



DEPARTMENT OF ECONOMIC DEVELOPMENT AND TOURISM
PROVINCE OF MPUMALANGA
VOTE NO. 06

ANNUAL REPORT
2015/2016 FINANCIAL YEAR





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Part A:

General Information

1. GENERAL INFORMATION OF THE DEPARTMENT

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FACEBOOK PAGE

@MpumalangaDEDT

2. LIST OF ABBREVIATIONS/ACRONYMS

AGSA	Auditor General of South Africa
AMTS	Advanced Manufacturing Strategy
AO	Accounting Officer
APP	Annual Performance Plan
BBBEE	Broad Based Black Economic Empowerment
CC's	Close Corporations
CCTV	Closed Circuit Television
CFO	Chief Financial Officer
CIPC	Companies and Intellectual Property Commission
CPA	Consumer Protection Act
CPO	Congress of Parties
CRDP	Comprehensive Rural Development Programme
CSI	Corporate Social Investment
DARDLEA	Department of Agriculture, Rural Development, Land and Environmental Affairs
DBSA	Development Bank of South Africa
DEDT	Department of Economic Development and Tourism
DESD	Decade of Education for Sustainable Development
DoL	Department of Labour
DPWRT	Department of Public Works, Roads and Transport
DPSA	Department of Public Service and Administration
EEP	Employment Equity Plan
EHWP	Employee Health and Wellness Programme
EIA	Environment Impact Assessment
EIC	Enterprise Information Centre
EMC	Executive Management Committee
EU	European Union
FTC	Food Technology Centre
GDP	Growth Domestic Product
GIS	Geographical Information System
HDI	Historically Disadvantaged Individuals
HOD	Head of Department
HR PLAN	Human Resource Plan

HRPIPR	Human Resource Plan Implementation Progress Report
ICC	International Convention Centre
ICT	Information Communication and Technology
IDC	Industrial Development Corporation
IDP	Integrated Development Plan
IGR	Intergovernmental Relations
IWMP	Integrated Waste Management Plan
KMIA	Kruger Mpumalanga International Airport
LED	Local Economic Development
LRF	Local Regulatory Framework
LTO	Local Tourism Organisation
MADC	Mpumalanga Agricultural Development Corporation
MDG	Millennium Development Goals
MEC	Member of the Executive Committee
MEDGP	Mpumalanga Economic Growth and Development Path
MEGA	Mpumalanga Economic Growth Agency
MGB	Mpumalanga Gambling Board
MHFCO	Mpumalanga Housing Finance
MINMEC	Ministers and Members of Executive Council
MINTECH	Ministers and Technical Team
MISS	Minimum Information Security Standards
MLA	Mpumalanga Liquor Authority
MTEF	Medium Term Expenditure Framework
MTGS	Mpumalanga Tourism Growth Strategy
MTPA	Mpumalanga Tourism and Parks Agency
MUNMEC	Municipalities and Member of Executive Council
NCC	National Consumer Commission
NDA	National Development Agency
NIPF	National Industrial Policy Framework
NSDP	National Spatial Development Perspective
NTSS	National Tourism Sector Strategy
OTP	Office of the Premier
PERSAL	Personnel and Salary Administration

PFMA	Public Finance Management Act
PGDS	Mpumalanga Provincial Growth and Development Strategy
POA	Programme of Action
PPPFA	Preferential Procurement Policy Framework Act
PRIME	Programme for Industrial Manufacturing Excellence
PSC	Public Service Commission
RTO	Regional Tourism Organisations
RTP	Responsible Tourism Planning
SABS	South African Bureau of Standards
SAHC/OOAK	South African Handmade Collection / One of a kind exhibition
SCM	Supply Chain Management
SDF	Spatial Development Framework
SDIP	Service Delivery Improvement Plan
SEDA	Small Enterprise Development Agency
SERO	Socio-Economic Review and Outlook
SEZ	Special Economic Zone
SITA	State Information Technology Agency
SMME	Small Medium and Micro Enterprises
SMS	Senior Management Service
SONA	State of the Nation Address
SOPA	State of the Province Address
TOR	Terms of reference
TR	Treasury Regulations



Mr SE KHOLWANE, MPL

MEC: Finance, Economic Development and Tourism

3. FOREWORD OF THE EXECUTING AUTHORITY

Introduction

Our Programme of Action for the period under review was premised on the ANC-led Government's economic policy position aimed at, amongst others, protecting the poor and vulnerable communities as a matter of priority. This was meant to address the triple challenge of poverty, unemployment and inequality bedeviling the current Administration.

Accordingly, we have come up with major economic policy interventions to address this triple challenge. In this regard, we have amongst others, broadened access to economic opportunities to the previously disadvantaged to ensure that there is broad-based participation in the economy, and that small businesses and SMMEs are strengthened to ensure that they benefit meaningfully in the economic mainstream.

Our quest to become the Provincial Economy 'Thought Leader'

We are forging ahead to position the Department as a "Thought Leader" for economic growth and development in the Province, and thus delegating all implementation activities to our Public Entities which are our implementing agents. To this end, the Department has started to squarely focus on development and refinement of policies and strategies, including industrialisation for the Province.

This has been evidenced by the work we have done so far, which includes amongst others, the Implementation of the Industrial Development Plan with particular focus on the following priority areas:

- Investing in strategic infrastructure development to unlock growth and job creation;
- Growing strategic economic sectors that have the potential to create jobs, including the Green Economy and ICT;
- Strengthening partnerships with the private sector to create opportunities for SMMEs and Co-operatives, and promoting black ownership of productive industrial assets; and
- Investing in the development of township and rural economies, including the provision of infrastructure and support for industrial development in areas where the majority of our people live.

Job creation and poverty alleviation efforts

Over the past 5 years (between quarter 1 of 2011 and quarter 1 of 2016), we have facilitated the creation of 196 500 net jobs which averages to 39 300 jobs per annum. This has meant that we have achieved about 50% of our annual job creation target during the 5 year period.

During the same period, the provincial unemployment rate has decreased from 30.6 to 29.8%. Accordingly, the share of Mpumalanga's population living below the so-called lower-bound poverty line has declined or improved to 36.1% in 2015. In addition, the proportion of income earned by the bottom 40% in the Province has improved from 7.6 % in 2009 to 8.0% in 2015.

The above-mentioned economic indicators point to the fact that our policies and strategy interventions are yielding fruits. However, we do acknowledge that, we still need to do more and work smarter in the years ahead.

Audit Outcomes

We are encouraged and delighted that, for the first time, in the history of the Department since the democratic dispensation; the Department has achieved a clean audit outcome. I congratulate the management of the Department, and wish to express our appreciation to the former Acting Heads of Department, Mr Thulani Mdakane, now the Director General: Office of the Premier of Mpumalanga, and Mr Jacob Mgidi, who have steered the Department in the right direction.

We have now joined one of our Public Entities, the Mpumalanga Gambling Board (MGB), which has always been a pioneer in good governance and has received clean audit outcomes since its inception. We however; remain concerned about the audit outcomes of our other Public Entities, hence our unwavering commitment to ensure that they too, finally achieve clean audits.

Stability of our Public Entities

We have brought about stability at all of our four (4) Public Entities, including the new Mpumalanga Liquor Authority (MLA), which now have functional Boards appointed on fixed-term contracts. We have also appointed a CEO for Mpumalanga Economic Growth Agency (MEGA) on a fixed-term contract, and we are also in the process of appointing the CEOs for the Mpumalanga Tourism and Parks Agency (MTPA) and MLA.

Acknowledgements /Appreciation

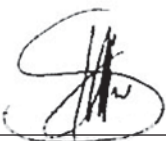
As the Executing Authority of the Department, I would like to express my gratitude to the previous Acting Heads of the Department, the current Head of Department, Mr Muzi Mkhize, the Boards and CEOs of our Public Entities, senior management and staff of the Department and the Entities, for continuing to implement our constitutional mandate with determination.

We commit to continue to work together to ensure that the Department and its implementing agents, our Public Entities, receive clean audit outcomes. We appreciate cooperation by leaders of local government, traditional leaders and private sector players and implore them to partner with us to move Mpumalanga forward.

Conclusion

I urge all of you to perform even better in the coming years, bearing in mind that we owe it to the masses of our people, to experience a better life and economic freedom in their lifetime. We are their last hope, and cannot therefore afford to fail them.

Together we Move Mpumalanga Forward by striving for “an inclusive globally competitive economy”



Mr SIKHUMBUZO ERIC KHOLWANE, MPL

MEC: Finance, Economic Development and Tourism





Mr. MW MKHIZE
ACCOUNTING OFFICER
Department of Economic Development and Tourism

4. REPORT OF THE ACCOUNTING OFFICER

4.1 Overview of the operations of the Department:

During the year under review, the Department managed to draft strategies for the development of Small Medium and Micro Enterprises (SMMEs) and the revitalisation of Township and Informal economies. These strategies still have to be subjected to the approval processes of the Provincial Administration. Meanwhile, the main focus during the 2015/16 financial year was to provide financial and non-financial support to Cooperatives operating in townships and villages. As a result, the Department has provided financial support to, amongst others, the Tyre Initiative in identified areas in townships and villages.

The Department collaborated with the National Department of Economic Development (EDD) in the development of the plan for the revitalisation of four distressed mining towns. These plans will assist in the revitalisation of the economies of these towns through various projects which have been earmarked for implementation through partnerships. The revitalisation of the economies in the distressed mining towns is guided by the Mpumalanga Industrial Development Plan (MIDP) which is the Provincial blueprint for industrialisation.

In the 2014/2015 financial year, the Executive Council resolved that the Zithabiseni Resort and Conference Centre should be transferred to the Mpumalanga Tourism and Parks Agency (MTPA). The Department conducted the due diligence exercise to ensure the smooth transfer of the Resort by the 31st of March 2016.

The Department also concluded all background work required for the Mpumalanga Liquor Authority (MLA) to be a fully-fledged, stand-alone public entity by the 31st of March 2016. The Department will continue to give it the necessary support to ensure that its governance structures are in place, and it is able to fulfil all its statutory obligations.

Despite these and other significant achievements, the Department experienced challenges in implementing and completing its entire portfolio of projects on time. This was mainly due to the fact that the funds that had been allocated to conduct certain feasibility studies were insufficient to attract service providers with the requisite skills and experience.

