MBOMBELA**  
1201

### POSTAL ADDRESS

Private Bag X11215  
**MBOMBELA**  
1200

### TELEPHONE NUMBER/S

(013) 766 4004

### FAX NUMBER

(013) 766 4613

### WEBSITE ADDRESS

[www.mpumalanga.gov.za/dedt](http://www.mpumalanga.gov.za/dedt)



## 2. LIST OF ABBREVIATIONS / ACRONYMS

<b>AMTS</b>	Advanced Manufacturing Strategy
<b>APP</b>	Annual Performance Plan
<b>BBBEE</b>	Broad Based Black Economic Empowerment
<b>CC's</b>	Close Corporations
<b>CCTV</b>	Closed Circuit Television
<b>CFO</b>	Chief Financial Officer
<b>CIPC</b>	Companies and Intellectual Property Commission
<b>CPA</b>	Consumer Protection Act
<b>CRDP</b>	Comprehensive Rural Development Programme
<b>CSI</b>	Corporate Social Investment
<b>DBSA</b>	Development Bank of South Africa
<b>DEDT</b>	Department of Economic Development and Tourism
<b>DESD</b>	Decade of Education for Sustainable Development
<b>DoL</b>	Department of Labour
<b>DPSA</b>	Department of Public Service and Administration
<b>EEP</b>	Employment Equity Plan
<b>EHWP</b>	Employee Health and Wellness Programme
<b>EIA</b>	Environment Impact Assessment
<b>EIC</b>	Enterprise Information Centre
<b>EMC</b>	Executive Management Committee
<b>FTC</b>	Food Technology Centre
<b>GDP</b>	Growth Domestic Product
<b>GIS</b>	Geographical Information System
<b>HDI</b>	Historically Disadvantaged Individuals
<b>HOD</b>	Head of Department
<b>HR PLAN</b>	Human Resource Plan
<b>HRPIPR</b>	Human Resource Plan Implementation Progress Report
<b>ICC</b>	International Convention Centre



<b>ICT</b>	Information Communication Technology
<b>IDC</b>	Industrial Development Corporation
<b>IDP</b>	Integrated Development Plan
<b>IGR</b>	Intergovernmental Relations
<b>KMIA</b>	Kruger Mpumalanga International Airport
<b>LED</b>	Local Economic Development
<b>LRF</b>	Local Regulatory Framework
<b>LTO</b>	Local Tourism Organisation
<b>MDG</b>	Millennium Development Goals
<b>MEC</b>	Member of the Executive Council
<b>MEDGP</b>	Mpumalanga Economic Growth and Development Path
<b>MEGA</b>	Mpumalanga Economic Growth Agency
<b>MGB</b>	Mpumalanga Gambling Board
<b>MINMEC</b>	Ministers and Members of Executive Councils
<b>MINTECH</b>	Ministers and Technical Team
<b>MISS</b>	Minimum Information Security Standards
<b>MLA</b>	Mpumalanga Liquor Authority
<b>MTGS</b>	Mpumalanga Tourism Growth Strategy
<b>MTPA</b>	Mpumalanga Tourism and Parks Agency
<b>MUNMEC</b>	Municipalities and Member of the Executive Council
<b>NDA</b>	National Development Agency
<b>NCC</b>	National Consumer Commission
<b>NIPF</b>	National Industrial Policy Framework
<b>NSDP</b>	National Spatial Development Perspective
<b>NTSS</b>	National Tourism Sector Strategy
<b>OTP</b>	Office of the Premier
<b>PERSAL</b>	Personnel and Salary Administration
<b>PFMA</b>	Public Finance Management Act
<b>PGDS</b>	Provincial Growth and Development Strategy





<b>POA</b>	Programme of Action
<b>PPPFA</b>	Preferential Procurement Policy Framework Act
<b>PRIME</b>	Programme for Industrial Manufacturing Excellence
<b>PSC</b>	Public Service Commission
<b>RTO</b>	Regional Tourism Organisations
<b>RTP</b>	Responsible Tourism Planning
<b>SABS</b>	South African Bureau of Standards
<b>SAHC/OOAK</b>	South African Handmade Collection / One of a kind exhibition
<b>SDF</b>	Spatial Development Framework
<b>SDIP</b>	Service Delivery Improvement Plan
<b>SEDA</b>	Small Enterprise Development Agency
<b>SERO</b>	Socio-Economic Review and Outlook
<b>SEZ</b>	Special Economic Zone
<b>SMME</b>	Small, Medium and Micro Enterprise
<b>SMS</b>	Senior Management Service
<b>SONA</b>	State of the Nation Address
<b>SOPA</b>	State of the Province Address
<b>TOR</b>	Terms of reference



**MR SE KHOLWANE, MPL**  
MEC for Finance, Economic Development  
and Tourism

### 3. FOREWORD BY THE MEC

Acknowledging that the global economic outlook continues to constrain economic growth and prospects for massive employment creation, our economy has under the circumstances been able to an extent cushion the developmental agenda of government.

However, it is now a reality that the mining, steel and iron industry sectors are facing enormous global market pressures which have most recently led to job losses and thus the triple challenges of poverty, unemployment and inequality in the province have been deepened.

Responding to these socio-economic realities, the sixth (6th) ANC led administration remains committed to the vision of the freedom charter which has found expression in the Constitution of the RSA and macro-economic policy discourse clearly spelt out in the National Development Plan (NDP) to radically transform the structure of the economy characterised by distorted patterns of ownership and control on the means of production.

To this end, the Mpumalanga Economic Growth and Development Path (MEGDP) seeks to give details of the provincial socio-economic road map to attaining the strategic objectives set out in the NDP.

The principal objectives of this economic blue-print are to guide the expansion of our industrial development capabilities focusing on competitive sectors of the provincial economy being mining, steel and iron, energy, petro-chemical, wood and agriculture.

For the year under review, we are pleased to report progress, challenges and interventions put in place going forward. The audience of this report will be updated on critical milestones including, but not limited to:

- Provincial Industrial Development Plan;
- Special Economic Zones;
- Mpumalanga International Fresh Produce Market;
- BBBEE Implementation Plan;
- Leadership and Governance of Public Entities;

To address some of the binding institutional constraints we have started and will continue together with our public entities to review the macro-organisational configuration including business operating procedures aimed at eliminating duplication of functions and more importantly enhancing efficiencies and streamlining of roles and responsibilities between the shareholder and its public entities, we will continue to prioritise this work in the next financial year.

Other priorities will include support plans and strategies such as the Green Economy Sector Plan, SMME development, Tourism Growth, Trade and Investment Strategies.

Our visionary agenda is to facilitate the creation of an enabling environment for emerging black industrialists particularly youth and women.

We have to do all this work being cognisant of the resource constraints, and consequently shift our priorities from consumption to investment in sustainable developmental targets.

The overarching message to the audience is being that government can't do it alone, accordingly I thus take this opportunity to heartily thank the private sector players particularly those with whom we have already collaborated with on key areas namely: Human Capital Development, Enterprise Development and Urban Renewal and Rural Development.

The clarion call for the 2015/16 financial year is to collaborate to create safe jobs and explore beneficiation opportunities in the value chain of mining, steel and iron industries including the agricultural sector.

Together we will be able to build this beautiful province of the rising sun.



MR SE KHOLWANE, MPL

MEC for Finance, Economic Development and Tourism





**MR T MDAKANE**  
ACCOUNTING OFFICER (ACTING)  
Department of Economic  
Development and Tourism

#### 4. REPORT OF THE ACCOUNTING OFFICER

The Annual Performance Plan (APP) for 2014/15 was developed to respond to the new mandate of the new administration, informed by the National Development Plan (NDP). The NDP is the non-negotiable blueprint for planning across all sectors in the Province. As such, the Annual Performance Plan was developed to respond to all economic challenges in order to deal with the triple challenges of poverty, unemployment and inequality created by the untransformed current structure of the economy.

It is imperative therefore to mention that as a Province, we have not abandoned the MEGDP which provides a ten-year growth plan to transform the economy. Over and above this, the APP focused on building the economy taking a cue from the Provincial Vision 2030.

During the year under review, we have noted that for the Department to impact positively on the provincial economy, the focus should be on ensuring that the SMMEs and Cooperatives are certified by the South African Bureau of Standards (SABS) so that they can compete with other players in the manufacturing sector. At the end of the reporting period, 19 Cooperatives and 11 SMMEs were provided with technical training for product certification in collaboration with the SABS.

One of the challenges faced by municipalities in implementing targeted projects was lack of information on the available projects per sector. In this regard, the Department has completed the scoping report which highlights projects which can be implemented per sector and per municipality. This will assist municipalities to develop informed LED strategies and ultimately the Integrated Development Plan (IDP) which seeks to respond to challenges faced by the communities.

To further deal with the transformation agenda in the Province, the Executive Council approved BBBEE Implementation Plan which identified targeted transformation projects. Such projects will ensure that there is 50% ownership on the established companies, to ensure that our local companies are mainstreamed to participate in the economic arena.

With regards to consumer protection, the Department received a number of consumer cases resulting from unscrupulous business practices. Through our intervention, we managed to resolve 1615 reported consumer cases and in turn recovered R7,6 million on behalf of the consumers.

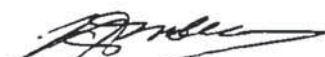
The work toward ensuring that the Mpumalanga Liquor Authority (MLA) is a fully fledged entity is progressing well. The MLA board which was appointed during the year under review has approved internal control procedures and ensured that the Liquor Licensing IT Systems are installed.

One of the proposals from the National Development Plan is the industrialisation of the country. As such, the Province took an initiative to develop the Mpumalanga Industrial Plan (MIP). I am proud to announce that the plan has been developed, and details on where industries can be developed were provided to ensure that we transform the Province. The MIP will be taken through approval processes in the 2015/16 financial year.

The Province has been planning for quite some time to begin with the process of determining the employment statistics in all the sectors (private, public and the informal sector). So far, the Province in collaboration with the Statistics South Africa, has put systems in place to begin the process of gathering information in all municipalities. This work will enable the Department to account for every job created in the Province, per municipality and per ward.

We have acknowledged in the previous year that the weakest link of the Department was the capacity to plan and lead within the economic space. In order to address this, we are currently in the process of re-organising the Department and its Public Entities in order to respond decisively in the economic space, and provide the necessary support to the Province. We anticipate to conclude this work in the 2016/17 financial year.

May I take this opportunity to thank the Senior Management, CEOs of our Public Entities and employees of the Department and Public Entities for their support and dedication to the economic transformation agenda of our Province.



**MR T MDAKANE**

**ACCOUNTING OFFICER (ACTING)**

**Department of Economic Development and Tourism**

## 5. STATEMENT OF RESPONSIBILITY AND CONFIRMATION OF ACCURACY FOR THE ANNUAL REPORT

To the best of my knowledge and belief, I confirm the following:

All information and amounts disclosed throughout the annual report are consistent with the Annual Performance Plans and guidelines

The annual report is complete, accurate and is free from any omissions.

The annual report has been prepared in accordance with the guidelines on the annual report as issued by National Treasury.

The Annual Financial Statements (Part E) have been prepared in accordance with the modified cash standard and the relevant frameworks and guidelines issued by the National Treasury.

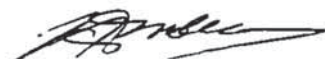
The Accounting Officer is responsible for the preparation of the annual financial statements and for the judgements made in this information.

The Accounting Officer is responsible for establishing, and implementing a system of internal controls that has been designed to provide reasonable assurance as to the integrity and reliability of the performance information, the human resources information and the annual financial statements.

The external auditors are engaged to express an independent opinion on the annual financial statements.

In my opinion, the annual report fairly reflects the operations, the performance information, the human resources information and the financial affairs of the Department for the financial year ended 31 March 2015.

Yours faithfully



**MR T MDAKANE**

**ACCOUNTING OFFICER (ACTING)**

**Department of Economic Development and Tourism**

**31 July 2015**



## 6. STRATEGIC OVERVIEW

### 6.1 Vision

An inclusive globally competitive economy

### 6.2 Mission

Drive economic growth that creates decent employment and promote sustainable development through partnerships.

### 6.3 Values

VALUE	VALUE STATEMENT
<b>Integrity</b>	Officials must be dedicated to the adherence of a strict moral and ethical code of conduct in the execution of their duties and responsibilities.
<b>Fairness</b>	Officials must conform to the rules and standards set out by the Department. All decisions should be made free of bias and must always be considerate and just.
<b>Accountability</b>	Officials are, at all times, to be responsible for the performance and results of their agreed upon duties and responsibilities. This refers to the pyramid responsibility that begins with the individuals and builds up to the top management.
<b>Transparency</b>	Officials will recognise the right to access of information excluding information that is specifically protected by law.
<b>Professionalism</b>	Officials will behave and execute their duties in a manner that enhances the reputation of the Department while adhering to the highest ethical standards.

## 7. LEGISLATIVE AND OTHER MANDATES

### 7.1 Constitutional Mandates

CONSTITUTIONAL MANDATES	PURPOSE
The constitution of the Republic of South Africa, Act 108 of 1996; To protect citizens and afford them rights.	The Department's mandate includes regulatory functions that are meant to promote fair trade, protection of the consumer rights as envisaged in Sections 22 and 24 of the Bill of Rights. Department is also directly responsible for regulating the Liquor and Gambling Industries whose activities can have adverse outcomes to the well-being and dignity of individuals/ communities

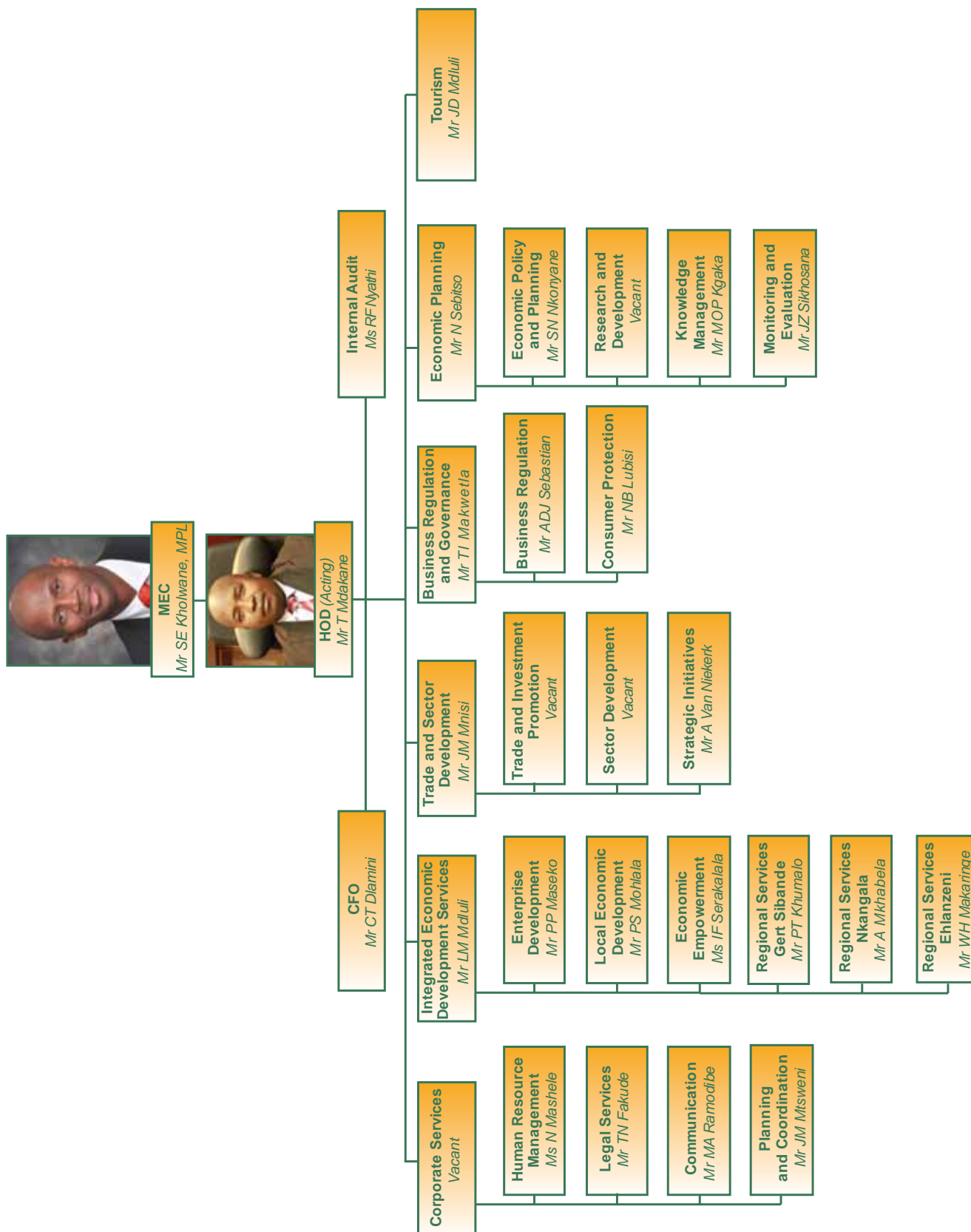
### 7.2 Legislative Mandates

LEGISLATIVE MANDATES	PURPOSE
Public Financial Management Act No.1 of 1999.	<ul style="list-style-type: none"> <li>To promote sound financial management in the public sector.</li> <li>Every employee of the Department is enjoined to ensure that no fruitless/ irregular expenditure occurs within their area of responsibility</li> </ul>
Mpumalanga Gambling Act No.5 of 1999.	<ul style="list-style-type: none"> <li>To provide for control over gaming; and to provide for matters connected therewith.</li> <li>The Department is, by virtue of being the shareholder representative, responsible for ensuring that the MGB effectively and efficiently executes its mandate which includes regulating gambling and sensitising the public against the dangers of excessive gambling.</li> <li>Overseeing Quarterly Reports, Annual Reports and Strategic Objectives.</li> </ul>
Liquor Act No. 27 of 1989.	<ul style="list-style-type: none"> <li>To provide for control over the sale of liquor and for matters connected within.</li> <li>By ensuring that the Liquor Board regulates the issuing of liquor licences and conduct inspections to minimise the ill effects of unregulated consumption.</li> <li>Implementation and overseeing activities of Liquor Board.</li> </ul>
National Gambling Act 59 on 2003.	<ul style="list-style-type: none"> <li>To provide for the co-ordination of concurrent national and provincial legislative competence over matters relating to casinos, racing, gambling and wagering and to provide for the continued regulation of those matters.</li> <li>The Department is to ensure that the Mpumalanga Gambling Act is aligned to national norms and standards established in terms of the National Gambling Act.</li> </ul>
Mpumalanga Consumer Act No. 6 of 1998.	<ul style="list-style-type: none"> <li>To promote a fair accessible and sustainable marketplace for consumer products and for that purpose to establish national norms and standards relating to consumer protection.</li> <li>DEDT is responsible for establishing and managing the Office of Investigation of Unfair Business Practices, whose function is to receive, investigate and resolve complaints of unfair business practices.</li> <li>To establish the Consumer Court which adjudicates on matters of alleged unfair business practices.</li> </ul>
Mpumalanga Liquor Licensing Act 5 of 2007.	<ul style="list-style-type: none"> <li>To provide for the regulation of the liquor industry in the Province; and for matters connected within.</li> <li>Directly responsible through the establishment of the Public Entity not yet implemented through the Directorate of Business Regulations.</li> </ul>
Mpumalanga Business Act No.2 of 1996.	<ul style="list-style-type: none"> <li>To consolidate and amend certain laws in force in the Province regarding the licensing and carrying on of business.</li> </ul>



LEGISLATIVE MANDATES	PURPOSE
National Small Business Enabling Act.	<ul style="list-style-type: none"> <li>To provide for Small Business to enter the economic frame.</li> <li>The Department is responsible for the creation of a conducive environment for the promotion, support and development of small businesses in the Province.</li> <li>Municipalities to comply to prescripts of the Acts.</li> </ul>
Broad-based Black Empowerment Act.	<ul style="list-style-type: none"> <li>To provide for the empowerment of the black-owned companies to enter the main stream of the economy.</li> <li>The Department is responsible for ensuring that black owned companies access opportunities in the mainstream of the economy in an effort to transform the economy and reduce inequality.</li> <li>It is further responsible for ensuring that the necessary support is provided to black enterprises and targeted groups (women, youth and people living with disabilities) to enable them to successfully compete for opportunities in the economy.</li> </ul>
Public Service Act.	<ul style="list-style-type: none"> <li>To regulate the public service in the country</li> </ul>
National Credit Act No.34 of 2005.	<ul style="list-style-type: none"> <li>To promote a fair and non-discriminatory marketplace for access to consumer credit</li> </ul>
Basic Condition of Employment Act.	<ul style="list-style-type: none"> <li>Create an employer-employee relations</li> </ul>
Labour Relations Act.	<ul style="list-style-type: none"> <li>To protect the rights of the workers</li> </ul>

## 8. ORGANISATIONAL STRUCTURE



## 9. ENTITIES REPORTING TO THE MEC

Name of Entity	Legislative Mandate	Financial Relationship	Nature of Operations
Mpumalanga Economic Growth Agency	<ul style="list-style-type: none"> <li>To promote trade and investment in Mpumalanga; to provide funding in respect of approved enterprise development focusing primarily on the previously disadvantaged individuals in Mpumalanga</li> <li>To develop property including the granting of housing loans in Mpumalanga</li> <li>To deliver massive infrastructure in Mpumalanga</li> </ul>	Transfer payments in line with the shareholders compact	<ul style="list-style-type: none"> <li>To promote and facilitate Trade and Investment in the Province</li> <li>To provide financial and non-financial support to SMME's in the Province</li> <li>To provide financial support to emerging farmers in the Province</li> <li>To grant housing loans to the needy and previously advantaged</li> </ul>
Mpumalanga Tourism and Parks Agency	<ul style="list-style-type: none"> <li>To provide for the sustainable development and improvement of the tourism industry in Mpumalanga</li> </ul>	Transfer payments in line with the shareholders compact	<ul style="list-style-type: none"> <li>To provide for effective management and conservation of biodiversity and ecosystems within the Province</li> <li>To develop and ensure effective management of protected areas</li> <li>To promote and create socio-economic growth and transformation within the tourism and conservation industry, thereby creating economic and employment opportunities for previously disadvantaged individuals and local communities in the Province</li> </ul>
Mpumalanga Gambling Board	<ul style="list-style-type: none"> <li>Continue to regulate the Gambling Industry as per the act</li> <li>Promote responsible gambling within the Province</li> </ul>	Transfer payments in line with the shareholders compact	<ul style="list-style-type: none"> <li>To ensure that industry is regulated and function within the parameter of Law</li> <li>To promote responsible gambling within the Province</li> </ul>





Part B:

# Performance Information



## 1. AUDITOR GENERAL'S REPORT: PRE-DETERMINED OBJECTIVES

The Auditor-General identified material misstatements in the annual performance report submitted for auditing on the reported performance information for the Integrated Economic Development Programme. Management has subsequently corrected the misstatements.

- Auditor-General did not raise any material findings on the usefulness and reliability of the reported performance information.

The details of the AG's report can be found on page 124, Part E of the Annual Report.



## 2. OVERVIEW OF DEPARTMENTAL PERFORMANCE

During the year under review, the Department has performed well despite the changes which were made during the course of the year. The Department rendered more services at the beginning of the financial year such as the Environmental Impact (EIA's). However this function was moved to Department of Agriculture, Rural Development, Land Administration and Environmental Affairs during the Budget Adjustment.. The Department continued to provide registration services to the Cooperatives and SMMEs. Furthermore the Department provide services to business outlets such as issuing of liquor licences amongst others.

### 2.1 Service Delivery Environment

The Department's Annual Performance Plan had 190 performance targets during the 2014/15 financial year. Of the 190, only 148 were achieved which implies that the Department was able to achieve 78% of the targets with a variance of 22%. Amongst others, the Department was able to register 202 new Cooperatives and 1248 new SMMEs.

The Department further trained 17 Cooperatives and 11 SMMEs on technical skills. This means that the Department will eventually achieve its target of transforming the economy by ensuring that SMMEs and Cooperatives have the certified products. Of great importance is that, as part of the Batho Pele principles, we received 1242 walk-ins from the public. These indicate that the Department is visible throughout the Province. Also, the Department managed to resolve 1615 consumer cases.

The Department experienced some challenges during the year under review. The challenges were created by the relocation of personnel from one building to the other and the electricity disruptions resulted in the less services rendered. The resignation of key personnel also contributed towards certain targets not being achieved. Lastly, the transfer of the environment function during adjustment process exacerbated the matter by increasing the non-achievement of planned targets by 22%.

### 2.2 Service Delivery Improvement Plan

#### Main services and standards

Main services	Beneficiaries	Current/actual standard of service	Desired standard of service	Actual achievement
Provision of Enterprise Development Services	Small Enterprises and Cooperatives	<ul style="list-style-type: none"> <li>498 existing SMME's supported on annual returns and referrals</li> <li>262 new SMME's registered with CIPC</li> </ul>	1260 new SMME's registered within the priority sectors and others with CIPC, and 840 existing SMME's in all sectors supported on annual returns and referrals	1242 new SMME's registered and 1208 existing SMMEs supported on annual returns and referrals
Promotion of consumer protection.	Consumers.	195 consumer education and awareness programmes conducted and 2093 cases resolved.	Conduct 200 consumer education and awareness programmes as well as investigate and resolve 1600 consumer cases.	Conducted 490 consumer education and awareness programmes and further resolved 1615 consumer cases.

### Batho Pele arrangements with beneficiaries (Consultation access etc.)

Current/actual arrangements	Desired arrangements	Actual achievements
In an endeavour to understand their needs and expectations, we will create mutually beneficial interactional processes for consumers including: walk-in interfaces, road shows, radio and print media channels for a customised service offering.	Create mutually beneficial interactional processes for the public/clients including: walk-in interfaces, road shows, radio and print media channels for a customised service offering	The public and clients were consulted during walk-in interfaces, education and awareness campaigns and outreach programmes on the services entitled to them and the means of accessing such.

### Service delivery information tool

Current/actual information tools	Desired information tools	Actual achievements
To conduct workshops/awareness sessions, radio interviews, road shows, presentations and issue newspaper adverts and pamphlets on consumer protection matters.	To disseminate departmental services information through media channels (radio interviews and newspaper adverts), road shows and workshops, and online channels.	<ul style="list-style-type: none"> <li>Conducted 490 consumer awareness sessions, and radio interviews.</li> <li>Participated in 58 outreach programmes and stakeholder consultation sessions.</li> <li>Produced and distributed 360 departmental information products and publications and also updated the online information channels.</li> </ul>

### Complaints mechanism

Current/actual complaints mechanism	Desired complaints mechanism	Actual achievements
Acknowledge receipt of complaints, in a professional manner, within 5 working days, and a full written response provided within 10 working days of receiving the complaint.	Acknowledge receipt of complaints, in a professional manner, within 5 working days, and a full written response provided within 10 working days of receiving the complaint.	No queries or complaints were received.

## 2.3 Organisational environment

During the year under review, the Department, after the change of administration, was given a mandate to develop a turnaround strategy aimed at ensuring that the Department, as well as its Entities are responsive to its mandate of economic development in the Province.

The process was an intensive one which included a diagnosis of the current environment in order to ensure that the strategy developed is well informed. The result of the study made some recommendations which indicated that for the Department to respond effectively to its mandate, it must be positioned as a thought leader responsible to integrate all the role players in the development of the economy. This led to the need to develop a new organisational structure which will respond to the role that the Department needs to play. It was also agreed that with the Department envisaged to be a thought leader, Its structure must be lean and mean and that all functions that are implementation related must be moved to its Entities.

Consequently, a moratorium on the filling of all vacant position was placed so as to ensure that future positions are filled in line with the direction the Department is taking. As a result, the Department was operating without a full complement according to the plans which were developed. There were however employees who were given responsibilities to act in order position to ensure that the functions of all are carried out vacant positions. This meant that people were at times responsible for functions of two people at any given time.

## 2.4 Key policy developments and legislative changes

None



### 3. STRATEGIC OUTCOME ORIENTED GOALS

<b>Strategic outcome oriented goal 1</b>	Sustained economic development
<b>Goal statement</b>	Sustained economic development that increases employment, alleviates poverty and addresses inequality among the citizenry
<b>Strategic outcome oriented goal 3</b>	Increased tourism in the Province
<b>Goal statement</b>	Flourishing domestic and foreign tourism and increased inclusivity of all stakeholders in the sector



## 4. PART B: PERFORMANCE INFORMATION

### 4.1 STRATEGIC OBJECTIVES AND PERFORMANCE INDICATORS

#### PROGRAMME 1: ADMINISTRATION

**Purpose of the Programme:** Is to provide administrative support for the implementation of the Departmental mandate

**The Programme consists of the following sub-programmes:**


- Office of the MEC
- Office of the HOD
- Internal Audit
- Financial Management
- Risk Management
- Corporate Services:
  - Strategic Planning Services
  - Human Resource Management
  - Communication
  - Legal Services
  - Security Services
  - Transversal Services

**Strategic Objectives of the Programme are as follows:**

- To set policy and political directives in order to achieve provincial objectives
- To translate policies and priorities into strategies for effective service delivery
- To provide independent objective assurance on governance, internal control systems and risk management processes of the Department in order to add value to its operations and support it to achieve its service delivery imperatives
- To provide effective and efficient financial management
- To implementing risk management processes in order to build an ethical organisational culture with a zero tolerance to fraud, corruption and maladministration
- To provide business management, coordination and planning services to the Department
- To provide integrated Human Resource Management and Development
- To improve access to information by both internal and external stakeholders
- To provide efficient and effective legal support services
- To ensure compliance with MISS (Minimum Information Security Standards)
- To implement Integrated Employee Health, Wellness and Mainstreaming of Special Programmes.

#### **Summary of Annual Performance achievements:**

An analysis of the Annual Performance Report indicates that Programme One achieved 48 of the 51 planned targets, that is, 94% achievement although its expenditure was 100%. In summary, the Programme's Units achieved as follow: Office of the MEC (100%), Office the HOD (100%); Internal Audit (100%); Financial Management (100%); Risk Management (100%); Strategic Planning Services (100%); Human Resource Management (75%); Communication (90%); Legal Services (100%); Security Management (100%); and Transversal Services (100%). Concerns arise in the non-compliance to the Employment



Equity Plan when appointing personnel and delay finalising disciplinary cases. It is recommended that Programme One avoid targeting activities upon which there is limited or no control over, such as MinMEC and MinTech meetings. Moreover, there should be baseline information upon which revenue collection is measured against and targeted.

Risk assessments were performed to identify and assess threats and hindrances which had the potential to impede the organisational achievement. Monitoring of Risk Action Plans was performed and reports produced and discussed at management, Risk management and Audit committee levels. The Department further reviewed its Risk Management, Fraud Prevention and Whistle-blowing strategies with the aim of incorporating new developments. A functional risk management and anti-corruption committee was in place and advised the Accounting Officer on control deficiencies and emerging risks.

The following risk based audit assignments relating to the Department were performed by the Internal Audit function during the 2014/2015 financial year, as per the Annual Internal Audit Plan:

- Corporate Services
- Financial and Supply Chain Management
- Fleet Management
- Asset Management
- Risk Management
- Internal Financial Controls
- King III Assessment
- Revenue Management
- Zithabiseni
- Follow up on AGSA and Internal Audit Reports
- Quarterly performance and financial statements reviews

Reports of audit findings were discussed during quarterly audit committee meetings held by the Department.

The strategic objective of the Communication Directorate is to realise **‘improved access to information by both internal and external stakeholders’**. This was done through three (3) Key Performance Areas, namely, (1) media relations, (2) corporate communication, and (3) stakeholder relations. On Media Relations, the media was monitored and analysed on a daily basis and news clippings were produced and distributed. In addition, statements and advisories were issued to the media; media enquiries responded to within 48 hours and mass media information and awareness campaigns were implemented. This has resulted in the Department receiving positive coverage of 273 out of 332 articles, and this resulted in free publicity worth R2, 968, 450. 11.

On Corporate Communication, 14 monthly staff bulletins and quarterly newsletters, 116 various information products were produced and distributed, and online information channels (Website and Intranet) were updated 230 times. Much work was done in re-branding due to the new Provincial Brand. This included procurement of new corporate stationery, branding equipment, and re-designing of various forms and Departmental documentation. With regards to Stakeholder Relations, we provided events support, exhibitions and facilitation of responses for queries reported to the Presidential Hotline.

Sub-Programme: Office of the MEC				
Strategic objectives	Actual Achievement 2013/14	Planned Target 2014/15	Actual Achievement 2014/15	Deviation from planned target to Actual Achievement for 2014/15
Set policy and political directives in order to achieve provincial objectives	Priorities and strategic directives to the Department provided	Provide 5 priorities and strategic directives to the department.	5 Priorities and strategic directives to the Department provided	None
				None

### Performance indicators

Sub-Programme: Office of the MEC				
Performance Indicator	Actual Achievement 2013/14	Planned Target 2014/15	Actual Achievement 2014/15	Deviation from planned target to Actual Achievement for 2014/15
Number of Policy and Budget Speeches conducted	Policy and budget speech presented to Legislature	1 Policy and Budget Speech presented	1 Policy and Budget Speech presented	None
Number of MinMEC meetings attended	09 MinMEC meetings attended	16 MinMEC meetings attended	6 MinMEC meetings attended	Target not achieved by 10
Number of outreach programmes and stakeholder consultations held (incl. OTP) including IGR meetings	46 outreach programmes and stakeholder consultations attended	32 outreach programmes and stakeholder consultations held (incl. OTP) including IGR meetings	58 Outreach programmes and Stakeholder consultations attended	Target exceeded by 26
Number of Executive Committee (Economic Cluster) Meetings attended	16 Economic cluster committee meetings attended	22 Executive Committee (Economic Cluster) Meetings attended	13 Economic Cluster Committee Meetings attended	Target not achieved by 9
Number of partnerships forged and serviced	22 Partnership meetings attended	12 partnerships forged and serviced	21 Partnership meetings attended	Target exceeded by 9
				More Partnership meetings were scheduled in order to effectively drive the Provincial Economic Growth and Development objectives

### Strategy to overcome areas of under performance

None

### Changes to planned targets

None

## Linking Performance with budgets

Sub-Programme	2013/14			2014/15		
	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure
Office of the MEC	R '000 4,870	R '000 4,959	R '000 (89)	R '000 5,266	R '000 6,239	R '000 (973)

Strategic objectives : Sub-Programme: Office of the HOD				
Strategic objectives	Actual Achievement 2013/14	Planned Target 2014/15	Actual Achievement 2014/15	Deviation from planned target to Actual Achievement for 2014/15
Translate policies and priorities into strategies for effective service delivery	Priorities and strategic directives implemented	Implement 2 priorities and strategic directives	2 Priorities and strategic directives implemented	None

Performance indicators: Sub-Programme: Office of the HOD				
Performance Indicator	Actual Achievement 2013/14	Planned Target 2014/15	Actual Achievement 2014/15	Deviation from planned target to Actual Achievement for 2014/15
Number of performance reports submitted	Submit 4 performance reports	Submit 4 performance reports	4 performance report Submitted	None
Number of annual reports submitted	Submit 1 annual report	Submit 1 annual report	1 annual report Submitted	None
Number of Annual Performance plans submitted	Submit 1 Annual Performance plan	Submit 1 Annual Performance plan	1 Annual Performance plan Submitted	None
Number of MinTech Meetings attended	16 MinTech Meetings attended	16 MinTech Meetings attended	9 MinTech Meetings attended	Target not achieved by 7

## Strategy to overcome areas of under performance

None

## Changes to planned targets

None

Strategic objectives : Sub-Programme Internal Audit				
Strategic objectives	Actual Achievement 2013/14	Planned Target 2014/15	Actual Achievement 2014/15	Deviation from planned target to Actual Achievement for 2014/15
To provide independent objective assurance on governance, internal control systems and risk management processes of the department in order to add value to its operations and support it to achieve its service delivery imperatives	1 Audit Plan implemented	Implement 1 approved audit plan	1 Audit Plan implemented	None
Comment on deviations				
None				

Performance Indicators: Sub-Programme: Internal Audit				
Performance Indicator	Actual Achievement 2013/14	Planned Target 2014/15	Actual Achievement 2014/15	Deviation from planned target to Actual Achievement for 2014/15
Number of quarterly progress reports submitted on implementation of the audit plan.	4 quarterly progress reports submitted	4 quarterly progress reports on implementation of the annual audit plan	4 Quarterly Progress reports submitted on implementation of the audit plan	None
Number of Internal Audit annual operational plans developed	1 Annual Internal Audit operational plan developed	1 Internal Audit Annual operational plan developed	1 Internal Audit Annual Operational Plan developed	None
Comment on deviations				
None				

#### Strategy to overcome areas of under performance

None

#### Changes to planned targets

None

Strategic objectives : Sub-Programme: Risk Management				
Strategic objectives	Actual Achievement 2013/14	Planned Target 2014/15	Actual Achievement 2014/15	Deviation from planned target to Actual Achievement for 2014/15
Implementing risk management processes in order to build an ethical organisational culture with a zero tolerance to fraud, corruption and maladministration	Risk and fraud strategies implemented	Implement Risk and fraud strategies	Risk and fraud strategies implemented	None
				None

Performance indicators: Sub-Programme: Risk Management				
Performance Indicator	Actual Achievement 2013/14	Planned Target 2014/15	Actual Achievement 2014/15	Deviation from planned target to Actual Achievement for 2014/15
Number of strategic risk assessment reports produced	2 Risk Assessment report produced: <ul style="list-style-type: none"> <li>MLA Risk Assessment Report</li> <li>Zithabiseni Risk Assessment Report</li> </ul>	2 Risk Assessment Reports produced	4 Risk Assessment Reports produced <ul style="list-style-type: none"> <li>2014/15 Strategic Risk Assessment report produced.</li> <li>2014/15 Fraud Risk Assessment report produced</li> <li>2014/15 ICT risk assessment report produced</li> <li>2014/15 Zithabiseni risk assessment report produced</li> </ul>	Target exceeded by 2
Number of control self-assessments performed	4 control self-assessment report produced	4 control self-assessment reports	4 Control self-assessment report produced	None
Number of awareness reports on risk, fraud, and ethics produced	4 awareness reports on risk, fraud and ethics produced	4 awareness reports on Risk, Fraud and ethics produced	4 awareness reports on risk, fraud and ethics produced	None

#### Strategy to overcome areas of under performance

None

#### Changes to planned targets

None

#### Linking Performance with budgets

Sub-Programme	2013/14			2014/15		
	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure
Office of the HOD/ Senior Management	R '000 6,518	R '000 6,004	R '000 514	R '000 5,008	R '000 6,112	R '000 (1,104)



Strategic objectives : Sub-Programme Financial Management				
Strategic objectives	Actual Achievement 2013/14	Planned Target 2014/15	Actual Achievement 2014/15	Deviation from planned target to Actual Achievement for 2014/15
Provide effective and efficient financial management	Financial and supply chain management policies implemented	Implement 1 Financial and supply chain management policies	1 Financial and supply chain management policies implemented	None
				None
Performance indicators: Sub-Programme: Financial Management				
Performance Indicator	Actual Achievement 2013/14	Planned Target 2014/15	Actual Achievement 2014/15	Deviation from planned target to Actual Achievement for 2014/15
Number of financial statements submitted to Auditor-General.	1 set financial statement submitted to Provincial treasury	1 set of annual financial statements	1 set of annual financial statements produced	None
Number Budget prepared and aligned to Provincial priorities and Treasury Guidelines	Final budget for 2014/15 produced	1 Final properly costed and budget aligned to Provincial priorities and Treasury guidelines	1 Final properly costed budget and aligned to Provincial priorities and Treasury guidelines produced	None
Percentage of Increased revenue collection	Increased Revenue collection by 6%.	Increase revenue collection by 40%	Increase revenue collection by 103.9%	Target exceeded by 63% Revenue collection was exceeded due to favourable interest rates
Number of monthly expenditure reports submitted to Treasury	12 monthly monitoring expenditure reports produced and sent to Treasury	Submit 12 monthly monitoring expenditure report by 15th of every month to Treasury	12 monthly monitoring expenditure report by 15th of every month to Treasury submitted	None
Number of assets verification conducted	3 Assets verification conducted in Gert Sibande, Nkangala and Ehlanzeni region	3 Assets verification conducted	3 Assets verification conducted in Nkangala Gert Sibande and Ehlanzeni Region	None
Number policies updated and implemented	2 Policies updated and implemented (supply chain policy and asset management policy)	2 policies updated and implemented	2 policies updated and implemented (Supply Chain and Asset Management Policy)	None

#### Strategy to overcome areas of under performance

None

#### Changes to planned targets

None



## Linking Performance with budgets

Sub-Programme	2013/14			2014/15		
	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure
Financial Management	R '000 41,031	R '000 45,885	R '000 (4,854)	R '000 43,019	R '000 43,649	R '000 (630)

Strategic objectives : Sub-Programme: Strategic Planning Services					
Strategic objectives	Actual Achievement 2013/14	Planned Target 2014/15	Actual Achievement 2014/15	Deviation from planned target to Actual Achievement for 2014/15	Comment on deviations
To Provide business management, coordination and planning services to the Department	Departmental programmes coordinated	Coordinate Departmental programmes	Departmental programmes coordinated	None	None

Performance indicators: Sub-Programme: Strategic Planning Services					
Performance Indicator	Actual Achievement 2013/14	Planned Target 2014/15	Actual Achievement 2014/15	Deviation from planned target to Actual Achievement for 2014/15	Comment on deviations
Number of performance reports produced	16 Reports produced SDIP implemented and 4 reports produced	17 Reports produced Implementation of SDIP and 4 reports produced	17 Reports produced 4 Report on SDIP implementation produced	None None	None None
Number of performance Plans developed	2 draft and 1 final annual performance plans produced	2 Performance Plans developed	3 Performance Plans developed	Target exceeded by 1	Strategic Plan document was produced.
Number of Quarterly Review Sessions coordinated	4 Quarterly review sessions conducted	4 Quarterly review session	4 Quarterly Review sessions coordinated	None	None

## Strategy to overcome areas of under performance

None

## Changes to planned targets

None

Strategic objectives : Sub-Programme: Human Resource Management				
Strategic objectives	Actual Achievement 2013/14	Planned Target 2014/15	Actual Achievement 2014/15	Deviation from planned target to Actual Achievement for 2014/15
To provide integrated Human Resources	HR Plan reviewed and implemented	Review and implement HR Plan	HR Plan reviewed and implemented	None
				None
Performance indicators: Sub-Programme: Human Resource Management				
Performance Indicator	Actual Achievement 2013/14	Planned Target 2014/15	Actual Achievement 2014/15	Deviation from planned target to Actual Achievement for 2014/15
Number of HR Plan reviewed and implemented	1 (one) HR Plan Reviewed and implemented	Review and implement HR Plan	HR Plan reviewed and implemented	None
Number of Workplace Skills Plans implemented and Annual Training Reports developed	A Workplace Skills Plan implemented and Annual Training report developed	<ul style="list-style-type: none"> <li>Develop and implement Workplace Skills Plan</li> <li>Annual Training Report submitted</li> <li>HRD Plan and Report submitted to OTP and DPSA</li> </ul>	<ul style="list-style-type: none"> <li>Workplace Skills Plan developed and implemented</li> <li>HRD Plan and Report submitted to OTP and DPSA</li> </ul>	None
Number of recruitment plans implemented	None	Develop and implement Recruitment plan	Recruitment Plan implemented- twenty six (26) officials appointed permanently and four (4) appointed on fixed term contract	None
Compliance with Employment Equity Act	Employment Equity Plan implemented and monitored.	Review EE Plan, submit copy to DoL and Monitor the implementation	<ul style="list-style-type: none"> <li>EE Plan reviewed and submitted to DoL</li> <li>EE Plan implementation monitored</li> </ul>	None
Compliance with Performance Management and Development System	None	Facilitate the implementation of PMDS	PMDS implementation facilitated	None
Compliance with Labour Legislation	3 (three) Disciplinary cases and 6 (six) grievances managed	100% attendance of all disciplinary cases, grievances lodged and disputes declared	All disciplinary cases, grievances lodged and disputes declared were attended to	Finalisation of the cases within the stipulated time frames
	None	Conduct awareness on Labour Relations Policies	Awareness workshops on Labour Relations Policies were conducted	None
	None	100% attendance to collective bargaining structures	100% attendance of collective bargaining structure meetings	None

### Strategy to overcome areas of under performance

Create awareness to all parties concerned to ensure 100% attendance of all disciplinary cases, grievances lodged and disputes declared

### Changes to planned targets

None

Strategic objectives : Sub-Programme Communication					
Strategic objectives	Actual Achievement 2013/14	Planned Target 2014/15	Actual Achievement 2014/15	Deviation from planned target to Actual Achievement for 2014/15	Comment on deviations
Improved access to information by both internal and external stakeholders	Communication plan implemented	Implement communication action plan	Communication plan implemented	None	None
Performance indicators: Sub-Programme Communication					
Performance Indicator	Actual Achievement 2013/14	Planned Target 2014/15	Actual Achievement 2014/15	Deviation from planned target to Actual Achievement for 2014/15	Comment on deviations
Number of times the media is monitored and utilised as a channel of information dissemination	695 times the media is monitored and utilised as a channel of information dissemination	614 times the media is monitored and utilised as a channel of information dissemination	850 times the media is monitored and utilised as a channel of information dissemination	Target exceeded by 236	<ul style="list-style-type: none"> <li>Afternoon media monitoring introduced</li> <li>More events and issues that required clarity through Media Statements</li> <li>Communication was strengthened through Radio Talk-shows</li> </ul>
Number of information products and publications produced and distributed; and online information channels updated	370 information products and publications produced and distributed; and online information channels updated	266 information products and publications produced and distributed; and online information channels updated	360 information products and publications produced and distributed; and online information channels updated	Target exceeded by 94	New Provincial Brand necessitated the re-branding, re-design of more information products and updating of informational channels
Number of internal activities and external public liaison and participation programmes supported	53 internal activities and external public liaison and participation programmes supported	48 internal activities and external public liaison and participation programmes supported	42 internal activities and external public liaison and participation programmes supported	Target not met by 6	Cancellation of events and less queries received from the Presidential Hotline

#### Strategy to overcome areas of under performance

None

#### Changes to planned targets

None

Strategic objectives : Sub-Programme Legal Services					
Strategic objectives	Actual Achievement 2013/14	Planned Target 2014/15	Actual Achievement 2014/15	Deviation from planned target to Actual Achievement for 2014/15	Comment on deviations
To provide efficient and effective legal support services	Legal support service provided	Provide legal support service	Legal support service provided	None	None
Performance indicators: Sub-Programme Legal Services					
Performance Indicator	Actual Achievement 2013/14	Planned Target 2014/15	Actual Achievement 2014/15	Deviation from planned target to Actual Achievement for 2014/15	Comment on deviations
Number of litigation cases co-ordinated and written opinions prepared	Co-ordinated 15 litigation cases and prepared 25 written opinions	Co-ordinate 5 litigation cases and 2 written opinion	<ul style="list-style-type: none"> <li>Co-ordinated 26 litigation cases</li> <li>Prepared 31 written opinions</li> </ul>	Target exceeded by 21 in coordinating litigation cases and 29 written opinions	Received more urgent court applications than anticipated
Number of agreements drafted/perused	Drafted/perused 34 Agreements as requested	Draft and/or peruse two agreements	Drafted/reviewed 28 Agreements	Target exceeded by 26	There was a need to review more agreements than anticipated.
Number of Legislation review/amendment	None	Review and amendment of 2 Legislations	<ul style="list-style-type: none"> <li>One (1) legislation reviewed and amended (Draft Mpumalanga Consumer Protection Bill finalised)</li> </ul>	Target not achieved by 1	MEGA and MTPA Amendment Bills could not be finalised due to ongoing Organisational Design (O/D) process and reallocation of functions between Dept. and Agencies

#### Strategy to overcome areas of under performance

To ensure ongoing stakeholders engagements with affected entities.

#### Changes to planned targets

None

Strategic objectives : Sub-Programme Security Management				
Strategic objectives	Actual Achievement 2013/14	Planned Target 2014/15	Actual Achievement 2014/15	Deviation from planned target to Actual Achievement for 2014/15
Ensure compliance with MISS (Minimum Information Security Standards)	MISS Implemented	Implementation of MISS	MISS Implemented	None
				None
Performance indicators: Sub-Programme Security Management				
Performance Indicator	Actual Achievement 2013/14	Planned Target 2014/15	Actual Achievement 2014/15	Deviation from planned target to Actual Achievement for 2014/15
Number of security awareness workshop produced	4 Security awareness workshop were conducted	4 security awareness workshop conducted	4 security awareness workshops conducted for Public entities, Gert Sibande, MTPA and eMalahleni offices	None
Number of security audit report produced and strategic offices swept	<ul style="list-style-type: none"> <li>6 Strategic offices were swept</li> <li>2 security audit reports were produced</li> </ul>	2 strategic offices swept and 3 security audit reports produced	6 strategic offices swept and 3 security audit report produced	The target was exceeded due to leaking of sensitive/ classified information, thus the necessity for the sweeping of Executive offices at the Agency
Number of inspections conducted	69 site Inspections conducted	60 site inspections conducted	63 site inspections conducted	The target was exceeded by 3 due to appointment of the new MEC which necessitated the addition of site inspections at both his private and official residences.

**Strategy to overcome areas of under performance**

None

**Changes to planned targets**

None

Strategic objectives : Sub-Programme Transversal Services				
Strategic objectives	Actual Achievement 2013/14	Planned Target 2014/15	Actual Achievement 2014/15	Deviation from planned target to Actual Achievement for 2014/15
Implementation of Integrated Employee Health and Wellness and Mainstreaming of special programmes	Integrated Employee Health Wellness and Special Programmes implemented	Implement 8 Integrated Employee Health Wellness and Special Programmes and 8 reports produced	9 Integrated Employee Health Wellness and Special Programmes implemented	Target exceeded by 1
				The Department participated in the Provincial Wellness Open Day in partnership with the Office of the Premier and other stakeholders.

Performance indicators: Sub-Programme Transversal Services				
Performance Indicator	Actual Achievement 2013/14	Planned Target 2014/15	Actual Achievement 2014/15	Deviation from planned target to Actual Achievement for 2014/15
Number of Employee Health and Wellness Programmes implemented	12 Employee Health Wellness Preventative interventions implemented and 88 employees and 03 bereaved families assisted through Employee Assistance Services	8 integrated Employee Health and Wellness Programmes implemented	09 Employee Health and Wellness Preventative Programmes Implemented	Target exceeded due to the Department participating in the Provincial Wellness Open Day in partnership with the Office of the Premier and other stakeholders.
Number of reports compiled and programmes implemented	04 Monitoring report submitted 12 special programme implemented:	4 Monitoring reports on special programmes 4 special programme implemented	4 Report submitted	None
			8 special programs implemented.	Target exceeded due to some programmes not planned for but were implemented in partnership with the Office of the Premier and other external stakeholders

#### Strategy to overcome areas of under performance

None

#### Changes to planned targets

None

#### Linking Performance with budgets

Sub-Programme	2013/14			2014/15		
	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure
Corporate Services	R '000 30,238	R '000 29,851	R '000 387	R '000 31,355	R '000 28,649	R '000 2,706





## **PROGRAMME 2: INTEGRATED ECONOMIC DEVELOPMENT**

**The Purpose of the Programme:** Is to stimulate economic growth in the Province. The Programme helps to facilitate the emergence of economic empowerment opportunities. It also focuses on promoting local economic development by providing support principally to SMMEs and cooperatives.

### **The Programme consists of the following Sub-Programmes:**

- Enterprise Development
- Economic Empowerment
- Regional and Local Economic Development
- Ehlanzeni Regional Services
- Gert Sibande Regional Services
- Nkangala Regional Services

### **Strategic Objectives of the Programme are as follows:**

- To facilitate support and development of business enterprises
- To promote economic transformation
- To provide strategic economic development support to municipalities
- To provide sustainable and accessible economic opportunities in the Regions

### **SUMMARY OF ANNUAL PERFORMANCE ACHIEVEMENTS:**

Programme Two achieved 47 of the 66 planned targets, amounting to 71%, whereas the Expenditure Report indicates a 100% spending of the budget. The Sub-Directorates performed as follow:

During the period under review, the Department successfully provided the much needed support to small, medium, and micro enterprises as well as cooperatives in: By assisting **1242** SMME's and **291** cooperatives to register their businesses with the Companies and Intellectual Property Commission (CIPC). The Department further assisted **1208** existing SMME's in all sectors in lodging annual returns and providing other referral services. Through the partnership with the South African Bureau of Standards, a total number of **11** SMME's and **19** cooperatives were provided with technical training which is aimed at improving the quality of their products in order to improve their competitiveness.

Our intervention and participation in the Kusile Power Station Initiative have seen up to 255 local companies benefiting from the Kusile initiative. Through the partnership agreements, engagements with the mines have contributed to some of them achieving 20% BBBEE spent from their overall procurement. A number of projects are being implemented by the mines as part of their Social and Labour Plans.

The implementation of the BBBEE Strategy has ensured the implementation of a Service Level Agreement with the tyre manufacture, Sumitomo Rubber SA Pty Ltd, and has unlocked support to black tyre businesses in the townships. SMMEs in the sector will receive technical support from Dunlop, including business and funding support from development finance agencies.

Strategic objectives : Sub-Programme Enterprise Development				
Strategic objectives	Actual Achievement 2013/14	Planned Target 2014/15	Actual Achievement 2014/15	Deviation from planned target to Actual Achievement for 2014/15
To facilitate support and development of business enterprises	SMME and Cooperative strategies in line with the Growth Path implemented	Implement SMME and Cooperative strategies in line with the Growth Path	SMME and Cooperative strategies in line with the Growth Path implemented	None
				None

Performance indicators: Sub-Programme Enterprise Development				
Performance Indicator	Actual Achievement 2013/14	Planned Target 2014/15	Actual Achievement 2014/15	Deviation from planned target to Actual Achievement for 2014/15
Number SMME's and cooperatives capacitated and participating in the mining and energy sector value chain	None	5 SMME's and 5 cooperatives capacitated and participate in the mining and energy sector value.	5 SMME's and 1 cooperative capacitated and participate in the mining and energy sector value	Target not achieved by 4 on cooperatives
Number of new SMME's registered within the priorities sectors and others with CIPC	262 New SMME's registered with CIPC	1260 New SMME's registered within the priority sectors and others with CIPC	1242 New SMME's registered within the priority sectors and others with CIPC	Target exceeded by 18
Number of existing SMME's trained within the Manufacturing and Agriculture sectors.	100 coops in the manufacturing sector trained on Business management (Brick, Window frame, Paint making and Detergent) and link them with markets. None	45 SMME's trained within the Manufacturing and Agriculture sectors	Not achieved	Target not achieved, function on Business Management was transferred to the office of the premier.
		15 SMME's trained on Technical skills in partnership with SABS within the Manufacturing and Agriculture sectors on Business management	11 SMME's trained on Technical skills in partnership with SABS within the Manufacturing	The other 4 SMME's were not ready for the stage 1 of internal and Management review.
Number of existing cooperatives trained within the Manufacturing and Agriculture sectors on Business management	100 coops in the manufacturing sector trained on Business management (Brick, Window frame, Paint making and Detergent) and link them with markets. 34 Cooperatives in the manufacturing sector trained on Technical skills in partnership with SABS (Brick, Window frame, Paint making and Detergent)	90 cooperatives within the Manufacturing and Agriculture sectors on Business management	Not achieved	The training function on Business Management transferred to office of the premier.
		15 cooperatives trained on Technical skills in partnership with SABS within the Manufacturing and Agriculture sectors on Business management	19 Cooperatives were trained on technical skills in partnership with SABS within the manufacturing and Agriculture sector.	Target exceeded by 4
				4 more cooperatives have been trained



Performance indicators: Sub-Programme Enterprise Development					
Performance Indicator	Actual Achievement 2013/14	Planned Target 2014/15	Actual Achievement 2014/15	Deviation from planned target to Actual Achievement for 2014/15	Comment on deviations
Number of new cooperatives registered in all sector	None	504 new cooperatives registered in all sector	282 New cooperatives registered in all sector	Target not achieved by 222	The service depends on walk in clients
Number of existing SMME's supported in all sectors	None	840 existing SMME's in all sectors supported on annual returns and referrals	1208 existing SMMEs in all sectors supported on annual returns and referrals	Target exceeded by 368	More SMME's required the service than anticipated
A Model for the establishment of the One Stop Business Development Centres developed.	None	Model for the establishment of the One Stop Business Development Centres developed	Model for the establishment of the One Stop Business Development Centres developed	None	None

#### Strategy to overcome areas of under performance

- The Department will accelerate consultations with the mines to ensure that SMME's and cooperatives are capacitated and participate in the mining and energy sector value chain
- The Department will also embark of entrepreneurship awareness workshop
- Will work closely with the Office of the Premier to ensure that training of SMMEs and cooperatives on business management is done

#### Changes to planned targets

None

#### Linking Performance with budgets

Sub-Programme: Enterprise Development	2013/14			2014/15		
	Final Appropriation	(Over)/Under Expenditure	Actual Expenditure	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure
Enterprise Development Transfers and subsidies	R'000 183,473	R'000 2,692	R'000 180,781	R'000 180,338	R'000 181,137	R'000 799

Strategic objectives : Sub-Programme Economic Empowerment				
Strategic objectives	Actual Achievement 2013/14	Planned Target 2014/15	Actual Achievement 2014/15	Deviation from planned target to Actual Achievement for 2014/15
To promote economic transformation	BBBEE Act and PPPF Act implemented	Implement both BBBEE Act and PPPF Act	BBBEE Act and PPPF Act implemented	None
				None
Performance indicators: Sub-Programme Economic Empowerment				
Performance Indicator	Actual Achievement 2013/14	Planned Target 2014/15	Actual Achievement 2014/15	Deviation from planned target to Actual Achievement for 2014/15
Number of compliance monitoring report on BBBEE and PPPFA legislation produced	A compliance monitoring report on the implementation of BBBEE and PPPFA legislation produced	Provincial Compliance monitoring report on BBBEE and PPPFA legislation produced	Provincial Compliance monitoring report on BBBEE and PPPFA legislation produced	None
Number of target groups specific opportunities identified	27 Economic opportunities created for local black owned enterprises.	40 Economic opportunities for targeted group identified within the Partnership Agreements.	255 Economic opportunities for targeted group identified within the Partnership Agreements.	Target exceeded by 210
Number of target groups specific intervention implemented	Engage a total number of 8 mines in obtaining their SLP but only 3 mines provided the Department with SLP projects which resulted in 8 SLP projects in 3 mines being monitored namely (Barberton Mine, Samrec, and Total Mine).	9 targeted groups specific intervention implemented (Social Labour Plans for Mining Companies monitored within the partnership agreements)	9 targeted groups specific intervention implemented on Social Labour Plans for Mining Companies monitored within the partnership agreements.	None
Number of projects emanating from the BBBEE Strategy Implemented	Provincial BBBEE database maintained and updated.	A Provincial BBBEE database updated and maintained	A Provincial BBBEE database updated and maintained	None
Share of total procurement value from Province based enterprises by the mining sector	Provincial BBBEE Strategy reviewed	3 Projects emanating from the BBBEE Strategy implemented.	3 Projects emanating from the BBBEE Strategy implemented.	None
	None	5 % share of total procurement value from Province based enterprises by the mining sector	Not achieved	The procurement spending values collated from mining companies were not sufficient to enable the Department to accurately calculate the percentage share of total procurement value from Province based enterprises.
				To work closely with DMR to improve the accuracy of procurement information collated from the mines.

#### Strategy to overcome areas of under performance

To conduct analysis on procurement spent by mining companies towards Mpumalanga based enterprises with a view to determine the baseline information, which will inform the percentage share on total procurement spent.

#### Changes to planned targets

None

## Linking Performance with budgets

Sub-Programme: Economic Empowerment	2013/14			2014/15		
	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure
Economic Empowerment Transfers	R'000 4 585	R'000 4565	R'000 20	R'000 4,981	R'000 4,457	R'000 524

Strategic objectives : Sub-Programme Regional and Local Economic Development					
Strategic objectives	Actual Achievement 2013/14	Planned Target 2014/15	Actual Achievement 2014/15	Deviation from planned target to Actual Achievement for 2014/15	Comment on deviations
To provide strategic economic development support to municipalities	Municipalities in implementing Local Economic Development Policies in line with the Growth Path supported	Support municipalities in implementing Local Economic Development Policies in line with the Growth Path	Municipalities in implementing Local Economic Development Policies in line with the Growth Path supported	None	None

Performance indicators: Sub-Programme Regional and Local Economic Development					
Performance Indicator	Actual Achievement 2013/14	Planned Target 2014/15	Actual Achievement 2014/15	Deviation from planned target to Actual Achievement for 2014/15	Comment on deviations
Number of LED strategies aligned to MEGDP and other spatial development plans	Supported the development and review of 4 municipal LED turnaround strategies in line with the MEGDP (Albert Luthuli, Victor Khanye, Nkangala District and Bushbuckridge.)	9 LED strategies aligned to MEGDP and other spatial development plans	9 LED strategies aligned to MEGDP and other spatial development plans	None	None

Performance indicators: Sub-Programme Regional and Local Economic Development				
Performance Indicator	Actual Achievement 2013/14	Planned Target 2014/15	Actual Achievement 2014/15	Deviation from planned target to Actual Achievement for 2014/15
Number of economic development projects supported at local and regional level	Supported 3 projects within Municipalities to access Corporate social investment (CSI) funding from private sector as follows: <ul style="list-style-type: none"> <li>Integrated Energy Center project in Nkomazi funded for the value of R14 million by SASOL</li> <li>ICT Business Incubation project proposal developed for Thaba Chweu,</li> <li>Business proposal for Disposable Nappies developed in Thembeile Hani LM</li> </ul>	3 economic development projects supported at local and regional level in line with MEGDP	3 economic development projects supported at local and regional level in line with MEGDP	None
Number of national Economic Development coordinated		Coordinate the implementation of 3 national economic programmes within municipalities	3 programmes coordinated for implementation: Integrated Energy Centre in Bushbuckridge and Nkomazi, Bushbuckridge Bio-diversity and economic development Master plan and Red Tape reduction in Dr JS Moroka and Nkangala District	None

### Strategy to overcome areas of under performance

The Department will make follow up with the companies that received the application for funding

### Changes to planned targets

None

### Linking Performance with budgets

Sub-Programme: Regional and Local Economic Development	2013/14			2014/15		
	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure
Regional and Local Economic Development	R '000 4 697	R '000 4 543	R '000 154	R '000 6,427	R '000 5869	R '000 558

Strategic objectives : Sub-Programme Ehlanzeni Regional Services				
Strategic objectives	Actual Achievement 2013/14	Planned Target 2014/15	Actual Achievement 2014/15	Deviation from planned target to Actual Achievement for 2014/15
To provide sustainable and accessible economic opportunities at the Ehlanzeni Region	Economic and environmental policies in various in Ehlanzeni Region implemented.	Implement economic policies in Ehlanzeni Region	Economic policies in Ehlanzeni Region Implemented	None
				None
Performance indicators: Sub-Programme Ehlanzeni Regional Services				
Performance Indicator	Actual Achievement 2013/14	Planned Target 2014/15	Actual Achievement 2014/15	Deviation from planned target to Actual Achievement for 2014/15
Number of SMME's and cooperatives capacitated and participating in the mining and energy sector value chain	None	1 SMME and 2 cooperatives capacitated and participated in the mining and energy sector value.	1 Cooperative capacitated	Target not achieved by 1 SMME and 1 Cooperative
Number of new SMME's registered within the priorities sectors and others with CIPC	None	312 New SMME's registered within the priorities sectors and others with CIPC	834 New SMME's registered within the priorities sectors and others with CIPC	Target exceeded by 522
Number of existing SMME's trained within the Manufacturing and Agriculture sector	None	15 SMME's trained on Business management within the Manufacturing and Agriculture sector	Not achieved	The training function on Business Management was transferred to Office of the Premier
	None	5 SMME's trained on Technical skills within the Manufacturing and Agriculture sectors	5 SMME's trained on Technical skills in partnership with SABS within the Manufacturing and Agriculture sectors	None
Number of existing cooperatives trained within the Manufacturing and Agriculture sectors	None	30 cooperatives trained on Business management within the Manufacturing and Agriculture sectors	Not achieved	The training function on Business Management transferred to Office of the Premier
	None	15 cooperatives trained on Technical skills within the manufacturing and agriculture sectors	7 Cooperatives were trained on technical skills in partnership with SABS within the manufacturing and Agriculture sector.	The planned target was overstated by 10 during planning stage. The planned target of 15 is for the 3 regions combined.
Number of new cooperatives registered within the priorities sectors and others with the CIPC	None	168 new cooperatives registered within the priorities sectors and others with the CIPC	187 new cooperatives registered within the priorities sectors.	The service depends on walk in clients
Number of existing SMME's supported in all sectors	None	280 existing SMME's supported on annual returns and referrals	861 existing SMME's registered supported on annual returns and referrals	Target exceeded by 581
Number of compliance monitoring report on the implementation of BBBEE and PPPFA legislation produced	None	Regional Compliance monitoring report on the implementation of BBBEE legislation by Provincial Departments produced	Regional Compliance monitoring report on the implementation of BBBEE legislation by Provincial Departments produced	None
				None



Performance indicators: Sub-Programme Ehlanzeni Regional Services					
Performance Indicator	Actual Achievement 2013/14	Planned Target 2014/15	Actual Achievement 2014/15	Deviation from planned target to Actual Achievement for 2014/15	Comment on deviations
Number of target groups specific opportunities identified	None	10 Economic opportunities for target groups specific identified within the Partnership Agreements.	10 Economic opportunities identified within the Partnership Agreements	None	None
Number of target groups specific intervention implemented	None	3 target groups specific intervention implemented (Social Labour Plans for Mining Companies monitored within the partnership agreements)	3 target groups specific intervention implemented on Social Labour Plans for Mining Companies monitored within the partnership agreements	None	None
	None	Regional BBBEE database updated and maintained	A Regional BBBEE database updated and maintained	None	None
Number of projects emanating from the BBBEE Strategy Implemented	None	1 project emanating from the BBBEE strategy implemented.	1 project emanating from the BBBEE strategy implemented	None	None
Number of LED strategies aligned to MEGDP and other spatial development plans	None	2 LED strategies aligned to MEGDP and other spatial development plans	2 LED strategies aligned to MEGDP and other spatial development plans	None	None
Number of economic development projects supported at local and regional level	None	1 economic development project supported at local or regional level	1 economic development project supported at local level	None	None
Number of national Economic programmes coordinated	None	Coordinate the implementation of 2 national economic programmes within 2 municipalities (Bushbuckridge and Nkomazi).	2 National programmes coordinated for implementation: Integrated Energy Centre in Bushbuckridge and Nkomazi LM and Bushbuckridge Biodiversity programme	None	None

#### Strategy to overcome areas of under performance

- The Department will accelerate consultations with the mines to ensure that SMME's and cooperatives are capacitated and participate in the mining and energy sector value chain.

#### Changes to planned targets

None



Strategic objectives : Sub-Programme Gert Sibande Regional Services				
Strategic objectives	Actual Achievement 2013/14	Planned Target 2014/15	Actual Achievement 2014/15	Deviation from planned target to Actual Achievement for 2014/15
To provide sustainable and accessible economic opportunities at the Gert Sibande Region	Economic and environmental policies in Gert Sibande Region implemented.	Implement economic policies in Gert Sibande Region	Economic policies in Gert Sibande Region implemented	None
				None
Performance indicators: Sub-Programme Gert Sibande Regional Services				
Performance Indicator	Actual Achievement 2013/14	Planned Target 2014/15	Actual Achievement 2014/15	Deviation from planned target to Actual Achievement for 2014/15
Number SMME's and cooperatives capacitated and participating in the mining and energy sector value chain	None	2 SMME's and 2 cooperatives capacitated and participate in the mining and energy sector value.	1 SMMEs capacitated and participated in the mining energy sector value chain	Target not achieved by 1 SMME and 2 Cooperatives
Number of new SMME's registered within the priorities sectors and others with CIPC	None	312 New SMME's registered within the priorities sectors and others with CIPC	185 New SMME's registered within the priorities sectors and others with CIPC	Target not achieved by 127
Number of existing SMME's trained within the Manufacturing and Agriculture sector	None	15 SMME's trained on Business management within the Manufacturing and Agriculture sector	Not achieved	The training function on Business Management was transferred to Office of the Premier
	None	5 SMME's trained on Technical skills within the Manufacturing and Agriculture sectors	2 SMME's trained on Technical skills in partnership with SABS	Target not achieved by 3
				To replace the SMME's with cooperatives that are ready for stage 1 of the internal review The other 3 SMME's were not ready for the stage 1 of internal and Management review.
Number of existing cooperatives trained. within the Manufacturing and Agriculture sectors	None	30 cooperatives trained on Business management within the Manufacturing and Agriculture sectors	Not achieved	The training function on Business Management transferred to Office of the Premier
	None	15 cooperatives trained on Technical skills within the manufacturing and agriculture sectors	5 cooperatives trained on Technical skills within the manufacturing and agriculture sectors	The planned target was overstated by 10 during planning stage. The planned target of 15 is for the 3 regions combined.
				None
Number of new cooperatives registered within the priorities sectors and others with the CIPC	None	168 new cooperatives registered within the priorities sectors and others with the CIPC	57 new cooperatives registered within the priorities sectors and others with the CIPC.	Target not achieved by 111
				The service depends on the walk in clients

Performance Indicators: Sub-Programme Gert Sibande Regional Services					
Performance Indicator	Actual Achievement 2013/14	Planned Target 2014/15	Actual Achievement 2014/15	Deviation from planned target to Actual Achievement for 2014/15	Comment on deviations
Number of existing SMME's supported in all sectors	None	280 existing SMME's supported on annual returns and referrals	180 existing SMME's supported on annual returns and referrals	Target not achieved by 100	The service depends on the walk in clients
Number of compliance monitoring report on the implementation of BBBEE and PPPFA legislation produced	None	Regional Compliance monitoring report on the implementation of BBBEE legislation by Provincial Departments	Data on compliance to BBBEE from Provincial Departments collated	None	None
Number of target groups specific opportunities identified	None	10 Economic opportunities for target groups specific identified	10 Economic opportunities for target groups specific identified within the Partnership Agreements	None	None
Number of target groups specific intervention implemented	None	3 target groups specific intervention (Social Labour Plans for Mining Companies monitored within the partnership agreements)	3 target groups specific intervention implemented on Social Labour Plans for Mining Companies was monitored within the partnership agreements	None	None
Number of projects emanating from the BBBEE Strategy Implemented	None	A Provincial BBBEE database updated and maintained	A Provincial BBBEE database updated and maintained	None	None
	None	1 Project emanating from the BBBEE strategy implemented.	1 project emanating from the BBBEE strategy implemented	None	None
Number of LED strategies aligned to MEGDP and other spatial development plans	None	4 LED strategies aligned to MEGDP and other spatial development plans	4 LED strategies aligned to MEGDP and other spatial development plans	None	None
Number of economic development project supported at local and regional level	None	1 economic development project supported at regional and local level	1 economic development project supported at regional and local level	None	None
Number of national Economic programmes coordinated	None	Coordinate the implementation of 2 national economic programme within 2 municipalities (Pixley Ka Isaka Seme and Govan Mbeki.	Not achieved	Human capacity constraints	The programme was withdrawn due to human capacity, only one official is responsible for LED

#### Strategy to overcome areas of under performance

The Department will accelerate consultations with the mines to ensure that SMME's and cooperatives are capacitated and participate in the mining and energy sector value chain.

#### Changes to planned targets

None

Strategic objectives : Sub-Programme Nkangala Regional Services				
Strategic objectives	Actual Achievement 2013/14	Planned Target 2014/15	Actual Achievement 2014/15	Deviation from planned target to Actual Achievement for 2014/15
To provide sustainable and accessible economic opportunities at the Nkangala Region	Economic and environmental policies in various Nkangala Region implemented.	Implement economic policies in Nkangala Region	Economic policies in Nkangala Region implemented	None
				None
Performance indicators: Sub-Programme Nkangala Regional Services				
Performance Indicator	Actual Achievement 2013/14	Planned Target 2014/15	Actual Achievement 2014/15	Deviation from planned target to Actual Achievement for 2014/15
Number SMME's and cooperatives capacitated and participating in the mining and energy sector value chain	None	2 SMME's and 2 cooperatives capacitated and participate in the mining and energy sector value.	4 SMME's participate in the mining and energy sector value chain	Target was over achieved by 2 for SMME's and under achieved by 2 for co-operations
Number of new SMME's registered within the priorities sectors and others with CIPC	None	420 New SMME's registered within the priorities sectors and others with CIPC	223 New SMME's registered within the priorities sectors and others with CIPC	Target not achieved by 197
Number of existing SMME's trained within the Manufacturing and Agriculture sector	None	15 SMME's trained on Business management within the Manufacturing and Agriculture sector	Not achieved	The training function on Business Management transferred to Office of the Premier
	None	5 SMME's trained on Technical skills within the Manufacturing and Agriculture sectors	4 SMME's trained on Technical skills in partnership with SABs within the Manufacturing and Agriculture sectors	Target not achieved by 1
				To replace the SMME's with cooperatives that are ready for stage 1 of the internal review The other 1 SMME was not ready for the stage 1 of internal and Management review.
Number of existing cooperatives trained, within the Manufacturing and Agriculture sectors	None	30 cooperatives trained on Business management within the Manufacturing and Agriculture sectors	Not achieved	The training function on Business Management transferred to Office of the Premier
	None	15 cooperatives trained on Technical skills within the manufacturing and agriculture sectors	7 Cooperatives were trained on technical skills in partnership with SABs within the manufacturing sector.	The planned target was overstated by 10 during planning stage. The planned target of 15 is for the 3 regions combined.
	None	168 new cooperatives registered within the priorities sectors and others with the CIPC	47 new cooperatives registered within the priorities sectors and others with the CIPC	The service depends on walk in clients
Number of existing SMME's supported in all sectors	None	280 existing SMME's supported on annual returns and referrals	167 existing SMME's supported on annual returns and referrals	Target not achieved by 113
Number of compliance monitoring reports on the implementation of BBBEE and PPPFA legislation produced	None	Regional Compliance monitoring report on the implementation of BBBEE legislation by Provincial Departments produced	Data on compliance to BBBEE from Provincial Departments collated	None
				None

Performance indicators: Sub-Programme Nkangala Regional Services					
Performance Indicator	Actual Achievement 2013/14	Planned Target 2014/15	Actual Achievement 2014/15	Deviation from planned target to Actual Achievement for 2014/15	Comment on deviations
Number of target groups specific opportunities identified	None	10 Economic opportunities for target groups specific identified	235 Economic opportunities for target groups specific identified	Target exceeded by 225	More opportunities were availed through the partnership agreements especially from Eskom Kusile.
Number of target groups specific intervention implemented	None	3 target groups specific intervention implemented (Social Labour Plans for Mining Companies monitored within the partnership agreements)	3 target groups specific intervention implemented on Social Labour Plans for Mining Companies monitored within the partnership agreements)	None	None
		A Regional BBBEE database updated and maintained	A Regional BBBEE database updated and maintained	None	None
Number of projects emanating from the BBBEE Strategy Implemented	None	1 Project emanating from the BBBEE strategy implemented.	1 project emanating from the BBBEE strategy implemented	None	None
Number of LED strategies aligned to MEGDP and other spatial development plans	None	3 LED strategies aligned to MEGDP and other spatial development plans	3 LED strategies aligned to MEGDP and other spatial development plans	None	None
Number of economic development projects supported at local and regional level	None	1 economic development project supported at local and regional level	1 economic development project supported at local and regional level	None	None
Number of national Economic programmes coordinated	None	Coordinate the implementation of 1 national economic programme within 2 municipalities (Emalahleni and Steve Tshwete).	Coordinate the implementation of 1 national economic programme within 2 municipalities (Red Tape reduction in Dr JS Moroka and Nkangala District)	Emalahleni and Steve Tshwete Municipalities were not ready for the roll out of the programme	None

### Strategy to overcome areas of under performance

The Department will accelerate consultations with the mines to ensure that SMME's and cooperative capacitateds are and participate in the mining and energy sector value chain.

### Changes to planned targets

None

### Linking Performance with budgets

Sub-Programme:	2013/14		2014/15	
	Final Appropriation	Actual Expenditure	Final Appropriation	Actual Expenditure
Regional Services	R '000 7,714	R '000 5,669	R '000 37,169	R '000 36,442
				R '000 727



## PROGRAMME 3 TRADE AND SECTOR DEVELOPMENT

**The Purpose of the Programme:** Is to support the development of industry within the key economic sectors of the Province and create a conducive environment for trade and investment.

**The Programme consists of the following sub-programmes:**

- Trade and Investment Promotion
- Strategic Initiatives
- Sector Development

**Strategic Objectives of the Programme are as follows:**

- To ensure growth in exports and direct investment in the Province
- To facilitate the implementation of economic infrastructure projects in the Province
- To ensure the development of competitive growth sectors

### Summary of Annual Performance Achievements

Programme Three achieved 22 of the 32 targets set, which amounts to 69% whereas the Expenditure Report indicates a 99% spending of the budget, that is, underspending by 1%. The Sub-Programmes performed as follow:

The Trade and Investment Promotion unit has supported the implementation of Export and Investment Initiatives within the agricultural sector by ensuring that the Implementation Process Map with Oman remains a priority to access markets in the Middle and Far East. Further to this, the Directorate also identified trade and investment opportunities in Mozambique, Swaziland, Kenya, Democratic Republic of Congo, Uganda, Egypt, India, China and Botswana. Further to this the Directorate supported the development of export and investment incentive packages to support the envisaged SEZ within the Nkomazi Local Municipality.