Lastly, the Department's first-ever clean audit outcome since its existence signals improved governance and prudent financial management. As the MEC has instructed, we will strive to maintain the clean audit and also assist our other Public Entities to get on board.

4.2 Overview of the financial results of the Department:

Departmental receipts

The main revenue source for the Department is gambling levies collected through the Mpumalanga Gambling Board (MGB) as well as Liquor Licence fees through the newly established Mpumalanga Liquor Authority (MLA).

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:

	Budget R'000	Actual R'000	Budget R'000	Actual R'000
Casino Taxes	75,608	73,420	72,000	73,002
Interest: PMG Account	912	1,068	866	1,179
Horse Racing Taxes	8,332	15,950	7,938	10,735
Liquor Licences	17,861	7,246	2,218	2,343
Fines and Penalties	410	-	424	1,857
Other Revenue	583	137	2,168	2,421
Total	103,706	97,821	85,614	91,537

Total revenue collected on behalf of the Department was R 97,821,000 against a target of R 103,706,000 which represents an under collection of 6%. The under collection was mainly on liquor licenses. This was due to an over projection of revenue made on the assumption that license fees were to be increased during the year. Unfortunately the consultation process with traders took longer than anticipated. This resulted in liquor license increases not effected as planned.

Programme Expenditure

The table below shows the Department's expenditure per Programme for the current financial year (2015/16):

PER PROGRAMME	MAIN BUDGET R'000	ADJUSTED BUDGET R'000	EXPENDITURE R'000	AVAILABLE R'000	% SPEND
Administration	86,689	81,497	79,890	1,607	98.0
Integrated Economic Development	211,413	262,398	262,048	350	99.9
Trade and Industry Development	15,386	19,259	18,234	1,025	94.7
Business Regulation	81,801	84,030	83,240	790	99.1
Economic Planning	13,007	16,906	16,635	271	98.4
Tourism	334,735	335,391	335,180	211	99.9
TOTAL	743,031	799,481	795,227	4,254	99.5

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

Compensation of employees	117,773	121,041	118,581	2,460	98.0
Goods and services	75,361	79,413	77,619	1,794	97.7
Transfers	541,297	595,417	595,417	-	100.0
Payment for capital assets	3,600	3,610	3,610	-	100.0
Payment for financial assets	5,000	-	-	-	-
TOTAL	743,031	799,481	795,227	4,254	99.5

The Department spent 99.5% of the total appropriated budget. The underspending on compensation of employees was caused by the vacant funded posts at senior management level. These amongst others include the post of the Head of Department that remain unfilled by the end of the financial year. The Department is actively seeking to permanently fill this post since it is considered critical.

Goods and services were underspent due to accruals and commitments made during the financial year and could not be paid before the end of the financial year, since invoices had not been received from various service providers. Accrual as disclosed on the financial statements amounted to R1,616 million. These relate to amongst other audit fees, fleet management services, contractual obligations and municipal services. A roll-over of the R1,794 million under spent has been requested from the Provincial Treasury to honour these accruals.

4.3 Virements/Roll overs

During the adjustment appropriation, the budget of the Department was adjusted by R56,450 million. This resulted in an increase of the total budget from R743,031 million to R799,481 million. The increase was mainly for the following:

- An amount of R3,143 million was allocated during the adjustment being the roll-over of unspent funds from the 2014/15 financial year. This roll-over was mainly approved to fund accruals that remained unpaid during the previous financial year.
- R43 million allocated as a transfer to the Mpumalanga Economic Growth agency (MEGA) to honour a commitment for outstanding payments for services to the City of Tshwane Municipality;
- An amount of R5 million was transferred to MEGA to operationalise the water bottling project at the Gert Sibande District Municipality;

- R1 million allocated to the Mpumalanga Tourism and Parks Agency (MTPA) to conduct a feasibility study on the skywalk and cable car project; and
- An amount of R4,307 million, being a transfer of the Economic Analysis function from the Department of Finance to the Department.

4.4 Unauthorised, irregular, fruitless and wasteful expenditure

The Department did not incur any unauthorised, irregular, fruitless and wasteful expenditure during the current financial year. Investigations are currently in progress and corrective action is continuously undertaken against those responsible for such expenditures that occurred during prior years.

4.5 Future plans of the Department

The Department is currently busy with the process of organisational re-design. This process seek to identify those functions that are within the Department that need to be transferred and performed by the Departmental Entities and those within the Entities that need to be performed by the Department. This process will be finalised during the 2016/17 financial year.

The Executive Council has also taken a decision that the Zithabiseni Resort be incorporated into the MTPA with effect from 1 April 2016. Any support that may be provided to fund operations of the resort will be channelled through the MTPA from the 1 April 2016.

The Mpumalanga Liquor Authority (MLA) was listed as a stand-alone entity by the National Treasury as from the 1 April 2015. During the current financial year the MLA function continued to be within the Department while processes of de-linking the Entity were in progress. The Treasury has granted the Department permission in terms of section 55 (4) to incorporate the audited financial statements of the Entity to those of the Department (See the Annexed Audit Financial Statements of the MLA).

4.6 Public Private Partnerships

The Department did not enter into any Public Private Partnership (PPP) agreement during the year under review.

4.7 Discontinued activities / activities to be discontinued

The Department is currently conducting an organisational re-design process. It is only once this process is completed, that the Department will be able to determine which activities or functions will be transferred and received from the Departmental Entities.

4.8 New or proposed activities

As indicated above, the Department is currently conducting an organisational re-design process which will determine which activities or functions will be transferred and received from the Departmental Entities.

4.9 Supply Chain Management and 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 at least twice in a year to ensure that the assets register is updated regularly.

During the year under review the economic analysis function was transferred from the Department of Finance to the Department. This resulted in the transfer of assets from the Department of Finance. This process was managed effectively with the signing of transfer certificates by the respective Accounting Officers and processes followed in terms of applicable legislation.

The Department complies with the supply chain management framework. Bid committees were duly appointed to facilitate the appointment of service providers for acquisition of goods and services.

4.10 Gifts and Donations received in kind from non related parties

No gifts and donations were received in kind from non-related parties.

4.11 Exemptions and deviations received from the National Treasury

No exemptions and deviations were received from the National treasury.

4.12 Events after the reporting date

No events took place after the balance sheet date which warranted adjustment of the financial statements.

4.13 Approval

The annual financial statements set out on pages 123 to 178 have been approved by the Accounting Officer.



Mr. MW MKHIZE

Accounting Officer

Department of Economic Development and Tourism

Date: 31 May 2016

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.

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 were 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 2016.

Yours faithfully



Accounting Officer

Mr. MW Mkhize

Date: 31 May 2016

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
Integrity	Officials must be dedicated to the adherence of a strict moral and ethical code of conduct in the execution of their duties and responsibilities.
Fairness	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.
Accountability	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.
Transparency	Officials will recognise the right to access of information excluding information that is specifically protected by law.
Professionalism	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

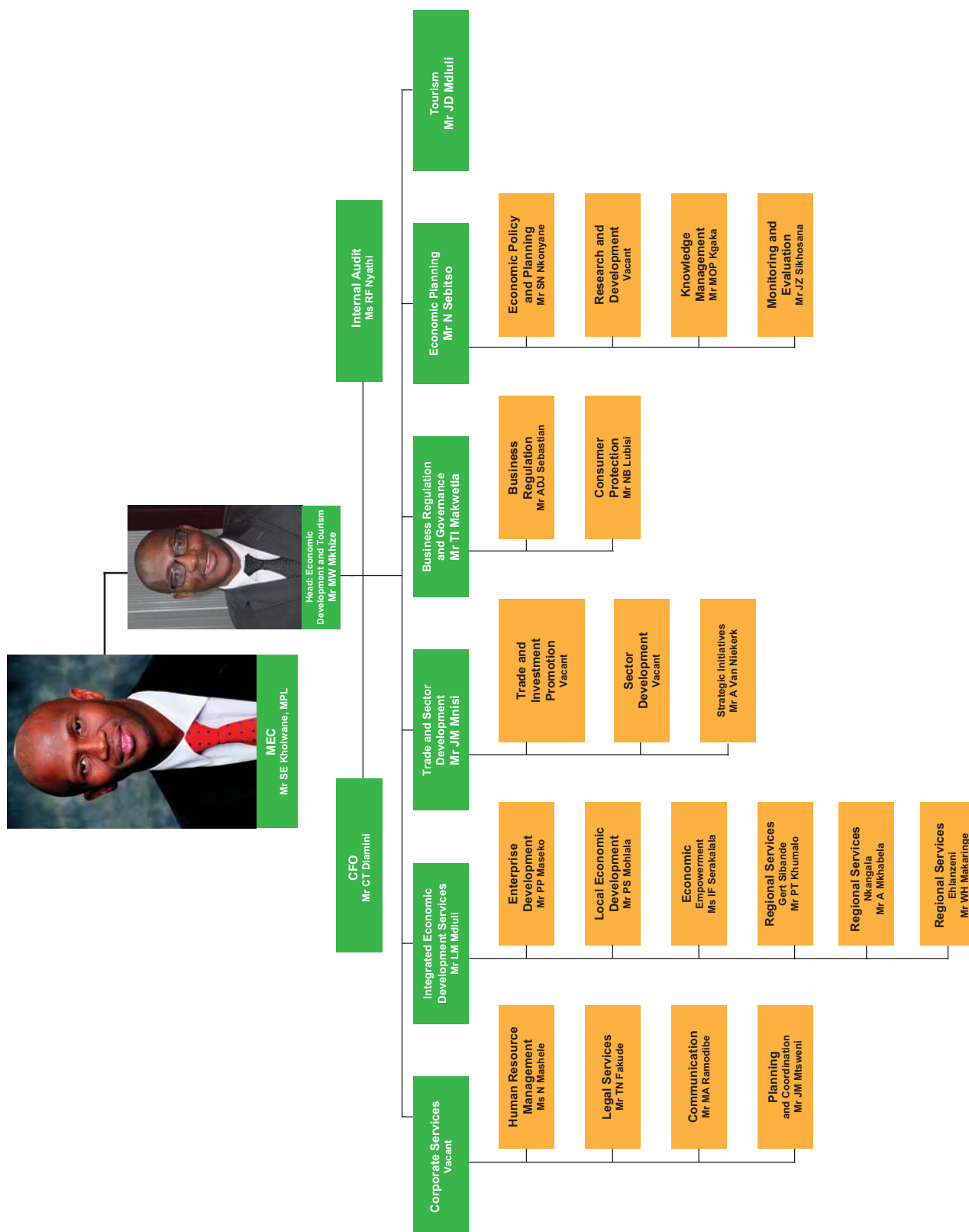
CONSTITUTIONAL MANDATES	PURPOSE
The constitution of the Republic of South Africa, Act 108 of 1996.	Department is also directly responsible for regulating the Liquor and Gambling Industries whose activities can have adverse outcomes to the well-being and dignity of individuals/communities