The Strategic Initiatives unit is responsible to ensure critical economical infrastructure is developed within the Province. The unit was instrumental to oversee the finalisation of all the required feasibility studies for the proposed Nkomazi SEZ, as well as to ensure the functioning of the Lekwa Oilseed Crushing Plant. The unit had limited success in dealing with the issues pertaining to the proposed ICC since no investment partner was secured, However the Mbombela Local Municipality has identified the site for the proposed ICC and the environmental authorisation and other statutory compliance issues are underway.

The Sector Development unit deals mainly with identified interventions into the prioritised sectors. The unit has managed to train 30 youth in tool making on the third phase of the pre- apprenticeship programme. A further 10 youth students completed the On Job Training and are awaiting certification from NIMSA. In terms of the Stainless steel sector, 18 youth were incubated through the MSI utilising different companies, and 5 youth completed the post incubation plan and were frequently absorbed by the industry.



Strategic objectives : Sub-Programme Trade and Investment Promotion				
Strategic objectives	Actual Achievement 2013/14	Planned Target 2014/15	Actual Achievement 2014/15	Deviation from planned target to Actual Achievement for 2014/15
To ensure growth in exports and direct investment in the province	The development of Provincial Export Strategy facilitated	Coordinate the implementation of the Trade and Investment initiatives	The implementation of the Trade and Investment initiatives coordinated.	None
				None
Performance indicators: Sub-Programme Trade and Investment Promotion				
Performance Indicator	Actual Achievement 2013/14	Planned Target 2014/15	Actual Achievement 2014/15	Deviation from planned target to Actual Achievement for 2014/15
Number of strategies developed and implemented.	Provincial Export Strategy developed	Support the implementation of export and investment initiatives in agriculture and processing sector	The implementation of export and investment initiatives in agriculture and processing sector supported through: <ul style="list-style-type: none"> <li>Oman trade and investment initiatives</li> <li>Implementation process map developed</li> </ul>	None
Number of strategies developed and implemented.	Provincial Export Strategy developed	Identify and create linkages for exporters on trade and investment opportunities in African, Middle East and Asian countries	Identified countries, developed profiles and disseminated information on trade and investment opportunities available in the following countries: <ul style="list-style-type: none"> <li>Africa- Mozambique, Swaziland, Kenya, Democratic Republic of Congo, Uganda, Egypt and Botswana</li> <li>Middle East- Oman and UAE</li> <li>Asia- India and China</li> <li>Russia</li> </ul>	None
		Develop export and investment incentive packages to support the SEZ in Nkomazi Local Municipality	Export and Investment incentive packages to support the SEZ at Nkomazi local municipality developed.	None
Number of export development programmes facilitated.	3 export development programme facilitated	(four) 4 export development programmes facilitated	4 export development programmes facilitated	None

Strategy to overcome areas of under performance

None

Changes to planned targets

None



## Linking Performance with budgets

Sub-Programme: Trade and Investment Promotion	2013/14			2014/15		
	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
Trade and Investment Promotion Transfers and Subsidies	3 202	3,251	(49)	3,230	3,075	155

Strategic objectives : Sub-Programme Strategic Initiatives					
Strategic objectives	Actual Achievement 2013/14	Planned Target 2014/15	Actual Achievement 2014/15	Deviation from planned target to Actual Achievement for 2014/15	Comment on deviations
To facilitate the implementation of economic infrastructure projects in the Province	Industrial and Infrastructure Development initiatives. supported	Implement the Industrial Development Strategy	The Industrial Development Strategy implemented	None	None

Performance indicators: Sub-Programme Strategic Initiatives					
Performance Indicator	Actual Achievement 2013/14	Planned Target 2014/15	Actual Achievement 2014/15	Deviation from planned target to Actual Achievement for 2014/15	Comment on deviations
Number of economic infrastructure projects supported	Pre-feasibility study for the Special Economic Zone facilitated in Nkomazi Local Municipality and a report produced.	Support the implementation of the recommendations of the Nkomazi SEZ pre- feasibility study	The implementation of the recommendations of the Nkomazi SEZ pre-feasibility study supported.	None	None
	2 Industrial Parks in Govan Mbeki and Emalahleni Local Municipality supported and reports produced.	The feasibility study for the establishment of the Industrial Park in Govan Mbeki Local Municipality facilitated	The feasibility study for the establishment of the Industrial Park in Govan Mbeki Local Municipality facilitated	None	None
	None	The establishment of the International Convention Centre (ICC) in Mbombela supported	The establishment of the International Convention Centre (ICC) in Mbombela supported	None	None
	None	Operations of the Oilseed Crushing Plant in Lekwa Local Municipality supported.	Operations of the Oilseed Crushing Plant in Lekwa Local Municipality supported	None	None
	None	Commissioning of the Broadband Network Infrastructure feasibility study facilitated for the Province	Commissioning of the Broadband Network Infrastructure feasibility study facilitated for the Province	Project now being implemented by Office of the Premier	Participate in project implementation

Performance indicators: Sub-Programme Strategic Initiatives					
Performance Indicator	Actual Achievement 2013/14	Planned Target 2014/15	Actual Achievement 2014/15	Deviation from planned target to Actual Achievement for 2014/15	Comment on deviations
Number of people trained	23 beneficiaries trained in the manufacturing sector for the water bottling plant	Capacity building programme conducted on manufacturing for 3 District Municipalities	Capacity building programme conducted on manufacturing for 1 District Municipality (Water Bottling Plant in Gert Sibande)	Target not achieved by 2	Accelerate project implementation by MEGA Capacity building programme for Ehlanzeni and Nkangala District was not achieved due to projects not yet at implementation phase.

#### Strategy to overcome areas of under performance

- The Department will participate in the project (Commissioning of the Broadband Network Infrastructure feasibility study) implementation
- The Department will accelerate project implementation by MEGA.

#### Changes to planned targets

None

#### Linking Performance with budgets

Sub-Programme: Strategic Initiatives	2013/14		2014/15	
	Final Appropriation	(Over)/Under Expenditure	Final Appropriation	Actual Expenditure
	R '000	R '000	R '000	R '000
Strategic Initiatives Transfers	20,700	21,381	1,660	1,484
		(681)		176

Strategic objectives : Sub-Programme Sector Development				
Strategic objectives	Actual Achievement 2013/14	Planned Target 2014/15	Actual Achievement 2014/15	Deviation from planned target to Actual Achievement for 2014/15
To ensure the development of competitive growth sectors	3 sectors strategies implemented	4 sectors strategies implemented	4 sectors strategies implemented	None
				None

Performance Indicators: Sub-Programme Sector Development				
Performance Indicator	Actual Achievement 2013/14	Planned Target 2014/15	Actual Achievement 2014/15	Deviation from planned target to Actual Achievement for 2014/15
Number of prioritised growth sectors supported on beneficiation		4 prioritised growth sectors supported on beneficiation: Agro-processing	4 prioritised growth sectors supported on beneficiation: The Bushbuckridge Agro Processing hub was not piloted	The project is led by the steering committee and local cooperative are undergoing capacity building programme that will empower them to manage the hub
			Project funding was not secured to establish the agro processing hub at Dr Pixley Ka Seme Municipality	The project is linked with the roll out of the agricultural hubs in support of the Fresh Produce Market
			Preliminary designs for the sunflower processing plant developed at Dr JS Moroka Local Municipality,	None
			A project plan developed for the implementation of the steel and metal fabrication hub in Steve Tshwete Local Municipality	None
			Economic opportunities in the BPO and call centres Industry identified and potential stakeholders engaged	None
		Manufacturing		
		Business Processing Outsourcing		
		Mining		
			A concept document for the revitalisation of the Pilgrim Rest town developed	A detailed feasibility study was not done
				A Transactional Advisor was not appointed due to the amendment of operational plan

Performance Indicators: Sub-Programme Sector Development				
Performance Indicator	Actual Achievement 2013/14	Planned Target 2014/15	Actual Achievement 2014/15	Deviation from planned target to Actual Achievement for 2014/15
Number of capacity building programmes conducted in the prioritised growth sectors		6 capacity building programmes conducted in prioritised growth sectors:	6 capacity building programmes conducted in prioritised growth sectors:	
		Tool making	Third phase of the pre-apprenticeship programme completed for 30 youth	None
			The On Job Training was finalised for 10 youth and students are awaiting certification from NIMSA	None
		Fly ash	Not achieved	The Nkangala District Municipality has delayed the appointment of the service provider
		Stainless steel	18 youth incubated through MSI utilising different companies	None
			Post incubation plan for the MSI incubates developed and 5 youth absorbed by industry	None
		Mining	Not achieved	Capacity building on granite beneficiation was not conducted because Mining Qualification Authority withdrawn their commitment to provide funding
		Furniture	20 people living with disability trained on small scale furniture upholstery programme conducted	None
		Poultry Processing	A concept document developed for a Poultry Processing project at Dr JS Moroka Local Municipality	None

#### Strategy to overcome areas of under performance

- MEGA has been tasked to assist the local cooperative to develop a business case that will assist to commission the Agro processing project.
- The Department will source funding from the external stakeholders to ensure Mining capacity building.
- Will engage the Nkangala District Municipality to fast track the process for the Fly Ash project.

#### Changes to planned targets

None

# Linking Performance with budgets

Sub-Programme: Sector Development	2013/14			2014/15		
	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure
Sector Development	R '000 8,322	R '000 8 417	R '000 (95)	R '000 8,985	R '000 9,556	R '000 (571)



## **PROGRAMME 4 BUSINESS REGULATION AND GOVERNANCE**

**The Purpose of the Programme:** Is to regulate the Liquor and Gambling Industry and to create enabling legislative environment for businesses to operate, as well as the facilitation of fair trade and effective consumer protection.

**The Programme consists of the following sub-programmes:**

- Consumer Protection
- Business Regulation

**Strategic Objectives of the programme are as follows:**

- To implement consumer protection and awareness programmes that creates an environment conducive to fair trade
- To promote and maintain an effective and efficient regulatory system for the liquor, gambling and betting industry

**Summary of Annual Performance achievements:**

The programme has achieved 7 of its 9 planned targets, which translate into 78% achievement. The consumer sub programme could not finalise the alignment of the provincial consumer legislation with National Consumer Protection Act. The challenge was the non participation of the key stakeholders in this regard. The sittings of consumer affairs courts are a target that is driven by demand. In future the consumer court sittings will be handled differently in terms of the annual target that must include cases resolved by the Office of the Consumer Protector.

The operationalisation of the MLA is an on-going exercise to ensure its readiness to function on its own. The 2014/15 planned targets were achieved. The planned targets of the compliance and enforcement sub unit were achieved as well, as the unit continued to assist local municipalities with the development of their by-laws.



Strategic objectives : Sub-Programme Consumer Protection				
Strategic objectives	Actual Achievement 2013/14	Planned Target 2014/15	Actual Achievement 2014/15	Deviation from planned target to Actual Achievement for 2014/15
To implement Consumer protection and awareness programmes that creates an environment conducive to fair trade	The Mpumalanga Consumer Protection Act implemented	Implement the Mpumalanga Consumer Protection Act	The Mpumalanga Consumer Protection Act implemented	None

Performance indicators: Sub-Programme Consumer Protection				
Performance Indicator	Actual Achievement 2013/14	Planned Target 2014/15	Actual Achievement 2014/15	Deviation from planned target to Actual Achievement for 2014/15
Number of consumer cases received, investigated and resolved	2027 cases received and investigated and 2093 resolved.	1600 cases received, investigated and 1400 resolved	1656 cases received, investigated and 1615 resolved.	Target exceeded by 56 on cases received, investigated and 215 resolved
Number of Acts finalised and regulations developed	Not achieved	Finalise and implement new Mpumalanga Consumer legislation and regulations	Not Achieved	The Mpumalanga Consumer Protection Act is not yet in place
Number of education awareness campaigns conducted	195 consumer education and awareness programmes conducted.	200 consumer education and awareness programmes conducted	490 consumer education and awareness programmes conducted	Target exceeded by 290
Number of Consumer Court hearings adjudicated.	14 court hearings adjudicated by the Consumer Court.	30 court hearings adjudicated by the consumer court	15 Consumer Court hearings adjudicated by the Consumer Court	Target not achieved by 15

#### Strategy to overcome areas of under performance

The plan for alignment of the Consumer Legislation has been deferred to the 2015/2016 financial year in order to factor in the legislative framework adopted by the Consumer Protection Forum

#### Changes to planned targets

None

#### Linking Performance with budgets

Sub-Programme: Consumer Protection	2013/14			2014/15		
	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure
Consumer Protection	R '000	R '000	R '000	R '000	R '000	R '000
	10 045	9 591	454	11,945	12,437	(492)

Strategic objectives : Sub-Programme Business Regulation				
Strategic objectives	Actual Achievement 2013/14	Planned Target 2014/15	Actual Achievement 2014/15	Deviation from planned target to Actual Achievement for 2014/15
To promote and maintain an effective and efficient regulatory system for the liquor, gambling and betting industry	The Mpumalanga Licensing Act implemented	Implement the Mpumalanga Licensing Act	The Mpumalanga Licensing Act implemented	None
Comment on deviations				None

Performance indicators: Sub-Programme Business Regulation				
Performance Indicator	Actual Achievement 2013/14	Planned Target 2014/15	Actual Achievement 2014/15	Deviation from planned target to Actual Achievement for 2014/15
Number of monitoring and evaluation reports compiled to assess performance of MGB and MLA in line with their strategic plans	4 Monitoring and Evaluation reports of MGB in line with their Strategic Plans produced  A Mpumalanga Liquor Authority Licensing Act implemented in terms of section 1-33 and 68 as follows: <ul style="list-style-type: none"> <li>Acting CEO appointed</li> <li>Branding and awareness campaign has been done</li> <li>Transitional arrangement has been complied with.</li> </ul>	4 Monitoring and Evaluation reports of MGB in line with their Strategic Plans  4 Monitoring and Evaluation reports of MLA in line with their Strategic Plans	4 Monitoring and Evaluation reports of MGB in line with their Strategic Plans produced  4 Monitoring and Evaluation reports of MLA in line with their Strategic Plans produced.	None  None
Number of awareness and education programmes conducted on applicable legislation.	12 Awareness and education programme on applicable legislation implemented	Implement 16 education and awareness programme on applicable legislation	17 Awareness and education programme on applicable legislation conducted.	Target exceeded by 1
Number of capacity building workshop conducted to capacitate municipalities	13 municipalities capacitated to implement applicable business regulatory legislation namely, Nkomazi, JS Moroka, Thembeisile Hani, Victor Khanye, Govan Mbeki, Emakhazeni, Emalahleni, Mbombela, Dipaliseng, Msukaligwa, Thaba Chweu, Umjindi, & Bushbuckridge.  (Bylaws for Bushbuckridge, JS Moroka, Thaba Chweu, Mkhondo & Msukaligwa ready for public comments.  Nkomazi & Dr. JS Moroka are awaiting Council Resolution)	6 Capacity Building Workshops conducted to capacitate Local municipalities to review and implement business regulatory legislation.	5 Capacity Building Workshops conducted (1 in Ehlanzeni District and 2 in Gert Sibande District.) 2 in Nkangala District	Target not achieved by 1  There was a higher demand for more education programme especially on the MLA  Lack of resources made it difficult to achieve the target.

### Strategy to overcome areas of under performance

The Department gave guidance on Business laws and Street Trading By-laws to the Pixley ka-Isaka Seme and Mkhondo Local Municipalities. A draft By-Law for Pixley ka-Isaka Seme has been finalised and received.

### Changes to planned targets

None

### Linking Performance with budgets

Sub-Programme: Business Regulation	2013/14			2014/15		
	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
Business Regulation	71,886	70,567	1,319	69,814	68,684	1,130



## PROGRAMME 5: ECONOMIC PLANNING

**The Purpose of the Programme:** Is to provide economic policy direction and strategies, in addition to conducting research on the provincial economy to inform strategy development

**The Programme consists of the following sub-programmes:**

- Policy and Planning
- Research and Development
- Knowledge Management
- Monitoring and Evaluation

**Strategic Objectives of the programme are as follows:**

- To provide economic policy direction and strategies
- To conduct/commission research on the provincial economy to inform economic policy analysis process and strategy development.
- To provide data, information and intelligence on the economy for effective decision making
- To determine the effectiveness and impact of provincial policy, programmes, objectives and strategies

**Summary of Annual Performance achievements:**

During the period under review Programme 5 achieved 19 of the 24 planned targets, which amounts to 79% whereas the Expenditure Report indicates a 93% spending of the budget (7% underspending). The Sub-Programmes performed as follow:

**Sub-programme: Policy and Planning:** While at 91% on budget expenditure (9% underspending), only 3 of the 4 targets were achieved (75%) in developing and getting stakeholder buy-in in Outcome 4 Delivery Agreement; identifying economic development opportunities with private sector partners; and developing the Provincial Industrial Development Plan.

**Sub-programme: Research and Development:** While at 85% on budget expenditure (15% underspending), only 6 of the 7 targets were achieved (86%) in producing the following: a project plan on economic sectors, a desktop report on the Agricultural Sector, economic scoping reports on local municipalities, 4 employment reports, and a report on competitive advantage of 7 local municipalities. However, the report on priority economic sector was not produced.

**Sub-programme: Knowledge Management:** While at 99% on budget expenditure (1% underspending), only 3 of the 5 targets were achieved (60%) in producing GIS on strategic development corridors; upgrading and updating the database with SMMEs and cooperatives data; and processing 79 information requests. But the system for tracking jobs was not developed nor is the 2 economic intelligence sector profiles produced.

**Sub-programme: Monitoring and Evaluation:** While at 89% on budget expenditure (11% underspending), only 7 of the 8 planned targets were achieved (88%) in undertaking a benchmark on legislative and policy review; produced 2 board capacity building workshops and produced board evaluation reports; produced quarterly monitoring reports on entities; and reported on implementation of partnership agreements. However, the 2015/2016 Shareholders Compacts were not finalised.

Strategic objectives : Sub-Programme Policy and Planning				
Strategic objectives	Actual Achievement 2013/14	Planned Target 2014/15	Actual Achievement 2014/15	Deviation from planned target to Actual Achievement for 2014/15
To provide economic policy direction and strategies.	Economic Development policies and strategies coordinated and integrated	Coordinate and integrate economic development policies and strategies	Economic development policies and strategies developed and coordinated.	The economic summit was not achieved
				The consultation processes took longer than expected. However, it has been rescheduled for 2015/2016
Performance indicators: Sub-Programme Policy and Planning				
Performance Indicator	Actual Achievement 2013/14	Planned Target 2014/15	Actual Achievement 2014/15	Deviation from planned target to Actual Achievement for 2014/15
Number of analysis reports developed	4 delivery agreement meetings on outcomes coordinated	Outcome 4 Delivery Agreement developed and incorporate inputs of economic symposium into economic chapter for MTS	Outcome 4 Delivery Agreement developed Buy-in on Outcome 4 Delivery Agreement achieved through stakeholder engagement The economic paper on transforming the economy developed	The economic symposium was not held.  The Economic Symposium has been rescheduled for 2015/2016  The consultation processes for the Economic Symposium took longer than expected.
Number of sector strategies and plans developed	2 provincial integrated sector strategies and plans developed/reviewed	Provincial Industrial Development Plan developed	Provincial Industrial Development Plan developed	None
		ICT Master plan developed	Not achieved	The deliverable to develop the ICT Master plan has been transferred to the Office of the Premier (OTP).
	None	Institutionalising partnership agreements through planning processes	Partnership agreements Institutionalised through planning processes:  Opportunities identified with private sector partners aligned to Mpumalanga Vision 2030 and MEGDP	None

#### Strategy to overcome areas of under performance

The Economic Symposium has been rescheduled for 2015/2016

#### Changes to planned targets

None



## Linking Performance with budgets

Sub-Programme: Policy and Planning	2013/14			2014/15		
	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
Policy and Planning	2 609	2 128	481	3,155	2,880	275

Strategic objectives : Sub-Programme Research and Development					
Strategic objectives	Actual Achievement 2013/14	Planned Target 2014/15	Actual Achievement 2014/15	Deviation from planned target to Actual Achievement for 2014/15	Comment on deviations
To conduct/commission research on the provincial economy to inform economic policy analysis process and strategy development.	Economic Research agenda for the Province developed	Economic reports to inform economic policies and strategies development produced	Economic reports to inform economic policies and strategies development produced	None	None
To provide strategic economic development support to municipalities	None	Identified competitive advantage of municipalities for economic development.	Competitive advantage of municipalities for economic development Identified	None	None

Performance indicators: Sub-Programme Research and Development					
Performance Indicator	Actual Achievement 2013/14	Planned Target 2014/15	Actual Achievement 2014/15	Deviation from planned target to Actual Achievement for 2014/15	Comment on deviations
Number of research reports	3 research reports and Provincial economic research agenda for 2014/15 produced <ul style="list-style-type: none"> <li>(Economic scoping for Chief Albert Luthuli local municipality</li> <li>Provincial Economic Research agenda for 2014/2015 produced</li> <li>Report on Economic scoping for Mkhondo local Municipality</li> </ul>	Baseline report on priority economic sectors produced Economic Scoping reports on local municipalities produced Report on economic opportunities identified along the Moloto Corridor reviewed 4 employment reports based on QLFS, Public sector, EPWP and CRDP jobs produced	Not achieved Economic Scoping reports on local municipalities produced Report on economic opportunities identified along the Moloto Corridor reviewed 4 employment reports based on QLFS, Public sector, EPWP and CRDP jobs produced	Human capacity constraints None None None	Due to resignation and transfers None None None
Number of LED strategies aligned to MEGDP and other spatial development plans	None	Report on identified competitive advantage on local municipalities produced	Final Competitive advantage report on all local municipalities produced	None	None



## Strategy to overcome areas of under performance

The department will utilise existing economic intelligence reports from service providers

## Changes to planned targets

None

## Linking Performance with budgets

Sub-Programme: Research and Development	2013/14		2014/15	
	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure	Actual Expenditure
	R '000	R '000	R '000	R '000
Research and Development	439	1 126	(687)	1,141
				R '000
				207

Strategic objectives : Sub-Programme Knowledge Management				
Strategic objectives	Actual Achievement 2013/14	Planned Target 2014/15	Actual Achievement 2014/15	Deviation from planned target to Actual Achievement for 2014/15
To provide data, information and intelligence on the economy for effective decision making	A reliable system for economic information through the GIS and processing of 100% of queried developed and maintained	<ul style="list-style-type: none"> <li>Central Information system with economic indicators</li> <li>3 Economic Intelligence reports.</li> <li>Processing 100% of information queries on the economy</li> </ul>	<ul style="list-style-type: none"> <li>Central Information system with economic indicators 3 Economic Intelligence reports.</li> <li>Processing 100% of information queries on the economy developed and maintained</li> </ul>	None

Performance indicators: Sub-Programme Knowledge Management				
Performance Indicator	Actual Achievement 2013/14	Planned Target 2014/15	Actual Achievement 2014/15	Deviation from planned target to Actual Achievement for 2014/15
Number of GIS and maps produced on 3 sectors	Updated (covered) GIS and maps produced on 2 sectors (Mining and Agri-Value Chain.)	GIS on Strategic development corridors	GIS developed on strategic corridors: Tourism Development and Sector Freight routes	None

Performance indicators: Sub-Programme Knowledge Management				
Performance Indicator	Actual Achievement 2013/14	Planned Target 2014/15	Actual Achievement 2014/15	Deviation from planned target to Actual Achievement for 2014/15
Number of sectors covered in shared database on economic development	Updated database on economic development projects by department and Parastatals	Upgraded Database with economic indicators for: Provincial SMME's and Co-operatives	Database design upgraded and Database updated with SMME's and Co-ops data.	None
System for tracking jobs in the Province developed	None	System for tracking jobs in the Province developed	ICT System for tracking (capturing and analysis of data) jobs in the Province developed	None
Number of information queries processed	82 Information queries processed	80 information queries processed	79 information request processed	Target not achieved by 1 target
Number of provincial economic intelligence reports produced on sector profile	1 Economic Sector Profile produced (Mining)	3 provincial economic intelligence reports produced as sector profiles	1 economic sector profile produced on ICT	Target not achieved by 2
				Capacity constraints: Vacant posts of Statistician and DD for Information Services

#### Strategy to overcome areas of under performance

Use the standard report on SMME's and Co-ops plus economic reports from service providers

#### Changes to planned targets

None

#### Linking Performance with budgets

Sub-Programme: Knowledge Management	2013/14			2014/15		
	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure
	R '000	R '000	R '000	R '000	R '000	R '000
Knowledge Management	2 781	2 715	66	3,013	2,976	37

Strategic objectives : Sub-Programme Monitoring and Evaluation				
Strategic objectives	Actual Achievement 2013/14	Planned Target 2014/15	Actual Achievement 2014/15	Deviation from planned target to Actual Achievement for 2014/15
To determine the effectiveness and impact of provincial policy, programmes, objectives and strategies	Performance on implementation of the MEGDP monitored and evaluated	Performance monitoring and evaluation on implementation of the MEGDP	Performance on implementation of the MEGDP monitored and evaluated	None
				None

Performance Indicators: Sub-Programme Monitoring and Evaluation				
Performance Indicator	Actual Achievement 2013/14	Planned Target 2014/15	Actual Achievement 2014/15	Deviation from planned target to Actual Achievement for 2014/15
Number of oversight reports on public entities and partnership agreements produced	2 sector performance monitoring reports based on the objectives and principles of the MEGDP produced	Support, oversight and performance monitoring and evaluation	<ul style="list-style-type: none"> <li>Benchmarking on oversight, monitoring and evaluation on governance of public entities undertaken</li> <li>Quarterly Performance Analysis Reports of public entities produced</li> <li>Analysis of Board members evaluation reports produced.</li> </ul>	Induction workshop of Board Members not done
	4 evaluation reports on tracking of jobs produced			Members not done
		Coordinating implementation of partnership	Coordinating implementation of partnership done through: <ul style="list-style-type: none"> <li>Stakeholders engagements and Implementation plans developed with signatory players</li> </ul>	None
Number of oversight reports on public entities and partnership agreements produced	2 sector performance monitoring reports based on the objectives and principles of the MEGDP produced	Review of legislative and policy framework	Final draft of the policy and legislative frameworks produced.	Policy and Legislative Frameworks not adopted due to elaborate consultation processes which has now been concluded
	4 evaluation reports on tracking of jobs produced	Performance monitoring and evaluation on implementation of partnerships	Performance Monitoring reports on the implementation of partnership completed but evaluation not yet done	The Policy and Legislative Frameworks will be presented to the Executive Council and the Legislature respectively in the 2015/2016 financial year.
				Evaluation will be done in the next financial year

#### Strategy to overcome areas of under performance

- The Shareholders Compacts to be signed in the 1<sup>st</sup> quarter Of 2015/16

- The Policy and Legislative Frameworks will be presented to the Executive Council and the Legislature respectively in the 2015/2016 financial year.
- Evaluation report will be done in the next financial year

#### Changes to planned targets

None

#### Linking Performance with budgets

Sub-Programme: Monitoring and Evaluation	2013/14			2014/15		
	Final Appropriation R '000	Actual Expenditure R '000	(Over)/Under Expenditure R '000	Final Appropriation R '000	Actual Expenditure R '000	(Over)/Under Expenditure R '000
Monitoring and Evaluation	1 577	1 226	351	5,622	5,029	593



## PROGRAMME 6: TOURISM

The Purpose of the programme is to ensure tourism sector policy development, regulation, compliance and promotion of sector transformation in the Province

### The Programme consists of the following sub-programmes:

- Sub-Programme: Tourism Planning
- Sub-Programme: Tourism Regulations and Compliance
- Sub-Programme: Tourism Sector Transformation

### Strategic Objectives of the Programme are as follows:

- To create an enabling environment through policy and strategy development and improve intergovernmental coordination.
- To regulate and ensure compliance of the tourism sector
- To drive tourism sector transformation

### Summary of Annual Performance achievements:

Programme Six achieved 5 of the 8 targets set, which amounts to 63%, whereas the Expenditure Report indicates a 100% spending of the budget. The Sub-Programmes performed as follow:

**Sub-Programme: Tourism Planning:** While at 46.4% on budget expenditure (28.6% underspending), only 2 of the 3 planned targets were achieved (67%) in analysis and reporting on the performance of MTPA and Zithabiseni Resort; and convening all sessions for the Tourism Intergovernmental Planning and Coordinating Forum. A concern arises on the non-review of the Mpumalanga Tourism Growth Strategy.

**Sub-Programme: Tourism Regulations and Compliance:** While at 48.5% on budget expenditure (26.5% underspending), the Sub-Programme conducted all 4 inspections as planned.

**Sub-Programme: Tourism Sector Transformation:** While at 56% on budget expenditure (19% underspending), only 3 of the 4 targets were achieved (75%) in supporting 8 tourism initiatives/projects (that is overachieving with 4 projects); conducting all 4 Tourism Safety campaigns; and implementing all 3 tourism programmes (Lilizela Awards, Tourism Month and Careers Expo). However, the ownership percentage of the tourism industry by the HDIs and SMMEs is not known.

Strategic objectives : Sub-Programme Tourism Planning					
Strategic objectives	Actual Achievement 2013/14	Planned Target 2014/15	Actual Achievement 2014/15	Deviation from planned target to Actual Achievement for 2014/15	Comment on deviations
To create an enabling environment through policy and strategy development and improve intergovernmental coordination.	Tourism strategy developed	Review and update the MTGS to be in line with the objectives of NTSS	The MTGS to be in line with the objectives of NTSS review and updated	None	None

Performance indicators: Sub-Programme Tourism Planning					
Performance Indicator	Actual Achievement 2013/14	Planned Target 2014/15	Actual Achievement 2014/15	Deviation from planned target to Actual Achievement for 2014/15	Comment on deviations
Number of tourism related strategies developed	1 Tourism Strategy was developed (Culture and Heritage Tourism Strategy)	1 tourism strategy developed (MTGS Reviewed)	Not achieved	The NTSS is currently under review and will inform the MTGS in the 2015/16	The MTGS will be reviewed
Number of Analysis Reports compiled to assess the performance of MTPA and Zithabiseni	4 Analysis Reports of MTPA and Zithabiseni was compiled in line with their strategic plans	8 Analysis reports of the MTPA and Zithabiseni compiled in line with their strategic plans	8 Quarterly performance analysis reports of the MTPA and Zithabiseni compiled in line with their strategic plans produced.	None	None
Number of quarterly Tourism Intergovernmental Planning and Coordinating Forum convened	Tourism intergovernmental relation and support provided to 8 Municipalities	4 quarterly Tourism Intergovernmental Planning and Coordinating Forum convened	4 Quarterly Tourism Intergovernmental Planning and Coordinating Forum convened	None	None

#### Strategy to overcome areas of under performance

The MTGS will be reviewed

#### Changes to planned targets

None



Strategic objectives : Sub-Programme Tourism Regulations and Compliance				
Strategic objectives	Actual Achievement 2013/14	Planned Target 2014/15	Actual Achievement 2014/15	Deviation from planned target to Actual Achievement for 2014/15
To regulate and ensure compliance of the tourism sector	Tourist guides regulated	4 inspections conducted in the Province	3 inspections conducted in the Province	None availability of key stakeholders
				None

Performance indicators: Sub-Programme Tourism Regulations and Compliance				
Performance Indicator	Actual Achievement 2013/14	Planned Target 2014/15	Actual Achievement 2014/15	Deviation from planned target to Actual Achievement for 2014/15
Number of inspections conducted to support compliance with tourist guiding legislation and regulation.	4 inspection conducted	4 inspections conducted in the Province	3 inspections in the province conducted	Target not achieved by 1
				None availability of key stakeholders

### Strategy to overcome areas of under performance

None

### Changes to planned targets

None

Strategic objectives : Sub-Programme Tourism Sector Transformation				
Strategic objectives	Actual Achievement 2013/14	Planned Target 2014/15	Actual Achievement 2014/15	Deviation from planned target to Actual Achievement for 2014/15
To drive tourism sector transformation	None	22 % ownership in the Tourism Industry by HDI's and SMME's	Not achieved	The National Tourism Sector Codes are being finalised
				To be done once the amendments are finalised

Performance indicators: Sub-Programme Tourism Sector Transformation				
Performance Indicator	Actual Achievement 2013/14	Planned Target 2014/15	Actual Achievement 2014/15	Deviation from planned target to Actual Achievement for 2014/15
Share of ownership in the Tourism Industry by HDI's and SMME's	None	22 % ownership in the Tourism Industry by HDI's and SMME's	Not achieved	The National Tourism Sector Codes are being finalised
Number of tourism initiatives/projects supported to ensure community beneficiation.	3 projects supported to ensure community beneficiation	4 tourism initiatives/projects supported	8 tourism initiatives/projects supported	Target exceeded by 4
Number of tourism safety campaigns conducted to implement the provincial Tourism Safety Plan.	4 campaigns conducted to implement Tourism Safety Plan	4 campaigns conducted to implement Tourism Safety Plan	4 campaigns conducted to implement Tourism Safety Plan	None
				Target exceeded due to more request for assistance.
				None

Performance indicators: Sub-Programme Tourism Sector Transformation				
Performance Indicator	Actual Achievement 2013/14	Planned Target 2014/15	Actual Achievement 2014/15	Deviation from planned target to Actual Achievement for 2014/15
Number of provincial tourism programmes/imperatives implemented.	Facilitated the implementation of Tourism Awards	3 tourism programmes/imperatives implemented: <ul style="list-style-type: none"> <li>Lilizela Tourism Awards</li> <li>Tourism Month</li> <li>Tourism Careers Expo in partnership with key stakeholders</li> </ul>	<ul style="list-style-type: none"> <li>Implemented three tourism programmes (Lilizela Tourism Awards, Tourism Month celebration and Tourism Careers Expo)</li> <li>Evaluation reports available on the implementation of the three programme</li> </ul>	None

#### Strategy to overcome areas of under performance

None

#### Changes to planned targets

None

#### Linking Performance with budgets

Sub-Programme:	2013/14			2014/15		
	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
Tourism	326,060	325,863	197	332,828	332,828	-

## 5. TRANSFER PAYMENTS

### 5.1 Transfer payments to public entities

Name of Public Entity	Services rendered by the public entity	Amount transferred to the public entity	Amount spent by the public entity	Reasons for the funds unspent by the Public entity
		R'000	R'000	
Mpumalanga Economic Growth Agency	To promote trade and investment in Mpumalanga; to provide funding in respect of approved enterprise development focusing primarily on the previously disadvantaged individuals in Mpumalanga; to develop property including the granting of housing loans in Mpumalanga; to deliver massive infrastructure in Mpumalanga	171,605	171,605	<ul style="list-style-type: none"> <li>• MEGA has achieved 35% and partially achieved 8% of its planned targets.</li> </ul> <p><b>Key Achievements of the projects are as follows:</b></p> <ul style="list-style-type: none"> <li>- Mpumalanga Fresh Produce Market - Significant progress has been registered on the project and some of the highlights include the following:-</li> <li>- Planning, EIA and legislated processes about 99% complete;</li> <li>- Bulk electricity has been installed and 100% complete;</li> <li>- The bulk sewer contractor has been appointed and construction is almost at 95%; and</li> <li>- Bulk water pipeline is under construction and about 45% complete.</li> <li>- Mpumalanga Agri-Hubs:</li> <li>- The Agri-Hub model indicating all the different buildings and amenities required on the site has been developed;</li> <li>- All seven [7] sites have been surveyed, geotechnical investigations completed and borehole siting undertaken;</li> <li>- Three [3] Agri-hub sites have since been identified as priority areas (Mkhuhlu, Mkhondo and Tonga) and equipment sizing has been finalised, which will inform the dimensions of the buildings;</li> <li>- Other areas of progress include the development of bulk water specifications as well as the completion of the Terms of Reference for community engagement and local participation.</li> </ul>

Name of Public Entity	Services rendered by the public entity	Amount transferred to the public entity	Amount spent by the public entity	Reasons for the funds unspent by the Public entity
		R'000	R'000	
Mpumalanga Economic Growth Agency	To promote trade and investment in Mpumalanga; to provide funding in respect of approved enterprise development focusing primarily on the previously disadvantaged individuals in Mpumalanga; to develop property including the granting of housing loans in Mpumalanga; to deliver massive infrastructure in Mpumalanga	171,605	171,605	<ul style="list-style-type: none"> <li>• Special Economic Zones: <ul style="list-style-type: none"> <li>- A trade and investment outbound mission was organised in October 2014 and a team visited the following cities in China, namely, Hong Kong, Shenzhen, Chengdu, Shanghai and Beijing.</li> <li>- A draft SEZ Strategy &amp; Business Plan was presented by the Department of Trade &amp; Industry's consulting firm at the Steering Committee meeting held in early December.</li> <li>- The 40/60 funding mechanism does not guarantee that the 40% contribution by government will be readily available.</li> </ul> </li> <li>• Donkerhoek Water Bottling Plant: <ul style="list-style-type: none"> <li>- The plant has been commissioned by the supplier in September 2014. Tests on the water quality have been conducted by SABS although inconclusive. CSIR completed a due diligence report on the plant in September 2014.</li> </ul> </li> </ul>
Mpumalanga Tourism and Parks Agency	To provide for the sustainable development and improvement of the tourism industry in Mpumalanga	310,941		<ul style="list-style-type: none"> <li>• Own revenue generation amounted to R22 million which exceeded the annual target by R2 million</li> <li>• The MTPA improved supplier relationships by paying service providers within 30-days upon receipt of invoice.</li> <li>• Landowners consent has been concluded and consultations conducted on the intention to declare the Greater Lakenvlei Protected Environment, located south of Emakhazeni/Dullstroom. Intention to declare was published in the government gazette.</li> <li>• Five conservation education campaigns were developed and rolled out in the province, reaching 157 920 learners.</li> <li>• The clearing of 7 094 ha of alien plants on the provincial nature reserves took place, through funding from the Natural Resource Management Programme of DEA.</li> <li>• The Mpumalanga Biodiversity Sector Plan was reviewed and new maps and handbooks have been developed.</li> <li>• The management effectiveness of the provincial nature reserves has improved as a result off the completion of Integrated Management Plans (IMPs) for eight nature reserves; proclamation and proper description of 5 nature reserves employment of 100 environmental monitors on approx. 15 nature reserves.</li> <li>• A total of R290 million for infrastructure upgrade has been allocated by DEA (EPIP) on 13 nature reserves. Most nature reserves are still under planning phase and two nature reserves have commenced with implementation phase.</li> </ul>

Name of Public Entity	Services rendered by the public entity	Amount transferred to the public entity	Amount spent by the public entity	Reasons for the funds unspent by the Public entity
		R'000	R'000	
Mpumalanga Tourism and Parks Agency	To provide for the sustainable development and improvement of the tourism industry in Mpumalanga	310,941		<ul style="list-style-type: none"> <li>The infrastructure upgrade in the four prioritized reserves that is Blyde River Nature Reserve, Songimvelo Nature Reserve, Loskop Nature Reserve and Manyeleti Nature Reserve continued into the 2014/2015 financial. Project implementer companies were appointed to implement most of the sub-projects. Selected sub-projects were also undertaken by learners from the DPWRT through the National Youth Service Programme.</li> </ul>
Mpumalanga Gambling Board	Continue to regulate the Gambling Industry as per the act Promote responsible gambling within the Province Within the next 5 years, the Agency will try to implement the 4th Casino	54,500		<ul style="list-style-type: none"> <li>In terms of revenue collection, the MGB has managed to collect just over R80 million on gambling taxes, which is a significant contribution to the province's own revenue base.</li> <li>The MGB further granted an application for the expansion of the Emnotweni casino, in Mbombela, for an estimated investment of R200 million, which saw 453 temporary jobs created during the construction phase, and a further 21 permanent jobs after completion.</li> <li>In a bid to minimise the social costs of the industry, relating to problem gambling, as well as illegal gambling, the MGB maintained its broader coalition efforts with community stakeholders to create awareness on the negative effects of gambling, whilst also combating the illegal gambling market.</li> <li>The Board's efforts on education and awareness campaigns on responsible gambling were further strengthened by the continued partnership with the Crowning of Miss Mpumalanga brand, which has provided us with incredible Ambassadors to drive the Responsible Gambling messages.</li> </ul>

## 5.2 Transfer payments to all organisations other than public entities

Name of transferee	Type of organisation	Purpose for which the funds were used	Did the dept. comply with s38 (1) (j) of the PFMA	Amount transferred	Amount spent by organisations	Reasons for the funds unspent by the organisations
				R'000	R'000	
Zithabiseni Resort and Conference Centre	Holiday Resort	Payment of salaries	Yes	19 000	19 000	None

## 6. CONDITIONAL GRANTS

### 6.1 Conditional grants and earmarked funds received

#### Conditional Grant for Expanded Public Works Programme (EPWP)

Department who transferred the grant	National Department of Public Works
Purpose of the grant	To create jobs within the Environmental and Culture Sector
Expected outputs of the grant	Job creation
Actual outputs achieved	227 jobs were created within the Environmental and Culture Sector
Amount per amended DORA	3,561,000
Amount received (R'000)	3,561,000
Reasons if amount as per DORA was not received	None
Amount spent by the department (R'000)	3,561,000
Reasons for the funds unspent by the entity	None
Reasons for deviations on performance	None
Measures taken to improve performance	None
Monitoring mechanism by the receiving department	Share Holders compact and Monthly expenditure reports

## 7. DONOR FUNDS

None

## 8. CAPITAL INVESTMENT

### 8.1 Capital investment, maintenance and asset management plan

None





Part C:

# Governance

## 1. INTRODUCTION

The Department has functional Audit, Fraud Prevention and Risk Management Committees, to ensure that emerging risks are identified, assessed and monitored. Furthermore, oversight over the adequacy of systems of internal control, governance and risk management are monitored. The Department has an effective Internal Audit Unit which evaluates the effectiveness of internal controls, risk management and governance processes.

## 2. RISK MANAGEMENT

- The Department has an approved Risk Management Policy and Strategy in place.
- Risk Assessments are conducted regularly to identify new and emerging risks. Strategic, Operational, Fraud and ICT Risk Assessments were conducted and monitored during the year under review.
- The Department has a functional Risk Management Committee, chaired by an external member as set by the National Treasury Risk Management Framework. The committee convened four (4) meetings and advised management on systems of risk management and internal control improvements during the year under review. The committee has:
  - i. Reviewed the Risk Management Policy and Strategy and made recommendations for approval by the Accounting Officer;
  - ii. Reviewed the risk appetite and tolerance and made recommended for approval by the Accounting Officer;
  - iii. Reviewed the department's risk identification and assessment methodologies to obtain reasonable assurance of the completeness and accuracy of the risk register;
  - iv. Evaluated the effectiveness of mitigating strategies to address the material risks of the department;
  - v. Reported to the Accounting Officer any material changes to the risk profile of the departments;
  - vi. Reviewed any material findings and recommendations made by assurance providers on the system of risk management and monitor that appropriate action is instituted to address the identified weaknesses;
  - vii. Developed goals, objectives and key performance indicators for the Committee for approval by the Accounting Officer;
  - viii. Developed goals, objectives and key performance indicators to measure the effectiveness of the risk management activity;
  - ix. Set out the nature, role, responsibility and authority of the risk management function within the Department for approval by the Accounting Officer, and overseen the performance of the risk management function;
  - x. Provided proper and timely reports to the Accounting Officer on the state of risk management, together with aspects requiring improvement accompanied by the Committee's recommendations to address such issues.
- The Risk Management unit has provided a quarterly report on risk management processes to the Audit Committee, during the year under review. **In discharging its oversight responsibilities relating to risk management, the audit committee has:**
  - i. Added value to the risk management process by making recommendations to improve the process;
  - ii. Reviewed and critiqued the risk appetite and risk tolerance
  - iii. Reviewed the completeness of the risk assessment process implemented by management and ensured that all possible categories of risks, both internal and external to the Department, were identified during the risk assessment process.
  - iv. Reviewed the risk profile and management action plans to address the risks quarterly;
  - v. Reviewed the adequacy of adapted risk responses;
  - vi. Reviewed the progress made with regards to the implementation of the risk management strategy of the Department;
  - vii. Provided regular feedback to the Accounting Authority / Officer on the effectiveness of the risk management process implemented by the Department;
  - viii. Reviewed and ensured that the internal audit plans are aligned to the risk profile of the Department;

### 3. FRAUD AND CORRUPTION

- The Department has an approved Fraud Prevention Strategy in place. A corruption/fraud risk assessment was performed and corruption risks identified were monitored during the year under review. A Fraud Prevention Committee was functional.
- The Department has a Whistle blowing policy in place. Awareness workshops of the policy were conducted. Employees are urged to report suspected corrupt activities to the Risk Management unit or alternatively to the National Anti-Corruption Hotline (NACH) on 0800 701 701.
- Progress on cases reported to the National Anti-Corruption Hotline was requested from the Office of the Premier (Integrity Management Unit) as the investigating arm for Government departments for all NACH cases in the Province. The report was reviewed quarterly by the Fraud Prevention Committee.

### 4. MINIMISING CONFLICT OF INTEREST

The Fraud Prevention Committee reviewed cases of employee conflicts of interest, misconduct or fraud, or any other unethical activity by employees or companies. A gift register was implemented and employees were educated on the register.

### 5. CODE OF CONDUCT/ ETHICS

To ensure compliance to the code of conduct, all employees who joined the Department were inducted on what is expected from a public servant. In cases where employees have breached the code of conduct, the necessary disciplinary steps have been taken.

### 6. HEALTH SAFETY AND ENVIRONMENTAL ISSUES

The Department appointed Occupational Health and Safety representatives in all its offices to ensure that it complied with the legislation regulating Health and Safety matters. The representatives were trained on First Aid Level 1 as the first step towards their empowerment for the fulfilment of their responsibilities. They will be continually be empowered and supported to assist the Department to manage Health and Safety Environmental matters. The OHS policy has been approved.

### 7. PORTFOLIO COMMITTEES

### 8. SCOPA RESOLUTIONS

Resolution No.	Subject	Response by the department	Resolved (Yes/No)
1.7th report and paragraph 3.1.1	Unauthorised Expenditure The committee recommended that the House resolved as follows: The unauthorised expenditure R10,393 ,000 remains not condoned and should be charged against the Department 2010/11	The total unauthorised expenditure of R15,226 million became a charge against the funds allocated for the next or future years under the Vote. This was spread over three years and the final charge of R5,226 million will be during the financial year 2015/16. In terms of section 34 (2) of the PFMA	Yes

Resolution No.	Subject	Response by the department	Resolved (Yes/No)
10 report of the Select Committee on Public Accounts	<p>Unauthorised Expenditure</p> <p>The committee recommended that the House resolved as follows:</p> <ol style="list-style-type: none"> <li>1. The unauthorised expenditure amounting R 4,833,000 is not condoned.</li> <li>2. The Department lay criminal charges of financial misconduct against Mr RS Tshukudu in line with section 86 of the PFMA for non-compliance with section 38 (1) (c) (ii) and Treasury Regulation 9.1.1 and 9.1.2</li> <li>3. The Department charge the Chief Financial Officer with financial misconduct for: <ul style="list-style-type: none"> <li>• Contravening section 45 (c) and 45 (d) of the PFMA in that she/he failed to put effective systems to prevent unauthorised expenditure amounting R 4,833,000.</li> <li>• Failure to report unauthorised expenditure immediately after discovery as required by section 38 (g) of the PFMA read with treasury regulation</li> </ul> </li> </ol>	<p>The total unauthorised expenditure of R15,226 million became a charge against the funds allocated for the next or future years under the Vote. This was spread over three years and the final charge of R5,226 million will be during the financial year 2015/16. In terms of section 34 (2) of the PFMA</p> <ol style="list-style-type: none"> <li>1. The criminal case against the Accounting Officer is still under investigation by the law enforcement agencies.</li> <li>2. Disciplinary action was taken against the Chief Financial officer and appropriate sanction was imposed</li> </ol>	Yes



## 9. PRIOR MODIFICATIONS TO AUDIT REPORTS

None

## 10. INTERNAL CONTROL UNIT

The Department does not have an Internal Control Unit. Management implemented internal control systems that encompass all the policies and procedures adopted by management to assist the Department to achieve its objectives.

## 11. INTERNAL AUDIT AND AUDIT COMMITTEES

### Key activities and objectives

Internal Audit is an independent appraisal function established by the management of an organisation for the review of the internal control system, as a service to the organisation. It objectively examines, evaluates and reports on the adequacy of internal control as a contribution to the proper, economic and effective use of resources.

### Summary of Internal Audit work done

The following risk based audit assignments relating to the Department were performed by the Internal Audit function during the 2014/2015 financial year as per the Annual Internal Audit Plan:

- Corporate Services
- Financial and Supply Chain Management
- Fleet Management
- Asset Management
- Risk Management
- Internal Financial Controls
- King III Assessment
- Revenue Management
- Zithabiseni
- Follow up on AGSA and Internal Audit Reports
- Quarterly performance and financial statements reviews

The role of the Audit Committee is to assist the Accounting Officer and Management of the Department in discharging their duties regarding risk management, financial information, internal controls and governance processes.

The key activities and objectives of the audit committee are to review the following:

- Effectiveness of the system of internal control;
- Effectiveness of Internal Audit function;
- The risk areas of the institution's operations to be covered in the scope of internal and external audits;
- The adequacy, reliability and accuracy of the financial information provided to management and other users of such information;
- Any accounting and auditing concerns identified as a result of internal and external audits;
- The institution's compliance with law, rules and regulations; and
- The activities of the Internal audit including its annual work programme, coordination with external auditors, the reports of significant investigations and the responses of management to specific recommendations

### Attendance of Audit Committee meetings by Audit Committee members

During the current financial year, five (5) Audit Committee meetings were held. Meetings between the Chairperson, the external auditors and the Internal Audit function were held as and when need arose, independent of management.

The Audit Committee consist of four (4) members who are independent. Three (3) of the four (4) members have been appointed from outside the Public Service. Details of the members and their attendance of scheduled audit committee meetings during the 2014/2015 financial year are as follows:

Name of member	Qualifications	Internal or external	Date appointed	Term ended	No. of meetings attended
Ms MO Morata	<ul style="list-style-type: none"> <li>B Proc</li> <li>Cert in Commercial Law</li> <li>LLM in IT Law</li> </ul>	External	11/01/2011	31/05/2014	1
Ms Z Mathenjwa	<ul style="list-style-type: none"> <li>MSC (International Business)</li> <li>Post Grad in Corp. Governance</li> <li>Dipl in Project Management</li> <li>Cert in Financial Management</li> </ul>	External	11/01/2011	31/05/2014	2
Mr. D Lekoto	<ul style="list-style-type: none"> <li>BCom plus articles</li> <li>Certificate in Fraud Examination</li> </ul>	External	11/01/2011	31/05/2014	2
Mr. IP Duplessis	<ul style="list-style-type: none"> <li>BCOM Accounting</li> <li>BCOM Honours</li> </ul>	External	13/05/2013	31/05/2015	5
Mr. TI Ranape	<ul style="list-style-type: none"> <li>BTech Public Man</li> <li>Dipl : State Finance</li> <li>Higher Dipl : Mant</li> <li>Masters in BA</li> </ul>	External	01/06/2014	31/05/2015	3
Adv G Khoza	<ul style="list-style-type: none"> <li>B Juris</li> <li>LLB</li> <li>Dipl in Tax Law</li> </ul>	External	01/06/2014	31/05/2015	1
Mr. SP Simelane	<ul style="list-style-type: none"> <li>Chartered Accountant</li> <li>BCOM Acc</li> <li>BCOM Hon</li> <li>MDP on BBBEE</li> </ul>	External	01/06/2014	31/05/2015	3



## 12. AUDIT COMMITTEE REPORT

### Final report of the Audit Committee

The Audit Committee of the Department of Economic Development and Tourism is pleased to present its report for the financial year ended 31 March 2015.

### Audit Committee Members and Attendance

The Audit Committee consists of the members listed hereunder and meets quarterly as per the approved terms of reference. During the current year, five (5) meetings were held including a special meeting. It has to be noted that three of the members joined the Department during the course of the financial year.

Name of Member	No. of meetings attended
Ms IT Ranape (Chairperson)	3/5
Ms G Khoza	1/5
Mr. IM Du Plessis	5/5
Mr. SP Simelane	3/5

### Audit Committee Responsibility

The Audit Committee reports that it has compiled with its responsibilities as prescribed by section 38 (1) (a) of the Public Finance Management Act 1999, (PFMA) (Act No. 1 of 1999) and Treasury Regulations (TR) 3.1.

The Audit Committee has for the period under review adopted appropriate formal terms of reference in line with its Audit Committee Charter, regulated its affairs in compliance with the charter and has discharged all of its responsibilities as contained therein.

### The Effectiveness of Internal Control

The system of internal controls applied by the Department over risk and risk management is effective, efficient and transparent.

In line with the PFMA, Treasury Regulations and the King III Report on Corporate Governance requirements, Internal Audit provided the Audit Committee and management with assurance on whether internal controls are adequate and effective. This was achieved by means of the risk management process, as well as the identification of corrective actions and suggested enhancements to the control processes.

The following internal audit work was completed as the completed as per the approved 2014/15 audit plan, which is based on the risk assessment report.

- Corporate Services
- Financial and Supply Chain Management
- Fleet Management
- Asset Management
- Risk Management
- Internal Financial Controls
- Ling III Assessment
- Revenue Management
- Zithabiseni
- Follow up on AGSA and Internal Audit Reports
- Quarterly performance and financial statements reviews

**The following were areas of concern:**

- Slow implementation of Internal Audit and Auditor General recommendations
- Lack of strategic and coordinated oversight over Public Resort
- Insufficient controls at Zithabiseni Resort
- Lack of a tracking system that ensure compliance with applicable legislation and regulations
- Unsatisfactory compilation of the portfolio of evidence to support reported Performance Information
- Adequate capacity to deal with proper preparation of financial statements
- Proper management of assets

**In Year Management and Monthly and Quarterly Reports**

The Audit Committee is satisfied with the content and quality of monthly and quarterly reports prepared and issued by the Department as required by the PFMA, however, there is still room for improvement, particularly on preparation and submission of quarterly financial statements.

**Evaluation of Financial Statements**

The Audit Committee has gone through the year-end financial statements which were reviewed by internal Audit. The committee is still concerned that the compilation of these Financial Statements is not accurate the first time around, hence the Department needs to put more effort in this regard.

**Independence of the Audit Committee**

The Audit Committee is satisfied that the Internal Audit function is operating effectively and that it has addressed the risks pertinent to the Department in its audits, safe to say that attention needs to be taken that External Quality Assurance is done every five years.

**Auditor-General's Report**

The Audit Committee has reviewed the Auditor General's report and concurs with their findings. The committee therefore accepts the Auditor General's report and concurs with their findings.

**Appreciation**

The Audit Committee appreciates the support and cooperation of the Member of the Executive Council, The Accounting Officer and Management in assisting it in the discharge of its responsibilities.

The Audit Committee would also like to extend its gratitude to the Chief Audit Executive together with the Audit team for the support extended during the financial year.

The Audit Committee of the Department of Economic Development and Tourism is pleased to present its report for the financial year ended 31 March 2015.



**MS IT RANAPE**

**CHAIRPERSON OF THE AUDIT COMMITTEE**

**31 July 2015**



Part D:

# Human Resource Management

## 1. INTRODUCTION

The responsibility of managing human resources lies not only in the Directorate Human Resource Management in the Department. It is the responsibility of each manager to ensure that the employees reporting to them are managed in a way that positions the Department as the employer of choice. The Directorate Human Resource Management is entrusted with the responsibility to set up systems that will enable the managers and employees of the Department to function effectively. The setting up of these systems and policies cannot be done in isolation, but in consultation with all the stakeholders within the Department. Partnership between Human Resources and every member of staff is key in ensuring that the Department achieves its objectives and this shall continuously be strived at, bearing in mind the role that the Department plays in economic development in the Province.

## 2. OVERVIEW OF HUMAN RESOURCES

### **The status of human resources in the Department**

During the year under review, the Department had to focus on the process of the organisational re-development (turnaround strategy). The process had an impact on the filling of vacant funded posts and thus subsequently had pressure on the employees within the Department. This therefore necessitated that there should be interventions that are put in place to assist employees to cope with the extra work load that is placed on them. The management of leave was an important aspect that was focused on to ensure that it utilised appropriately. The Transversal Services of the Department have played an important role in ensuring that support is given to employees whenever there is a need.

The process of transferring Environmental Services staff from the Department to the Department of Agriculture, Rural Development, Land and Environment was done smoothly.

The daily management of employees' conditions of service continues to be performed according to the set standards in the public service without compromise. Skills development of employees was conducted according to the identified development needs of the employees at the beginning of the year, and employees are encouraged to take ownership of their development to ensure that we have a capable workforce. The Department appointed and trained the Employment Equity Committee to assist it in the management of diversity. Four (4) HR policies were approved during the period under review and more policies will be prioritised for the next financial year.

### **Human resource priorities for the year under review and the impact of these**

#### **Recruit and retain the quality and quantity of staff that is required**

This priority was affected by the moratorium that was placed on recruitment. However prior to the moratorium, suitably qualified employees were recruited within the Department.

#### **Human Resource Development**

Employees were developed according to the training needs that were identified in their development plans. Managers were trained on Mentoring and Coaching to assist in the day to day management of employees, and providing the necessary development that is needed.

#### **Promotes Employment Equity**

The EE Committee was appointed and trained. The Committee played a crucial role in the finalisation of the HR policies. Although the Department has not reached the targets of EE according to the plan, at the time of the finalisation of the organisational structure and recruitment to fill the positions, employment equity will be prioritised.

### **Promotes employee health and wellness**

Interventions throughout the year were developed to ensure that health and wellness is promoted. VCT and health screenings were conducted to ensure that employees are aware of their health status, and take the necessary precautions in areas where they need to. Counselling was provided in instances where employees were in need.

### **Workforce planning and key strategies to attract and recruit a skilled and capable workforce.**

An HR Plan was developed which informed the staffing needs of the Department, however due to the organisational re-development programme some of the positions could not be filled. However, the employees who have potential were identified to act in some of the senior positions that were vacant, thus providing them an opportunity to develop themselves. Before the moratorium was placed on recruitment and seven (7) internal promotions were made, inclusive of the appointment of the staff who were appointed as Interns.

### **Employee performance management**

Employees who performed above the required standard as per the PMDS policy were rewarded for their performance. Employees signed their performance agreements and managers continuously manage the employee's performance. Two hundred and nine (209) employees in levels 1-12 were awarded with incentive bonus for the good performance in 2013/14. All SMS members signed their performance agreements in the financial year.

### **Employee wellness programmes**

Nine preventative programmes were implemented during the period under review, including onsite health screenings.

### **Achievements and challenges faced by the Department, as well as future human resource plans /goals**

The Department successfully managed the organisational development (OD) project, which informed the development of the proposed organisational structure which is currently in the consultation process. In addition, the Department managed to approve four HR policies.

The process of the OD has however created a level of stress on the employees which has necessitated the Wellness section of the Department to support employees. The moratorium placed internally has also placed pressure on the employees in that the vacant positions were not filled but was addressed through the appointment of employees to act in certain positions.

In the next financial year, the Department will be focused on the implementation of the OD recommendations in order to position the Department as world class excellence centre, and the driver of economic development in the Province. The finalisation of the organisational structure will be prioritised which will inform the placement of employees and the transfer of other staff to MEGA. Change management will be the most important area of focus during the transformation process.

### 3. HUMAN RESOURCES OVERSIGHT STATISTICS

#### 3.1 Personnel related expenditure

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

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

**Table 3.1.1 Personnel expenditure by programme for the period 1 April 2014 and 31 March 2015**

Programme	Total expenditure (R'000)	Personnel expenditure (R'000)	Training expenditure (R'000)	Professional and special services expenditure (R'000)	Personnel expenditure as a % of total expenditure	Average personnel cost per employee (R'000)
Pr1: Administration*	86,121	50,049	0	0	58.1	188
Pr2: Integrated Economic Development services	231,023	21,971	0	0	9.5	83
Pr3: Trade and Industry Development	14,824	9,629	0	0	65	36
Pr4: business regulation and governance	82,398	18,736	0	0	22.7	70
Pr5: economic planning	13,362	7,095	0	0	53.1	27
Pr6: Tourism services	332,828	2,471	0	0	0.7	9
<b>Total</b>	<b>761,034</b>	<b>109,952</b>	<b>0</b>	<b>0</b>	<b>14.4</b>	<b>413</b>

**Table 3.1.2 Personnel costs by salary band for the period 1 April 2014 and 31 March 2015**

Salary band	Personnel expenditure (R'000)	% of total personnel cost	No. of employees	Average personnel cost per employee (R'000)
Lower skilled ( 1-2)	3,314	2	3	1,104
Skilled(3-5)	10,629	6.4	40	272
Highly skilled production (6-8)	36,768	22.1	109	337
Highly skilled supervision (9-12)	79,073	47.5	85	930
Senior management (13-16)	23,134	13.9	22	1,005
Contract (1-2)	780	0.5	04	195
Contract (3-5)	259	0.2	1	259
Contract (Levels 9-12)	138	0.1	1	138
Contract (13-16)	1,487	0.9	2	1,487
Periodical Remuneration	1,591	1	26	61
<b>Total</b>	<b>157,173</b>	<b>94.4</b>	<b>292</b>	<b>538</b>



HR OVERSIGHT STATISTICS - 01 APRIL 2014 TO 31 MARCH 2015

**Table 3.1.3 Salaries, Overtime, Home Owners Allowance and Medical Aid by programme for the period 1 April 2014 and 31 March 2015**

Programme	Salaries		Overtime		Home Owners Allowance		Medical Aid	
	Amount (R'000)	Salaries as a % of personnel costs	Amount (R'000)	Overtime as a % of personnel costs	Amount (R'000)	HOA as a % of personnel costs	Amount (R'000)	Medical aid as a % of personnel costs
Management services	3,257	71.4	0	0	277	6.1	150	3.3
Pr1: administration*	37,553	70.5	426	0.8	1,114	2.1	2,270	4.3
Pr2: intergrated economic development services	16,107	72.5	0	0	353	1.6	843	3.8
Pr3: trade and industry development	8,615	68.3	6	0	210	1.7	420	3.3
Pr4: business regulation and governance	13,053	64.7	0	0	469	2.3	684	3.4
Pr5: economic planning	4,780	75.5	0	0	95	1.5	220	3.5
Pr6: tourism	31,748	67	0	0	1,261	2.7	1,910	4
<b>Total</b>	<b>115,113</b>	<b>69.1</b>	<b>432</b>	<b>0.3</b>	<b>3,779</b>	<b>2.3</b>	<b>6,497</b>	<b>3.9</b>

**Table 3.1.4 Salaries, Overtime, Home Owners Allowance and Medical Aid by salary band for the period 1 April 2014 and 31 March 2015**

Salary band	Salaries		Overtime		Home Owners Allowance		Medical Aid	
	Amount (R'000)	Salaries as a % of personnel costs	Amount (R'000)	Overtime as a % of personnel costs	Amount (R'000)	HOA as a % of personnel costs	Amount (R'000)	Medical aid as a % of personnel costs
Lower skilled (Levels 1-2)	2,152	64.9	0	0	256	7.7	317	9.6
Skilled (Levels 3-5)	7,236	68	6	0.1	680	6.4	975	9.2
Highly skilled production (Levels 6-8)	26,075	69.2	266	0.7	1,246	3.3	2,028	5.4
Highly skilled supervision (Levels 9-12)	58,343	68.8	138	0.2	1,254	1.5	2,763	3.3
Senior management (Levels 13-16)	18,949	74.3	0	0	334	1.3	401	1.6
Contract (Levels 1-2)	758	96.1	22	2.8	0	0	0	0
Contract (Levels 3-5)	259	100	0	0	0	0	0	0
Contract (Levels 9-12)	114	76	0	0	0	0	0	0
Contract (Levels 13-16)	1,228	77.5	0	0	10	0.6	13	0.8
Periodical Remuneration	0	0	0	0	0	0	0	0
<b>Total</b>	<b>115,114</b>	<b>69.1</b>	<b>432</b>	<b>0.3</b>	<b>3,780</b>	<b>2.3</b>	<b>6,497</b>	<b>3.9</b>

### 3.2 Employment and Vacancies

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

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

This information is presented in terms of three key variables:

- programme
- salary band
- Critical occupations (see definition in notes below).

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

**Table 3.2.1 Employment and vacancies by programme as on 31 March 2015**

Programme	Number of posts on approved establishment	Number of posts filled	Vacancy Rate	Number of employees additional to the establishment
Pr1: Administration	133	123	7.5	7
Pr2: Integrated Economic Development Services	45	40	11.1	5
Pr3: Trade and Sector Development	24	20	16.7	0
Pr4: Business Regulation and Governance	54	48	11.1	6
Pr5: Economic Planning	13	13	0	0
Pr6: Tourism	5	5	0	0
<b>Total</b>	<b>274</b>	<b>249</b>	<b>9.1</b>	<b>18</b>

**Table 3.2.2 Employment and vacancies by salary band as on 31 March 2015**

Salary band	Number of posts on approved establishment	Number of posts filled	Vacancy Rate	Number of employees additional to the establishment
Lower skilled ( 1-2)	3	2	33.3	1
Skilled (3-5)	41	39	4.9	1
Highly skilled production (6-8)	109	102	6.4	7
Highly skilled supervision (9-12)	86	81	5.8	5
Senior management (13-16)	28	22	21.4	0
Contract (1-2)	4	0	100	4
Contract (3-5)	1	1	0	0
Contract (13-16)	2	2	0	0
<b>Total</b>	<b>274</b>	<b>249</b>	<b>9.1</b>	<b>18</b>

**Table 3.2.3 Employment and vacancies by critical occupations as on 31 March 2015**

Critical occupation	Number of posts on approved establishment	Number of posts filled	Vacancy Rate	Number of employees additional to the establishment
Economists, Permanent	55	52	5.5	5
Head of Department/chief executive officer, Permanent	1	0	100	0
Statisticians and related professionals, Permanent	1	1	0	0
<b>Total</b>	<b>57</b>	<b>56</b>	<b>9.1</b>	<b>5</b>

### 3.3 Filling of SMS Posts

The tables in this section provide information on employment and vacancies as it relates to members of the Senior Management Service by salary level. It also provides information on advertising and filling of SMS posts, reasons for not complying with prescribed timeframes and disciplinary steps taken.

**Table 3.3.1 SMS post information as on 31 March 2015**

SMS Level	Total number of funded SMS posts	Total number of SMS posts filled	% of SMS posts filled	Total number of SMS posts vacant	% of SMS posts vacant
Director-General/ Head of Department	1	0	0	1	100
Salary Level 16	1	1	100	0	0
Salary Level 15	0	0	0	0	0
Salary Level 14	5	3	60	2	40
Salary Level 13	23	20	86.9	3	13
<b>Total</b>	<b>30</b>	<b>24</b>	<b>80</b>	<b>6</b>	<b>20</b>

**Table 3.3.2 SMS post information as on 30 September 2014**

SMS Level	Total number of funded SMS posts	Total number of SMS posts filled	% of SMS posts filled	Total number of SMS posts vacant	% of SMS posts vacant
Director-General/ Head of Department	1	0	0	1	100
Salary Level 16	1	1	100	0	0
Salary Level 15	0	0	0	0	0
Salary Level 14	6	4	66.6	2	33.3
Salary Level 13	24	22	91.6	2	8.3
<b>Total</b>	<b>32</b>	<b>27</b>	<b>84.37</b>	<b>5</b>	<b>15.62</b>

**Table 3.3.3 Advertising and filling of SMS posts for the period 1 April 2014 and 31 March 2015**

SMS Level	Total number of funded SMS posts	Total number of SMS posts filled	% of SMS posts filled	Total number of SMS posts vacant	% of SMS posts vacant
Director-General/ Head of Department	1	0	0	1	100
Salary Level 16	0	0	0	0	0
Salary Level 15	0	0	0	0	0
Salary Level 14	2	0	0	2	100
Salary Level 13	2	1	50	1	50
<b>Total</b>	<b>5</b>	<b>1</b>	<b>20</b>	<b>4</b>	<b>80</b>

**Table 3.3.4 Reasons for not having complied with the filling of funded vacant SMS - Advertised within 6 months and filled within 12 months after becoming vacant for the period 1 April 2014 and 31 March 2015**

Reasons for vacancies not advertised within six months
The Department is currently being re-organised and a moratorium was placed on the filling of vacant position to allow the process to be finalised so that future vacant positions will be filled in line with the new vision of the Department
Reasons for vacancies not filled within six months
The Department is currently being re-organised and a departmental moratorium was placed on the filling of vacant position to allow the process to be finalised so that future vacant positions will be filled in line with the new vision of the Department

**Table 3.3.5 Disciplinary steps taken for not complying with the prescribed timeframes for filling SMS posts within 12 months for the period 1 April 2014 and 31 March 2015**

Reasons for vacancies not advertised within six months
The Department is currently being re-organised and a departmental moratorium was placed on the filling of vacant position to allow the process to be finalised so that future vacant positions will be filled in line with the new vision of the Department
Reasons for vacancies not filled within six months
The Department is currently being re-organised and a departmental moratorium was placed on the filling of vacant position to allow the process to be finalised so that future vacant positions will be filled in line with the new vision of the Department

### 3.4 Job Evaluation

Within a nationally determined framework, Executing Authorities may evaluate or re-evaluate any job in their organisation. In terms of the Regulations, all vacancies on salary levels 9 and higher must be evaluated before they are filled. The following table summarises the number of jobs that were evaluated during the year under review. The table also provides statistics on the number of posts that were upgraded or downgraded.

**Table 3.4.1 Job Evaluation by Salary band for the period 1 April 2014 and 31 March 2015**

Salary band	Number of posts on approved establishment	Number of Jobs Evaluated	% of posts evaluated by salary bands	Posts Upgraded		Posts downgraded	
				Number	% of posts evaluated	Number	% of posts evaluated
Lower Skilled (Levels 1-2)	7	0	0	0	0	0	0
Skilled (Levels 3-5)	41	0	0	0	0	0	0
Highly skilled production (Levels 6-8)	109	1	0.9	0	0	0	0
Highly skilled supervision (Levels 9-12)	86	5	5.8	0	0	0	0
Senior Management Service band A (13)	24	0	0	0	0	0	0
Senior Management Service B (14)	5	0	0	0	0	0	0
Senior Management Service band C (15)	1	0	0	0	0	0	0
Senior Management Service band D (16)	1	0	0	0	0	0	0
<b>Total</b>	<b>274</b>	<b>6</b>	<b>2.1</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

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

**Table 3.4.2 Profile of employees whose positions were upgraded due to their posts being upgraded for the period 1 April 2014 and 31 March 2015**

Gender	African	Asian	Coloured	White	Total
Female	0	0	0	0	0
Male	0	0	0	0	0
<b>Total</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

Employees with a disability	0
-----------------------------	---

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

**Table 3.4.3 Employees with salary levels higher than those determined by job evaluation by occupation for the period 1 April 2014 and 31 March 2015**

Occupation	Number of employees	Job evaluation level	Remuneration level	Reason for deviation
None	0	0	0	None
Total number of employees whose salaries exceeded the level determined by job evaluation				None
Percentage of total employed				0

## HR OVERSIGHT STATISTICS - 01 APRIL 2014 TO 31 MARCH 2015

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

**Table 3.4.4 Profile of employees who have salary levels higher than those determined by job evaluation for the period 1 April 2014 and 31 March 2015**

Gender	African	Asian	Coloured	White	Total
Female	0	0	0	0	0
Male	0	0	0	0	0
<b>Total</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

<b>Employees with a disability</b>	0	0	0	0	0
------------------------------------	---	---	---	---	---

### Notes

- If there were no cases where the salary levels were higher than those determined by job evaluation, keep the heading and replace the table with the following:

Total number of Employees whose salaries exceeded the grades determine by job evaluation	None
--	------

## 3.5 Employment Changes

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

**Table 3.5.1 Annual turnover rates by salary band for the period 1 April 2014 and 31 March 2015**

Salary band	Number of employees at beginning of period-1 April 2014	Appointments and transfers into the Department	Terminations and transfers out of the Department	Turnover rate
Lower skilled ( Levels 1-3)	68	2	5	10
Skilled (Levels4-8)	194	13	6	2.9
Highly skilled production (Levels 9-10)	83	3	5	5.8
Highly skilled supervision (Levels 11-12)	58	2	4	6.7
Senior Management Service Bands A (13)	21	1	1	4.5
Senior Management Service Bands B (14)	4	0	0	0
Senior Management Service Bands C (15)	2	0	2	100
Senior Management Service Bands D (16)	1	1	1	50
Contracts	28	14	34	80.9
Transfer out (Environmental Services) to the DARLEA	0	0	170	0
<b>Total</b>	<b>459</b>	<b>36</b>	<b>228</b>	<b>46</b>



## HR OVERSIGHT STATISTICS - 01 APRIL 2014 TO 31 MARCH 2015

**Table 3.5.2 Annual turnover rates by critical occupation for the period 1 April 2014 and 31 March 2015**

Critical occupation	Number of employees at beginning of period-April 2014	Appointments and transfers into the Department	Terminations and transfers out of the Department	Turnover rate
Economists, Permanent	64	0	1	1.56
Natural sciences related, Permanent	49	02	3	6.12
<b>Total</b>	<b>133</b>	<b>2</b>	<b>4</b>	<b>3</b>

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

**Table 3.5.3 Reasons why staff left the department for the period 1 April 2014 and 31 March 2015**

Termination Type	Number	% of Total Resignations
Death	1	0.43
Resignation	9	4
Expiry of contract	34	15
Dismissal – operational changes	0	0
Dismissal – misconduct	0	0
Dismissal – inefficiency	0	0
Discharged due to ill-health	0	0
Retirement	6	3
Transfer to other Public Service Departments	175	77
Other	0	0
<b>Total</b>	<b>228</b>	<b>100</b>
<b>Total number of employees who left as a % of total employment</b>		

**Table 3.5.4 Promotions by critical occupation for the period 1 April 2014 and 31 March 2015**

Occupation	Employees 1 April 2014	Promotions to another salary level	Salary level promotions as a % of employees by occupation	Progressions to another notch within a salary level	Notch progression as a % of employees by occupation
Economists, Permanent	64	1	1.5	50	78.1
<b>Total</b>	<b>64</b>	<b>1</b>	<b>1.5</b>	<b>50</b>	<b>78.1</b>

**Table 3.5.5 Promotions by salary band for the period 1 April 2014 and 31 March 2015**

Salary Band	Employees 1 April 2014	Promotions to another salary level	Salary bands promotions as a % of employees by salary level	Progressions to another notch within a salary level	Notch progression as a % of employees by salary bands
Lower skilled ( Levels 1-3)	96	15	15.6	59	61
Skilled (Levels4-8)	194	19	9.8	147	75
Highly skilled production (Levels 9-10)	83	4	4.8	81	97
Highly skilled supervision (Levels 11-12)	58	1	1.7	18	31
Senior Management (Level 13-16)	28	0	0	0	0
<b>Total</b>	<b>459</b>	<b>39</b>	<b>8.5</b>	<b>325</b>	<b>70.8</b>

### 3.6 Employment Equity

**Table 3.6.1 Total number of employees (including employees with disabilities) in each of the following occupational categories as on 31 March 2015**

Occupational category	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Legislators, senior officials and managers	18	1	0	1	4	0	0	0	24
Professionals (11-12)	19	1	0	0	17	0	1	2	40
Technicians and associate professionals (9-10)	26	0	0	0	19	0	0	1	46
Clerks (4-8)	44	1	1	0	87	1	0	1	135
Elementary occupations (2-3)	0	0	0	0	18	0	0	0	18
Clerks, (Contract) SL1	4	0	0	0	0	0	0	0	4
<b>Total</b>	<b>111</b>	<b>3</b>	<b>1</b>	<b>1</b>	<b>145</b>	<b>1</b>	<b>1</b>	<b>4</b>	<b>267</b>
<b>Employees with disabilities</b>	<b>4</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>4</b>

**Table 3.6.2 Total number of employees (including employees with disabilities) in each of the following occupational bands as on 31 March 2015**

Occupational band	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top Management (14-16)	4	0	0	0	0	0	0	0	4
Senior Management (13)	14	1	0	1	4	0	0	0	20
Professionally qualified and experienced specialists and mid-management (11-12)	19	1	0	0	17	0	1	2	40
Skilled technical and academically qualified workers, junior management, supervisors, foreman and superintendents (9-10)	26	0	0	0	19	0	0	1	46
Semi-skilled and discretionary decision making (4-8)	44	1	1	0	87	1	0	1	135
Unskilled and defined decision making (1-3)	4	0	0	0	18	0	0	0	22
<b>Total</b>	<b>111</b>	<b>3</b>	<b>1</b>	<b>1</b>	<b>145</b>	<b>1</b>	<b>1</b>	<b>4</b>	<b>267</b>

**Table 3.6.3 Recruitment for the period 1 April 2014 to 31 March 2015**

Occupational band	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top Management 14-16	0	0	0	0	0	0	0	0	0
Senior Management 13	0	0	0	1	0	0	0	0	1
Professionally qualified and experienced specialists and mid-management 11-12	2	0	0	0	0	0	0	0	2
Skilled technical and academically qualified workers, junior management, supervisors, foreman and superintendents 9-10	2	0	0	0	2	0	0	1	5
Semi-skilled and discretionary decision making 4-8	9	1	1	0	6	0	0	0	17
Unskilled and defined decision making 1-3	8	0	0	0	3	0	0	0	11
<b>Total</b>	<b>21</b>	<b>1</b>	<b>1</b>	<b>1</b>	<b>11</b>	<b>0</b>	<b>0</b>	<b>1</b>	<b>36</b>
<b>Employees with disabilities</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

HR OVERSIGHT STATISTICS - 01 APRIL 2014 TO 31 MARCH 2015

Table 3.6.4 Promotions for the period 1 April 2014 to 31 March 2015

Occupational band	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top Management 14-16	0	0	0	0	0	0	0	0	0
Senior Management 13	0	0	0	0	0	0	0	0	0
Professionally qualified and experienced specialists and mid-management 11-12	1	0	0	0	0	0	0	0	1
Skilled technical and academically qualified workers, junior management, supervisors, foreman and superintendents 9-10	2	0	0	0	0	0	0	0	2
Semi-skilled and discretionary decision making 4-8	0	0	0	0	2	0	0	0	2
Unskilled and defined decision making 1-3	0	0	0	0	1	0	0	0	1
<b>Total</b>	<b>3</b>	<b>0</b>			<b>3</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>6</b>
<b>Employees with disabilities</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

Table 3.6.5 Terminations for the period 1 April 2014 to 31 March 2015

Occupational band	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top Management 14-16	3	0	0	0	1	0	0	0	4
Senior Management 13	0	0	0	0	1	0	0	1	2
Professionally qualified and experienced specialists and mid-management 11-12	6	0	0	6	6	0	0	2	20
Skilled technical and academically qualified workers, junior management, supervisors, foreman and superintendents 9-10	19	0	0	5	39	0	0	2	65
Semi-skilled and discretionary decision making 4-8	23	1	0	0	29	0	0	3	56
Unskilled and defined decision making 1-3	43	0	0	0	36	0	0	2	81
<b>Total</b>	<b>94</b>	<b>1</b>	<b>0</b>	<b>11</b>	<b>112</b>	<b>0</b>	<b>0</b>	<b>10</b>	<b>228</b>
<b>Employees with Disabilities</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

Table 3.6.6 Disciplinary action for the period 1 April 2014 to 31 March 2015

Disciplinary action	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
	0	1	0	0	2	0	0	0	3

Table 3.6.7 Skills development for the period 1 April 2014 to 31 March 2015

Occupational category	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Legislators, senior officials and managers	0	0	0	0	3	0	0	0	3
Professionals	22	1	0	0	28	0	0	1	52
Technicians and associate professionals	13	0	0	0	16	0	0	0	29
Clerks	13	0	0	0	35	1	0	0	49
Service and sales workers	0	0	0	0	0	0	0	0	0
Skilled agriculture and fishery workers	0	0	0	0	0	0	0	0	0
Craft and related trades workers	0	0	0	0	0	0	0	0	0
Plant and machine operators and assemblers	0	0	0	0	0	0	0	0	0
Elementary occupations	0	0	0	0	5	0	0	0	5
<b>Total</b>	<b>48</b>	<b>1</b>	<b>0</b>	<b>0</b>	<b>87</b>	<b>1</b>	<b>0</b>	<b>1</b>	<b>138</b>
<b>Employees with disabilities</b>	<b>1</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1</b>

### 3.7 Signing of Performance Agreements by SMS Members

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

Table 3.7.1 Signing of Performance Agreements by SMS members as on 31 July 2015

SMS Level	Total number of funded SMS posts	Total number of SMS members	Total number of signed performance agreements	Signed performance agreements as % of total number of SMS members
Director-General/ Head of Department	1	0	0	0
Salary Level 16	1	1	1	100
Salary Level 15	0	0	0	0
Salary Level 14	4	4	4	100
Salary Level 13	23	19	19	100
<b>Total</b>	<b>29</b>	<b>24</b>	<b>24</b>	<b>100</b>

#### Notes

- In the event of a National or Provincial election occurring within the first three months of a financial year all members of the SMS must conclude and sign their performance agreements for that financial year within three months following the month in which the elections took place. For example if elections took place in April, the reporting date in the heading of the table above should change to 31 July 2015.