7.2 Legislative Mandate





LEGISLATIVE MANDATES	PURPOSE
Public Financial Management Act No.1 of 1999.	<ul style="list-style-type: none"> To promote sound financial management in the public sector. Every employee of the Department is enjoined to ensure that no fruitless/irregular expenditure occurs within their area of responsibility
Mpumalanga Gambling Act No.5 of 1999.	<ul style="list-style-type: none"> To provide for control over gaming; and to provide for matters connected therewith. 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. Overseeing Quarterly Reports, Annual Reports and Strategic Objectives.
Liquor Act No. 27 of 1989.	<ul style="list-style-type: none"> To provide for control over the sale of liquor and for matters connected within. To ensure that the Liquor Board regulates the issuing of liquor licences and conduct inspections to minimise the ill effects of unregulated consumption. To implement and oversee the activities of the Liquor Board.
National Gambling Act 59 on 2003.	<ul style="list-style-type: none"> 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 matter The Department must ensure that the Mpumalanga Gambling Act is aligned to national norms and standards established in terms of the National Gambling Act.
Mpumalanga Consumer Act No. 6 of 1998.	<ul style="list-style-type: none"> To promote a fair accessible and sustainable marketplace for consumer product and for that purpose to establish national norms and standards relating to consumer protection. 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. To establish the Consumer Court which adjudicates on matters of alleged unfair business practices.
Mpumalanga Liquor Licensing Act 5 of 2006.	<ul style="list-style-type: none"> To provide for the regulation of the liquor industry in the Province.
Mpumalanga Business Act No.2 of 1996.	<ul style="list-style-type: none"> To consolidate and amend certain laws in force in the Province regarding the licensing and operations of businesses.
National Small Business Enabling Act.	<ul style="list-style-type: none"> To facilitate for Small Businesses to enter the economic mainstream. The Department is responsible for the creation of a conducive environment for the promotion, support and development of small businesses in the Province. To ensure that municipalities comply to prescripts of the Acts.

LEGISLATIVE MANDATES	PURPOSE
Broad-based Black Empowerment Act.	<ul style="list-style-type: none"> To provide for the empowerment of the black owned companies to enter the main stream of the economy. 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. It is further responsible for ensuring that the necessary support is provided to black enterprises plus targeted groups(women, youth and people living with disabilities) to enable them to successfully compete for opportunities in the economy.
Public Service Act.	<ul style="list-style-type: none"> To regulate the public service in the country
National Credit Act No.34 of 2005.	<ul style="list-style-type: none"> To promote a fair and non-discriminatory marketplace for access to consumer credit
Basic Condition of Employment Act.	<ul style="list-style-type: none"> Create an employer-employee relations
Labour Relations Act.	<ul style="list-style-type: none"> To protect the rights of the workers

ORGANISATIONAL STRUCTURE



8. ENTITIES REPORTING TO THE MEC

Name of Entity	Legislative Mandate	Financial Relationship	Nature of Operations
<p>1. Mpumalanga Economic Growth Agency</p> 	<ul style="list-style-type: none"> 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 	Transfer payments in line with the shareholders compact	<ul style="list-style-type: none"> To promote and facilitate Trade and Investment in the Province To provide financial and non-financial support to SMME's in the Province To provide financial support to emerging farmers in the Province To grant housing loans to the needy and previously advantaged
<p>2. Mpumalanga Tourism and Parks Agency</p> 	<ul style="list-style-type: none"> To provide for the sustainable development and improvement of the tourism industry in Mpumalanga 	Transfer payments in line with the shareholders compact	<ul style="list-style-type: none"> To provide for effective management and conservation of biodiversity and ecosystems within the Province To develop and ensure effective management of protected areas 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
<p>3. Mpumalanga Gambling Board</p> 	<ul style="list-style-type: none"> To regulate the Gambling Industry as per the act To promote responsible gambling within the Province 	Transfer payments in line with the shareholders compact	<ul style="list-style-type: none"> To ensure that industry is regulated and function within the parameter of Law To promote responsible gambling within the Province
<p>4. Mpumalanga Liquor Authority</p> 	To provide for the regulation fo the Liquor Industry in the Province	All payments relating to the functions of the Entity were paid through the Department under Programme 4	To ensure that the industry is regulated and function within the parameters of the law



Part B:

Performance Information



1. AUDITOR GENERAL'S REPORT: PREDETERMINED OBJECTIVES

The Auditor-General did not raise any material findings on the usefulness and reliability of the reported performance information for the following programmes:

- Programme 2: Intergrated Economic Development Services
- Programme 6: Tourism

The details of the AG's report can be found on page 121, Part E of the Annual Report.

2. OVERVIEW OF DEPARTMENTAL PERFORMANCE

2.1 Service Delivery Environment

In our keenness for a growing economy that creates decent employment and promotes sustainable development through partnerships, we remained vigilant of and responsive to environmental trends affecting the work of the Department on the development trajectory. Overall, a 71% achievement is recorded on the 55 planned targets on services inclusive of enterprise development, economic empowerment, regional local economic development, promotion of trade and investment and sector development; protection of consumers and regulation of businesses; leading economic policy and planning; and tourism development.

Due to reliance on external strategic partners, our economic policy and strategy development work was partially achieved, yet our compliance enforcement role was hampered by non-cooperation of certain industry players. Aimed for business agility, we continued to redesign the manner we are organised internally, whilst attempting to be abreast of developments by formulating a Provincial Research Agenda to shape future economic development initiatives, in addition to refining existing sector plans and strategies. We have outperformed ourselves in our quest to protect the rights of consumers and creating a conducive environment for businesses to thrive.

We will enhance stakeholder engagement (especially strategic partnerships and customer relations, and resource alignment) and process efficiency for customised solutions in the fight against unemployment, poverty and inequality.

2.2 Service Delivery Improvement Plan

The Department has completed a service delivery improvement plan. The tables below highlight the service delivery plan and the achievements to date.

Main services and standards

Main services	Beneficiaries	Current/actual standard of service	Desired standard of service	Actual achievement
Promotion of Consumer Protection	Consumers in the Province	1615 consumer cases resolved	1600 consumer cases received, investigated and 1400 resolved	1834 consumer cases received, investigated and 1786 resolved
		Conducted 490 consumer education and awareness programmes	200 consumer education and awareness programmes conducted	459 consumer education and awareness programmes conducted
		15 Consumer Court hearings adjudicated	30 Consumer Court hearings adjudicated	26 Consumer Court hearings adjudicated

Batho Pele arrangements with beneficiaries (Consultation access etc.)

Current/actual arrangements	Desired arrangements	Actual achievements
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.	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 customized service offering.	The public and clients were consulted during walk-in interfaces, education and awareness campaigns and outreach programmes on the services they are entitled to and the means of accessing such.

Service delivery information tool

Current/actual information tools	Desired information tools	Actual achievements
<ul style="list-style-type: none"> Conducted 490 consumer awareness sessions, and radio interviews. Participated in 58 outreach programmes and stakeholder consultation sessions. 	To conduct workshops/awareness sessions, radio interviews, road shows, presentations and issue newspaper adverts and pamphlets on consumer protection matters.	<ul style="list-style-type: none"> Participated in 14 partnership meetings to promote the work of the Department. 459 consumer education and awareness programmes conducted.

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 complaints received.

2.3 Organisational environment

During the year under review the Department continued to implement the approved recommendations of the turnaround strategy which included amongst others, the development of a new organisational structure. The proposed organisational structure places the Department as a thought leader and integrator of all economic development related activities within the Province. The proposed organisational structure was approved by the Executive Council in the third quarter, after which the structure was submitted for job evaluation. The change process has not been easy within the Department given that there are functions that have to be transferred from the Department to MEGA and Tourism functions received from the MTPA, and this therefore necessitated continuous engagements with employees on the matter.

Provincially there was a moratorium placed on recruitment and all departments were required to abolish all vacant posts on PERSAL. This had an impact on some employees who had to take in a lot of added responsibilities in order to make sure that service delivery is not negatively affected. However, as a Department, we acknowledge that the organisational process has in a way, affected the moral of most of our staff members due to uncertainty. Also of noting is that the change of Acting HOD during the year under review created a level of uncertainty which led to some engagements to be discontinued and some of which had to be reconfigured.

2.4 Key policy developments and legislative changes

The Department was requested to re-organise itself together with its Entities, especially MTPA and MEGA, which are the most affected. The re-organisation meant the Department should begin the process of defining the role it should play in the Province. As a result, there was a policy shift in that certain functions were no longer going to be performed by the Department but by the affected Entities. The Department will thus remain with the function of policy development, coordination and monitoring of economic performance in the Province. The organisational redesign prompted the development of the organisational structure which is in line with this shift and that influenced the setting of targets in the year under review. However, there was no legislative development during the year under review.

3. STRATEGIC OUTCOME ORIENTED GOALS

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

Progress made towards implementation of Outcome 4:

Looking at the Provincial economy since the adoption of the Growth Path framework, it is clear that we have performed far below than expected. The 2008 world economic melt-down and beyond has dealt us a heavy blow. Most of our gains were rolled back, basically affecting the achievement of our set annual targets. Looking at the economic outlook both globally and locally, the prospects are not convincing at all.

This is because the global economy is proceeding at a slow pace, and the outlook remains unsteady, heavily influenced by the slowing Chinese economy. Consequently, our country's economic growth for 2016 has been further reduced to less than one percent, in line with weak global aggregate demand, falling commodity prices and increasing financial market volatility. This has resulted in the 2016 economic growth rate of Mpumalanga being revised downwards as well, to less than one percent.

Despite these unfortunate global economic conditions, the Province was able to create 184 000 net jobs over the past four year period, thus achieving approximately 55 percent of our annual job creation target. More jobs could have been created if it was not due to significant job losses experienced in the mining sector, which saw 15 000 people being relieved from duty over a period of one year (between 2014 and 2015).