Table 3.7.2 Reasons for not having concluded Performance agreements for all SMS members as on 31 July 2014

Reasons
N/A,

#### Notes

- The reporting date in the heading of this table should be aligned with that of Table 3.7.1.

**Table 3.7.3 Disciplinary steps taken against SMS members for not having concluded Performance agreements as on 31 July 2014**

Reasons
N/A, All SMS has submitted the performance agreements for 2014/2015

### 3.8 Performance Rewards

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

**Table 3.8.1 Performance Rewards by race, gender and disability for the period 1 April 2014 to 31 March 2015**

Race and Gender	Beneficiary Profile			Cost	
	Number of beneficiaries	Number of employees	% of total within group	Cost (R'000)	Average cost per employee
<b>African</b>					
Male	78	150	52	794	10 179
Female	111	227	48.8	1,074	9 676
<b>Asian</b>	<b>0</b>				
Male	0	0	0	0	0
Female	0	1	0	0	0
<b>Coloured</b>					
Male	0	2	0	0	0
Female	0	1	0	0	0
<b>White</b>					
Male	10	11	90.9	186	18 600
Female	10	12	83.3	123	12 300
<b>Total</b>	<b>209</b>	<b>403</b>	<b>51.8</b>	<b>2 177</b>	<b>10 416</b>

**Table 3.8.2 Performance Rewards by salary band for personnel below Senior Management Service for the period 1 April 2014 to 31 March 2015**

Salary band	Beneficiary Profile			Cost		Total cost as a % of the total personnel expenditure
	Number of beneficiaries	Number of employees	% of total within salary bands	Total Cost (R'000)	Average cost per employee	
Lower Skilled (Levels 1-2)	36	43	83.7	72	2000	3,3
Skilled (level 3-5)	28	66	44.4	162	5786	7,4
Highly skilled production (level 6-8)	78	142	54.9	435	5577	19,9
Highly skilled supervision (level 9-12)	68	152	44.1	1508	22 507	69,3
<b>Total</b>	<b>209</b>	<b>403</b>	<b>51.9</b>	<b>2 177</b>	<b>10 416</b>	<b>100</b>

**Table 3.8.3 Performance Rewards by critical occupation for the period 1 April 2014 to 31 March 2015**

Critical occupation	Beneficiary Profile			Cost	
	Number of beneficiaries	Number of employees	% of total within occupation	Total Cost (R'000)	Average cost per employee
Economists	14	57	24.5	201	14,357
Natural sciences related	72	98	73.4	1,028	14,278
<b>Total</b>	<b>86</b>	<b>155</b>	<b>55.4</b>	<b>1 229</b>	<b>14,290</b>

**Table 3.8.4 Performance related rewards (cash bonus), by salary band for Senior Management Service for the period 1 April 2014 to 31 March 2015**

Salary band	Beneficiary Profile			Cost		Total cost as a % of the total personnel expenditure
	Number of beneficiaries	Number of employees	% of total within salary bands	Total Cost (R'000)	Average cost per employee	
Band A	0	22	0	0	0	0
Band B	0	4	0	0	0	0
Band C	0	2	0	0	0	0
Band D	0	0	0	0	0	0
<b>Total</b>	<b>0</b>	<b>28</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

### 3.9 Foreign Workers

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

**Table 3.9.1 Foreign workers by salary band for the period 1 April 2014 and 31 March 2015**

Salary band	01 April 20YY		31 March 2015		Change	
	Number	% of total	Number	% of total	Number	% Change
Lower skilled	0	0	0	0	0	0
Highly skilled production (Lev. 6-8)	0	0	0	0	0	0
Highly skilled supervision (Lev. 9-12)	0	0	0	0	0	0
Contract (level 9-12)	0	0	0	0	0	0
Contract (level 13-16)	0	0	0	0	0	0
<b>Total</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

**Table 3.9.2 Foreign workers by major occupation for the period 1 April 2014 and 31 March 2015**

Major occupation	01 April 20YY		31 March 2015		Change	
	Number	% of total	Number	% of total	Number	% Change
None	0	0	0	0	0	0
None	0	0	0	0	0	0

### 3.10 Leave utilisation

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



**Table 3.10.1 Sick leave for the period 1 January 2014 to 31 December 2014**

Salary band	Total days	% Days with Medical certification	Number of Employees using sick leave	% of total employees using sick leave	Average days per employee	Estimated Cost (R'000)
Lower skilled (Levels 1-2)	90	92.2	16	7.1	6	39
Skilled (Levels 3-5)	283	91.9	38	17	7	156
Highly skilled production (Levels 6-8)	536	88.6	66	29.5	8	552
Highly skilled supervision (Levels 9-12)	500	83.4	86	38.4	6	921
Senior management (Levels 13-16)	67	83.6	10	4.5	7	223
Contract (Levels 1-2)	24	95.8	6	2.7	4	8
Contract (Levels 3-5)	2	50	1	0.4	2	2
Contract (Levels 13-16)	4	75	1	0.4	4	13
<b>Total</b>	<b>1506</b>	<b>87.5</b>	<b>224</b>	<b>100</b>	<b>7</b>	<b>1914</b>

**Table 3.10.2 Disability leave (temporary and permanent) for the period 1 January 2014 to 31 December 2014**

Salary band	Total days	% Days with Medical certification	Number of Employees using disability leave	% of total employees using disability leave	Average days per employee	Estimated Cost (R'000)
Lower skilled (Levels 1-2)	10	100	1	16.7	10	4
Skilled (Levels 3-5)	141	100	2	33.3	71	91
Highly skilled production (Levels 6-8)	12	100	1	16.7	12	15
Highly skilled supervision (Levels 9-12)	35	100	2	33.3	18	85
<b>Total</b>	<b>198</b>	<b>100</b>	<b>6</b>	<b>100</b>	<b>33</b>	<b>195</b>

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

**Table 3.10.3 Annual Leave for the period 1 January 2014 to 31 December 2014**

Salary band	Total days taken	Number of Employees using annual leave	Average per employee
Lower skilled (Levels 1-2)	679	28	24
Skilled (Levels 3-5)	1723	75	23
Highly skilled production (Levels 6-8)	2752	126	22
Highly skilled supervision (Levels 9-12)	4182	173	24
Senior management (Levels 13-16)	669	27	25
Contract (Levels 1-2)	161	22	7
Contract (Levels 3-5)	6	1	6
Contract (Levels 13-16)	40	2	20
<b>Total</b>	<b>10212</b>	<b>454</b>	<b>22</b>

**Table 3.10.4 Capped leave for the period 1 January 2014 to 31 December 2014**

Salary band	Total days of capped leave taken	Number of Employees using capped leave	Average number of days taken per employee	Average capped leave per employee as on 31 December 2014
Highly skilled supervision(Levels 9-12)	6	1	6	62
<b>Total</b>	<b>6</b>	<b>1</b>	<b>6</b>	<b>62</b>

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

**Table 3.10.5 Leave pay-outs for the period 1 April 2014 and 31 March 2015**

Reason	Total amount (R'000)	Number of employees	Average per employee (R'000)
Leave payout for 2014/15 due to non-utilisation of leave for the previous cycle	204	8	25
Capped leave payouts on termination of service for 2014/15	1,397	22	63
Current leave payout on termination of service for 2014/15	225	8	28
<b>Total</b>	<b>1,826</b>	<b>38</b>	<b>48</b>

### 3.11 HIV/AIDS & Health Promotion Programmes

**Table 3.11.1 Steps taken to reduce the risk of occupational exposure**

Units/categories of employees identified to be at high risk of contracting HIV & related diseases (if any)	Key steps taken to reduce the risk
General house-keeping employees	<ul style="list-style-type: none"> <li>Provision of Personal Protective Equipment that is, protective gloves and mouth covers</li> <li>HIV/AIDS education and awareness sessions</li> </ul>
Liquor Inspectors	<ul style="list-style-type: none"> <li>Provision of condoms</li> <li>HIV/AIDS education and awareness sessions</li> <li>Provision of Personal Protective Equipment that is, gloves to be used during tavern /shebeen raids</li> </ul>

**Table 3.11.2 Details of Health Promotion and HIV/AIDS Programmes (tick the applicable boxes and provide the required information)**

Question	Yes	No	Details, if yes
1. Has the department designated a member of the SMS to implement the provisions contained in Part VI E of Chapter 1 of the Public Service Regulations, 2001? If so, provide her/his name and position.			Ms I.N Mashele Director: Human Resource Management
2. Does the department have a dedicated unit or has it designated specific staff members to promote the health and well-being of your employees? If so, indicate the number of employees who are involved in this task and the annual budget that is available for this purpose.			The total number of staff is four (4), and the budget allocated is two million four hundred and eighty thousand (R2,200.000) for compensation and goods and services.
3. Has the department introduced an Employee Assistance or Health Promotion Programme for your employees? If so, indicate the key elements/services of this Programme.			Proactive and reactive Employee Health and Wellness Programmes that is, implementation of the 4 Employee Health and Wellness Pillars

**HR OVERSIGHT STATISTICS - 01 APRIL 2014 TO 31 MARCH 2015**

Question	Yes	No	Details, if yes
4. Has the department established (a) committee(s) as contemplated in Part VI E.5 (e) of Chapter 1 of the Public Service Regulations, 2001? If so, please provide the names of the members of the committee and the stakeholder(s) that they represent.			OHS Committee, PILLIR committee. Mr. M Mthethwa Mr. S Mahlangu Ms. S Malaza Mr. M Mashaba Ms G Makhanya Ms M Mabilu Ms C Ngobe Mr. J Moile Ms L Phoku Ms A Tshifularo Ms. Y Thabethe Ms V Mbatha Ms BG Molahlegi
5. Has the department reviewed its employment policies and practices to ensure that these do not unfairly discriminate against employees on the basis of their HIV status? If so, list the employment policies/practices so reviewed.			Employment Equity plan, Draft HIV and AIDS and Occupational Health and Safety policies
6. Has the department introduced measures to protect HIV-positive employees or those perceived to be HIV-positive from discrimination? If so, list the key elements of these measures.			Implementation of the HIV/AIDS and T.B management policy and education and awareness programmes addressing stigma and discrimination
7. Does the department encourage its employees to undergo Voluntary Counselling and Testing? If so, list the results that you have achieved.			The Department arrange onsite HCT sessions for the employees
8. Has the department developed measures/indicators to monitor & evaluate the impact of its health promotion programme? If so, list these measures/indicators.			The Department planned its health promotion programmes based on the PILLIR analysis report from the Health Risk Management (SOMA initiative) and HRM sick leave trend analysis.

### 3.12 Labour Relations

**Table 3.12.1 Collective agreements for the period 1 April 2014 and 31 March 2015**

Subject matter	Date
None	

#### Notes

- If there were no agreements, keep the heading and replace the table with the following:

<b>Total number of Collective agreements</b>	<b>None</b>
--	-------------

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

**Table 3.12.2 Misconduct and disciplinary hearings finalised for the period 1 April 2014 and 31 March 2015**

Outcomes of disciplinary hearings	Number	% of total
Correctional counselling	0	0
Verbal warning	0	0
Written warning	0	0
Final written warning	0	0
Suspended without pay	0	0
Fine	0	0
Demotion	0	0
Dismissal	0	0
Not guilty	0	0
Case withdrawn	1	1
<b>Total</b>	<b>1</b>	<b>1</b>

**Notes:**

- One case was withdrawn because the employee resigned.
- If there were no agreements, keep the heading and replace the table with the following:

<b>Total number of Disciplinary hearings finalised</b>	<b>0</b>
--	----------

**Table 3.12.3 Types of misconduct addressed at disciplinary hearings for the period 1 April 2014 and 31 March 2015**

Type of misconduct	Number	% of total
Fraud in receiving money to issue liquor licenses	1	100
Gross dishonesty	1	100
Absenteeism	1	100
<b>Total</b>	<b>3</b>	<b>100</b>

**Table 3.12.4 Grievances logged for the period 1 April 2014 and 31 March 2015**

Grievances	Number	% of Total
Number of grievances resolved	4	23.52
Number of grievances not resolved	13	76.47
<b>Total number of grievances lodged</b>	<b>17</b>	<b>100</b>

**Table 3.12.5 Disputes logged with Councils for the period 1 April 2014 and 31 March 2015**

Disputes	Number	% of Total
Number of disputes upheld	2	100
Number of disputes dismissed	0	0
<b>Total number of disputes lodged</b>	<b>2</b>	<b>100</b>

**Table 3.12.6 Strike actions for the period 1 April 2014 and 31 March 2015**

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

**Table 3.12.7 Precautionary suspensions for the period 1 April 2014 and 31 March 2015**

Number of people suspended	1
Number of people who's suspension exceeded 30 days	1
Average number of days suspended	156
Cost of suspension(R'000)	84 195

### 3.13 Skills development

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

**Table 3.13.1 Training needs identified for the period 1 April 2014 and 31 March 2015**

Occupational category	Gender	Number of employees as at 1 April 2014	Training needs identified at start of the reporting period			
			Learnerships	Skills Programmes & other short courses	Other forms of training	Total
Senior management (Levels 13-16)	Female	6	0	28	0	28
	Male	21	0	33	0	33
Highly skilled supervision (Levels 9-12)	Female	62	0	8	0	8
	Male	79	0	23	0	23
Highly skilled production (Levels 4-8)	Female	59	0	22	0	22
	Male	136	0	30	0	30
Elementary occupations Lower skilled (Levels 1-3)	Female	57	13	14	2	29
	Male	39	11	10	2	23
Sub Total	Female	184	13	72	2	87
	Male	275	11	96	2	109
<b>Total</b>		<b>459</b>	<b>24</b>	<b>168</b>	<b>4</b>	<b>196</b>

**Table 3.13.2 Training provided for the period 1 April 2014 and 31 March 2015**

Occupational category	Gender	Number of employees as at 1 April 2014	Training provided within the reporting period			
			Learnerships	Skills Programmes & other short courses	Other forms of training	Total
Senior management (Levels 13-16)	Female	6	0	32	0	32
	Male	21	0	23	0	23
Highly skilled supervision (Levels 9-12)	Female	62	0	16	0	16
	Male	79	0	13	0	13
Highly skilled production (Levels 4-8)	Female	59	0	36	0	36
	Male	136	0	13	0	13
Elementary occupations Lower skilled (Levels 1-3)	Female	57	13	5	2	20
	Male	39	11	0	2	13
Sub Total	Female	184	13	89	2	104
	Male	275	11	49	2	62
<b>Total</b>		<b>459</b>	<b>24</b>	<b>138</b>	<b>4</b>	<b>166</b>

### 3.14 Injury on duty

The following tables provide basic information on injury on duty.

Table 3.14.1 Injury on duty for the period 1 April 2014 and 31 March 2015

Nature of injury on duty	Number	% of total
Required basic medical attention only	3	100
Temporary Total Disablement	0	0
Permanent Disablement	0	0
Fatal	0	0
<b>Total</b>	<b>3</b>	<b>100</b>

### 3.15 Utilisation of Consultants

Table 3.15.1 Report on consultant appointments using appropriated funds for the period 1 April 2014 and 31 March 2015

Project title	Total number of consultants that worked on project	Duration (work days)	Contract value in Rand
Development of Economic Interventions in Municipalities	1	120	R1 387 950.00
Development of a Provincial Industrial Development Plan	1	90	R893 215.00
Implementation of Job Design, Personnel Profiling, Matching and Placement	1	100	R499 900.00
Development of a comprehensive turnaround strategy	1	120	R414 720.00

Total number of projects	Total individual consultants	Total duration Work days	Total contract value in Rand
4	4	430	R3 195 785.00

Table 3.15.2 Analysis of consultant appointments using appropriated funds, in terms of Historically Disadvantaged Individuals (HDIs) for the period 1 April 2014 and 31 March 2015

Project title	Percentage ownership by HDI groups	Percentage management by HDI groups	Number of consultants from HDI groups that work on the project
Development of Economic Interventions in Municipalities	25	25	1
Development of a Provincial Industrial Development Plan	100	100	1
Implementation of Job Design, Personnel Profiling, Matching and Placement	100	100	1
Development of a comprehensive turnaround strategy	100	100	1



**Table 3.15.3 Report on consultant appointments using Donor funds for the period 1 April 2014 and 31 March 2015**

Project title	Total Number of consultants that worked on project	Duration (Work days)	Donor and contract value in Rand
None	None	None	None

Total number of projects	Total individual consultants	Total duration Work days	Total contract value in Rand
None	None	None	None

**Table 3.15.4 Analysis of consultant appointments using Donor funds, in terms of Historically Disadvantaged Individuals (HDIs) for the period 1 April 2014 and 31 March 2015**

Project title	Percentage ownership by HDI groups	Percentage management by HDI groups	Number of consultants from HDI groups that work on the project
None	None	None	None

### 3.16 Severance Packages

**Table 3.16.1 Granting of employee initiated severance packages for the period 1 April 2014 and 31 March 2015**

Salary band	Number of applications received	Number of applications referred to the MPSA	Number of applications supported by MPSA	Number of packages approved by department
Lower skilled (Levels 1-2)	0	0	0	0
Skilled Levels 3-5)	0	0	0	0
Highly skilled production (Levels 6-8)	0	0	0	0
Highly skilled supervision(Levels 9-12)	0	0	0	0
Senior management (Levels 13-16)	0	0	0	0
<b>Total</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>





Part E:

# Financial Information



## TABLE OF CONTENTS

Report of the Accounting Officer	111
Accounting Officer's Statement of Responsibility for Annual Financial Statements	123
Report of the Auditor-General	124
<b>Annual Financial Statements</b>	<b>127</b>
Appropriation Statement	127
Notes to the Appropriation Statement	144
Statement of Financial Performance	146
Statement of Financial Position	147
Statement of Changes in Net Assets	148
Cash Flow Statement	149
Notes to the Annual Financial Statements (including Accounting policies)	150
Unaudited supplementary annexures	175



## REPORT OF THE ACCOUNTING OFFICER

*For the year ended 31 March 2015*

---

### REPORT BY THE ACCOUNTING OFFICER TO THE EXECUTING AUTHORITY AND THE MPUMALANGA PROVINCIAL LEGISLATURE OF THE REPUBLIC OF SOUTH AFRICA.

#### 1. Introduction

The purpose of this report is to highlight specific financial matters and financial activities which took place during the 2014/2015 financial year.

#### 2. Report of the Accounting Officer for the year ended 31 March 2015

The following is the report by the Accounting Officer to the Executing Authority and the Mpumalanga Provincial Legislature on the financial performance, financial position and activities of the Department of Economic Development and Tourism.

#### 3. General review of the state of financial affairs

It is my pleasure to present the Report of the Accounting Officer for the 2014/2015 financial year. The report outlines the performance of the Department; achievements during the year under review; the challenges encountered and the remedial actions taken to correct the situation. The Department received unqualified audit opinion in the 2013/2014 financial year with additional matters.

On budgetary issues, the Department was allocated a total of R861, 772,000 at the beginning of the financial year, and during the main budget adjustment the budget was reduced to R769, 093,000. Before year end another adjustment in the form of a special adjustment was tabled and a further R4,800,000 was cut from the Departmental budget resulting in a final allocation to R764, 293,000. The total expenditure as at year end (31 March 2015) is R761,035,000 and as a result the Department surrendered R3,258,000 as unspent voted funds to Provincial Treasury.

During the year under review, the Department continued to implement austerity measures to ensure that spending on some line items in the operational budget are reduced in order not to overspend the Budget Vote. Cost curtailment measures continue to be implemented, such as capped monthly travel for officials as part of our ongoing commitment to ensure efficiency and value for money, we have further continued to assess compliance to governance issues which have been raised by the Internal Audit and Risk Management Units which in my opinion, are reflected through the good performance of the Department.

I wish to express my gratitude to the senior management and the entire staff of the Department, for their commitment in ensuring that we continue to carry out the mandate of the Department by efficiently utilising the resources provided.

##### 3.1 Important Policy Decision and Strategic Issues

After the 2014 general elections, the Honourable Premier during his second State of the Province Address, announced the transfer of Environmental Services from the Department back to the Department of Agriculture, Rural Development, Land and Environmental Affairs (DARDLEA).

The process of operationalisation, of the Mpumalanga Liquor Authority continued during the year under review, and this has seen the appointment of a new Board under the new Mpumalanga Liquor Licensing Act (Act no. 5 of 2006). The Board has commenced with its oversight role in ensuring that the new entity is set up and listed in order to finally de-link from the Department and become a fully fledged Public Entity. An amount of R 5 431 000 was budgeted by the Department under Programme 4 to fund the establishment of the Mpumalanga Liquor Authority.

## REPORT OF THE ACCOUNTING OFFICER

For the year ended 31 March 2015

---

### Significant events that took place during the financial year under review:

The following events took place during the year under review (2014/2015 financial year):

#### • Outcome 4: Decent employment through inclusive economic Growth

##### Programme 2

- 5 SMME's and 1 cooperative capacitated and participated in the mining and energy sector value chain
- 11 SMME's trained on Technical skills in partnership with SABS within the Manufacturing
- 19 Cooperatives trained on technical skills in partnership with SABS within the manufacturing and agriculture sector
- Model for the establishment of the One Stop Business Development Centres developed
- 255 Economic opportunities for targeted group identified within the Partnership Agreements.
- 9 Social Labour Plans for mining companies monitored within the partnership agreements.
- 9 LED strategies aligned to MEGDP and other spatial development plans

##### Programme 3

- The implementation of export and investment initiatives in agriculture and agro-processing sector supported through Oman trade and investment initiatives and Implementation process map developed
- Export and Investment incentive packages to support the SEZ at Nkomazi local municipality developed.
- The-feasibility study for the establishment of the Industrial Park in Govan Mbeki Local Municipality facilitated
- The establishment of the International Convention Centre (ICC) in Mbombela supported
- Operations of the Oilseed Crushing Plant in Lekwa Local Municipality supported
- Commissioning of the Broadband Network Infrastructure feasibility study facilitated for the Province
- Preliminary designs for the sunflower processing plant developed at Dr JS Moroka Local Municipality,
- A project plan developed for the implementation of the steel and metal fabrication hub in Steve Tshwete Local Municipality
- Economic opportunities in the BPO and call centres industry identified and potential stakeholders engaged
- Third phase of the pre- apprenticeship programme completed for 30 youth
  - The On Job Training has been finalised for 10 youth and students are awaiting certification from NIMSA
  - 18 youth incubated through MSI utilising different companies

##### Programme 4

- 1656 cases received, investigated and 1615 resolved.
- 490 consumer education and awareness programmes conducted
- 15 Consumer Court hearings adjudicated by the Consumer Court
- 17 Awareness and education programmes on applicable legislation conducted.
- 5 Capacity Building workshops conducted (1 in Ehlanzeni District, 2 in Gert Sibande District and 2 in Nkangala District)



## REPORT OF THE ACCOUNTING OFFICER

For the year ended 31 March 2015

### Programme 5

- Provincial Industrial Development Plan developed
- Report on economic opportunities identified along the Moloto Corridor reviewed
- ICT System for job tracking in the Province developed
- 1 economic sector profile produced on ICT
- Final draft of the policy and legislative frameworks produced.

### Programme 6

- 3 Quarterly Tourism Intergovernmental Planning and Coordinating Forum convened
- 8 tourism initiatives/projects supported
- Implemented three tourism programmes ( Lilizela Tourism Awards, Tourism Month celebration and Tourism Careers Expo)

### Major projects undertaken or completed during the financial year under review:

- 5 SMME's and 1 cooperative capacitated and participated in the mining and energy sector value chain
- 11 SMME's and 19 cooperatives trained on technical skills in partnership with SABS within the manufacturing and agriculture sector
- Model for the establishment of the One Stop Business Development Centres developed
- Operations of the Oilseed Crushing Plant in Lekwa Local Municipality supported
- ICT System for job tracking in the Province developed

### Expenditure Trends – Annual Reports MTEF

PROGRAMME	2012/13	2013/14	2014/15
	R'000	R'000	R'000
Administration	101,707	88,434	86,419
Integrated Economic Development	230,051	196,990	231,114
Trade and Sector Development	320,457	35,461	14,912
Business Regulation	60,072	80,979	82,400
Economic Planning	6,923	8,344	13,362
Environmental Services	70,005	94,969	-
Tourism	-	325,863	332,828
<b>TOTAL</b>	<b>789,215</b>	<b>831,040</b>	<b>761,035</b>

## REPORT OF THE ACCOUNTING OFFICER

For the year ended 31 March 2015

The table below shows the Department's performance per Programme:

Per Programme	Main Budget	Adjusted Budget	Expenditure	Available	% Spend
	R'000	R'000	R'000	R'000	R'000
Administration	89,774	87,847	86,419	1,428	98.4
Integrated Economic Development	242,956	231,114	231,114	-	100
Trade and Industry Development	17,711	14,986	14,912	74	99.5
Business Regulation	82,495	83,129	82,400	729	99.1
Economic Planning	14,989	14,389	13,362	1,027	92.9
Environmental Services	81,208	-	-	-	-
Tourism	332,639	332,828	332,828	-	100
<b>TOTAL</b>	<b>861,772</b>	<b>764,293</b>	<b>761,035</b>	<b>3,258</b>	<b>99.6</b>

The table below shows the Department's performance per economic classification:

Per Economic Classification	Main Budget	Adjusted Budget	Expenditure	Available	% Spend
	R'000	R'000	R'000	R'000	R'000
Compensation of employees	178,989	110,557	109,953	604	99.5
Goods and services	111,861	92,357	89,214	3,143	96.6
Transfers	556,046	556,146	556,540	(394)	100.1
Payment for Capital Assets	14,876	5,233	5,328	(95)	101.8
<b>TOTAL</b>	<b>861,772</b>	<b>764,293</b>	<b>761,035</b>	<b>3,258</b>	<b>99.6%</b>

Included under goods and services above is an amount of R5 000 000 which relates to unauthorised expenditure for prior years. The amount was included in appropriation for the year under review in order to reduce the balance.

### • Reasons for over/under spending

#### Goods and services

The reasons for under-spending on goods and services in Programme 1 are as follows:

Accrued payments on:

- Audit fees
- Fleet management services
- Contractual obligations
- Municipal services payment

Programme : 4

The underspending was as a result of outstanding payment to the service provider of the licensing system for the Mpumalanga Liquor Authority.

## REPORT OF THE ACCOUNTING OFFICER

For the year ended 31 March 2015

---

### Transfers

- The overspending on transfers is because of payment of leave gratuity.

### Payment for Capital Assets

- The overspending on payment for capital assets was as a result of the purchase of official vehicle for the MEC because the old one required to be replaced due to continuous mechanical challenges.

### Virement Shifts

#### First adjustment

- During the main budget adjustment, the Department's budget was reduced from R861 772 000 to R764 293 000 and an amount of R86,338,000 was shifted to Department of Agriculture, Rural Development, Land and Environmental Affairs as a result of the transfer of Environmental Services function to that Department (Dardlea).

#### Programme 1: Administration

- The budget for Programme 1 was decreased by amount of R2 063 000.
- The budget for Compensation of Employees and Goods and Services was reduced by R4 250 000 which was identified as unspent funds
- An amount of R2 145 000 was received from Department of Finance to fund the Statutory Appropriation.
- **Outcome 4: Decent employment through inclusive economic Growth**

#### Programme 2: Integrated Economic Development:

- The Programme's budget was decreased by an amount of R2 734 000 which was identified as a saving under Goods and Services. This amount was used to fund Programme 4 (Business Regulation) for;
- Conducting of Research on the demand and logistical analysis for Mpumalanga International Fresh Produce Market project.
- Conducting a study on the establishment of the Mpumalanga International Convention Centre.
- An amount of R1 500 000 was identified as unspent funds and was surrendered to the Provincial Treasury to fund
- Co-operatives in the Office of the Premier.
- An amount of R4 472 000 under this programme was a function shift for Environmental Services to Dardlea.

#### Programme 3: Trade and Sector Development:

A saving of R2 736 000 was identified in this Programme under Compensation of employees and was subsequently was surrendered to the Provincial Treasury.

#### Programme 4: Business Regulation and Governance

- This programme budget was increased by 634 000 in order to fund The Mpumalanga Liquor Authority licensing system.

#### Programme 5: Economic Planning

The budget for the Programme was increased by R900 000 due to the following:

- To fund the conducting of research on the demand and logistical analysis for the Mpumalanga International Fresh Produce Market project.
- **Outcome 10: Protected and enhanced environmental assets and nature resources to the citizen of Mpumalanga**

## REPORT OF THE ACCOUNTING OFFICER

For the year ended 31 March 2015

### Programme 6: Environmental Services

The entire budget of R81 208 000 for this Programme was shifted with Environmental function to the Department of Agriculture (Dardlea) during this budget adjustment.:

- **Second adjustment**

The following adjustments were made after the 2014/15 budget adjustment appropriation

Programme	Economic Classification Transfer from	Amount R'000
Intergrated Economic Development	Goods and Services	2,000
Administration	Compensation of Employees	1,300
Economic Planning	Goods and Services	1,500
<b>Total</b>		<b>4,800</b>

The department had to surrender a total amount of R4 800 000 to Treasury during the Mpumalanga Special Adjustment Appropriation Bill, 2015.

### Unauthorised expenditure

A budget of R5,000,000 was set aside for the departmental expenditure under payment for Financial Assets, and a virement was done to move it to goods and services in Administration to reduce the Unauthorised expenditure for prior years condoned without funding..

### Who gave the approval for virements to be done

The Accounting Officer gave the approval for the virements and the Provincial Treasury was informed accordingly in line with section 43(2) of the Public Finance Management Act, Act 1 of 1999.

### Impact on Programmes and service delivery

The Department did not achieve some of the targets that were set to be attained in the year under review due to shortage of personnel especially in Programmes 5 and 6, and also due to slow spending.

## 4. Services rendered by the Department

The Department comprises six (6) Programmes. The objective of Programme 1 (Administration) is to set policy and political directives in order to achieve Provincial Treasury objectives; translate policies and priorities into strategies for effective service delivery; provide independent objective assurance on governance; internal control systems and risk management processes of the Department in order to add value to its operations and support it to achieve its service delivery imperatives; provide efficient and effective financial management; provide integrated human resource; communication services; legal services and implement risk management process in order to build an ethical organisational culture with a zero tolerance to fraud, corruption and maladministration. Programmes 2 to 6 are the actual service delivery implementation arms of the Department, which have performed as follows, amongst others:

### 4.1 Programme 2: Integrated Economic Development Services

In strengthening and providing Integrated Economic Development Services, The Department managed to assist 1242 smme's and 291 cooperatives to register their businesses with the Companies and Intellectual Property Commission (CIPC). The Department further assisted 1208 existing smme's in all sectors on the lodgement of annual returns and other referral services. Through the Department's partnership with the South African Bureau of Standard, a total number of 11 SMME's

## REPORT OF THE ACCOUNTING OFFICER

For the year ended 31 March 2015

and 19 cooperatives were provided with technical training which is aimed at improving the quality of their products and thus improve their competitiveness. The Programme also managed to update and maintain the Provincial BBBEE database which is linked to the national BBBEE IT Portal.

### 4.2 Programme 3: Trade and Sector Development

In ensuring growth in exports from the Province, the implementation of export and investment initiatives in agriculture and processing sector was supported through Oman trade and investment initiatives. We have also identified countries, developed profiles and disseminated information on trade and investment opportunities available in following countries: Africa- Mozambique, Swaziland, Kenya, Democratic Republic of Congo, Uganda, Egypt and Botswana, Middle East- Oman and UAE, Asia- India and China and Russia. Four (4) export development programmes were facilitated. The following projects were supported, namely Nkomazi SEZ, Industrial Park in Govan Mbeki Local Municipality, International Convention Centre (ICC) in Mbombela and Oilseed Crushing Plant in Lekwa Local Municipality. Four (4) prioritised growth sectors supported on beneficiation

### 4.3 Programme 4: Business Regulation and Governance

In relation to consumer protection services, 1656 cases were received, and 1615 were investigated and resolved. A total of 490 education and awareness campaigns were carried out. Fifteen (15) Consumer Court hearings were adjudicated by the Consumer Court In ensuring compliance to applicable liquor laws, 17 Awareness and education programmes on applicable legislation and 5 Capacity Building Workshops were conducted.

### 4.4 Programme 6: Tourism

To regulate and ensure compliance of the tourism sector; 4 hot spot inspections were conducted in the Province. To drive tourism sector transformation, the department has supported 8 tourism initiatives/projects, 4 campaigns were conducted to implement Tourism Safety Plan and Implemented all three tourism programmes, that is Lilizela Tourism Awards, Tourism Month celebration and Tourism Careers Expo, were implemented.

## 5. The Tariff Policy

The Department has an approved Tariff Policy for all the Environmental Centres across the Province. These centres provide environmental education and awareness programmes to visiting learners.

## 6. Own revenue

The main revenue source for the Department is gambling levies collected through the Mpumalanga Gambling Board.

The table below indicates a breakdown of sources of revenue as well as actual against target in revenue collection for the current and previous financial year:

Revenue	2014/15 Budget	2014/15 Actual	2013/14 Budget	2013/14 Actual
	R'000	R'000	R'000	R'000
Casino Taxes	72,000	73,002	64,048	68,098
Interest: PMG Account	866	1,179	827	832
Horse Racing Taxes	7,938	10,735	9,947	8,324
Liquor Licences	2,218	2,343	2,112	2,312
Fines and Penalties	424	1,857	577	2,202
Other Revenue	2,168	2,421	1,789	2,279
<b>Total</b>	<b>85,614</b>	<b>91,537</b>	<b>79,300</b>	<b>84,047</b>

## REPORT OF THE ACCOUNTING OFFICER

For the year ended 31 March 2015

---

Total revenue collected on behalf of the Department was R 91,537,000 against a target of R 85,614,000 which represents an over collection of 7%. Revenue generated from Environmental Centres amounted to R 2,168,000 and is accounted for under 'Other Revenue' in the table above.

### 7. Utilisation of donor funds

None

### 8. Trading Entities and Public Entities

The Department performed oversight functions over three (3) Public Entities and to the Zithabiseni Resort and Conference Centre during the financial year under review, namely:

#### 8.1 Mpumalanga Tourism and Parks Agency (MTPA)

The mandate of the MTPA is:

- To ensure sustainable management and promotion of tourism and nature conservation in the Province;
- To ensure the sustainable utilisation of natural resources; and
- To broaden the participation of historically disadvantaged individuals in the tourism industry.

#### 8.2 Mpumalanga Economic Growth Agency (MEGA)

The mandate of MEGA is:

- To promote trade and investment in Mpumalanga;
- To provide funding in respect of approved enterprise and agricultural development focusing primarily on the previously disadvantaged individuals in Mpumalanga;
- To develop property including the granting of housing loans in Mpumalanga; and
- To deliver massive infrastructure in Mpumalanga.

#### 8.3 Mpumalanga Gambling Board (MGB)

The mandate of the MGB is:

- To perform functions in terms of Mpumalanga Gambling Act, including ensuring the sustainability of all persons wishing to participate in the gaming industry within Mpumalanga and ensuring that gaming activities regulated by the MGB are conducted fairly;
- To ensure that the regulation of gaming is effective and efficient;
- To render support and advice Member of the Executive Council responsible for gambling matters in the Province on gaming issues and ensure that Government's policy on gaming is implemented.

#### 8.4 Zithabiseni Resort and Conference Centre Resort and Conference Centre (ZRCC)

The ZRCC is not a listed Public Entity and continues to fall under the jurisdiction of the Department. In overseeing its functions and activities, assistance was provided to it through the compilation of a risk register. The Department is in the process of transferring the Resort to the MTPA seeing that it offers tourism products, and would therefore be better located there.



## REPORT OF THE ACCOUNTING OFFICER

For the year ended 31 March 2015

### 9. Organisations to where transfer payments were made:

Name of Public Entity	2014/15	2013/14
	R'000	R'000
Mpumalanga Economic Growth Agency (MEGA)	171,605	169,410
Mpumalanga Tourism and Parks Agency (MTPA)	310,941	304,422
Mpumalanga Gambling Board (MGB)	54,500	57,908
Zithabiseni Resort and Conference Centre Resort and Conference Centre (ZRCC)	19,000	19,000
<b>Total</b>	<b>556,046</b>	<b>550,740</b>

The reasons for the transfers to the entities and ZRCC have been explained above in section 4 (where more details are provided on their purpose). The transfer to the ZRCC is mainly for compensation of employees.

### 10. Corporate Governance Arrangements

#### 10.1 Risk Management Approach

Risk management is a central part of the Department's strategic management. The Department, both methodically and intuitively, addresses the risk attached to its activities with the goal of achieving sustained benefit within each activity and across the portfolio of activities. The Risk Management business unit is well supported by management and the Accounting Officer, and well positioned to fulfil its mandate. In line with best practises, the function reports to the Accounting Officer. The business unit conducted its function in line with the approved Risk Management Implementation Plan. The management of risk within the Department is done in terms of Section 38 (a) (i) of the PFMA and Treasury Regulation 3.2. The Departmental wide-approach to risk management was guided by various guidelines, such as the Public Sector Risk Management Framework, Provincial Treasury Risk Management framework, Committee of Sponsoring Organizations (COSO), King III Report and ISO 31000. The Risk Management Strategy was revised and approved to inform the risk management processes within the Department.

The Risk Management Strategy was communicated to all employees of the Department, risk assessments were performed and mitigating strategies were also monitored regularly. The Risk Management Committee was appointed and was functioning during the financial year under review.

The Internal Audit Plan was developed based on the risk assessments. By performing this function, the Department is striving to maintain effective, efficient and transparent system of financial, risk management and internal control as described in section 38(a)(i) of the Public Finance Management Act.

#### 10.2 Fraud Prevention Plan

The Fraud Prevention Strategy and Whistle-blowing Policy emanating from the National and Provincial Anti-corruption Strategies were developed and approved. These documents were communicated to all employees of the Department during awareness workshops. The Fraud Prevention Strategy is aimed at deterring, preventing, detecting and reacting to and reducing the impact of corruption where such dishonest activities subsist. In addition, the strategy also sets out the Department's position towards corruption as well as reinforcing existing systems, policies, procedures, rules and regulations. Furthermore, it confirms that the Department supports and fosters a culture of zero tolerance to fraud. The Fraud Risk Assessment and ethics survey was performed and mitigating strategies monitored during the period under review. A gift register was also implemented and employees were sensitised on the importance of not accepting gifts privately, benefits and items of monetary value during the performance of their duties as these may be construed as bribes.

## REPORT OF THE ACCOUNTING OFFICER

*For the year ended 31 March 2015*

---

### 10.3 Internal Audit and Audit Committee

The Internal Audit unit of the Department was established in 2002 in terms of the Public Finance Management Act (1 of 1999), as an integral part of governance systems. Internal Audit provides objective and independent assurance to management, and to the Audit Committee, on the adequacy and effectiveness of internal control, risk management and governance processes within the Department. In pursuing this activity, the unit is guided by a fully functional Audit Committee which operates in terms of an approved Audit committee charter.

### 10.4 Process to manage conflict

The Department of Public Service and Administration (DPSA) requires all senior managers (director and above) to disclose their financial interest annually, and all other levels are required to apply for permission to do remunerative work over and above their normal work. All senior managers disclosed their financial interest for the 2013/2014 financial year by the 30 April 2014.

In addition the Department requires the disclosure of interest by bid committee members prior to all evaluation and adjudication processes of bids. All the members of bid committees declare their interest during such meetings. The members of short-listing and interviewing panels for appointment of employees also declare their interest during the financial year. Similarly, all employees are required to seek permission of the Executing Authority if they intend to perform remunerative work outside government.

### 10.5 Responsibilities of the Accounting Officer

During the financial year under review, the Accounting Officer was able to oversee the financial transactions of the Department by ensuring that proper monitoring systems were put in place; and that the budget was prepared in terms of Treasury guidelines. The supply chain management unit was functional with three (3) Bid Committee systems. Assets verifications were conducted according planned targets as per the Department's annual performance plan.

## 11. Discontinued activities/activities to be discontinued

None

## 12. New/proposed activities

None

## 13. Asset Management

All assets acquired during the period under review were recorded in the assets register, with proper liaison between assets controllers and procurement practitioners regarding assets acquisition and delivery notes before distribution to the relevant end user. To date, the Department has complied with the minimum requirements of GIAMA. There are no major challenges on assets management reform issues being experienced by the Department currently. Reconciliations are being done between BAS and the LOGIS in order to update the movements of assets in the Assets Register. Assets verification is performed three times in a year to ensure that the assets register is updated regularly. A new bar-coding system was purchased and has brought about an improvement in the manner in which Departmental assets are verified.

The year under review so the transfer of Environmental Services functions to the Department of Agriculture. This necessitated the transfer of assets from this Department to Dardlea. This process was managed effectively with the signing of transfer certificates by the respective Accounting Officers and processes followed in terms of applicable legislation.

## REPORT OF THE ACCOUNTING OFFICER

For the year ended 31 March 2015

### 14. Prior Year error Adjustments

The Department did not have any prior adjustment.

### 15. Inventories

None

### 16. Information on predetermined objectives

The Department has approved the Monitoring and Evaluation Framework which will assist to monitor performance information. The Department produces monthly and quarterly reports which are signed-off by Programme Managers to validate the supplied information. These reports are thereafter submitted by the Accounting Officer to the Provincial Treasury and the Provincial Legislature on a quarterly basis.

### 17. SCOPA Resolutions

Reference to previous audit report and SCOPA resolutions	Subject	Findings on progress
1.7th report and paragraph 3.1.1	<p>Unauthorised Expenditure</p> <p>The committee recommended that the House resolved as follows:</p> <p>The unauthorised expenditure R10,393,000 remains not condoned and should be charged against the Department 2010/11</p>	<p>1. The total unauthorized expenditure of R15,226 million became a charge against the funds allocated for the next or future years under the vote. This was spread over three years and the final charge of R5,226 million will be during the financial year 2015/16. In terms of section 34 (2) of the PFMA</p>
10 report of the Select Committee on Public Accounts	<p>Unauthorised Expenditure</p> <p>The committee recommended that the House resolved as follows:</p> <ol style="list-style-type: none"> <li>1. The unauthorised expenditure amounting R 4,833,000 is not condoned.</li> <li>2. The Department lay criminal charges of financial misconduct against Mr RS Tshukudu in line with section 86 of the PFMA for non-compliance with section 38 (1) (c) (ii) and Treasury Regulation 9.1.1 and 9.1.2</li> <li>3. The Department charge the Chief Financial Officer with financial misconduct for: <ul style="list-style-type: none"> <li>• Contravening section 45 (c) and 45 (d) of the PFMA in that she/he failed to put effective systems to prevent unauthorised expenditure amounting R 4,833,000.</li> <li>• Failure to report unauthorised expenditure immediately after discovery as required by section 38 (g) of the PFMA read with treasury regulation</li> </ul> </li> </ol>	<ol style="list-style-type: none"> <li>1. The total unauthorized expenditure of R15,226 million became a charge against the funds allocated for the next or future years under the vote. This was spread over three years and the final charge of R5,226 million will be during the financial year 2015/16. In terms of section 34 (2) of the PFMA</li> <li>2. The criminal case against the Accounting Officer is still under investigation by the law enforcement agencies.</li> <li>3. Disciplinary action was taken against the Chief Financial officer and appropriate sanction was imposed</li> </ol>

## REPORT OF THE ACCOUNTING OFFICER

For the year ended 31 March 2015

---

### 18. Exemptions and deviations received from the National Treasury

No exemptions and deviations were received from the National Treasury.

### 19. Interim Financial Statements

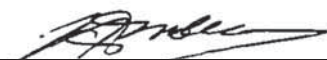
- The interim financial statements were prepared as per the guide from the National Treasury;
- The following information was prepared and submitted to Provincial Treasury;
  - Trial balance for the relevant quarter, Statement of changes in the Net assets;
  - Cash flow statement, Notes to the interim financial statement and Disclosure notes to the interim financial statement.

### 20. Other

None

### 21. Approval

The Annual Financial Statements set out on pages 127 to 182 have been approved by the Accounting Officer.



---

**MR T MDAKANE**

**ACCOUNTING OFFICER (ACTING)**

**Department of Economic Development and Tourism**

**31 May 2015**

## ACCOUNTING OFFICER'S STATEMENT OF RESPONSIBILITY FOR ANNUAL FINANCIAL STATEMENTS

*For the year ended 31 March 2015*

---

The Accounting Officer is responsible for the preparation of the Department's Annual Financial Statements (AFS) and for the judgments made in this information.

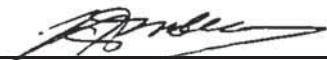
The Accounting Officer is responsible for establishing, and implementing a system of internal control designed to provide reasonable assurance as to the integrity and reliability of the annual financial statements.

In my opinion, the financial statements fairly reflect the operations of the Department for the financial year ended 31 March 2015.

The external auditors are engaged to express an independent opinion on the AFS of the Department.

The AFS of the Department of Economic Development and Tourism for the year ended 31 March 2015 have been examined by the external auditors and their report is presented on page 124

The Annual Financial Statements of the Department set out on page 127 to page 182 have been approved.



---

**MR T MDAKANE**

**ACCOUNTING OFFICER (ACTING)**

**Department of Economic Development and Tourism**

**31 July 2015**

## REPORT OF THE AUDITOR-GENERAL

*For the year ended 31 March 2015*

---

### REPORT OF THE AUDITOR - GENERAL TO THE MPUMALANGA PROVINCIAL LEGISLATURE ON VOTE NO. 6: DEPARTMENT OF ECONOMIC DEVELOPMENT AND TOURISM

#### Report on the financial statements

##### Introduction

1. I have audited the financial statements of the Department of Economic Development and Tourism set out on pages 127 to 174, which comprise the appropriation statement, the statement of financial position as at 31 March 2015, the statement of financial performance, statement of changes in net assets and cash flow statement for the year then ended, as well as the notes, comprising a summary of significant accounting policies and other explanatory information.

##### Accounting officer's responsibility for the financial statements

2. The accounting officer is responsible for the preparation and fair presentation of these financial statements in accordance with the Modified Cash Standard (MCS) and the requirements of the Public Finance Management Act of South Africa, 1999 (Act No. 1 of 1999) (PFMA) and the Division of Revenue Act of South Africa, 2014 (Act No. 10 of 2014) (DoRA), and for such internal control as the accounting officer determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

##### Auditor-general's responsibility

3. My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with International Standards on Auditing. Those standards require that I comply with ethical requirements, and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

4. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

5. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

##### Opinion

6. In my opinion, the financial statements present fairly, in all material respects, the financial position of the Department of Economic Development and Tourism as at 31 March 2015 and its financial performance and cash flows for the year then ended, in accordance with the MCS and the requirements of the PFMA and DoRA.

##### Report on other legal and regulatory requirements

7. In accordance with the Public Audit Act of South Africa, 2004 (Act No. 25 of 2004) (PAA) and the general notice issued in terms thereof, I have a responsibility to report findings on the reported performance information against predetermined objectives for selected programmes presented in the annual performance report, non-compliance with legislation as well as internal control. The objective of my tests was to identify reportable findings as described under each subheading but not to gather evidence to express assurance on these matters. Accordingly, I do not express an opinion or conclusion on these matters.



## REPORT OF THE AUDITOR-GENERAL

*For the year ended 31 March 2015*

---

### **Predetermined objectives**

8. I performed procedures to obtain evidence about the usefulness and reliability of the reported performance information for the following selected programmes presented in the annual performance report of the department for the year ended 31 March 2015:

- Programme 2: integrated economic development, on pages 39 to 50
- Programme 6: tourism, on pages 69 to 72

9. I evaluated the reported performance information against the overall criteria of usefulness and reliability.

10. I evaluated the usefulness of the reported performance information to determine whether it was presented in accordance with the National Treasury's annual reporting principles and whether the reported performance was consistent with the planned programmes. I further performed tests to determine whether indicators and targets were well defined, verifiable, specific, measurable, time bound and relevant, as required by the National Treasury's Framework for managing programme performance information.

11. I assessed the reliability of the reported performance information to determine whether it was valid, accurate and complete.

12. I did not raise any material findings on the usefulness and reliability of the reported performance information for the following programmes:

- Programme 2: integrated economic development
- Programme 6: tourism

### **Additional matters**

13. Although I raised no material findings on the usefulness and reliability of the reported performance information for the selected programmes, I draw attention to the following matters:

### **Achievement of planned targets**

14. Refer to the annual performance report on pages 26 to 72 for information on the achievement of the planned targets for the year.

### **Adjustment of material misstatements**

15. I identified material misstatements in the annual performance report submitted for auditing on the reported performance information for the integrated economic development programme. As management subsequently corrected the misstatements, I did not raise any material findings on the usefulness and reliability of the reported performance information.

### **Compliance with legislation**

16. I performed procedures to obtain evidence that the department had complied with applicable legislation regarding financial matters, financial management and other related matters. My findings on material non-compliance with specific matters in key legislation, as set out in the general notice issued in terms of the PAA, are as follows:

### **Annual financial statements, performance report and annual report**

17. The financial statements submitted for auditing were not prepared in accordance with the prescribed financial reporting framework, as required by section 40(1)(a) and (b) of the PFMA. Material misstatements of funds to be surrendered and related party transactions identified by the auditors in the submitted financial statements were subsequently corrected, resulting in the financial statements receiving an unqualified audit opinion.

## REPORT OF THE AUDITOR-GENERAL

For the year ended 31 March 2015

---

### Internal audit

18. The internal audit function did not assess the operational procedure and monitoring mechanisms relating to all transfers made and received, including transfers in terms of the annual DoRA, as required by treasury regulation 3.2.8.

### Procurement and contract management

19. Persons in the service of the department whose close family members, partners or associates had a private or business interest in contracts awarded by the department failed to disclose such interest, as required by treasury regulation 16A8.4.

### Human resource management and compensation

20. Sufficient appropriate audit evidence could not be obtained that a proper process had been followed to verify the claims made in candidates' applications before their appointment, as required by public service regulation 1/VII/D.8.

### Internal control

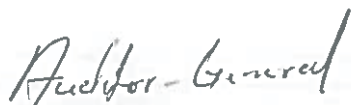
21. I considered internal control relevant to my audit of the financial statements, annual performance report and compliance with legislation. The matters reported below are limited to the significant internal control deficiencies that resulted in the findings on noncompliance with legislation included in this report.

### Leadership

22. The accounting officer did not adequately review the annual financial statements and the annual performance report prior to their submission for auditing.

### Financial and performance management

23. Management at the appropriate level did not ensure the adequate monitoring and review of compliance with applicable laws and regulations and the annual financial statements submitted for auditing.



Mbombela

31 July 2015



AUDITOR - GENERAL  
SOUTH AFRICA

*Auditing to build public confidence*

## APPROPRIATION STATEMENT

For the year ended 31 March 2015

Appropriation per programme									
2014/15								2013/14	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Programme									
1. Administration	83,212	-	1,436	84,648	79,648	-	100	86,564	81,699
2. Integrated Economic Development	232,250	-	(1,136)	231,114	231,114	-	100	197,727	196,990
3. Trade and Sector Development	15,375	-	(389)	14,986	14,912	74	99.5	35,461	35,461
4. Business Regulation and Governance	83,129	-	-	83,129	82,400	729	99.1	80,979	80,979
5. Economic Planning	14,389	-	-	14,389	13,362	1,027	92.9	8,479	8,344
6. Environmental Planning	-	-	-	-	-	-	-	94,969	94,969
7. Tourism	332,739		89	332,828	332,828	-	100	326,060	325,863
Subtotal	761,094	-	-	761,094	754,264	1,830	99.8	830,239	824,305
Statutory Appropriation	3,199	-	-	3,199	1,771	1,428	55.4	1,870	1,735
Member of the Executive Council	3,199	-	-	3,199	1,771	1,428	55.4	1,870	1,735
<b>TOTAL</b>	<b>764,293</b>	<b>-</b>	<b>-</b>	<b>764,293</b>	<b>756,035</b>	<b>3,258</b>	<b>99.6</b>	<b>832,109</b>	<b>826,040</b>
TOTAL (brought forward)									
Reconciliation with statement of financial performance									
ADD									
Departmental receipts				105,674				84,047	
Actual amounts per statement of financial performance (total revenue)				869,967				916,156	
ADD									
Prior year unauthorised expenditure approved without funding					5,000				5,000
Actual amounts per statement of financial performance (total expenditure)					761,035				831,040

## APPROPRIATION STATEMENT

For the year ended 31 March 2015

Appropriation per economic classification									
	2014/15							2013/14	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<b>Economic classification</b>									
<b>Current payments</b>	<b>198,321</b>	<b>-</b>	<b>4,593</b>	<b>202,914</b>	<b>199,167</b>	<b>3,747</b>	<b>98.2</b>	<b>252,769</b>	<b>256,219</b>
Compensation of employees	109,853	-	704	110,557	109,953	604	99.5	165,708	163,896
Salaries and wages	95,110	-	704	95,814	95,501	313	99.7	142,779	142,194
Social contributions	14,743	-	-	14,743	14,452	291	98	22,929	21,702
Goods and services	88,468	-	3,889	92,764	89,214	3,143	96.6	92,061	87,323
Administrative fees	(1)	-	101	100	1,020	(920)	1020	436	837
Advertising	1,613	-	15	1,628	2,158	(530)	133.6	1,458	1,569
Minor assets	374	-	(12)	362	202	160	55.8	217	238
Audit costs: External	4,113	-	-	4,113	3,367	746	81.9	4,062	4,062
Catering: Departmental activities	562	-	48	610	1,697	(1,106)	281.3	1,098	1,214
Communication	3,701	-	821	4,522	4,598	(76)	101.7	5,998	5,922
Computer services	1,089	-	(12)	1,077	718	359	66.7	740	720
Consultants: Business and advisory services	720	-	-	720	1,604	(884)	222.8	507	390
Infrastructure and planning services	-	-	-	-	-	-	-	1,320	571
Contractors	1,843	-	(198)	1,645	173	1,472	10.5	3,034	152
Agency and support / outsourced services	28,370	-	(837)	27,533	22,932	4,601	83.4	18,409	18,368
Fleet services	1,060	-	-	1,060	632	476	59.6	2,057	2,017
Inventory: Food and food supplies	40	-	(40)	-	-	-	-	219	-
Inventory: Fuel, oil and gas	-	-	-	-	12	(12)	-	100	-
Consumable supplies	820	-	5-	825	2,066	(1,241)	250.4	366	904
Consumable: Stationery, printing and office supplies	2,129	-	1	2,130	1,710	420	80.3	1,504	1,575
Operating leases	25,093	-	3,850	28,943	26,032	2,911	89.9	28,195	27,994
Property payments	3,824	-	-	3,824	5,627	(1,803)	147.1	5,382	8,002
Travel and subsistence	9,997	-	(148)	9,849	12,290	(2,441)	124.8	13,846	15,288
Training and development	581	-	-	581	781	(200)	134.4	600	844
Operating payments	2,166	-	34	2,200	675	1,525	30.7	1,912	1,210
Venues and facilities	374	-	261	635	901	(266)	141.9	601	446
<b>Transfers and subsidies</b>	<b>556,146</b>	<b>-</b>	<b>-</b>	<b>556,146</b>	<b>556,540</b>	<b>(553)</b>	<b>100.1</b>	<b>570,740</b>	<b>572,525</b>
Provinces and municipalities		-	-	-	17	(17)	-	20,000	20,015
Provinces		-	-	-	17	(17)	-	20,000	20,015
Provincial agencies and funds		-	-	-	17	(17)	-	20,000	20,015
Departmental agencies and accounts	384,441	-	-	384,441	384,441	-	100	381,330	381,342
Departmental agencies and accounts	384,441	-	-	384,441	384,441	-	100	381,330	381,342
Public corporations and private enterprises	171,605	-	-	171,605	171,605	-	100	169,410	169,410
Public corporations	171,605	-	-	171,605	171,605	-	100	169,410	169,410
Other transfers to public corporations	171,605	-	-	171,605	171,605	-	100	169,410	169,410
Households	100	-	-	100	477	(377)	477	-	1,758
Social benefits	100	-	-	100	477	(377)	477	-	1,758
<b>Payments for capital assets</b>	<b>4,826</b>	<b>-</b>	<b>407</b>	<b>5,233</b>	<b>5,328</b>	<b>(95)</b>	<b>101.8</b>	<b>3,600</b>	<b>2,277</b>
Buildings and other fixed structures	-	-	-	-	-	-	-	1,000	-
Machinery and equipment	4,826	-	407	5,233	5,328	(95)	101.8	2,600	2,277
Other machinery and equipment	4,826	-	407	5,233	5,328	(95)	101.8	2,600	2,277
<b>Payments for financial assets</b>	<b>5,000</b>	<b>-</b>	<b>(5,000)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>19</b>
<b>Total</b>	<b>764,293</b>	<b>-</b>	<b>-</b>	<b>764,293</b>	<b>761,035</b>	<b>3,258</b>	<b>99.6</b>	<b>832,109</b>	<b>831,040</b>

## APPROPRIATION STATEMENT

For the year ended 31 March 2015

Statutory Appropriation per economic classification									
2014/15								2013/14	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments	3,199			3,199	1,771	1,428	55.4	1,870	1,735
Compensation of employees	3,199			3,199	1,771	1,428	55.4	1,870	1,735
Salaries and wages	2,829			2,829	1,465	1,364	51.8	1,626	1,494
Social contributions	370			370	306	64	82.7	244	241
<b>Total</b>	<b>3,199</b>			<b>3,199</b>	<b>1,771</b>	<b>1,428</b>	<b>55.4</b>	<b>1,870</b>	<b>1,735</b>

## APPROPRIATION STATEMENT

For the year ended 31 March 2015

PROGRAMME 1: ADMINISTRATION									
2014/15								2013/14	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<b>Sub programme</b>									
1.1 Office of the MEC	5,266	-	-	5,266	6,238	(972)	118.5	4,870	4,959
1.2 Senior Management (HOD)	5,008	-	-	5,008	6,112	(1,104)	122	6,518	6,004
1.3 Financial Management	41,583	-	1,436	43,019	43,649	(630)	101.5	44,938	45,885
1.4 Corporate Services	31,355	-	-	31,355	28,649	2,706	91.4	30,238	29,851
<b>Total for sub programmes</b>	<b>83,212</b>	<b>-</b>	<b>1,436</b>	<b>84,648</b>	<b>84,648</b>	<b>-</b>	<b>100</b>	<b>86,564</b>	<b>86,699</b>
<b>Economic classification</b>									
<b>Current payments</b>	<b>74,826</b>	<b>-</b>	<b>6,436</b>	<b>81,262</b>	<b>81,801</b>	<b>(529)</b>	<b>100.7</b>	<b>75,657</b>	<b>84,844</b>
Compensation of employees	46,234	-	615	46,849	48,277	(1,429)	103	48,388	47,061
Salaries and wages	39,819	-	615	40,434	41,796	(1,227)	103	41,476	40,831
Social contributions	6,415	-	-	6,415	6,481	(202)	101	6,912	6,271
Goods and services	28,592	-	5,821	34,413	33,524	899	97.4	36,176	37,782
Administrative fees	100	-	-	100	681	(581)	681	203	497
Advertising	1,628	-	-	1,628	1,306	322	80.2	1,352	1,389
Minor assets	320	-	-	320	137	183	42.8	117	238
Audit costs: External	4,113	-	-	4,113	3,367	746	81.9	4,062	4,062
Catering: Departmental activities	520	-	-	520	539	(19)	103.7	704	701
Communication	3,701	-	821	4,522	4,597	(75)	101.7	5,998	5,913
Computer services	370	-	-	370	238	132	64.3	254	329
Consultants: Business and advisory services	120	-	-	120	187	(67)	155.8	34	156
Contractors	1,443	-	-	1,443	7	1,436	0.5	407	152
Agency and support / outsourced services	3,090	-	-	3,090	2,963	127	95.9	4,195	5,646
Fleet services	1,060	-	-	1,060	584	476	55.1	1,993	2,002
Inventory: Food and food supplies	-	-	-	-	-	-	-	95	-
Consumable supplies	825	-	-	825	2,048	(1,223)	248.2	356	819
Consumable: Stationery, printing and office supplies	2,130	-	-	2,130	1,677	453	78.7	1,435	1,531
Operating leases	-	-	5,000	5,000	5,000	-	100	5,000	5,000
Property payments	900	-	-	900	1,625	(725)	180.6	800	941
Travel and subsistence	5,261	-	-	5,261	6,924	(1,663)	131.6	5,305	6,922
Training and development	581	-	-	581	781	(200)	134.4	600	844
Operating payments	2,200	-	-	2,200	310	1,890	14.1	1,710	391
Venues and facilities	230	-	-	230	553	(323)	240.4	345	249
<b>Transfers and subsidies</b>	<b>60</b>	<b>-</b>	<b>-</b>	<b>60</b>	<b>315</b>	<b>(255)</b>	<b>525</b>	<b>-</b>	<b>157</b>
Provinces and municipalities	-	-	-	-	17	(17)	-	-	15
Provinces	-	-	-	-	17	(17)	-	-	15
Provincial agencies and funds	-	-	-	-	17	(17)	-	-	15
Departmental agencies and accounts	-	-	-	-	-	-	-	-	12
Departmental agencies	-	-	-	-	-	-	-	-	12
Households	60	-	-	60	98	(238)	496.7	-	130
Social benefits	60	-	-	60	298	(238)	496.7	-	130
<b>Payments for capital assets</b>	<b>3,326</b>	<b>-</b>	<b>-</b>	<b>3,326</b>	<b>2,532</b>	<b>794</b>	<b>76.1</b>	<b>2,000</b>	<b>1,698</b>
Buildings and other fixed structures									
Buildings									
Other fixed structures									
Machinery and equipment	3,326			3,326	2,532	794	76.1	2,000	1,698
Other machinery and equipment	3,326			3,326	2,532	794	76.1	2,000	1,698
<b>Payments for financial assets</b>	<b>5,000</b>	<b>-</b>	<b>(5,000)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
	<b>83,212</b>	<b>-</b>	<b>1,436</b>	<b>84,648</b>	<b>84,648</b>	<b>-</b>	<b>100</b>	<b>86,564</b>	<b>86,699</b>



## APPROPRIATION STATEMENT

For the year ended 31 March 2015

1.1 Office of the MEC									
2014/15								2013/14	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments	5,166		-	5,166	6,238	(1,072)	120.8	4,870	4,959
Compensation of employees	2,466		-	2,466	3,565	(1,098)	144.6	2,973	3,090
Salaries and wages	1,972		-	1,972	3,183	(1,216)	151.4	2,574	2,699
Social contributions	494		-	494	376	(118)	76.19	399	391
Goods and services	2,700		-	2,700	2,674	27	99	1,897	1,869
Payments for capital assets	100		-	100	-	100	-	-	-
Machinery and equipment	100		-	100	-	100	-	-	-
Payments for financial assets									
Total	5,266	-	-	5,266	6,238	(972)	118.5	4,870	4,959

1.2 Senior Management (HOD)									
2014/15								2013/14	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments	5,008	-	-	5,008	6,112	(1,104)	122	6,518	6,004
Compensation of employees	4,288	-	-	4,288	4,992	(704)	116.4	4,898	4,668
Goods and services	720	-	-	720	1,120	(400)	155.6	1,620	1,336
Total	5,008	-	-	5,008	6,112	(1,104)	122	6,518	6,004

1.3 Financial Management									
2014/15								2013/14	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments	33,357	-	6,436	39,793	40,802	(1009)	102.5	34,031	44,030
Compensation of employees	17,115	-	615	17,730	18,655	(925)	105.2	19,319	18,375
Goods and services	16,242	-	5,821	22,063	22,147	(84)	100.4	23,619	25,655
Provinces and municipalities	-	-	-	-	17	(17)	-	-	15
Departmental agencies	-	-	-	-	-	-	-	-	12
Households	-	-	-	-	298	(298)	-	-	130
Payments for capital assets	3,226	-	-	3,226	2,532	694	78.8	2,000	1,698
Machinery and equipment	3,226	-	-	3,226	2,532	694	78.8	2,000	1,698
Payments for financial assets	5,000	-	(5000)	-	-	-	-	5,000	-
Total	41,583	-	1,436	43,019	43,649	630	101.5	44,938	45,885

## APPROPRIATION STATEMENT

For the year ended 31 March 2015

1.4 Corporate Services									
2014/15								2013/14	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<b>Current payments</b>	31,295	-	-	31,295	28,649	2,646	91.5	30,238	29,851
Compensation of employees	22,365	-	-	22,365	21,066	1,299	94.2	21,198	20,929
Goods and services	8,930	-	-	8,930	7,583	1,347	84.9	9,040	8,922
<b>Transfers and subsidies</b>	60	-	-	60	-	60	-	-	-
Provinces and municipalities	-	-	-	-	-	-	-	-	-
Households	60	-	-	60	-	60	-	-	-
<b>Payments for capital assets</b>	-	-	-	-	-	-	-	-	-
Machinery and equipment	-	-	-	-	-	-	-	-	-
<b>Payments for financial assets</b>	-	-	-	-	-	-	-	-	-
<b>Total</b>	31,355	-	-	31,355	28,649	2,706	91.4	30,238	29,851

PROGRAMME 2: INTEGRATED ECONOMIC DEVELOPMENT									
2014/15								2013/14	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<b>Sub programme</b>									
2.1 CD: Office Support	2,199	-	-	2,199	3,209	(1,010)	145.9	1,199	1,432
2.2 Enterprise Development	180,338	-	-	180,338	181,137	(799)	100.4	180,893	180,781
2.3 Local Economic Empowerment	6,427	-	-	6,427	5,869	558	91.3	4,697	4,543
2.4 Economic Empowerment	4,981	-	-	4,981	4,457	524	89.5	6,353	4,565
2.5 Regional Director	38,305	-	(1,136)	37,169	36,442	727	98.	7,714	5,669
<b>Total for sub programmes</b>	232,250		(1,136)	231,114	231,114	-	100	197,727	196,990
<b>Economic classification</b>									
<b>Current payments</b>	59,845	-	(1,136)	58,709	57,720	989	98.3	28,317	27,571
Compensation of employees	22,455	-	-	22,455	22,971	484	97.8	19,656	19,067
Salaries and wages	19,677	-	-	19,677	19,117	560	97.2	1,759	1,522
Social contributions	2,778	-	-	2,778	2,854	(76)	102.7	2,817	2,545
Goods and services	37,390	-	(1,136)	36,254	35,749	505	98.6	8,661	8,504
Administrative fees	(57)	-	57	-	39	(39)	-	35	47
Advertising	(11)	-	11	-	109	(109)	-	-	-
Minor assets	7	-	(3)	4	6	(2)	150	6	-
Audit costs: External									
Bursaries: Employees									
Catering: Departmental activities	30		21	51	418	(367)	819.6	80	90
Agency and support / outsourced services	7,861	-	(24)	7,837	8,417	(580)	107.4	6,799	6,790
Consumable supplies								10	
Operating leases	25,093	-	(1,136)	23,943	21,032	2,911	87.8	-	-
Property payments	2,924	-	-	2,924	4,002	(1,078)	136.9	-	-
Travel and subsistence	1,475	-	(99)	1,376	1,540	(164)	111.9	1,606	1,415
Operating payments	(34)	-	34	-	156	(156)	-	125	162
Venues and facilities	102	-	17	119	30	89	25.2	-	-

## APPROPRIATION STATEMENT

For the year ended 31 March 2015

PROGRAMME 2: INTEGRATED ECONOMIC DEVELOPMENT									
2014/15								2013/14	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<b>Transfers and subsidies</b>	171,605	-	-	171,605	171,697	(92)	100.1	169,410	169,419
Provinces and municipalities									
Other transfers to public corporations	171,605	-	-	171,605	171,605	-	100	169,410	169,410
Households	-	-	-	-	92	(92)	-	-	9
Social benefits	-	-	-	-	92	(92)	-	-	9
<b>Payments for capital assets</b>	800	-	-	800	1,697	(897)	212.1	-	-
Buildings and other fixed structures									
Machinery and equipment	800	-	-	800	1,697	(897)	212.1	-	-
Transport equipment	800	-	-	800	1,697	(897)	212.1	-	-
<b>Payments for financial assets</b>	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>232,250</b>	<b>-</b>	<b>(1,136)</b>	<b>231,114</b>	<b>231,114</b>	<b>-</b>	<b>100</b>	<b>197,727</b>	<b>196,990</b>

2.1 CD: Office Support									
2014/15								2013/14	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<b>Economic classification</b>									
<b>Current payments</b>	1,399	-	-	1,399	1,512	(113)	108.1	1,199	1,432
Compensation of Employees	1,179	-	-	1,179	1,284	(105)	108.9	1,089	1,278
Goods and services	220	-	-	220	228	(8)	103.6	110	154
<b>Payments for capital assets</b>									
Machinery and equipment	800	-	-	800	1,697	(897)	212.1	-	-
<b>Payments for financial assets</b>	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>2,199</b>	<b>-</b>	<b>-</b>	<b>2,199</b>	<b>3,209</b>	<b>(1,010)</b>	<b>145.9</b>	<b>1,199</b>	<b>1,432</b>

## APPROPRIATION STATEMENT

For the year ended 31 March 2015

2.2 Enterprise Development									
2014/15								2013/14	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<b>Current payments</b>	8,733	-	-	8,733	9,497	(764)	108.7	11,483	11,371
Compensation of Employees	7,921	-	-	7,921	7,392	529	93.3	7,442	7,225
Goods and services	812	-	-	812	2,105	(1,293)	259.2	4,041	4,146
<b>Transfers and subsidies</b>	171,605	-	-	171,605	171,640	(35)	100	169,410	169,410
Provinces and municipalities									
Departmental agencies and accounts									
Higher education institutions									
Foreign governments and international organisations									
Public corporations and private enterprises	171,605	-	-	171,605	171,605	-	100	169,410	169,410
Non-profit institutions									
Households					35	(35)			
<b>Payments for financial assets</b>									
<b>Total</b>	180,338	-	-	180,338	181,137	(799)	100.4	180,893	180,781

2.3 Local Economic Empowerment									
2014/15								2013/14	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<b>Current payments</b>	6,427	-	-	6,427	5,869	558	91.3	4,697	4,543
Compensation of employees	4,771	-	-	4,771	4,244	527	89	4,480	4,340
Goods and services	1,656	-	-	1,656	1,625	31	98.1	217	203
<b>Payments for financial assets</b>	-	-	-	-	-	-	-	-	-
<b>Total</b>	6,427	-	-	6,427	5,869	558	91.3	4,697	4,543

2.4 Economic Empowerment									
2014/15								2013/14	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<b>Current payments</b>	4,981	-	-	4,981	4,400	581	88.3	4,585	4,556
Compensation of employees	4,564	-	-	4,564	3,959	605	86.7	4,097	4,106
Goods and services	417	-	-	417	441	(24)	105.8	488	450
<b>Transfers and subsidies</b>	-	-	-	-	57	(57)	-	-	9
Households					57	(57)	-	-	9
<b>Total</b>	4,981	-	-	4,981	4,457	524	89.5	4,585	4,565

## APPROPRIATION STATEMENT

For the year ended 31 March 2015

2.5 Regional Directors									
2014/15								2013/14	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments	38,305	-	(1,136)	37,169	36,442	727	98	6,353	5,669
Compensation of employees	4,020	-	-	4,020	5,092	(1,072)	126.7	2,548	2,118
Goods and services	34,285	-	(1,136)	33,149	31,350	1,799	94.6	3,805	3,551
Payments for financial assets	-	-	-	-	-	-	-	-	-
Total	38,305	-	(1,136)	37,169	36,442	727	98	6,353	5,669

PROGRAMME 3: TRADE AND SECTOR DEVELOPMENT									
2014/15								2013/14	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Sub programme									
3.1 CD: Office Support	1,111	-	-	1,111	798	313	71.7	2,481	2,412
3.2 Trade and Investment Promotion	3 230	-	-	3,230	3,074	156	95.2	3,202	3,251
3.3 Sector Development	8,985	-	-	8,985	9,556	(571)	106.4	8,322	8,417
3.4 Strategic Initiatives	2,049	-	(389)	1,660	1,484	176	89.4	21,381	21,381
Total for sub programmes	15,375	-	(389)	14,986	14,912	74	99.5	35,461	35,461
Economic classification									
Current payments	15,335	-	(389)	14,946	14,825	121	99.2%	14,705	15,252
Compensation of employees	9,183	-	-	9,183	9,629	(446)	104.9	11,229	10,809
Salaries and wages	7,915	-	-	7,915	8,399	(484)	106.1	9,931	9,469
Social contributions	1,268	-	-	1,268	1,230	38	97.0	1,298	1,341
Goods and services	6,152	-	(389)	5,763	5,196	567	90.2	4,232	4,442
Administrative fees					44	(44)		23	49
Advertising	-	-	-	-	-	-	-	53	51
Minor assets	10	-	-	10	-	10	-	-	-
Audit costs: External	-	-	-	-	-	-	-	-	-
Catering: Departmental activities	39	-	-	39	41	(2)	105.1	104	109
Agency and support / outsourced services	5,160	-	(389)	4,771	3,986	785	83.5	2,115	2,857
Travel and subsistence	858	-	-	858	982	(124)	114.5	1,016	1,144
Operating payments	-	-	-	-	119	(119)	-	15	113
Venues and facilities	85	-	-	85	24	61	28.2	150	119
Transfers and subsidies	40	-	-	40	87	(47)	217.5	20,000	20,210
Municipalities								20,000	20,000
Households	40	-	-	40	87	(47)	217.5	-	210
Total	15,375	-	(389)	14,986	14,912	74	99.5	34,705	35,462

## APPROPRIATION STATEMENT

For the year ended 31 March 2015

3.1 CD: Office Support									
2014/15								2013/14	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments	1,071	-	-	1,071	762	309	71.1%	2,481	2,413
Compensation of employees	813	-	-	813	600	213	73.8	2,371	2,272
Salaries and wages	696	-	-	696	517	179	74.3	2,138	2,037
Social Contributions	117	-	-	117	83	34	70.9	233	235
Goods and services	258	-	-	258	162	96	62.8	110	141
Transfers and subsidies	40	-	-	40	36	4	90.0	-	-
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	40	-	-	40	36	4	90.0	-	-
<b>Total</b>	<b>1,111</b>	<b>-</b>	<b>-</b>	<b>1,111</b>	<b>798</b>	<b>313</b>	<b>71.8</b>	<b>2,481</b>	<b>2,413</b>