Our poverty rate is however improving. The share of Mpumalanga's population below the poverty line has improved over the last couple of years to 35.9 percent in 2014, down from 43.7 per cent in 2009. Consequently, 1.53 million people live in poverty as compared to 1.74 million in 2010. This improvement has been credited to the socio-economic interventions which the ANC-led government continues to implement over the years.

Tourism

According to the latest officially released Tourism statistics (2014) by South African Tourism, Mpumalanga became the fourth (4) most visited province by both international and domestic tourist arrivals in the country.

In terms of the International arrivals alone, our Province has recorded an increase in arrivals from (1,132,444 tourists) in 2013 to (1,144,021 tourists) in 2014. This indicates 1,0% increase when comparing the two years (2013 and 2014). However, it should be indicated that in terms of foreign direct spend through the international tourism arrivals, our Province has declined from R5,1 billion in 2013 to R4,6 billion in 2014. Similarly there was a decrease in bed nights in Mpumalanga from 1,9 million in 2013 to 1,8 in 2014.

These could be attributed to among others, the Ebola disease and mostly importantly, tourism marketing in the Province was not sufficiently funded.

In terms of domestic arrivals, Mpumalanga has recorded an increase in annual trips from 25,1 million in 2013 to 28,0 million in 2014, a percentage difference of 11,5% when comparing 2013 and 2014 results. Similarly, the Province has recorded a total direct domestic spend increase from R24,2 billion in 2013 to R26,8 billion in 2014, a percentage difference of 9,8% when comparing 2013 and 2014.

4. PERFORMANCE INFORMATION BY PROGRAMME

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 for the financial year under review

- 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 services
- To provide effective and efficient financial management
- To implement risk management processes in order to build an ethical organisational culture with a zero tolerance to fraud, corruption and maladministration
- To enable the development and implementation of business strategies and solutions that lend themselves to the effective running of the Department

Strategic objectives, performance indicators, planned targets and actual achievements

During the period under review the Department facilitated the promotion and implementation of prioritised sectors through partnership meetings; and submission of all regulatory plans and reports. However, the organisational redesign process was partially implemented considering the fact that the organisational structure and the placement of personnel have not been finalised.

Strategic objectives:

Sub-Programme: MEC					
Strategic objectives	Actual Achievement 2014/2015	Planned Target 2015/2016	Actual Achievement 2015/2016	Deviation from planned target to Actual Achievement for 2015/2016	Comment on deviations
Set policy and political directives in order to achieve provincial objectives	5 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: MEC					
Performance Indicator	Actual Achievement 2014/2015	Planned Target 2015/2016	Actual Achievement 2015/2016	Deviation from planned target to Actual Achievement for 2015/2016	Comment on deviations
Number of Policy and Budget Speech conducted	1 Policy and Budget Speech conducted	1 Policy and Budget Speech conducted	1 Policy and Budget Speech conducted	None	None
Number of partnerships forged and serviced to promote the prioritised sectors	21 Partnership meetings attended	12 Partnership meetings attended to promote the prioritised sectors	14 Partnership meetings attended to promote the prioritised sectors	Target exceeded by 2	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

The budget appropriated to the Office of the MEC for the 2015/16 financial year was sufficient to achieve targets set for the Office for the period under review. The target of partnership meetings attended to promote the prioritised sectors was exceeded.

		2014/2015		2015/2016	
Sub- Programme	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure	Final Appropriation	(Over)/Under Expenditure
Office of the MEC	R'000 5,266	R'000 6,239	R'000 (973)	R'000 6,908	R'000 6,357
Sub-Programme: HOD					
Strategic objectives	Actual Achievement 2014/2015	Planned Target 2015/2016	Actual Achievement 2015/2016	Deviation from planned target to Actual Achievement for 2015/2016	Comment on deviations
Translate policies and priorities into strategies for effective service delivery	2 Priorities and strategic directives implemented	Implement 2 priorities and strategic directives	2 Priorities and strategic directives implemented	None	None
Sub-programme: HOD					
Performance Indicator	Actual Achievement 2014/2015	Planned Target 2015/2016	Actual Achievement 2015/2016	Deviation from planned target to Actual Achievement for 2015/2016	Comment on deviations
Number of performance reports submitted	4 performance report Submitted	Submit 4 performance reports	4 performance reports submitted	None	None
Number of annual reports submitted	1 annual report Submitted	Submit 1 annual report	1 annual report submitted	None	None
Number of Annual Performance plans submitted	1 Annual Performance plan Submitted	Submit 1 Annual Performance plan	1 Annual Performance plan submitted	None	None
Number of sector implemented	None	5 priority sectors implemented	5 priority sectors implemented	None	None

Strategy to overcome areas of under performance

None

Changes to planned targets

None

Strategic objectives:

Sub-Programme: Internal Audit				
Strategic objectives	Actual Achievement 2014/2015	Planned Target 2015/2016	Actual Achievement 2015/2016	Deviation from planned target to Actual Achievement for 2015/2016
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 2014/2015	Planned Target 2015/2016	Actual Achievement 2015/2016	Deviation from planned target to Actual Achievement for 2015/2016
Number of quarterly progress reports submitted on implementation of the audit plan produced	4 Quarterly Progress reports submitted on implementation of the audit plan	4 quarterly progress reports on implementation of the annual audit plan produced	4 quarterly progress reports on implementation of the annual audit plan produced	None
				Comment on deviations
				None

Strategy to overcome areas of under performance

None

Changes to planned targets

None

Linking performance with budgets

The Internal Audit sub-programme was allocated R2,300 million and R3,712 million during the financial years 2014/15 and 2015/16 respectively. The amount was utilised for the execution of the risk based Internal Audit Operational Plan and expenditure incurred was R3,200 million and R3,774 million for the respective years. The budget appropriated was sufficient, hence the sub-programme achieved 100% of its planned targets. Implementation of action plans for control deficiencies identified by the sub-programme and AGSA assisted in improving the control environment of the Department.

Sub-Programme	2014/15			2015/16		
	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
Office of the HOD (Internal Audit)	5,008	6,112	(1,104)	7,191	7,102	89

Sub-Programme: Financial Management					
Strategic objectives	Actual Achievement 2014/2015	Planned Target 2015/2016	Actual Achievement 2015/2016	Deviation from planned target to Actual Achievement for 2015/2016	Comment on deviations
Provide effective and efficient financial management	1 Financial and supply chain management policies implemented	Implement effective and efficient financial management systems	Effective and efficient financial management systems implemented	None	None

Sub-Programme: Financial Management					
Performance Indicator	Actual Achievement 2014/2015	Planned Target 2015/2016	Actual Achievement 2015/2016	Deviation from planned target to Actual Achievement for 2015/2016	Comment on deviations
Number of financial statements produced with disclosure notes	1 set of annual financial statements produced	4 financial statement produced with disclosure notes	4 financial statements were produced with disclosure notes	None	None
Number of Internal control monitoring reports produced	12 monthly monitoring expenditure report by 15th of every month to Treasury submitted	4 internal control monitoring reports produced	4 internal control monitoring reports were produced	None	None

Strategy to overcome areas of under performance

None

Changes to planned targets

None

Sub-Programme: Risk Management					
Strategic objectives	Actual Achievement 2014/2015	Planned Target 2015/2016	Actual Achievement 2015/2016	Deviation from planned target to Actual Achievement for 2015/2016	Comment on deviations
Implementing risk management processes in order to build an ethical organizational 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

Sub-Programme: Risk Management					
Performance Indicator	Actual Achievement 2014/2015	Planned Target 2015/2016	Actual Achievement 2015/2016	Deviation from planned target to Actual Achievement for 2015/2016	Comment on deviations
Number of risk assessment reports produced	4 Risk Assessment Reports produced <ul style="list-style-type: none"> 2014/15 Strategic Risk Assessment report produced. 2014/15 Fraud Risk Assessment report produced 2014/15 ICT risk assessment report produced 2014/15 Zithabiseni risk assessment report produced 	3 Risk Assessment Report produced	4 Risk Assessment reports produced	Target exceeded by 1	There was a need to perform risk assessment for Zithabiseni Resort
Number of risk treatment monitoring reports	4 Control self-assessment report produced	4 risk monitoring reports produced	4 risk monitoring reports produced	None	None

Strategy to overcome areas of under performance

None

Changes to planned targets

None

Linking performance with budgets

The Risk Management sub-programme was allocated R 1 005 and R 1 024 million during the financial years 2014/15 and 2015/16 respectively. The sub-programme spent R 835 000 and R 863 000 during the two financial years respectively. The Risk Management sub-programme achieved 100% of its planned targets. The risk analysis informed the development of the annual Internal Audit Plan and embedded a control conscious organizational culture. Furthermore, management was advised on the high risk areas and the overall risk portfolio which is inclusive of progress on implementation of risk mitigating strategies

Sub-programme expenditure

Sub-Programme	2014/15			2015/16		
	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure
Financial Management (Risk Management)	R'000 43,019	R'000 43,649	R'000 (630)	R'000 32,604	R'000 34,028	R'000 (1,424)

Sub-Programme: Corporate Services					
Strategic objectives	Actual Achievement 2014/2015	Planned Target 2015/2016	Actual Achievement 2015/2016	Deviation from planned target to Actual Achievement for 2015/2016	Comment on deviations
To enable the development and implementation of business strategies and solutions that lend themselves to the effective running of the Department	HR Plan reviewed and implemented	HR Oversight and security audit reports produced	HR Oversight and security audit reports produced	None	None

Sub-Programme: Corporate Services					
Performance Indicator	Actual Achievement 2014/2015	Planned Target 2015/2016	Actual Achievement 2015/2016	Deviation from planned target to Actual Achievement for 2015/2016	Comment on deviations
Improved organisational efficiency and effectiveness	HR Plan reviewed and implemented	Organisational redesign report implemented	Organisational redesign was implemented as follows: <ul style="list-style-type: none"> Detailed design of new functions Development of organisational structure Configuration of Regional Economic Development Service Centre developed (REDSC) Migration Framework developed 	Target was not fully achieved. Transfer of staff not achieved. The review of legislation of MTPA not achieved	The transfer of functions and placement of staff from the Department to the entity as well as the receiving of staff from the entities was dependent on the approval of the organisational structure The finalisation of the legislation review process was dependent on the consultation with all stake holders and this took longer than anticipated

Strategy to overcome areas of under performance

- The transfer of functions and placement of staff has been planned for in the second and third quarters of the next financial year pending the approval of the organisational structure
- The functions will be transferred and staff members will be seconded to the Entities, the Department and DARDLEA and an SLA entered into by the said organisations on the institutional arrangements pending the finalisation of the process.
- The review of legislation has been prioritised for the first and second quarters of the next financial year

Changes to planned targets

Linking performance with budgets

Sub-Programme: Communication

The budget allocation to the Directorate was reduced from R8, 335, 000.00 in the 2014/2015 financial year to R8, 280, 000.00 in the 2015/2016 financial year, thus representing a decrease of 0.66 % (R55, 000.00). Out of these allocations, R1, 709, 900.00 was allocated for goods and services in the 2015/2016 financial year as compared to R2, 052, 570.00 in the 2014/2015 financial year, consequently resulting in a decrease of R342, 670.00. The allocation to goods and services was thus substantially reduced by almost 17% and this has affected service delivery, as the Directorate was unable to procure standing radio talk-show slots which were previously utilised to disseminate information on the services and work of the Department, and to provide an instant engagement platform with the public on a weekly basis. The Directorate had to rely on invitations extended by various radio stations, and on shorter negotiated interviews which did not afford the public an instant interaction platform, as this mostly provided one-way communication.