3.2 Trade and Investment Promotion									
2014/15								2013/14	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments	3,230	-	-	3,230	3,074	156	95.2	3,202	3,041
Compensation of employees	2,875	-	-	2,875	2,914	(39)	101.4	2,519	2,404
Goods and services	355	-	-	355	160	195	45.1	350	259
Transfers and subsidies	-	-	-	-	-	-	-	-	-
Households	-	-	-	-	-	-	-	-	210
Payments for financial assets	-	-	-	-	-	-	-	-	210
<b>Total</b>	<b>3,230</b>	<b>-</b>	<b>-</b>	<b>3,230</b>	<b>3,074</b>	<b>156</b>	<b>95.2</b>	<b>3,202</b>	<b>3,251</b>

3.3 Sector Development									
2014/15								2013/14	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments	8,985	-	-	8,985	9,505	(520)	105.8	8,397	8,417
Compensation of employees	5,356	-	-	5,356	5,550	(194)	103.6	6,006	5,729
Goods and services	3,629	-	-	3,629	3,955	(326)	109.0	2,391	2,688
Transfers and subsidies	-	-	-	-	51	(51)	-	-	-
Provinces and municipalities	-	-	-	-	51	(51)	-	-	-
Payments for financial assets	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>8,985</b>	<b>-</b>	<b>-</b>	<b>8,985</b>	<b>9,556</b>	<b>(571)</b>	<b>106.4</b>	<b>8,322</b>	<b>8,417</b>



## APPROPRIATION STATEMENT

For the year ended 31 March 2015

3.4 Strategic Initiatives									
2014/15								2013/14	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments	2,409	-	(389)	1,660	1,484	176	89.4	1,381	1,381
Compensation of employees	139	-	-	139	510	(371)	366.9	-	27
Goods and services	1,910	-	(389)	1,521	918	603	60.4	1,381	1,354
Transfers and subsidies								20,000	20,000
Provinces and municipalities	-	-	-	-	-	-	-	20,000	20,000
Payments for financial assets	-	-	-	-	-	-	-	-	-
Total	2,409	-	(389)	1,660	1,484	176	89.4	21,381	21,381

PROGRAMME 4: BUSINESS REGULATION AND GOVERNANCE									
2014/15								2013/14	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Sub programme									
4.1 CD: Office Support	1,370	-	-	1,370	1,278	92	93.3	252	821
4.2 Consumer Protection	11,945	-	-	11,945	12,438	(493)	104.1	10,045	9,591
4.3 Regulation Services	69,814	-	-	69,814	68,684	1 130	98.4	70,682	70,567
Total	83,129	-	-	83,129	82,400	729	99.1	80,979	80,979
Total for sub programmes									
Economic classification									
Current payments	27,929	-	-	27,522	26,941	581	97.9%	22,471	2, 874
Compensation of employees	18,372	-	(407)	18,372	18,738	(366)	102	17,112	16,866
Salaries and wages	15,754	-	-	15,754	16,335	(581)	103.7	14,702	14,700
Social contributions	2,618	-	-	2,618	2,402	216	91.7	2,410	2,166
Goods and services	9,557	-	(407)	9,150	8,203	947	89.7	5,359	5,008
Administrative fees	-	-	-	-	191	(191)	-	121	102
Advertising	-	-	-	-	545	(545)	-	53	106
Minor assets	15	-	3	18	3	15	16.7	14	-
Catering: Departmental activities	-	-	-	-	661	(661)	-	67	227
Communication	-	-	-	-	1	(1)	-	-	-
Computer services	-	-	-	-	-	-	-	-	-
Consultants: Business and advisory services	600	-	-	600	1,417	(817)	236.2	473	234
Contractors	-	-	-	-	166	(166)	-	-	-
Agency and support / outsourced services	7,455	-	(410)	7,045	2,933	4,112	41.6	3,075	2,959
Inventory: Food and food supplies	40	-	-40	-	-	-	-	29	-
Travel and subsistence	1,296	-	40	1,336	1,963	(627)	146.9	1,476	1,240
Operating payments	-	-	-	-	132	-	-	-	102
Venues and facilities	151	-	-	151	191	(40)	126.5	51	38

## APPROPRIATION STATEMENT

For the year ended 31 March 2015

PROGRAMME 4: BUSINESS REGULATION AND GOVERNANCE									
2014/15								2013/14	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Transfers and subsidies	54,500	-	-	54,500	54,500	-	100.0%	57,908	58,526
Departmental agencies and accounts	54,500	-	-	54,500	54,500	-	100	57,908	58,526
Departmental agencies	54,500	-	-	54,500	54,500	-	100	57,908	57,908
Households	-	-	-	-	-	-	-	-	618
Other transfers to households	-	-	-	-	-	-	-	-	-
Payments for capital assets	700	-	407	1,107	959	148	86.6	600	579
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Buildings	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and subsoil assets	-	-	-	-	-	-	-	-	-
Intangible assets	-	-	-	-	-	-	-	-	-
Payments for financial assets	-	-	-	-	-	-	-	-	-
	83,129	-	-	83,129	82,399	730	99.1	80,979	80,979

4.1 CD: Office Support									
2014/15								2013/14	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Economic classification									
Current payments	1,370	-	-	1,370	1,278	92	93.3	252	240
Compensation of employees	1,118	-	-	1,118	1,116	2	99.8	177	203
Goods and services	252	-	-	252	162	90	64.3	75	37
Transfers and subsidies	-	-	-	-	-	-	-	-	581
Households	-	-	-	-	-	-	-	-	581
Payments for financial assets	-	-	-	-	-	-	-	-	-
Total	1,370	-	-	1,370	1,278	92	93.3	252	821

4.3 Consumer Protection									
2014/15								2013/14	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Economic classification									
Current payments	11,945	-	-	11,945	12,438	(493)	104.1	10,045	9,591
Compensation of employees	9,063	-	-	9,063	9,122	(59)	100.7	8,284	8,440
Goods and services	2,882	-	-	2,882	3,316	(434)	115.1	1,761	1,151
Payments for financial assets	-	-	-	-	-	-	-	-	-
Total	11,945	-	-	11,945	12,438	(493)	104.1	10,045	9,591

## APPROPRIATION STATEMENT

For the year ended 31 March 2015

4.3 Regulation Services									
	2014/15							2013/14	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<b>Current payments</b>	14,614	-	(407)	14,614	13,632	982	93.3	12,174	12,043
Compensation of employees	8,191	-	-	8,191	8,500	(309)	103.8	8,651	8,223
Goods and services	6,423	-	(407)	6,016	4,725	1,291	78.5	3,525	3,820
<b>Transfers and subsidies</b>	54,500	-	-	54,500	54,500	-	100	57,908	57,945
Provinces and municipalities	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	54,500	-	-	54,500	54,500	-	100	57,908	57,908
Households	-	-	-	-	-	-	-	-	37
<b>Payments for capital assets</b>	700	-	407	1,107	959	148	86.6	600	579
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	700	-	407	1,107	959	148	86.6	600	579
<b>Payments for financial assets</b>	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>69,814</b>	<b>-</b>	<b>-</b>	<b>69,814</b>	<b>68,684</b>	<b>1,130</b>	<b>98.4</b>	<b>70,682</b>	<b>70,567</b>

PROGRAMME 5: ECONOMIC PLANNING									
	2014/15							2013/14	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<b>Sub programme</b>									
5.1 CD: Office Support	1,251	-	-	1,251	1,336	(85)	106.8	1,073	1,148
5.2 Economic Policy and Planning	3,155	-	-	3,155	2,880	275	91.3	2,609	2,128
5.3 Research and Development	1,348	-	-	1,348	1,141	207	84.6	439	1,126
5.4 Knowledge Management	3,013	-	-	3,013	2,976	37	98.8	2,781	2,715
5.5 Monitoring and Evaluation	5,622	-	-	5,622	5,029	593	89.5	1,577	1,226
<b>Total for sub programmes</b>	<b>14,389</b>	<b>-</b>	<b>-</b>	<b>14,389</b>	<b>13,362</b>	<b>1,027</b>	<b>92.9</b>	<b>8,479</b>	<b>8,343</b>
<b>Economic classification</b>									
<b>Current payments</b>	14,389	-	-	14,389	13,222	1,167	91.9%	8,479	8,343
Compensation of employees	8,062	-	-	8,062	7,095	967	88.0	6,593	7,048
Salaries and wages	7,063	-	-	7,063	6,195	868	87.7	5,783	6,186
Social contributions	999	-	-	999	900	99	90.1	810	862
Goods and services	6,327	-	-	6,327	6,108	219	96.5	1,886	1,296
Administrative fees	(44)	-	44	-	44	(44)	-	32	38
Advertising	(4)	-	4	-	164	(164)	-	-	23
Minor assets	22	-	12	10	19	9	190	36	-
Audit costs: External	-	-	-	-	-	-	-	-	-
Bursaries: Employees	-	-	-	-	-	-	-	-	-
Catering: Departmental activities	(27)	-	27	-	33	(33)	-	40	25
Communication	-	-	-	-	-	-	-	-	-
Computer services	719	-	(12)	707	480	227	67.9	392	391
Legal services	-	-	-	-	-	-	-	-	-
Contractors	400	-	(198)	202	-	202	-	-	-
Agency and support / outsourced services	4,804	-	(14)	4,790	4,634	156	96.7	326	116
Consumable supplies	(5)	-	5	-	-	-	-	-	-
Consumable: Stationery, printing and office supplies	(1)	-	1	26	(26)	-	-	64	44
Travel and subsistence	707	-	(89)	618	640	(22)	103.6	956	659
Operating payments	-	-	-	-	-	-	-	-	-
Venues and facilities	(244)	-	244	-	87	(87)	-	40	-
<b>Transfers and subsidies</b>	-	-	-	-	140	(140)	-	-	-
Households	-	-	-	-	140	(140)	-	-	-
<b>Payments for financial assets</b>	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>14,389</b>	<b>-</b>	<b>-</b>	<b>14,389</b>	<b>13,362</b>	<b>1,027</b>	<b>92.9</b>	<b>8,479</b>	<b>8,343</b>

## APPROPRIATION STATEMENT

For the year ended 31 March 2015

### 5.1 CD: Office Support

2014/15								2013/14	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments	1,251	-	-	1,251	1,336	(85)	106.8	1,073	1,148
Compensation of employees	1,099	-	-	1,099	1,182	(83)	107.6	970	1,073
Salaries and wages	969	-	-	969	1,028	(59)	106.1	850	953
Social Contributions	130	-	-	130	154	(24)	118.5	120	120
Goods and services	152	-	-	152	154	(2)	101.3	103	75
Payments for financial assets	-	-	-	-	-	-	-	-	-
Total	1,251	-	-	1,251	1,336	(85)	106.8	1,073	1,148

### 5.2 Economic Policy and Planning

2014/15								2013/14	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments	3,155	-	-	3,155	2,880	275	91.3	2,609	2,129
Compensation of employees	2,096	-	-	2,096	1,741	355	83.1	2,172	1,857
Goods and services	1,059	-	-	1,059	1,139	(80)	107.6	437	272
Total	3,155	-	-	3,155	2,880	275	91.3	2,609	2,128

### 5.3 Research Development

2014/15								2013/14	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments	1,348	-	-	1,348	1,141	207	84.6	439	1,126
Compensation of employees	1,057	-	-	1,057	850	207	80.4	-	990
Goods and services	291	-	-	291	291	-	100	439	136
Total	1,348	-	-	1,348	1,141	207	84.6	439	1,126

### 5.4 Knowledge Management

2014/15								2013/14	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments	3,013	-	-	3,013	2,976	37	98.8	2,781	2,715
Compensation of employees	2,269	-	-	2,269	2,232	37	98.4	2,101	2,070
Goods and services	744	-	-	744	744	-	100	680	645
Total	3,013	-	-	3,013	2,976	37	98.8	2,781	2,715

### 5.5 Monitoring and Evaluation

2014/15								2013/14	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments	5,622	-	-	5,622	4,889	733	87	1,577	1,226
Compensation of employees	1,541	-	-	1,541	1,090	451	70.7	1,350	1,058
Goods and services	4,081	-	-	4,081	3,799	282	93.1	227	168
Transfers and subsidies	-	-	-	-	140	(140)	-	-	-
Households	-	-	-	-	140	(140)	-	-	-
Payments for financial assets	-	-	-	-	-	-	-	-	-
Total	5,622	-	-	5,622	5,029	593	89.5	1,577	1,226

## APPROPRIATION STATEMENT

For the year ended 31 March 2015

PROGRAMME 6: ENVIRONMENTAL SERVICES									
	2014/15							2013/14	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<b>Sub programme</b>									
6.1 CD: Office Support	-	-	-	-	-	-	-	1,480	795
6.2 Environmental Policy and Coordination	-	-	-	-	-	-	-	1,410	547
6.3 Compliance and Enforcement	-	-	-	-	-	-	-	1,750	815
6.4 Environmental Quality Management	-	-	-	-	-	-	-	18,615	15,972
6.5 Environmental Empowerment Services	-	-	-	-	-	-	-	71,232	73,840
<b>Total for sub programmes</b>	-	-	-	-	-	-	-	<b>94,487</b>	<b>94,969</b>
<b>Economic classification</b>	-	-	-	-	-	-	-	-	-
<b>Current payments</b>	-	-	-	-	-	-	-	<b>93,487</b>	<b>94,167</b>
Compensation of employees	-	-	-	-	-	-	-	58,762	59,235
Salaries and wages	-	-	-	-	-	-	-	50,681	51,153
Social contributions	-	-	-	-	-	-	-	8,081	8,082
Goods and services	-	-	-	-	-	-	-	34,725	34,932
Administrative fees	-	-	-	-	-	-	-	18	80
Minor assets	-	-	-	-	37	(37)	-	44	-
Catering: Departmental activities	-	-	-	-	15	(15)	-	91	49
Communication	-	-	-	-	-	-	-	-	9
Computer services	-	-	-	-	-	-	-	94	-
Consultants: Business and advisory services	-	-	-	-	-	-	-	1,320	571
Legal services	-	-	-	-	-	-	-	2,627	-
Fleet services	-	-	-	-	48	(48)	-	64	15
Inventory: Food and food supplies	-	-	-	-	-	-	-	95	-
Inventory: Fuel, oil and gas	-	-	-	-	12	(12)	-	100	-
Consumable supplies	-	-	-	-	18	(18)	-	-	85
Consumable : Stationery	-	-	-	-	7	(7)	-	-	-
Operating leases	-	-	-	-	-	-	-	5	-
Property payments	-	-	-	-	-	-	-	23,195	22,994
Transport provided: Departmental activity	-	-	-	-	-	-	-	4,100	7,061
Travel and subsistence	-	-	-	-	(95)	95	-	-	-
Training and development	-	-	-	-	-	-	-	2,970	3,613
Operating payments	-	-	-	-	42	(42)	-	-	-
Venues and facilities	-	-	-	-	-	-	-	2	455
<b>Transfers and subsidies</b>	-	-	-	-	-	-	-	-	<b>791</b>
Households	-	-	-	-	-	-	-	-	791
Social benefits	-	-	-	-	-	-	-	-	-
Other transfers to households	-	-	-	-	-	-	-	-	-
<b>Payments for capital assets</b>	-	-	-	-	-	-	-	1,000	-
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Other fixed structures	-	-	-	-	-	-	-	1,000	-
<b>Total</b>	-	-	-	-	-	-	-	<b>94,487</b>	<b>94,696</b>

## APPROPRIATION STATEMENT

For the year ended 31 March 2015

6.1 CD: Office Support									
2014/15								2013/14	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments	-	-	-	-	-	-	-	1,480	1,795
Compensation of employees	-	-	-	-	-	-	-	1,373	1,599
Goods and services	-	-	-	-	-	-	-	107	196
Total	-	-	-	-	-	-	-	1,480	1,795

6.2 Compliance and Enforcement									
2014/15								2013/14	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments	-	-	-	-	-	-	-	1,750	1,792
Compensation of employees	-	-	-	-	-	-	-	1,493	1,405
Goods and services	-	-	-	-	-	-	-	257	387
Transfers and subsidies	-	-	-	-	-	-	-	-	23
Households	-	-	-	-	-	-	-	-	23
Total	-	-	-	-	-	-	-	1,750	1,815

6.3 Environmental Quality Management									
2014/15								2013/14	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments	-	-	-	-	-	-	-	17,615	15,300
Compensation of employees	-	-	-	-	-	-	-	15,028	13,373
Goods and services	-	-	-	-	-	-	-	2,587	1,927
Transfers and subsidies	-	-	-	-	-	-	-	-	672
Households	-	-	-	-	-	-	-	-	672
Payments for capital assets	-	-	-	-	-	-	-	1,000	-
Buildings and other fixed structures	-	-	-	-	-	-	-	1,000	-
Payments for financial assets	-	-	-	-	-	-	-	-	-
Total	-	-	-	-	-	-	-	18,615	15,972

6.4 Environmental Empowerment Services									
2014/15								2013/14	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments	-	-	-	-	-	-	-	71,232	73,733
Compensation of employees	-	-	-	-	-	-	-	39,740	41,575
Goods and services	-	-	-	-	-	-	-	31,492	32,158
Transfers and subsidies	-	-	-	-	-	-	-	-	96
Households	-	-	-	-	-	-	-	-	96
Payments for financial assets	-	-	-	-	-	-	-	-	11
Total	-	-	-	-	-	-	-	71,232	73,840



## APPROPRIATION STATEMENT

For the year ended 31 March 2015

PROGRAMME 7: TOURISM									
	2014/15							2013/14	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<b>Sub programme</b>									
7.1 CD: Office Support	332,739	-	89	332,828	332,828	-	100	326,060	325,863
<b>Total for sub programmes</b>	<b>332,739</b>	<b>-</b>	<b>89</b>	<b>332,828</b>	<b>332,828</b>	<b>-</b>	<b>100%</b>	<b>326,060</b>	<b>325,863</b>
<b>Economic classification</b>									
<b>Current payments</b>	<b>2,798</b>	<b>-</b>	<b>89</b>	<b>2,887</b>	<b>2,887</b>	<b>-</b>	<b>100%</b>	<b>2,638</b>	<b>2,434</b>
Compensation of employees	2,348	-	89	2,437	2,471	(34)	101.4	2,098	2,075
Salaries and wages	2,053	-	89	2,142	2,192	(50)	102.3	1,821	1,840
Social contributions	295	-	-	295	279	16	94.6	277	235
Goods and services	450	-	-	450	416	34	92.4	540	359
Administrative fees	-	-	-	-	21	(21)	-	4	24
Advertising	-	-	-	-	34	(34)	-	-	-
Catering Departmental activities	-	-	-	-	9	(9)	-	12	13
Agency and support / outsourced services	-	-	-	-	-	-	-	7	-
Travel and subsistence	400	-	-	400	336	64	84	517	295
Venues and facilities	50	-	-	50	16	34	32	-	27
<b>Transfers and subsidies</b>	<b>329,941</b>	<b>-</b>	<b>-</b>	<b>329,941</b>	<b>329,941</b>	<b>-</b>	<b>100</b>	<b>323,422</b>	<b>323,422</b>
Departmental agencies and accounts	329,941	-	-	329,941	329,941	-	100	323,422	323,422
<b>Total</b>	<b>332,739</b>	<b>-</b>	<b>89</b>	<b>332,828</b>	<b>332,828</b>	<b>-</b>	<b>100</b>	<b>326,060</b>	<b>325,863</b>

7.1 CD: Office Support									
	2014/15							2013/14	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<b>Economic classification</b>									
<b>Current payments</b>	<b>2,798</b>		<b>89</b>	<b>2,887</b>	<b>2,887</b>	<b>-</b>	<b>100</b>	<b>2,638</b>	<b>2,434</b>
Compensation of employees	2,348	-	89	2,437	2,471	(34)	101.4	2,098	2,075
Salaries and wages	2,053	-	89	2,142	2,192	(50)	102.3	1,821	1,840
Social contributions	295	-	-	295	279	16	94.6	277	235
Goods and services	450	-	-	450	416	34	92.4	540	359
<b>Transfers and subsidies</b>	<b>329,941</b>	<b>-</b>	<b>-</b>	<b>329,941</b>	<b>329,941</b>	<b>-</b>	<b>100</b>	<b>323,422</b>	<b>323,422</b>
Departmental agencies and accounts	329,941	-	-	329,941	329,941	-	100	323,422	343,422
<b>Total</b>	<b>332,739</b>	<b>-</b>	<b>89</b>				<b>100</b>	<b>326,060</b>	<b>325,863</b>

## NOTES TO THE APPROPRIATION STATEMENT

For the year ended 31 March 2015

### 1. Detail of transfers and subsidies as per Appropriation Act (after Virement):

Detail of these transactions can be viewed in the note on Transfers and subsidies, disclosure notes and Annexure 1 - 4 to the Annual Financial Statements.

### 2. Detail of specifically and exclusively appropriated amounts voted (after Virement):

Detail of these transactions can be viewed in note 1 (Annual Appropriation) to the Annual Financial Statements.

### 3. Detail on payments for financial assets

Detail of these transactions per programme can be viewed in the note on Payments for financial assets to the Annual Financial Statements.

### 4. Explanations of material variances from Amounts Voted (after Virement):

#### 4.1 Per programme

	Final Appropriation	Actual Expenditure	Variance	Variance as a % of Final Appropriation
	R'000	R'000	R'000	R'000
Administration	84,648	84,649	(1)	-
Integrated Economic Development	231,114	231,114	-	-
Trade and Sector Development	14,986	14,912	74	0.4
Business Regulation	83,129	82,399	730	0.8
Economic Planning	14,389	13,362	1,027	7.1
Environmental Services	-	-	-	-
Tourism	322,828	322,828	-	-

#### 4.2 Per economic classification

	Final Appropriation	Actual Expenditure	Variance	Variance as a % of Final Appropriation
	R'000	R'000	R'000	R'000
<b>Current payments</b>				
Compensation of employees	110,557	109,953	604	0.5
Goods and services	92,764	89,214	3,550	3.8
<b>Transfers and subsidies</b>				
Provinces and municipalities				
Departmental agencies and accounts	384,441	384,441	-	-
Public corporations and private enterprises	171,605	171,605	-	-
Households	100	477	(377)	(377)
<b>Payments for capital assets</b>				
Machinery and equipment	5,233	5,328	95	1.9
<b>Payments for financial assets</b>				

#### 4.3 Per conditional grant

	Final Appropriation	Actual Expenditure	Variance	Variance as a % of Final Appropriation
	R'000	R'000	R'000	R'000
Extended Public Works Programme (EPWP)	3,561	3,561		

## NOTES TO THE APPROPRIATION STATEMENT

For the year ended 31 March 2015

The expenditure on goods and services in the main appropriation statement does not include the amount of R5 000 000 which was budgeted for as unauthorised expenditure. This amount has been disclosed separately in the Statement of Financial Performance under note 9

### GOODS AND SERVICES

#### Programme 1: Administration

The underspending under this programme are as a result of accrued payments on;

- Audit fees
- Fleet management services
- Contractual obligations
- Municipal services payment

#### Programme 4: Business Regulation

The underspending on goods and services is as a result of committed funds not spent under this programme. These funds were meant for the liquor licensing system for the Mpumalanga Liquor Authority. There was a delay in implementation of certain milestones in the project and that went over the end of the financial year resulting to underspending in this regard.

#### Programme 5: Economic Planning

The underspending on goods and services under this programme is as a result of the delay in implementation of the Mpumalanga Employment and Business Survey Project.

### TRANSFERS

The overspending are as a result of leave gratuity payments.

### PAYMENTS OF CAPITAL ASSETS

The overspending is as a result of the purchase of official vehicle for the MEC which needed to be replaced because of continuous mechanical challenges.

## STATEMENT OF FINANCIAL PERFORMANCE

For the year ended 31 March 2015

	Note	2014/15 R'000	2013/14 R'000
<b>REVENUE</b>			
Annual appropriation	1	761,094	830,239
Statutory appropriation	2	3,199	1,870
Departmental revenue	3	105,674	84,047
<b>TOTAL REVENUE</b>		<b>869,967</b>	<b>916,156</b>
<b>EXPENDITURE</b>			
<b>Current expenditure</b>			
Compensation of employees	4	109 953	163,896
Goods and services	5	84, 214	87,323
<b>Total current expenditure</b>		<b>194, 167</b>	<b>251,219</b>
<b>Transfers and subsidies</b>			
Transfers and subsidies	7	556,540	572,525
<b>Total transfers and subsidies</b>		<b>556,540</b>	<b>572,525</b>
<b>Expenditure for capital assets</b>			
Tangible assets	8	5,328	2,277
<b>Total expenditure for capital assets</b>		<b>5,328</b>	<b>2,277</b>
Unauthorised expenditure approved without funding	9	5,000	5,000
Payments for financial assets	6	-	19
<b>TOTAL EXPENDITURE</b>		<b>761,035</b>	<b>831,040</b>
<b>SURPLUS/(DEFICIT) FOR THE YEAR</b>		<b>108,932</b>	<b>85,116</b>
<b>Reconciliation of Net Surplus/(Deficit) for the year</b>			
Voted funds		3,258	1,069
Annual appropriation		3,258	1 069
Departmental revenue and NRF Receipts	14	105,674	84,047
<b>SURPLUS/(DEFICIT) FOR THE YEAR</b>		<b>108,932</b>	<b>85,116</b>

## STATEMENT OF FINANCIAL POSITION

For the year ended 31 March 2015

	Note	2014/15 R'000	2013/14 R'000
<b>ASSETS</b>			
<b>Current assets</b>		<b>23,572</b>	<b>11,541</b>
Unauthorised expenditure	9	-	10,226
Cash and cash equivalents	10	23,421	1,030
Receivables	11	151	285
<b>Non-current assets</b>			
Receivables	11	133	
<b>TOTAL ASSETS</b>		<b>23,705</b>	<b>11,541</b>
<b>LIABILITIES</b>			
<b>Current liabilities</b>		<b>23,647</b>	<b>11,442</b>
Voted funds to be surrendered to the Revenue Fund	12	7,265	10,302
Departmental revenue and NRF Receipts to be surrendered to the Revenue Fund	13	16,380	681
Payables	15	2	459
<b>TOTAL LIABILITIES</b>		<b>23,647</b>	<b>11,442</b>
<b>NET ASSETS</b>		<b>58</b>	<b>99</b>
<b>Represented by:</b>			
Recoverable revenue		58	99
<b>TOTAL</b>		<b>58</b>	<b>99</b>

## STATEMENT OF CHANGES IN NET ASSETS

For the year ended 31 March 2015

	<i>Note</i>	2014/15 R'000	2013/14 R'000
<b>Recoverable revenue</b>			
Opening balance		99	110
Transfers:		(41)	(11)
Debts revised			
Debts recovered (included in departmental receipts)		(96)	(19)
Debts raised		55	8
Closing balance		<b>58</b>	<b>99</b>
Closing balance			
<b>TOTAL</b>		<b>58</b>	<b>99</b>



## CASH FLOW STATEMENT

For the year ended 31 March 2015

	Note	2014/15 R'000	2013/14 R'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Receipts		<b>869,864</b>	<b>915,914</b>
Annual appropriated funds received	1.1	761,094	830,239
Statutory appropriated funds received	2	3,199	1,870
Departmental revenue received	3	104,392	82,973
Interest received	3.3	1,179	832
Net (increase)/decrease in working capital		4,544	4,937
Surrendered to Revenue Fund		(91,044)	(91,524)
Current payments		(199,167)	(256,219)
Payments for financial assets		-	(19)
Transfers and subsidies paid		(556,540)	(572,525)
<b>Net cash flow available from operating activities</b>	<b>16</b>	<b>27,657</b>	<b>564</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Payments for capital assets	8	(5,328)	(2,277)
Proceeds from sale of capital assets	3.4	103	242
<b>Net cash flows from investing activities</b>		<b>(5,225)</b>	<b>(2,035)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Increase/(decrease) in net assets		(41)	(11)
<b>Net cash flows from financing activities</b>		<b>(41)</b>	<b>(11)</b>
Net increase/(decrease) in cash and cash equivalents		22,391	(1,482)
Cash and cash equivalents at beginning of period		1,030	2,512
<b>Cash and cash equivalents at end of period</b>	<b>17</b>	<b>23,421</b>	<b>1,030</b>



## ACCOUNTING POLICIES

*For the year ended 31 March 2015*

---

### Summary of significant accounting policies

The financial statements have been prepared in accordance with the following policies, which have been applied consistently in all material aspects, unless otherwise indicated.

The historical cost convention has been used, except where otherwise indicated. Management has used assessments and estimates in preparing the annual financial statements. These are based on the best information available at the time of preparation.

Where appropriate and meaningful, additional information has been disclosed to enhance the usefulness of the financial statements and to comply with the statutory requirements of the Public Finance Management Act (PFMA), Act 1 of 1999 (as amended by Act 29 of 1999), and the Treasury Regulations issued in terms of the PFMA and the annual Division of Revenue Act.

#### 1. Basis of preparation

The financial statements have been prepared in accordance with the Modified Cash Standard.

#### 2. Going concern

The financial statements have been prepared on a going concern basis.

#### 3. Presentation currency

Amounts have been presented in the currency of the South African Rand (R) which is also the functional currency of the department.

#### 4. Rounding

Unless otherwise stated financial figures have been rounded to the nearest one thousand Rand (R'000).

#### 5. Foreign currency translation

Cash flows arising from foreign currency transactions are translated into South African Rands using the exchange rates prevailing at the date of payment / receipt.

#### 6. Comparative information

##### 6.1 Prior period comparative information

Prior period comparative information has been presented in the current year's financial statements. Where necessary figures included in the prior period financial statements have been reclassified to ensure that the format in which the information is presented is consistent with the format of the current year's financial statements.

##### 6.2 Current year comparison with budget

A comparison between the approved, final budget and actual amounts for each programme and economic classification is included in the appropriation statement.

## **7. Revenue**

### **7.1 Appropriated funds**

Appropriated funds comprises of departmental allocations as well as direct charges against the revenue fund (i.e. statutory appropriation).

Appropriated funds are recognised in the statement of financial performance on the date the appropriation becomes effective. Adjustments made in terms of the adjustments budget process are recognised in the statement of financial performance on the date the adjustments become effective.

The net amount of any appropriated funds due to / from the relevant revenue fund at the reporting date is recognised as a payable / receivable in the statement of financial position.

### **7.2 Departmental revenue**

Departmental revenue is recognised in the statement of financial performance when received and is subsequently paid into the relevant revenue fund, unless stated otherwise.

Any amount owing to the relevant revenue fund at the reporting date is recognised as a payable in the statement of financial position.

### **7.3 Accrued departmental revenue**

Accruals in respect of departmental revenue (excluding tax revenue) are recorded in the notes to the financial statements when:

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

The accrued revenue is measured at the fair value of the consideration receivable.

Accrued tax revenue (and related interest and / penalties) is measured at amounts receivable from collecting agents.

## **8. Expenditure**

### **8.1 Compensation of employees**

#### **8.1.1 Salaries and wages**

Salaries and wages are recognised in the statement of financial performance on the date of payment.

#### **8.1.2 Social contributions**

Social contributions made by the department in respect of current employees are recognised in the statement of financial performance on the date of payment.

Social contributions made by the department in respect of ex-employees are classified as transfers to households in the statement of financial performance on the date of payment.

## ACCOUNTING POLICIES

*For the year ended 31 March 2015*

---

### 8.2 Other expenditure

Other expenditure (such as goods and services, transfers and subsidies and payments for capital assets) is recognised in the statement of financial performance on the date of payment. The expense is classified as a capital expense if the total consideration paid is more than the capitalisation threshold.

### 8.3 Accrued expenditure payable

Accrued expenditure payable is recorded in the notes to the financial statements when the goods are received or, in the case of services, when they are rendered to the department.

Accrued expenditure payable is measured at cost.

### 8.4 Leases

#### 8.4.1 Operating leases

Operating lease payments made during the reporting period are recognised as current expenditure in the statement of financial performance on the date of payment.

The operating lease commitments are recorded in the notes to the financial statements.

#### 8.4.2 Finance leases

Finance lease payments made during the reporting period are recognised as capital expenditure in the statement of financial performance on the date of payment.

The finance lease commitments are recorded in the notes to the financial statements and are not apportioned between the capital and interest portions.

Finance lease assets acquired at the end of the lease term are recorded and measured at the lower of:

- cost, being the fair value of the asset; or
- the sum of the minimum lease payments made, including any payments made to acquire ownership at the end of the lease term, excluding interest.

## 9. Aid Assistance

### 9.1 Aid assistance received

Aid assistance received in cash is recognised in the statement of financial performance when received. In-kind aid assistance is recorded in the notes to the financial statements on the date of receipt and is measured at fair value.

Aid assistance not spent for the intended purpose and any unutilised funds from aid assistance that are required to be refunded to the donor are recognised as a payable in the statement of financial position.

### 9.2 Aid assistance paid

Aid assistance paid is recognised in the statement of financial performance on the date of payment. Aid assistance payments made prior to the receipt of funds are recognised as a receivable in the statement of financial position.

## **10. Cash and cash equivalents**

Cash and cash equivalents are stated at cost in the statement of financial position.

Bank overdrafts are shown separately on the face of the statement of financial position.

For the purposes of the cash flow statement, cash and cash equivalents comprise cash on hand, deposits held, other short-term highly liquid investments and bank overdrafts.

## **11. Prepayments and advances**

Prepayments and advances are recognised in the statement of financial position when the department receives or disburses the cash.

Prepayments and advances are initially and subsequently measured at cost.

*<Indicate when prepayments are expensed and under what circumstances.>*

## **12. Loans and receivables**

Loans and receivables are recognised in the statement of financial position at cost plus accrued interest, where interest is charged, less amounts already settled or written-off.

## **13. Investments**

Investments are recognised in the statement of financial position at cost.

## **14. Impairment of financial assets**

Where there is an indication of impairment of a financial asset, an estimation of the reduction in the recorded carrying value, to reflect the best estimate of the amount of the future economic benefits expected to be received from that asset, is recorded in the notes to the financial statements.

## **15. Payables**

Loans and payables are recognised in the statement of financial position at cost.

## **16. Capital Assets**

### **16.1 Immovable capital assets**

Immovable capital assets are initially recorded in the notes to the financial statements at cost. Immovable capital assets acquired through a non-exchange transaction is measured at fair value as at the date of acquisition.

Where the cost of immovable capital assets cannot be determined accurately, the immovable capital assets are measured at R1 unless the fair value of the asset has been reliably estimated, in which case the fair value is used.

All assets acquired prior to 1 April 2002 (or a later date as approved by the OAG) may be recorded at R1.

Immovable capital assets are subsequently carried at cost and are not subject to depreciation or impairment.

Subsequent expenditure that is of a capital nature is added to the cost of the asset at the end of the capital project unless the immovable asset is recorded by another department in which case the completed project costs are transferred to that department.

## **16.2 Movable capital assets**

Movable capital assets are initially recorded in the notes to the financial statements at cost. Movable capital assets acquired through a non-exchange transaction is measured at fair value as at the date of acquisition.

Where the cost of movable capital assets cannot be determined accurately, the movable capital assets are measured at fair value and where fair value cannot be determined; the movable assets are measured at R1.

All assets acquired prior to 1 April 2002 (or a later date as approved by the OAG) may be recorded at R1.

Movable capital assets are subsequently carried at cost and are not subject to depreciation or impairment.

Biological assets are subsequently carried at fair value. Subsequent expenditure that is of a capital nature is added to the cost of the asset at the end of the capital project unless the movable asset is recorded by another department/entity in which case the completed project costs are transferred to that department.

## **16.3 Intangible assets**

Intangible assets are initially recorded in the notes to the financial statements at cost. Intangible assets acquired through a non-exchange transaction are measured at fair value as at the date of acquisition.

Internally generated intangible assets are recorded in the notes to the financial statements when the department commences the development phase of the project.

Where the cost of intangible assets cannot be determined accurately, the intangible capital assets are measured at fair value and where fair value cannot be determined; the intangible assets are measured at R1.

All assets acquired prior to 1 April 2002 (or a later date as approved by the OAG) may be recorded at R1.

Intangible assets are subsequently carried at cost and are not subject to depreciation or impairment.

Subsequent expenditure that is of a capital nature is added to the cost of the asset at the end of the capital project unless the intangible asset is recorded by another department/entity in which case the completed project costs are transferred to that department.

## **17. Provisions and Contingents**

### **17.1 Provisions**

Provisions are recorded in the notes to the financial statements when there is a present legal or constructive obligation to forfeit economic benefits as a result of events in the past and it is probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation and a reliable estimate of the obligation can be made. The provision is measured as the best estimate of the funds required to settle the present obligation at the reporting date.



## **17.2 Contingent liabilities**

Contingent liabilities are recorded in the notes to the financial statements when there is a possible obligation that arises from past events, and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not within the control of the department or when there is a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation or the amount of the obligation cannot be measured reliably

## **17.3 Contingent assets**

Contingent assets are recorded in the notes to the financial statements when a possible asset arises from past events, and whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events not within the control of the department

## **17.4 Commitments**

Commitments are recorded at cost in the notes to the financial statements when there is a contractual arrangement or an approval by management in a manner that raises a valid expectation that the department will discharge its responsibilities thereby incurring future expenditure that will result in the outflow of cash

## **18. Unauthorised expenditure**

Unauthorised expenditure is recognised in the statement of financial position until such time as the expenditure is either:

- approved by Parliament or the Provincial Legislature with funding and the related funds are received; or
- approved by Parliament or the Provincial Legislature without funding and is written off against the appropriation in the statement of financial performance; or
- transferred to receivables for recovery.

Unauthorised expenditure is measured at the amount of the confirmed unauthorised expenditure.

## **19. Fruitless and wasteful expenditure**

Fruitless and wasteful expenditure is recorded in the notes to the financial statements when confirmed. The amount recorded is equal to the total value of the fruitless and or wasteful expenditure incurred.

Fruitless and wasteful expenditure is removed from the notes to the financial statements when it is resolved or transferred to receivables for recovery.

Fruitless and wasteful expenditure receivables are measured at the amount that is expected to be recoverable and are de-recognised when settled or subsequently written-off as irrecoverable.

## **20. Irregular expenditure**

Irregular expenditure is recorded in the notes to the financial statements when confirmed. The amount recorded is equal to the value of the irregular expenditure incurred unless it is impracticable to determine, in which case reasons therefor are provided in the note.

Irregular expenditure is removed from the note when it is either condoned by the relevant authority, transferred to receivables for recovery or not condoned and is not recoverable.



## ACCOUNTING POLICIES

*For the year ended 31 March 2015*

---

Irregular expenditure receivables are measured at the amount that is expected to be recoverable and are de-recognised when settled or subsequently written-off as irrecoverable.

### **21. Changes in accounting policies, accounting estimates and errors**

Changes in accounting policies that are effected by management have been applied retrospectively in accordance with MCS requirements, except to the extent that it is impracticable to determine the period-specific effects or the cumulative effect of the change in policy. In such instances the department shall restate the opening balances of assets, liabilities and net assets for the earliest period for which retrospective restatement is practicable.

Changes in accounting estimates are applied prospectively in accordance with MCS requirements.