On human resource capital, the Directorate experienced one (1) resignation and the post was never filled and subsequently abolished due to the moratorium placed throughout the Provincial Administration. It should further be noted that service delivery, including the turnaround time on delivery of services, was significantly affected due to the vacant critical post of graphic designer which was vacated in the 2014/2015 financial year and was never filled. A graphic designer is a critical post within the Directorate given that it is a specialised post and its services are required on a daily basis such as the designing of invitations, flyers, posters, events programmes, newsletters and so forth.

Despite the financial and human resource challenges (especially pertaining to the graphic designer), the allocated budget assisted the Directorate to achieve 1262 out of 1085 planned outputs, thus exceeded the target by almost 17% (177 more outputs than planned).

Sub-programme: Strategic Planning Services

The budget allocation to the Directorate was maintained in the 2014/15 and 2015/16. During the period under review the sub directorate was allocated sufficient budget to implement its targets which represented a 100% achievement. There were no variations in the planned output as the directorate achieved all its planned targets.

Sub-Programme: Security Management

During the period under review, the sub-programme has spent R2 096 000.00 in the 2015/16 financial year which is 85, 4 % of the total budget appropriation of R2 454 000.00 and is below target by 14, 5%. This was due to the resignation of one employee during the beginning of the second quarter. This had put a lot of strain to the other employees because they had to do additional work left by the resigned employee.

Sub-programme expenditure

Sub-Programme	2014/15			2015/16		
	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
Corporate Services	31,355	28,649	2,706	32,948	30,499	2,449

Programme 2: Integrated Economic Development Services

Purpose of the Programme: is to stimulate economic growth in the Province

The Programme consists of the following sub-programmes:

- Enterprise Development
- Economic Empowerment
- Regional and Local Economic Development

Strategic objectives for the financial year under review

- To facilitate support and development of business enterprises
- To promote economic transformation
- To provide strategic economic development support to municipalities

Strategic objectives, performance indicators, planned targets and actual achievements

The programme has been able to achieve the targets as presented in the Annual Performance Plan. The Enterprise Development Unit has achieved the targets for the development of the SMME and the Township and Informal strategies. The sub programme has also achieved the identification of youth SMME's and cooperatives to participate in the retrofitting of government buildings in the Province.

These targets have contributed towards achieving the Department's strategic outcome goals of empowering the youth, cooperatives and SMME's thereby contributing towards the government's priorities of fighting poverty, unemployment and inequality in the Province. The sub programme Economic Empowerment has been able to monitor compliance to the BBBEE and PPPFA legislation by monitoring the performance of the Provincial and local government Departments in the Province. The sub programme has also succeeded in ensuring that the targeted groups - women, youth and people with disabilities access opportunities in the private sector companies which the Province has entered into partnership agreements with.

The target was exceeded. The sub programme was also successful in ensuring that black owned Tyre businesses in the Province are supported. It further ensured that Black Owned enterprises get involved in the various sectors of the provincial economy such as mining, clothing, textile, stainless steel, printing and construction. These targets have contributed towards achieving the Department's strategic outcome of empowering black business in line with Government programme of promoting black industrialist in all the sectors of the provincial economy as per the Provincial Industrial Plan. The sub programme Local Economic Development has achieved its targets in ensuring that projects are packaged at local level to promote localisation ,and to ensure that the depressed mining towns are assisted to diversify their economic activities. This is in line with the Provincial Government programme of promoting developmental local government in order to create opportunities for the youth, women and people with disabilities and ensure that resources are circulated at local level.

Sub-Programme: Enterprise Development				
Strategic objectives	Actual Achievement 2014/2015	Planned Target 2015/2016	Actual Achievement 2015/2016	Deviation from planned target to Actual Achievement for 2015/2016
To facilitate support and development of business enterprises	SMME and Cooperative strategies in line with the Growth Path implemented	Development and Implementation of SMME and Cooperatives strategies	Not achieved	Target was not achieved as planned.
				This was caused by the delay in the appointment of a service provider

Sub-Programme: Enterprise Development				
Performance Indicator	Actual Achievement 2014/2015	Planned Target 2015/2016	Actual Achievement 2015/2016	Deviation from planned target to Actual Achievement for 2015/2016
Number of strategies developed and approved.	None	1 SMME strategy developed and approved.	1 SMME strategy developed but not yet approved	The SMME strategy not yet approved
	None	1 Township and informal sector strategy developed	1 Township and informal sector strategy developed but not yet approved	The Township and Informal Sector strategy not yet approved
Number of SMMEs participating in the retrofitting programme	11 SMME's trained on Technical skills in partnership with SABS within the Manufacturing	3 Youth SMMEs and Cooperatives identified to participate in the retrofitting programme	3 SMMEs and Cooperatives has been identified but not yet participated in the retrofitting programme	The retrofitting programme had not yet commenced with Dept. of Public works, Roads and Transport

Strategy to overcome areas of under performance

- The process of approving the strategy will be completed by the end of the first quarter in the next financial year.
- To have a meeting with the Department of Public Works, Roads and Transport to discuss this programme by the end of the first quarter of 2016/17 financial year

Changes to planned targets

None

Linking performance with budgets

The Programme has spent 100.2% of the budget broken down as follows: Enterprise Development 100% expenditure for 2015/16 and for the 2014/15 the actual expenditure was 181,137. Goods and Services 100%, Transfers to Mega 100% and Compensation of Employees 101.0%. In relation to the planned targets two strategies i.e. SMME and Township and Informal strategies were developed and the expenditure on goods and services contributed towards the achievements of this output. However the process of approval is underway and hopefully it will be done in the first quarter of the new financial year.

Sub-Programme	2014/15			2015/16		
	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure
Enterprise Development (Transfer and subsidies)	R'000	R'000	R'000	R'000	R'000	R'000
	180,338	181,137	799	217,393	217,861	(468)

Sub-Programme: Economic Empowerment					
Strategic objectives	Actual Achievement 2014/2015	Planned Target 2015/2016	Actual Achievement 2015/2016	Deviation from planned target to Actual Achievement for 2015/2016	Comment on deviations
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

Sub-Programme: Economic Empowerment					
Performance Indicator	Actual Achievement 2014/2015	Planned Target 2015/2016	Actual Achievement 2015/2016	Deviation from planned target to Actual Achievement for 2015/2016	Comment on deviations
Number of Provincial Compliance monitoring reports on 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	Provincial Compliance monitoring report on BBBEE and PPPFA legislation produced	None	None
Number of target groups specific opportunities identified	255 Economic opportunities for targeted groups identified within the Partnership Agreements.	40 Economic opportunities for targeted group identified within the Partnership Agreements.	167 Economic opportunities for targeted group identified within the Partnership Agreements	Target was exceeded by 127	More opportunities were availed through the Partnership Agreements
Number of target groups specific intervention implemented	9 targeted groups specific intervention implemented on Social Labour Plans for Mining Companies monitored within the partnership agreements.	3 Social Labour Plans for Mining Companies monitored within the partnership agreements	Not achieved	The target was not achieved	There is no cooperation from the Mining Companies to avail SLPs.
Number of projects emanating from the BBBEE Strategy implemented	None	10 Black Owned Tyre businesses supported in the three District municipalities as per the Provincial BBBEE Strategy	10 Black Owned Tyre businesses supported in the three District municipalities as per the Provincial BBBEE Strategy	None	None

Sub-Programme: Economic Empowerment					
Performance Indicator	Actual Achievement 2014/2015	Planned Target 2015/2016	Actual Achievement 2015/2016	Deviation from planned target to Actual Achievement for 2015/2016	Comment on deviations
Number of projects emanating from the BBBEE Strategy implemented	None	4 Black Owned Printing businesses supported as per the Provincial BBBEE Strategy	Not achieved, however the assessment of the Black owned printing businesses was done and a draft MOU developed	Target not achieved as planned.	Inability to secure a private partner to support the Black Owned Printing Companies
	None	Black owned Stainless Steel beneficiation Cooperative coordinated and supported in line with Provincial BBBEE strategy.	Pre-feasibility for Stainless Steel Beneficiation developed	None	None
	None	Facilitate Public sector markets for Products Prioritised for BEE procurement (Clothing and Textile; Food perishables; Furniture; cleaning supplies; and Construction material)	Facilitated Public sector markets for Products Prioritised for BEE procurement (Clothing and Textile; Food perishables; Furniture; cleaning supplies; and Construction material)	None	None
Percentage share of the total procurement value accessed by SMMEs and Cooperatives in the mining sector	None	10 % share of total procurement value from identified mines accessed by province based enterprises	Not achieved	Target was not achieved as planned.	There is no cooperation from the Mining Companies on Procurement data

Strategy to overcome areas of under performance

- An escalation letter to the DG of Mineral Resources will be written with the possibility of escalating the matter to the Minister. Appoint a mentor in the next financial year to assist in capacitating the Black Owned Printing Companies.
- Request has been made to DMR to assist in terms of share of total procurement value from identified mines.

Changes to planned targets

None

Linking performance with budgets

Economic Empowerment has spent 89,1% of its budget compared to the 4,457 of the 2014/15 financial year. The budget has been broken down as follows: Goods and Services 100% and Compensation of Employees 87,2%. In relation to the planned targets the sub-programme has been able to implement the BBBEE and PPPFA report and it has exceeded in ensuring that target groups are supported and Black Owned Tyre businesses are supported. The expenditure on goods and services has contributed towards the achievements of the targets.

Sub-programme expenditure

Sub-Programme	2014/15			2015/16		
	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
Economic Empowerment	4,981	4,457	524	5,263	3,620	1,643

Sub-Programme: Regional and Local Economic Development

Strategic objectives	Actual Achievement 2014/2015	Planned Target 2015/2016	Actual Achievement 2015/2016	Deviation from planned target to Actual Achievement for 2015/2016	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	Competitive advantage of all municipalities identified for economic development	Competitive advantage of all municipalities identified for economic development	None	None

Sub-Programme: Regional and Local Economic Development

Performance Indicator	Actual Achievement 2014/2015	Planned Target 2015/2016	Actual Achievement 2015/2016	Deviation from planned target to Actual Achievement for 2015/2016	Comment on deviations
Number of economic opportunities created	3 economic development projects supported at local and regional level in line with MEGDP	2 projects per municipality packaged for investment.	2 Projects per municipality packaged for investment	None	None
Number of plans to revitalise and diversify local economy of Mining Towns developed	None	Plans to revitalize and diversify local economy of 4 mining towns developed (Umjindi, Standerton, Emalahleni and Steve Tshwete)	4 Plans to revitalize and diversify local economy of 4 Mining Towns developed (Umjindi, Standerton, Emalahleni and Steve Tshwete) developed	None	None

Strategy to overcome areas of under performance

None

Changes to planned targets

None

Linking performance with budgets

Local Economic Development has spent 99,5% of its budget as compared to 5,869 of the financial year 2014/15. The budget was spent as follows: Goods and Services 100.0% Compensation of Employees 99,5%. In relation to the planned targets the sub programme has achieved its targets of assisting municipalities to package projects for investment and also in the revitalisation of the distressed mining towns. The expenditure on goods and services has contributed towards the achievements of the targets.

Sub-programme expenditure

Sub-Programme	2014/15			2015/16		
	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
Regional and Local Economic Development	6,427	5,869	558	4,956	4,865	91



Programme 3: Trade and Sector Development

Purpose of the Programme: Is to support the development of industry within the key economic sectors of the Province and to 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 for the financial year under review

- 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

Strategic objectives, performance indicators, planned targets and actual achievements

Significant achievement is recorded in profiling and disseminating trade and investment opportunities from 12 countries. A feasibility study for the Govan Mbeki Industrial Park was undertaken. Smallholder farmers were engaged for their participation in the soya beans and sunflower value chains.

Key achievements were recorded in supporting the Bushbuckridge Agro-processing hub; finalising the designs and statutory compliance matters for the establishment of the biodiesel technology incubator; and conducting capacity building programmes in the prioritised sectors, i.e. tooling, furniture, and stainless steel. The industry has already conducted similar studies in the implementation of biomass plants which are progressing well.

Sub-Programme: Trade and Investment Promotion					
Strategic objectives	Actual Achievement 2014/2015	Planned Target 2015/2016	Actual Achievement 2015/2016	Deviation from planned target to Actual Achievement for 2015/2016	Comment on deviations
To ensure growth in exports and direct investment in the province	The implementation of the Trade and Investment initiatives coordinated.	Trade and Investment initiatives implemented and reviewed	Trade and Investment initiatives implemented and reviewed	None	None

Sub-Programme: Trade and Investment Promotion					
Performance Indicator	Actual Achievement 2014/2015	Planned Target 2015/2016	Actual Achievement 2015/2016	Deviation from planned target to Actual Achievement for 2015/2016	Comment on deviations
Number of strategies implemented and reviewed.	None	Review the draft export and investment strategies	<p>Not achieved However the following have been done:</p> <ul style="list-style-type: none"> Draft terms of reference developed The process of requesting proposals from identified service provider was revised into an open tender Service provider was been appointed to review the strategies Service Level Agreement was developed 	<p>Target not achieved as planned</p> <ul style="list-style-type: none"> Delay in the finalisation of the Terms of reference The request for proposals exercise could not find a service provider with requisite skills and the process had to be restarted SLA has not been signed by both parties 	

Sub-Programme: Trade and Investment Promotion					
Performance Indicator	Actual Achievement 2014/2015	Planned Target 2015/2016	Actual Achievement 2015/2016	Deviation from planned target to Actual Achievement for 2015/2016	Comment on deviations
Number of trade and investment opportunities profiled and disseminated	<p>Identified countries, developed profiles and disseminated information on trade and investment opportunities available in the following countries:</p> <p>Africa: Mozambique, Swaziland, Kenya, Democratic Republic of Congo, Uganda, Egypt and Botswana</p> <p>Middle East: Oman and UAE</p> <p>Asia: India and China</p> <p>Russia</p>	<p>Profile and disseminate information on trade and investment opportunities on identified countries</p>	<p>Profiled and disseminated information to emerging exporters, SMMEs, District Municipalities and institutions on trade and investment opportunities available in the following identified countries:</p> <p>Africa: Angola, Zimbabwe, Ethiopia, DRC, Uganda, Tanzania and Zambia.</p> <p>Other: Cuba, Dubai, Canada</p> <p>Brazil, South Korea</p>	None	None

Strategy to overcome areas of under performance

- There are plans to complete the review of the draft export and investment strategies during the first quarter of the next financial year
- SLA to be finalised during the first quarter of the next financial year

Changes to planned targets

None

Linking performance with budgets

There was a under expenditure due to the fact that the Provincial Trade and Investment Strategy could not be completed. The required funding for this strategy is however available within the 2016/17 financial year.

Sub-programme expenditure

Sub-Programme	2014/15			2015/16		
	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure
Trade and Investment Promotion Transfers and Subsidies	R'000 3,230	R'000 3,074	R'000 155	R'000 3,717	R'000 3,428	R'000 289

Sub-Programme: Strategic Initiatives					
Strategic objectives	Actual Achievement 2014/2015	Planned Target 2015/2016	Actual Achievement 2015/2016	Deviation from planned target to Actual Achievement for 2015/2016	Comment on deviations
To facilitate the implementation of economic infrastructure projects in the Province	The Industrial Development Strategy implemented	Implement the Industrial Development Strategy	The Industrial Development Strategy implemented	None	None

Sub-Programme: Strategic Initiatives					
Performance Indicator	Actual Achievement 2014/2015	Planned Target 2015/2016	Actual Achievement 2015/2016	Deviation from planned target to Actual Achievement for 2015/2016	Comment on deviations
Number of economic infrastructure projects supported	4 high impact economic infrastructure initiatives supported:				
	The-feasibility study for the establishment of the Industrial Park in Govan Mbeki Local Municipality facilitated	Develop feasibility study for the establishment of the Industrial Park in Govan Mbeki Local Municipality	Feasibility study developed and commenced with	None	None
	The establishment of the International Convention Centre (ICC) in Mbombela supported	Establishment of the International Convention Centre (ICC) in Mbombela supported	Not achieved	Planned target not achieved	The ICC has not yet been established owing to not having an investor. Also, the configuration of the Steering Committee has not been finalised
	Operations of the Oilseed Crushing Plant in Lekwa Local Municipality supported	Increase beneficiation of smallholder and land reform farmers in the production of soya-beans and sunflower	Smallholder farmers were identified. Production of soya-beans and maize are prioritised within existing Programmes (Masibuyele Emasimini)	Target was not fully achieved, beneficiation not increased	Drought conditions prevented some farmers from planting
	None	Process to establish Energy Bulb Manufacturing Plant initiated	Sites available. Youth enterprises identified to participate	Target was not fully achieved.	Implementation would cost R 27 million. (9 million per district)

Strategy to overcome areas of under performance

- Finalise configuration of Project Steering Committee
- The Department is working with the National Department of Economic Development to ensure land reform farmers and smallholder farmers participate in value chain of Oilseed Crushing plant.
- Project was linked to retro-fitting programme of government buildings and would be rolled out by DPWRT as part of this program

Changes to planned targets

- None

Linking performance with budgets

An additional amount of R 4, 8 million was made available through the adjustment budget to fund the Govan Mbeki Industrial Supplier Park (R 300 000-00) and the establishment of the Govan Mbeki Brick Manufacturing Incubation Plant (R 4 500 000-00).

Sub-programme expenditure

Sub-Programme	2014/15			2015/16		
	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure
Strategic Initiatives	R'000 1,660	R'000 1,484	R'000 176	R'000 5,908	R'000 5,954	R'000 (46)

Sub-Programme: Sector Development					
Strategic objectives	Actual Achievement 2014/2015	Planned Target 2015/2016	Actual Achievement 2015/2016	Deviation from planned target to Actual Achievement for 2015/2016	Comment on deviations
To ensure the development of competitive growth sectors	4 sectors strategies implemented	4 sector strategies implemented	4 sectors strategies implemented	None	None

Sub-Programme: Sector Development					
Performance Indicator	Actual Achievement 2014/2015	Planned Target 2015/2016	Actual Achievement 2015/2016	Deviation from planned target to Actual Achievement for 2015/2016	Comment on deviations
Number of prioritised growth sectors supported on beneficiation/ Clustering	4 prioritised growth sectors supported on beneficiation:				
	None	Agro-processing : Bushbuckridge Agro-processing prioritised and supported on beneficiation	Implementation Plan developed and quotations sourced for the resuscitation of the Agro- processing Hub	Target not fully achieved.	The project is not operational due to lack of water reticulation and dilapidated broiler houses
	None	Designs and statutory compliance for the establishment of Bio-Diesel Technology Incubator finalised	Designs and statutory compliance for the establishment of Bio-Diesel Technology Incubator finalised Business case finalised for the Fly Ash beneficiation at Emalahleni Local Municipality	None	None
	None	Business case and statutory compliance for the Fly Ash beneficiation at Govan Mbeki and Emalahleni Municipality finalised	Joint Implementation Agreement with Govan Mbeki Local Municipality to roll out fly ash brick manufacturing incubator	Target not fully achieved.	To acquire a suitable site for incubator
	None	Feasibility study for the establishment of the biomass plant conducted	Not achieved	Target not achieved as planned.	Commissioned since existing studies by industry already in place and implementation of biomass plants in progress