Correction of errors is applied retrospectively in the period in which the error has occurred in accordance with MCS requirements, except to the extent that it is impracticable to determine the period-specific effects or the cumulative effect of the error. In such cases the department shall restate the opening balances of assets, liabilities and net assets for the earliest period for which retrospective restatement is practicable.

### **22. Events after the reporting date**

Events after the reporting date that are classified as adjusting events have been accounted for in the financial statements. The events after the reporting date that are classified as non-adjusting events after the reporting date have been disclosed in the notes to the financial statements.

### **23. Agent-Principal arrangements**

### **24. Departures from the MCS requirements**

Management has concluded that the financial statements present fairly the department's primary and secondary information. The department complied with the Standard except that it has departed from a particular requirement to achieve fair presentation and the requirement from which the department has departed, the nature of the departure and the reason for departure.

### **25. Capitalisation reserve**

The capitalisation reserve comprises of financial assets and/or liabilities originating in a prior reporting period but which are recognised in the statement of financial position for the first time in the current reporting period. Amounts are recognised in the capitalisation reserves when identified in the current period and are transferred to the National/Provincial Revenue Fund when the underlying asset is disposed and the related funds are received

### **26. Recoverable revenue**

Amounts are recognised as recoverable revenue when a payment made in a previous financial year becomes recoverable from a debtor in the current financial year. Amounts are either transferred to the National/Provincial Revenue Fund when recovered or are transferred to the statement of financial performance when written-off.

### **27. Related party transactions**

A related party transaction is a transfer of resources, services or obligations between the reporting entity and a related party. Related party transactions are recorded in the notes to the financial statements when the transaction is not at arm's length.

## NOTES TO THE ANNUAL FINANCIAL STATEMENTS

For the year ended 31 March 2015

### 1. Annual Appropriation

#### 1.1 Annual Appropriation

Included are funds appropriated in terms of the Appropriation Act (and the Adjustments Appropriation Act) for National Departments (Voted funds) and Provincial Departments:

	2014/15		2013/14	
	Final Appropriation	Actual Funds Received	Funds not requested/ not received	Appropriation received
	R'000	R'000	R'000	R'000
Administration	84,648	84,648	-	86,564
Integrated Economic Development	231,114	231,114	-	197,727
Trade and Sector Development	14,986	14,986	-	35,461
Business Regulation	83,129	83,129	-	80,979
Economic Planning	14,389	14,389	-	8,479
Environmental Services	-	-	-	94,969
Tourism	332,828	332,828	-	326,060
<b>Total</b>	<b>761,094</b>	<b>761,094</b>	<b>-</b>	<b>830,239</b>

#### 1.2 Conditional grants

	Note	2014/15 R'000	2013/14 R'000
Total grants received	46	3,561	1,431

### 2. Statutory Appropriation

	2014/15 R'000	2013/14 R'000
Members' remuneration	3,199	1,870
<b>Total</b>	<b>3,199</b>	<b>1,870</b>
Actual Statutory Appropriation received	3,199	1,870

### 3. Departmental revenue

	Note	2014/15 R'000	2013/14 R'000
Tax revenue		86,080	78,735
Sales of goods and services other than capital assets	3.1	2,207	1,964
Fines, penalties and forfeits	3.2	1,857	2,202
Interest, dividends and rent on land	3.3	1,179	832
Sales of capital assets	3.4	103	242
Transactions in financial assets and liabilities	3.5	14,248	72
<b>Total revenue collected</b>		<b>105,674</b>	<b>84,047</b>
<b>Departmental revenue collected</b>		<b>105,674</b>	<b>84,047</b>

## NOTES TO THE ANNUAL FINANCIAL STATEMENTS

For the year ended 31 March 2015

### 3.1 Sales of goods and services other than capital assets

	Note	2014/15	2013/14
	3	R'000	R'000
Sales of goods and services produced by the department		2,207	1,964
Sales by market establishment		2,207	1,851
Administrative fees			113
Other sales			
Sales of scrap, waste and other used current goods			
<b>Total</b>		<b>2,207</b>	<b>1,964</b>

### 3.2 Fines, penalties and forfeits

	Note	2014/15	2013/14
	3	R'000	R'000
Fines		1,857	2,202
Penalties			
Forfeits			
<b>Total</b>		<b>1,857</b>	<b>2,202</b>

### 3.3 Interest, dividends and rent on land

	Note	2014/15	2013/14
	3	R'000	R'000
Interest		1,179	832
<b>Total</b>		<b>1,179</b>	<b>832</b>

### 3.4 Sale of capital assets

	Note	2014/15	2013/14
	3	R'000	R'000
Tangible assets		103	242
Buildings and other fixed structures	41		
Machinery and equipment	39	103	242
<b>Total</b>		<b>103</b>	<b>242</b>

### 3.5 Transactions in financial assets and liabilities

	Note	2014/15	2013/14
	3	R'000	R'000
Other Receipts including Recoverable Revenue		14,248	72
<b>Total</b>		<b>14,248</b>	<b>72</b>

## 4. Compensation of employees

### 4.1 Salaries and Wages

	Note	2014/15	2013/14
		R'000	R'000
Basic salary		76,087	111,608
Performance award		889	2,868
Service Based		5,853	9,076
Compensative/circumstantial		1,693	1,819
Other non-pensionable allowances		10,980	16,821
<b>Total</b>		<b>95,502</b>	<b>142,192</b>

## NOTES TO THE ANNUAL FINANCIAL STATEMENTS

For the year ended 31 March 2015

### 4.2 Social contributions

	Note	2014/15 R'000	2013/14 R'000
<b>Employer contributions</b>			
Pension		9,796	14,442
Medical		4,638	7,236
Bargaining council		17	26
<b>Total</b>		<b>14,451</b>	<b>21,704</b>
<b>Total compensation of employees</b>		<b>109,953</b>	<b>163,896</b>
Average number of employees		267	466

### 5. Goods and services

	Note	2014/15 R'000	2013/14 R'000
Administrative fees		18	40
Advertising		2,155	1,569
Minor assets	5.1	189	229
Catering		1,701	1,215
Communication		4,601	5,931
Computer services	5.2	719	720
Consultants, contractors and agency/outsourced services	5.3	23,103	19,088
Audit cost – external	5.4	3,366	4,048
Fleet services		585	2,022
Consumables	5.5	3,731	2,451
Operating leases		21,032	22,995
Property payments	5.6	5,630	8,001
Travel and subsistence	5.7	13,383	16,131
Venues and facilities		901	474
Training and development		782	845
Other operating expenditure	5.8	2,318	1,564
<b>Total</b>		<b>84,214</b>	<b>87,323</b>

Included above is an amount of R 5 000 000 under operating leases which relates to Unauthorized expenditure condoned without funding for prior years

#### 5.1 Minor assets

	Note	2014/15 R'000	2013/14 R'000
<b>Tangible assets</b>	5		
Machinery and equipment		189	229
<b>Total</b>		<b>189</b>	<b>229</b>

#### 5.2 Computer services

	Note	2014/15 R'000	2013/14 R'000
SITA computer services	5	197	329
External computer service providers		522	391
<b>Total</b>		<b>719</b>	<b>720</b>

## NOTES TO THE ANNUAL FINANCIAL STATEMENTS

For the year ended 31 March 2015

### 5.3 Consultant, contractors and agency

	Note	2014/15	2013/14
	5	R'000	R'000
Infrastructure and planning		-	149
Contractors		173	573
Agency and support/ outsourced services		22,930	18,366
		<b>23,103</b>	<b>19,088</b>

### 5.4 Audit cost – External

	Note	2014/15	2013/14
	5	R'000	R'000
Performance audits			
Regularity audits		3,366	4,048
Total		<b>3,366</b>	<b>4,048</b>

### 5.5 Consumables

	Note	2014/15	2013/14
	5	R'000	R'000
Consumable supplies		2,371	998
Uniform and clothing		106	304
Household supplies			435
Communication accessories			124
IT consumables		31	54
Other consumables		2,234	81
Stationery, printing and office supplies		1,360	1,453
Total		<b>3,731</b>	<b>2,451</b>

### 5.6 Property payments

	Note	2014/15	2013/14
	5	R'000	R'000
Municipal services		3,155	274
Property maintenance and repairs		700	3,011
Other		1,775	4,716
Total		<b>5,630</b>	<b>8,001</b>

### 5.7 Travel and subsistence

	Note	2014/15	2013/14
	5	R'000	R'000
Local		13,346	16,053
Foreign		37	78
Total		<b>13,383</b>	<b>16,131</b>

### 5.8 Other operating expenditure

	Note	2014/15	2013/14
	5	R'000	R'000
Professional bodies, membership and subscription fees		1,606	405
Resettlement costs		99	129
Other		613	1,030
Total		<b>2,318</b>	<b>1,564</b>



## NOTES TO THE ANNUAL FINANCIAL STATEMENTS

For the year ended 31 March 2015

### 6. Payments for financial assets

	Note	2014/15 R'000	2013/14 R'000
Debts written off	6	-	19
<b>Total</b>		<b>-</b>	<b>19</b>

### 7. Transfers and subsidies

	Note	2014/15 R'000	2013/14 R'000
Provinces and municipalities	Annex 1	17	20,015
Departmental agencies and accounts	Annex 2	365,441	362,342
Public corporations and private enterprises	Annex 3	190,605	188,410
Households	Annex 4	477	1,758
<b>Total</b>		<b>556,540</b>	<b>572,525</b>

### 8. Expenditure for capital assets

	Note	2014/15 R'000	2013/14 R'000
<b>Tangible assets</b>		<b>5,328</b>	<b>2,277</b>
Machinery and equipment	28	5,328	2,277
Goods and services			
<b>Total</b>		<b>5,328</b>	<b>2,277</b>

#### 8.1 Analysis of funds utilised to acquire capital assets – 2014/15

	Voted funds	Aid assistance	Total
	R'000	R'000	R'000
<b>Tangible assets</b>	<b>5,328</b>		<b>5,328</b>
Buildings and other fixed structures			
Heritage assets			
Machinery and equipment	5,328		5,328
Specialised military assets			
Land and subsoil assets			
Biological assets			
Services and operating rights			
<b>Total</b>	<b>5,328</b>		<b>5,328</b>

## NOTES TO THE ANNUAL FINANCIAL STATEMENTS

For the year ended 31 March 2015

### 8.2 Analysis of funds utilised to acquire capital assets – 2013/14

	Voted funds	Aid assistance	Total
	R'000	R'000	R'000
<b>Tangible assets</b>	<b>2,277</b>		<b>2,277</b>
Buildings and other fixed structures			
Heritage assets			
Machinery and equipment	2,277		
Specialised military assets			
Land and subsoil assets			
Biological assets			
<b>Intangible assets</b>			
<b>Total</b>	<b>2,277</b>		<b>2,277</b>

## 9. Unauthorised expenditure

### 9.1 Reconciliation of unauthorised expenditure

	Note	2014/15 R'000	2013/14 R'000
Opening balance		10,226	15,226
Prior period error		(5,226)	
As restated		5,000	15,226
Unauthorised expenditure – discovered in current year (as restated)			
Less: Amounts approved by Parliament/Legislature with funding			
Less: Amounts approved by Parliament/Legislature without funding		(5,000)	(5,000)
Current		(5,000)	(5,000)
Transfers and subsidies			
Less: Amounts transferred to receivables for recovery	15		
<b>Unauthorised expenditure awaiting authorisation / written off</b>		<b>-</b>	<b>10,226</b>

### 9.2 Analysis of unauthorised expenditure awaiting authorisation per economic classification

	2014/15 R'000	2013/14 R'000
Current	-	10,226
<b>Total</b>	<b>-</b>	<b>10,226</b>

### 9.3 Analysis of unauthorised expenditure awaiting authorisation per type

	2014/15 R'000	2013/14 R'000
Unauthorised expenditure relating to overspending of the vote or a main division within a vote	-	10,226
<b>Total</b>	<b>-</b>	<b>10,226</b>

## 10. Cash and cash equivalents

	Note	2014/15 R'000	2013/14 R'000
Consolidated Paymaster General Account		23,421	1,030
<b>Total</b>		<b>23,421</b>	<b>1,030</b>

Included above is an amount of R14 248 000 which was received from MEGA at year end (31 March 2015). This amount is a surrender from MEGA and it has subsequently been paid over to the Provincial Revenue Fund in the new financial year.

## NOTES TO THE ANNUAL FINANCIAL STATEMENTS

For the year ended 31 March 2015

### Receivables

		2014/15			2013/14
		R'000	R'000	R'000	R'000
Note		Less than one year	One to three years	Older than three years	Total
Claims recoverable	11.1				55
Staff debt	11.2	56	58	75	230
Fruitless and wasteful expenditure					
Other debtors	11.3	95			95
<b>Total</b>		<b>151</b>	<b>58</b>	<b>75</b>	<b>284</b>

#### 10.1 Claims recoverable

	Note	2014/15 R'000	2013/14 R'000
Public entities	11		55
<b>Total</b>			<b>55</b>

#### 10.2 Staff debt

	Note	2014/15 R'000	2013/14 R'000
Salary: Tax debt	11	16	5
Salary: Income Tax		76	89
Other		97	85
Recovery (fruitless)		-	51
<b>Total</b>		<b>189</b>	<b>230</b>

#### 10.3 Other debtors

	Note	2014/15 R'000	2013/14 R'000
Salary: Tax debt	11	9	-
Salary Overpayment		86	-
<b>Total</b>		<b>95</b>	<b>-</b>

### 11. Voted funds to be surrendered to the Revenue Fund

	Note	2014/15 R'000	2013/14 R'000
Opening balance		10,302	12,658
Prior period error	13.1	(5,226)	-
As restated		5,076	12,658
Transfer from statement of financial performance (as restated)		3,258	1,069
Paid during the year		(1,069)	3,425
<b>Closing balance</b>		<b>7,265</b>	<b>10,302</b>

## NOTES TO THE ANNUAL FINANCIAL STATEMENTS

For the year ended 31 March 2015

### 11.1 Analysis of Prior period error

	Note	2014/15 R'000	2013/14 R'000
Opening balance		10,393	
Reversal journal of 2009/10		(1,159)	
Balance to be surrendered		(4,007)	
Closing balance		5,226	-

### 12. Departmental revenue and NRF Receipts to be surrendered to the Revenue Fund

	Note	2014/15 R'000	2013/14 R'000
Opening balance		681	4,733
Prior period error		-	-
As restated		681	4,733
Transfer from Statement of Financial Performance (as restated)		105,674	84,047
Paid during the year		(89,975)	(88,099)
Closing balance		16,380	681

### 13. Payables – current

	Note	2014/15 R'000	2013/14 R'000
Other payables	14.1	2	459
Total		2	459

#### 13.1 Other payables

	Note	2014/15 R'000	2013/14 R'000
Sal: Persal EBT Control Acc: Dom	14	2	-
Surrender from MEGA		-	-
Environmental Awareness: Court Order		-	459
Total		2	459

### 14. Net cash flow available from operating activities

	Note	2014/15 R'000	2013/14 R'000
Net surplus/(deficit) as per Statement of Financial Performance		89,569	85,116
Add back non cash/cash movements not deemed operating activities		(61,912)	(84,552)
(Increase)/decrease in receivables – current		1	80
(Increase)/decrease in other current assets		-	5,000
Increase/(decrease) in payables – current		13,680	(143)
Proceeds from sale of capital assets		(103)	(242)
Expenditure on capital assets		5,328	2,277
Surrenders to Revenue Fund		(91,044)	(91,524)
Net cash flow generated by operating activities		27,657	564

## NOTES TO THE ANNUAL FINANCIAL STATEMENTS

For the year ended 31 March 2015

### 15. Reconciliation of cash and cash equivalents for cash flow purposes

	Note	2014/15 R'000	2013/14 R'000
Consolidated Paymaster General account		23,421	1,030
<b>Total</b>		<b>23,421</b>	<b>1,030</b>

### 16. Contingent liabilities and contingent assets

#### 16.1 Contingent liabilities

	Note	2014/15 R'000	2013/14 R'000
Claims against the department	Annex	15,168	14,912
<b>Total</b>		<b>15,168</b>	<b>14,912</b>

### 17. Commitments

	Note	2014/15 R'000	2013/14 R'000
Current expenditure			
Approved and contracted		16	6,093
Approved but not yet contracted		16	6,093
<b>Total Commitments</b>		<b>16</b>	<b>6,093</b>

### 18. Accruals and payables not recognised

			2014/15 R'000	2013/14 R'000
Listed by economic classification				
	30 Days	30+ Days	Total	Total
Compensation of Employees	-	16	16	-
Goods and services	938	1,999	2,937	795
Total	938	2,015	2,953	795

	Note	2014/15 R'000	2013/14 R'000
Listed by programme level			
Programme 1: Administration		1,804	679
Programme 2: Integrated Economic Development		79	3
Programme 4: Business Regulation		1,070	78
Programme 5: Economic Planning		-	2
Programme 6: Environmental Services		-	33
<b>Total</b>		<b>2,953</b>	<b>795</b>

	Note	2014/15 R'000	2013/14 R'000
Confirmed balances with other departments	Annex 7	1,757	1,523
<b>Total</b>		<b>1,757</b>	<b>1,523</b>

## NOTES TO THE ANNUAL FINANCIAL STATEMENTS

For the year ended 31 March 2015

### 19. Employee benefits

	Note	2014/15 R'000	2013/14 R'000
Leave entitlement		6,370	3,469
Service bonus (Thirteenth cheque)		3,080	4,615
Performance awards		2,897	2,801
Long service awards		151	124
Capped leave commitments		6,973	12,484
<b>Total</b>		<b>19,471</b>	<b>23,369</b>

Included in the leave entitlement above are negative leave balances resulting from leave taken before leave days accrue to various employees. The value of which is R39 833.28

### 20. Lease commitments

#### 20.1 Operating leases expenditure

2014/15	Specialised military equipment	Land	Buildings and other fixed structures	Machinery and equipment	Total
Not later than 1 year			7,296	6,517	13,813
Later than 1 year and not later than 5 years			9,580	12,483	22,063
Later than five years					
<b>Total lease commitments</b>			<b>16,876</b>	<b>19,000</b>	<b>35,876</b>

2013/14	Specialised military equipment	Land	Buildings and other fixed structures	Machinery and equipment	Total
Not later than 1 year			8,873	6,290	15,163
Later than 1 year and not later than 5 years			33,101	17,386	50,487
Later than five years					
<b>Total lease commitments</b>			<b>41,974</b>	<b>23,676</b>	<b>65,650</b>

### 21. Accrued departmental revenue

	Note	2014/15 R'000	2013/14 R'000
Tax revenue		7,362	7,009
<b>Total</b>		<b>7,362</b>	<b>7,009</b>

#### 21.1 Analysis of accrued departmental revenue

	Note	2014/15 R'000	2013/14 R'000
Opening balance		7,009	7,026
Less: amounts received		(7,009)	(6,524)
Add: amounts recognised		7,362	7,009
Less: amounts written-off/reversed as irrecoverable		-	(502)
<b>Closing balance</b>		<b>7,362</b>	<b>7,009</b>

The closing balance of R 7 362 000 relates to:  
Gambling fees amounting to R 6 245 000 and horse racing taxes amounting to R 1 021 000 for March 2015 from MGB which was paid in April 2015 after financial year end.  
An amount of R 95 747 relating to liquor license fees for March 2015 was also received in April 2015.

## NOTES TO THE ANNUAL FINANCIAL STATEMENTS

For the year ended 31 March 2015

### 22. Irregular expenditure

#### 22.1 Reconciliation of irregular expenditure

	Note	2014/15 R'000	2013/14 R'000
Opening balance		37,492	30,962
Prior period error			
As restated		37,492	-
Add: Irregular expenditure – relating to prior year			
Add: Irregular expenditure – relating to current year		-	6,530
Less: Prior year amounts condoned			
Less: Current year amounts condoned			
Less: Amounts not condoned and recoverable	15		
Less: Amounts not condoned and not recoverable			
Closing balance		37,492	37,492
Analysis of awaiting condonation per age classification			
Current year		-	6,530
Prior years		37,492	30,962
Total		37,492	37,492

### 23. Fruitless and wasteful expenditure

#### 23.1 Reconciliation of fruitless and wasteful expenditure

	Note	2014/15 R'000	2013/14 R'000
Opening balance		3,936	3,936
Prior period error			
As restated			
Fruitless and wasteful expenditure – relating to prior year			
Fruitless and wasteful expenditure – relating to current year			
Less: Amounts resolved			
Less: Amounts transferred to receivables for recovery	15.6		
Fruitless and wasteful expenditure awaiting resolution		3,936	3,936

#### 23.2 Analysis of awaiting resolution per economic classification

	2014/15 R'000	2013/14 R'000
Current	3,936	3,936
Total	3,936	3,936



## NOTES TO THE ANNUAL FINANCIAL STATEMENTS

For the year ended 31 March 2015

### 24. Related party transactions

#### 24.1 Zithabiseni Holiday Resort

The Department had budgeted R19,000,000 for Zithabiseni for the payment of salaries for staff at the Resort. The resort continues to face challenges in generating income in order to become self sustainable over period of time. A task team has been appointed to deal with structural and Governance challenges facing the resort and other operational matters. The total amount transferred to Zithabiseni is R19,000,000 during the year under review.

#### 24.2 Provincial Tooling Initiative

The Department signed a Service Level Agreement with the National Tooling Initiative to establish a provincial tooling initiative. According to the Service Level Agreement, the programme is to be rolled over for a period of five years and thereafter the Mpumalanga Tooling Initiative should be able to sustain itself. The Department has paid an amount of R 1 750 000 towards the Tooling Initiative during the year under review.

#### 24.3 Department of Public Works, Roads and Transport

During the year the Department received service from the Department of Public Works, Road and Transport that are related to the Department. The Department of Economic Development, Environmental and Tourism occupies Government Building in the Province provided by the Department of Public Works, Roads and Transport free of charge.

#### 24.4 Department of Finance

During the year the Department received service from the Department of Finance that are related to the Department. The Department has entered into a memorandum of understanding for the rendering of information technology communication services (ICT) with Mpumalanga Provincial Treasury. These services are provided by the Department of Finance free of charge.

Furthermore this department and the Department of Finance are related in that they share the same Member of the Executive Council. However they remain separate votes within the Mpumalanga Provincial Administration.

#### 24.5 Departmental Agencies

The Department has three Public Entities reporting to it and these entities assist the department in carrying out it's legislative mandate. The Department enters into a shareholders compact with the Boards of these agencies. The public entities are as listed below;

- Mpumalanga Gambling Board – MGB
- Mpumalanga Economic Growth Agency – MEGA
- Mpumalanga Tourism and Parks Agency – MTPA

#### 24.6 Key Management Personnel - refer to note 27

	Note	2014/15 R'000	2013/14 R'000
Revenue received			
Tax revenue		86,080	78,735
Total		86,080	78,735

The above relates to revenue collected by the Mpumalanga Gambling Board through it's regulation of the Gambling industry. This include Casinos and also horse racing in the Province. Also included are liquor license fees revenue collected during the year.

## NOTES TO THE ANNUAL FINANCIAL STATEMENTS

For the year ended 31 March 2015

Payments made	Note	2014/15 R'000	2013/14 R'000
Goods and services		11,098	-
Transfers		19,000	39,000
<b>Total</b>		<b>30,098</b>	<b>39,000</b>

### Goods and services

The amount of R 11 098 000 relates to payments made to transfers made to Provincial Tooling Initiative, SABS and StatsSA.

### Transfers

The amount of R 19 000 000 relates to transfers made to Zithabiseni Resort and Conference Centre.

	Note	2014/15 R'000	2013/14 R'000
<b>Year end balances arising from revenue/payments</b>			
Receivables from related parties		7,362	-
Payables to related parties		-	1,523
<b>Total</b>		<b>7,362</b>	<b>1,523</b>

## 25. Key management personnel

	No. of Individuals	2014/15 R'000	2013/14 R'000
Member of the Executive Council		896	1,735
Officials:			
Deputy Director-General	2	554	1,281
Deputy Director-General (Sector Specialist)	1	-	1,137
Chief Directors (incl. CFO)	7	5,600	6,491
<b>Total</b>		<b>7,050</b>	<b>10,644</b>

### Reconciliation of movement in provisions – 2013/14

	Provision 1 R'000	Provision 2 R'000	Provision 3 R'000	Total provisions R'000
Opening balance				3,412
Settlement of provision without cost to the department				(3,412)
<b>Closing balance</b>				<b>-</b>

## NOTES TO THE ANNUAL FINANCIAL STATEMENTS

For the year ended 31 March 2015

### 26. Movable Tangible Capital Assets

#### MOVEMENT IN MOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2015

	Opening balance	Additions	Disposals	Closing Balance
	R'000	R'000	R'000	R'000
<b>MACHINERY AND EQUIPMENT</b>	<b>31,923</b>	<b>5,328</b>	<b>19,249</b>	<b>18,002</b>
Transport assets	7,027	1,411	3,735	4,703
Computer equipment	16,863	1,601	12,394	6,070
Furniture and office equipment	5,644	2,261	1,246	6,659
Other machinery and equipment	2,389	55	1,874	570
Capital Work-in-progress				
<b>TOTAL MOVABLE TANGIBLE CAPITAL ASSETS</b>	<b>31,923</b>	<b>5,328</b>	<b>19,249</b>	<b>18,002</b>

#### Movable Tangible Capital Assets under investigation

Number	Value
	R'000

Included in the above total of the movable tangible capital assets per the asset register are assets that are under investigation:

Machinery and equipment	8	151
-------------------------	---	-----

Stolen laptops – These matters are still under investigation, cases were opened with SAPS. They have also been to the Departmental Security Committee.

#### 26.1 Additions

#### ADDITIONS TO MOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2015

	Cash*	Non-cash**	(Capital Work in Progress current costs and finance lease payments)	Received current, not paid (Paid current year, received prior year)	Total
	R'000	R'000	R'000	R'000	R'000
<b>MACHINERY AND EQUIPMENT</b>	<b>5,328</b>				<b>5,328</b>
Transport assets	1,411				1,411
Computer equipment	1,601				1,601
Furniture and office equipment	2,261				2,261
Other machinery and equipment	55				55
<b>TOTAL ADDITIONS TO MOVABLE TANGIBLE CAPITAL ASSETS</b>	<b>5,328</b>				<b>5,328</b>

## NOTES TO THE ANNUAL FINANCIAL STATEMENTS

For the year ended 31 March 2015

### 26.2 Disposals

#### DISPOSALS OF MOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2015

	Sold for cash	Transfer out or destroyed or scrapped	Total disposals	Cash Received Actual
	R'000	R'000	R'000	R'000
<b>MACHINERY AND EQUIPMENT</b>	<b>342</b>	<b>18,907</b>	<b>19,249</b>	<b>103</b>
Transport assets	342	3,393	3,735	103
Computer equipment		12,394	12,394	
Furniture and office equipment		1,246	1,246	
Other machinery and equipment		1,874	1,874	
<b>TOTAL DISPOSAL OF MOVABLE TANGIBLE CAPITAL ASSETS</b>	<b>342</b>	<b>18,907</b>	<b>19,249</b>	<b>103</b>

The above note consists of assets that were transferred to the Department of Agriculture, Rural Development, Land and Environmental Affairs as a result of the transfer of Environmental Services.

### 26.3 Movement for 2013/14

#### MOVEMENT IN TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2014

	Opening balance	Prior period error	Additions	Disposals	Closing Balance
	R'000	R'000	R'000	R'000	R'000
<b>MACHINERY AND EQUIPMENT</b>	<b>33,533</b>	<b>(28)</b>	<b>2,277</b>	<b>3,859</b>	<b>31,923</b>
Transport assets	7,050		579	602	7,027
Computer equipment	18,030		982	2,149	16,863
Furniture and office equipment	5,840		444	640	5,644
Other machinery and equipment	2,613	(28)	272	468	2,389
<b>TOTAL MOVABLE TANGIBLE CAPITAL ASSETS</b>	<b>33,533</b>	<b>(28)</b>	<b>2,277</b>	<b>3,859</b>	<b>31,923</b>

### 26.4 Minor assets

#### MOVEMENT IN MINOR ASSETS PER THE ASSET REGISTER FOR THE YEAR ENDED AS AT 31 MARCH 2015

	Specialised military assets	Intangible assets	Heritage assets	Machinery and equipment	Biological assets	Total
	R'000	R'000	R'000	R'000	R'000	R'000
Opening balance				9,104		9,104
Additions				189		189
Disposals				(4,989)		(4,989)
<b>TOTAL MINOR ASSETS</b>				<b>4,304</b>		<b>4,304</b>

## NOTES TO THE ANNUAL FINANCIAL STATEMENTS

For the year ended 31 March 2015

	Specialised military assets	Intangible assets	Heritage assets	Machinery and equipment	Biological assets	Total
Number of R1 minor assets				34		34
Number of minor assets at cost				2,452		2,452
<b>TOTAL NUMBER OF MINOR ASSETS</b>				<b>2,486</b>		<b>2,486</b>

### MOVEMENT IN MINOR ASSETS PER THE ASSET REGISTER FOR THE YEAR ENDED AS AT 31 MARCH 2015

	Specialised military assets	Intangible assets	Heritage assets	Machinery and equipment	Biological assets	Total
	R'000	R'000	R'000	R'000	R'000	R'000
Opening balance				10,360		10,360
Prior period error				(393)		(393)
Additions				229		229
Disposals				(1,092)		(1,092)
<b>TOTAL MINOR ASSETS</b>				<b>9,104</b>		<b>9,104</b>

### MOVABLE ASSETS WRITTEN OFF FOR THE YEAR ENDED AS AT 31 MARCH 2014

	Specialised military assets	Intangible assets	Heritage assets	Machinery and equipment	Biological assets	Total
	R'000	R'000	R'000	R'000	R'000	R'000
Assets written off				23		23
<b>TOTAL MOVABLE ASSETS WRITTEN OFF</b>				<b>23</b>		<b>23</b>

## 27. Intangible Capital Assets

### MOVEMENT IN INTANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2015

	Opening balance	Additions	Disposals	Closing Balance
	R'000	R'000	R'000	R'000
SOFTWARE	115			115
<b>TOTAL INTANGIBLE CAPITAL ASSETS</b>	<b>115</b>			<b>115</b>

#### 27.1 Movement for 2013/14

### MOVEMENT IN INTANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2014

	Opening balance	Prior period error	Additions	Disposals	Closing Balance
	R'000	R'000	R'000	R'000	R'000
SOFTWARE	115				115
<b>TOTAL INTANGIBLE CAPITAL ASSETS</b>	<b>115</b>				<b>115</b>

## NOTES TO THE ANNUAL FINANCIAL STATEMENTS

For the year ended 31 March 2015

### 28. Transfer of functions

#### 28.1 Statement of Financial Position

	Note	Bal per dept 2013/14 AFS before transfer	Functions per dept (transferred) / received	2014/15 Bal after transfer
		2013/14	2014/15	2014/15
		R'000	R'000	R'000
<b>ASSETS</b>		285	(81)	204
Current Assets				
Receivables		285	(81)	204
<b>TOTAL ASSETS</b>		285	(81)	204
<b>LIABILITIES</b>				
Current Liabilities		459	-464	(5)
Payables		459	-464	(5)
<b>TOTAL LIABILITIES</b>		-459	-464	(5)
<b>NET ASSETS</b>		(174)	383	209

#### 28.2 Notes

	Note	Bal per dept 2013/14 AFS before transfer	Functions per dept (transferred) / received	2014/15 Bal after transfer
		2013/14	2014/15	2014/15
		R'000	R'000	R'000
Contingent liabilities				
Contingent assets				
Commitments				
Accruals and payables not recognised				
Employee benefits				
Lease commitments – Operating lease		65,650	(2,757)	62,893
Lease commitments – Finance lease				
Lease commitments – Operating lease revenue				
Accrued departmental revenue				
Irregular expenditure				
Fruitless and wasteful expenditure				
Impairment				
Provisions				
Movable tangible capital assets		31,923	(22,087)	9,836
Immovable tangible capital assets				
Intangible capital assets				

## NOTES TO THE ANNUAL FINANCIAL STATEMENTS

For the year ended 31 March 2015

### 29. STATEMENT OF CONDITIONAL GRANTS RECEIVED

NAME OF DEPARTMENT	GRANT ALLOCATION					SPENT			2013/14		
	Division of Revenue Act/ Provincial Grants	Roll Overs	DORA Adjustments	Other Adjustments	Total Available	Amount received by department	Amount spent by department	Under / (Overspending)	% of available funds spent by department	Division of Revenue Act	Amount spent by department
Department of Public Works (EPWP)	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
	3,561				3,561	3,561	3,561			1,431	1,431
	3,561				3,561	3,561	3,561			1,431	1,431



# UNAUDITED ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

For the year ended 31 March 2015

## ANNEXURE 1

### STATEMENT OF CONDITIONAL GRANTS PAID TO MUNICIPALITIES

NAME OF MUNICIPALITY	GRANT ALLOCATION				TRANSFER			SPENT		2013/14
	Division of Revenue Act	Roll Overs	Adjustments	Total Available	Actual Transfer	Funds Withheld	Re-allocations by National Treasury or National Department	Amount received by municipality	Amount spent by municipality	
	R'000	R'000	R'000		R'000	R'000	%	R'000	R'000	%
Lekwa Local Municipality	-	-	-	-	-	-	-	-	-	-
Mbombela Local Municipality	-	-	-	-	17	-	-	-	-	-
	-	-	-	-	17	-	-	-	-	-

# UNAUDITED ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

For the year ended 31 March 2015

## ANNEXURE 2

### STATEMENT OF TRANSFERS TO DEPARTMENTAL AGENCIES AND ACCOUNTS

AGENCY	TRANSFER ALLOCATION				TRANSFER		2013/14 Appropriation Act
	Adjusted Appropriation	Roll Overs	Adjust-ments	Total Available	Actual Transfer	% of Available funds Transferred	
	R'000	R'000	R'000	R'000	R'000	%	R'000
Mpumalanga Gambling Board - MGB	54,500			54,500	54,500	100	57,908
Mpumalanga Tourism and Parks Agency - MTPA	310,941			310,941	310,941	100	304,422
South African Broadcasting Corporation - SABC	-	-	-	-	-	-	12
	365,441			365,441	365,441	100	362,342

### ANNEXURE 3

#### STATEMENT OF TRANSFERS TO PUBLIC CORPORATIONS AND PRIVATE ENTERPRISES

NAME OF PUBLIC CORPORATION/PRIVATE ENTERPRISE	TRANSFER ALLOCATION			EXPENDITURE			2013/14
	Adjusted Appropriation Act	Roll Overs	Adjustments	Total Available	Actual Transfer	% of Available funds Transferred	
	R'000	R'000	R'000	R'000	R'000	%	R'000
<b>Public Corporations</b>							
Transfers							
Mpumalanga Economic Growth Agency (MEGA)	171,605			171,605	171,605	100	169,410
	171,605			171,605	171,605	100	169,410
<b>Total</b>	<b>171,605</b>			<b>171,605</b>	<b>171,605</b>	<b>100</b>	<b>169,410</b>
<b>Private Enterprises</b>							
Transfers							
Zithabiseni Resort and Conference Centre	19,000			19,000	19,000	100	19,000
	19,000			19,000	19,000	100	19,000
Subsidies							
<b>Total</b>	<b>19,000</b>			<b>19,000</b>	<b>19,000</b>	<b>100</b>	<b>19,000</b>
<b>TOTAL</b>	<b>190,605</b>			<b>190,605</b>	<b>190,605</b>	<b>100</b>	<b>188,410</b>

**ANNEXURE 4**

**STATEMENT OF TRANSFERS TO HOUSEHOLDS**

HOUSEHOLDS	TRANSFER ALLOCATION				EXPENDITURE		2013/14 Appropriation Act
	Adjusted Appropriation Act	Roll Overs	Adjustments	Total Available	Actual Transfer	% of Available funds Transferred	
	R'000	R'000	R'000	R'000	R'000	%	R'000
Transfers					477		1,758
Leave Gratuity							
					477		1,758
Subsidies					-		
					-		
					-		
					-		
Total					477		1,758

## UNAUDITED ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

For the year ended 31 March 2015

### ANNEXURE 5

#### STATEMENT OF CONTINGENT LIABILITIES AS AT 31 MARCH 2015

Nature of Liability	Opening Balance 1 April 2014	Liabilities incurred during the year	Liabilities paid/ cancelled/reduced during the year	Liabilities recoverable (Provide details hereunder)	Closing Balance 31 March 2015
	R'000	R'000	R'000	R'000	R'000
<b>Claims against the department</b>					
MW Nkosi and 3 others	9,330	4,217			13,547
Makgamatha v/s dedet	1,217	-			1,217
Carol Bouwer Productions	3,965	-	(3,985)		-
Sibuyi v/s MEC dedet	400		(400)		-
Macbeth Attorneys / MEC dedet	-	380	-	-	380
M Leonard / Liquor Board	-	3	-	-	3
Siya Embili Properties	-	-	21		21
<b>Subtotal</b>	<b>14,912</b>	<b>4,600</b>	<b>(4,365)</b>	<b>-</b>	
<b>TOTAL</b>	<b>14,912</b>	<b>4,600</b>	<b>(4,365)</b>	<b>-</b>	<b>15,168</b>

**UNAUDITED ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS**  
For the year ended 31 March 2015

**ANNEXURE 6**

**CLAIMS RECOVERABLE**

Government Entity	Confirmed balance outstanding		Unconfirmed balance outstanding		Total		Cash in transit at year end 2014/15 *	
	31/03/2015	31/03/2014	31/03/2015	31/03/2014	31/03/2015	31/03/2014	Receipt date up to six (6) working days after year end	Amount
	R'000	R'000	R'000	R'000	R'000	R'000		R'000
Other Government Entities	-	-	-	55	-	55		
<b>TOTAL</b>	-	-	-	55	-	55		

**UNAUDITED ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS**  
For the year ended 31 March 2015

**ANNEXURE 7**

**INTER-GOVERNMENT PAYABLES**

GOVERNMENT ENTITY	Confirmed balance outstanding		Unconfirmed balance outstanding		TOTAL		Cash in transit at year end 2014/15	
	31/03/2015	31/03/2014	31/03/2015	31/03/2014	31/03/2015	31/03/2014	Payment date up to six (6) working days before year end	Amount
	R'000	R'000	R'000	R'000	R'000	R'000		R'000
<b>DEPARTMENTS</b>								
Current								
Department of Public Works, Roads and Transport	1,757	1,523			1,757	1,523		
<b>Subtotal</b>	1,757	1,523			1,757	1,523		
<b>Total</b>	1,757	1,523			1,757	1,523		



**UNAUDITED ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS**  
For the year ended 31 March 2015

**ANNEXURE 8**

**INVENTORIES**

Inventory	Note	2014/15		2013/14	
		Quantity	R'000	Quantity	R'000
Opening balance				19,933	1,471
Add/(Less): Adjustments to prior year balance				-	-
Add: Additions/Purchases - Cash				-	-
Add: Additions - Non-cash				-	-
(Less): Disposals				-	-
(Less): Issues				(19,933)	(1,471)
Add/(Less): Adjustments					
<b>Closing balance</b>		-	-	-	-