Sub-Programme: Sector Development					
Performance Indicator	Actual Achievement 2014/2015	Planned Target 2015/2016	Actual Achievement 2015/2016	Deviation from planned target to Actual Achievement for 2015/2016	Comment on deviations
Number of capacity building programmes conducted in the prioritised growth sectors	Third phase of the pre- apprenticeship programme completed for 30 youth	3 capacity building programmes through incubation centres within the following prioritised growth sectors:	55 trainees capacitated through incubation centres within the prioritised sectors as follows:	None	None
	On-the-Job Training has been finalised for 10 youth and students are awaiting certification from NIMSA.	<ul style="list-style-type: none"> • Tool Initiative • Furniture • Mpumalanga Stainless Steel 	25 youth capacitated on the tooling initiative apprenticeship programme at Steve Tshwete Local Municipality		
	20 people living with disability trained on small scale furniture upholstery programme conducted		15 trainees completed a training on small scale furniture manufacturing at Gert Sibande District Municipality		
			15 SME's capacitated on Stainless Steel fabrication programme at Steve Tshwete Local Municipality		

Strategy to overcome areas of under performance

- Facilitate an urgent meeting with the National Department of Agriculture and DARDLEA to request funding for the project
- Formal lease agreement with SASOL being finalised

Changes to planned targets

None

Linking performance with budgets

The envisaged study on the establishment of a biomass plant did not proceed, since various private initiatives are already at implementation phase, for example the proposed plant at SAPPI. The incubators (Furntech, MSI and MTI) were supported by the Department, but require a higher level of funding to ensure that a larger number of students can be accommodated as well as to equip them with the latest machinery that is relevant to the industry requirements.

Sub-programme expenditure

Sub-Programme	2014/15			2015/16		
	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
Sector Development	8,985	9,556	(571)	8,994	7,616	1,378

Programme 4: Business Regulation and Governance

Purpose of the Programme: Is to regulate the Liquor and Gambling Industry and to create enabling legislative environment for Business 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 for the financial year under review

- 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

Strategic objectives, performance indicators, planned targets and actual achievements

At a strategic level, the Department was able to implement the Mpumalanga Consumer Protection Act by rolling out all planned consumer protection programmes. The amendment of the Mpumalanga Consumer Protection Act is work in progress, as we were able to produce a draft bill and the process of finalising the alignment with the National Consumer Protection Act (CPA) has been completed. Stakeholder consultation were completed. The state law advisors are finalising their inputs and the draft bill will be submitted to the Executive Council before it is tabled to the legislature.


In terms of performance indicators, the Department was able to achieve the planned targets by ensuring that the education and awareness programmes are rolled out as planned, and also further managed to respond positively to additional demands or invitations from the stakeholders to conduct more workshops on education and awareness. The consumer courts sittings took place as planned though many consumer cases received were resolved before they could go to the consumer courts. Most of the targets, although planned, are also demand driven. We managed to recover R 6, 3 million on behalf of the consumers during the year under review.

The consumer protection legislative frame work seeks to provide a conducive environment for fair business practices and promote confidence in business by consumers. Consumers start to have confidence that business will be done in a fair manner because there will always be a recourse for any unfair business practice. This will contribute towards sustainable businesses and will have a positive impact on the growth of the economy.

At the strategic level, the Department was able to implement both the Mpumalanga Gambling Act (MGA) and the Mpumalanga Liquor Licensing Act (MLLA) through its Public Entities which are Mpumalanga Gambling Board (MGB) and Mpumalanga Liquor Authority (MLA). To this end, the planned targets were achieved and in some instances exceeded, for example, the education and awareness programmes. These programmes included work-shopping of stakeholders on the new legislation (MLLA) and on responsible gambling. The Mpumalanga Business Regulatory Legislation was also implemented in that the responsible unit was able to capacitate the local municipalities to develop their own business by- laws.

In terms of the Performance indicators, the four (4) legislative quarterly reports from the MGB which is responsible for regulating gambling in the province were submitted and analysed by the performance and monitoring unit of the Department. The MLA quarterly reports were submitted as part of Programme 4 as their APP and budget was still accounted for under Programme 4.

Due to effective regulation of the gambling industry in the Province, during the 2015/16 financial year, the MGB managed to collect over R90 million in gambling taxes. By generating revenue the Entity contributes positively to the provincial revenue purse that will in turn finance other projects to create employment in the province. The MLA has started generating revenue that will be increased once all systems are up and running including the electronic liquor licensing system. When both industries are efficiently regulated, the society benefits from less social ills that comes with abuse of alcohol and irresponsible gambling.



The overall budget of the Programme was R83 401 million and 99, 8% of the overall budget was spent in the year 2015/16, an under spending of 0,2% which is within the acceptable range or percentage. There was a slight increase on the overall budget from the main budget of R81 801 to R83 401 at the beginning of financial year. There were no budget adjustments during the adjustment period in November 2015. The high rate of expenditure of 99,8% has contributed positively to the overall achievement of the Programme.

Strategic objectives:

Sub-Programme: Consumer Protection				
Strategic objectives	Actual Achievement 2014/2015	Planned Target 2015/2016	Actual Achievement 2015/2016	Deviation from planned target to Actual Achievement for 2015/2016
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

Sub-Programme: Consumer Protection				
Performance Indicator	Actual Achievement 2014/2015	Planned Target 2015/2016	Actual Achievement 2015/2016	Deviation from planned target to Actual Achievement for 2015/2016
Number of consumer cases received, investigated and resolved	1656 cases received, investigated and 1615 resolved.	1600 cases received, investigated and 1400 resolved	Cases received and investigated 1834 Cases resolved 1786	Target exceeded by 234 on cases received, investigated and 386 resolved
Number of Acts finalised and regulations developed	Not Achieved	Finalise new Mpumalanga Consumer legislation and regulations	Not Achieved	Target was not achieved.
Number of education awareness campaigns conducted	490 consumer education and awareness programmes conducted	200 consumer education and awareness programmes conducted	459 Consumer Education and Awareness programmes conducted	Target exceeded by 259
Number of Consumer Court hearings adjudicated.	15 Consumer Court hearings adjudicated by the Consumer Court	30 court hearings adjudicated by the consumer court	26 Consumer Court sittings conducted.	Target not achieved by 4

More cases received, investigated and resolved

The process of finalising the Bill has taken longer than anticipated due to the alignment with the National Consumer Protection Act and the interaction with the State Law Advisors and other stakeholders

Target was exceeded due to partnerships formed with Stakeholders and joint education programmes implementation.

It is a demand driven target, some cases were resolved internally before being referred to Consumer Courts.

Strategy to overcome areas of under performance

- The meetings between the Department and the state law advisors were held to finalise the inputs on the Draft Bill which is expected to be tabled to the Legislature before the end of September 2016. The Draft Bill must be presented to the Executive Council for approval.

Changes to planned targets

None

Linking performance with budgets

The 2015/16 budget was decreased from R11 945 million 2014/15 to R11 728 million. The total budget of the sub- programme was R11 728 million for 2015/16 financial year and actual spending was R11 836 million which is an over-spending of 0,9% due to more demands for educational and awareness programmes by the stakeholders. The sub directorate could not achieve 100% of its targets because of one target that could not be achieved (Finalisation and Tabling of the Consumer Draft Bill). The reason for non-achievement was due to a prolonged consultation processes with stakeholders including state law advisors.

Sub-Programme	2014/15			2015/16		
	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure
Consumer Protection	R'000 11,945	R'000 12,437	R'000 (492)	R'000 11,728	R'000 11,836	R'000 (108)

Sub-Programme: Business Regulations				
Strategic objectives	Actual Achievement 2014/2015	Planned Target 2015/2016	Actual Achievement 2015/2016	Deviation from planned target to Actual Achievement for 2015/2016
To promote and maintain an effective and efficient regulatory system for the liquor, gambling and betting industry	The Mpumalanga Liquor Licensing Act implemented	Implement and review the Mpumalanga Liquor Licensing Act	The Mpumalanga Liquor Licensing Act implemented	None

Sub-Programme: Strategic Initiatives				
Performance Indicator	Actual Achievement 2014/2015	Planned Target 2015/2016	Actual Achievement 2015/2016	Deviation from planned target to Actual Achievement for 2015/2016
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	4 Analysis reports of MGB quarterly performance	4 Monitoring and Evaluation reports of MGB in line with their strategic plans	None
	4 Monitoring and Evaluation reports of MLA in line with their Strategic Plans produced.	4 Analysis reports of MLA quarterly performance	4 Monitoring and evaluation reports of MLA in line with their	None
Number of awareness and education programmes conducted on applicable legislation.	17 Awareness and education programme on applicable legislation conducted.	Implement 16 education and awareness programme on applicable legislation	28 Education and Awareness programmes conducted on applicable legislation (MLLA)	Target exceeded by 12
Number of capacity building workshop conducted to capacitate municipalities	5 Capacity Building Workshops conducted (1 in Ehlanzeni District and 2 in Gert Sibande District.) 2 in Nkangala District	6 Capacity Building Workshops conducted to capacitate Local municipalities to review and implement business regulatory legislation.	6 Capacity Building workshops conducted at local municipalities on regulatory legislation	None

Strategy to overcome areas of under performance

None

Changes to planned targets

None

Linking performance with budgets

The 2014/15 Budget was increased from R69,814 million to R70 084 million 2015/16 financial year. The total budget of the sub programme was R70 084 million, the increase was meant to assist in operationalising the MLA. The sub programme spent 99,8% of the total budget which is R69 914 million. All the targets were achieved under this sub-programme, that is, 100% achievement in terms of performance. The allocated budget made it possible for the sub-directorate to achieve all the planned targets.

Sub-Programme	2014/15			2015/16		
	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure
Business Regulations	R'000 69,814	R'000 68,684	R'000 1,130	R'000 70,084	R'000 69,914	R'000 170



Programme 5: ECONOMIC PLANNING

Purpose of the Programme: Is responsible for provision of 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 for the financial year under review

- 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

Strategic objectives, performance indicators, planned targets and actual achievements

During the period under review, the Department managed to review the Outcome 4 Delivery Agreement. The Green Economy Research Report, a report on the updated research agenda and Industrial Plan Roadmap were produced. The Department also achieved the development of the GIS on MEGDP priority initiatives; provided a series of labour reports, and developed the Youth Portal which is now operational. All Departmental Entity's performance and governance oversight (MTPA, MGB, and MEGA) were analysed and progress reporting on the implementation of private sector projects produced.

Sub-Programme: Policy & Planning					
Strategic objectives	Actual Achievement 2014/2015	Planned Target 2015/2016	Actual Achievement 2015/2016	Deviation from planned target to Actual Achievement for 2015/2016	Comment on deviations
To provide economic policy direction and strategies.	Economic development policies and strategies developed and coordinated.	Develop, coordinate and integrate economic development policies and strategies	Economic development policies and strategies developed, coordinated and integrated	None	None

Sub-Programme: Policy & Planning					
Performance Indicator	Actual Achievement 2014/2015	Planned Target 2015/2016	Actual Achievement 2015/2016	Deviation from planned target to Actual Achievement for 2015/2016	Comment on deviations
Update and align Outcome 4 delivery agreement with national and other Provincial sector plans.	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.	Delivery Agreements coordinated, reviewed and finalised (outcome 4)	Delivery Agreements coordinated, reviewed and finalised (outcome 4)	None	None
Number of sector strategies and plans developed	Provincial Industrial Development Plan developed	1 provincial integrated sector plan/strategy developed/reviewed	Draft report on Green Economy Plan developed. Industrial Development Plan roadmap developed.	The target was partially achieved.	It took longer to procure service provider for the Green Economy Plan due to infancy of the sector

Strategy to overcome areas of under performance

The Green Economy Plan target for 2015/16 was partially achieved. As per the project time frames the draft Green Economy Plan will be developed in the first quarter of 2016/17. However, the draft research report on the green economy was produced which is the basis of the Green Economy Plan. An Industrial Development Plan roadmap was developed in 2016/17 financial year which is the strategy to implement the Industrial Development Plan.

Changes to planned targets

None

Linking performance with budgets

The Policy and Planning Sub-Programme expenditure as a percentage of final appropriation was 97.3 percent for the 2015/16 financial year. The Compensation of Employees expenditure was 99.1 percent and the Goods and Services were at 92.2 percent. For the 2014/15 financial year expenditure as a percentage of final appropriation was 91.3 percent as a result of under spending in the Compensation of Employees category.

An amount of R 800 000 was allocated under Policy and Planning Sub-Programme to develop the Green Economy Plan for the Province in the 2015/16 financial year. The underspending on goods and services is due to the project on the Green Economy Plan which commenced in January 2016 and was not completed by 31 March 2016. The first phase of the project, the research report on the green economy, was however produced.

Sub-Programme	2014/15			2015/16		
	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure
Policy Planning	R'000 3,155	R'000 2,880	R'000 275	R'000 7,243	R'000 6,750	R'000 493

Sub-Programme: Research and Development				
Strategic objectives	Actual Achievement 2014/2015	Planned Target 2015/2016	Actual Achievement 2015/2016	Deviation from planned target to Actual Achievement for 2015/2016
To conduct/commission research on the provincial economy to inform economic policy analysis process and strategy development.	Economic reports to inform economic policies and strategies development produced	Conduct 2 research projects	2 research projects conducted	None
				none

Sub-Programme: Research and Development					
Performance Indicator	Actual Achievement 2014/2015	Planned Target 2015/2016	Actual Achievement 2015/2016	Deviation from planned target to Actual Achievement for 2015/2016	Comment on deviations
Number of research reports	Economic Scoping reports on local municipalities produced	1 Research report project conducted. (Green Economy) 1 Report on updated research agenda	1 Research report project conducted. (Green Economy) 1 Report on updated research agenda	None None	None None

Strategy to overcome areas of under performance

None

Changes to planned targets

None

Linking performance with budgets

The Research and Development Sub-Programme expenditure as a percentage of final appropriation was 67.6 percent for the 2015/16 financial year. The Compensation of Employees expenditure was 69.7 percent and the Goods and Services were at 44.4 percent. For the 2014/15 financial year expenditure as a percentage of final appropriation was 85 percent mainly as a result of under spending in the Compensation of Employees category. The planned targets were achieved with the limited human resources as there is only one official in the Research and Development Sub-Programme

Sub-Programme	2014/15			2015/16		
	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
Research and Development	1,348	1,141	207	972	657	315

Sub-Programme: Knowledge Management					
Strategic objectives	Actual Achievement 2014/2015	Planned Target 2015/2016	Actual Achievement 2015/2016	Deviation from planned target to Actual Achievement for 2015/2016	Comment on deviations
To provide data, information and intelligence on the economy for effective decision making	Central Information system with economic indicators 3 Economic Intelligence reports. Processing 100% of information queries on the economy developed and maintained	Provide Central Information system with economic indicators. Produce One series of provincial economic intelligence reports.	Central Information system with economic indicators provided. One series of provincial economic intelligence reports. produced	None	None

Sub-Programme: Knowledge Management					
Performance Indicator	Actual Achievement 2014/2015	Planned Target 2015/2016	Actual Achievement 2015/2016	Deviation from planned target to Actual Achievement for 2015/2016	Comment on deviations
Number of departments with whom the GIS on economic information is shared	GIS developed on strategic corridors: Tourism Development and Sector Freight routes	GIS developed on MEGDP priority initiatives	GIS developed on MEGDP priority initiatives	None	None
Number of sectors covered in shared central database on economic development	Database design upgraded and Database updated with SMME's and Co-ops data.	Shared database on economic information and indicators produced	Employment and business survey conducted in Mbombela municipality	Target not fully achieved, shared database on economic information and indicators not produced	Information is being captured through Statistics SA
Number of provincial economic intelligence reports produced on sector profile	1 economic sector profile produced on ICT	1 series labour reports based on QLFS, Public sector, EPWP and CRDP jobs	1 series labour reports based on QLFS, Public sector, EPWP and CRDP jobs	None	None
Mpumalanga youth portal developed and operationalised	ICT System for tracking (capturing and analysis of data) on jobs in the province developed	Mpumalanga youth business portal developed (online and operational)	Mpumalanga youth business portal developed (online and operational)	None	None

Strategy to overcome areas of under performance

Shared database on economic information and indicators based on the survey on employment and business will be available in the first quarter of 2016/17 once Statistics SA finalises the data processing and validation.

Changes to planned targets

None

Linking performance with budgets

The Knowledge Management Sub-Programme expenditure as a percentage of final appropriation was 101 percent for the 2015/16 financial year. The Compensation of Employees expenditure was 98.1 percent and the Goods and Services were at 103.1 percent. For the 2014/15 financial year expenditure as a percentage of final appropriation was 99 percent.

An amount of R 3 000 000 was allocated under Knowledge Management to undertake a survey on employment and business in Mbombela which was completed in the 2015/16 financial year. Statistics SA executed this project on behalf of the Department. Statistics SA will finalise data processing and database validation during the first quarter of 2016/17. An amount of R500 000 was allocated to the development of the Mpumalanga Youth Portal.

Sub-Programme	2014/15			2015/16		
	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure
Knowledge Management	R'000 3,013	R'000 2,976	R'000 37	R'000 6,323	R'000 6,294	R'000 29

Sub-Programme: Monitoring and Evaluation					
Strategic objectives	Actual Achievement 2014/2015	Planned Target 2015/2016	Actual Achievement 2015/2016	Deviation from planned target to Actual Achievement for 2015/2016	Comment on deviations
	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
To determine the effectiveness and impact of provincial policy, programmes, objectives and strategies					

Sub-Programme: Monitoring and Evaluation					
Performance Indicator	Actual Achievement 2014/2015	Planned Target 2015/2016	Actual Achievement 2015/2016	Deviation from planned target to Actual Achievement for 2015/2016	Comment on deviations
Number monitoring reports produced	None	4 analysis reports on public entity performance	4 analysis reports on public entity performance	None	None
	None	4 reports on the implementation of private sector projects	4 reports on the implementation of private sector projects	None	None
Number of governance oversight reports	Coordinating implementation of partnerships done through: Stakeholders engagements and implementation plans developed with signatory players	2 governance oversight reports on public entities compiled in line with their strategic plans (shareholder compacts report, oversight policy framework)	2 governance oversight reports on public entities compiled in line with their strategic plans (shareholder compacts report, oversight policy framework)	None	None

Strategy to overcome areas of under performance

None

Changes to planned targets

None

Linking performance with budgets

The Monitoring and Evaluation Sub-Programme expenditure as a percentage of final appropriation was 117.9 percent for the 2015/16 financial year. The over spending is mainly caused by the Compensation of Employees expenditure which was 123.3 percent. For the 2014/15 financial year expenditure as a percentage of final appropriation was 88.8 percent mainly as a result of under spending in the Compensation of Employees category.

There were no projects budgeted in Monitoring and Evaluation directorate as the focus was on oversight of state owned entities and coordinating implementation of partnership agreements with the private sector.

Sub-programme expenditure

Sub-Programme	2014/15			2015/16		
	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
Monitoring and evaluation	5,622	5,029	593	1,293	1,524	(231)



Programme 6: TOURISM

Purpose of the Programme: Is to ensure tourism sector policy development, regulation and compliance and promotion of sector transformation in the Province

- The Programme consists of the following sub-programme:
- Tourism Planning

Strategic objectives for the financial year under review:

- To create an enabling environment through policy and strategy development and improve intergovernmental coordination.

Strategic objectives, performance indicators, planned targets and actual achievements

During the period under review the Department developed the draft Tourism Bill and the Commercialisation Plan for the Zithabiseni Resort, even the latter has not been implemented. Only 2 stakeholder and strategic alliance partnerships programmes were implemented. As part of the tourism products diversification, the Department developed a draft concept plan for the resuscitation of Tourism and Heritage at Waterval Boven area. As part of the immediate deliverables, the Waterfall viewing deck was refurbished. Furthermore, the Department in partnership with key stakeholders has finalised the Pilgrims Rest Tourism Resuscitation Plan. The Department has also exposed the youth and unemployed graduates into the tourism sector by taking them to the National Tourism Careers Expo in Bloemfontein.

Sub-Programme: Tourism Planning					
Strategic objectives	Actual Achievement 2014/2015	Planned Target 2015/2016	Actual Achievement 2015/2016	Deviation from planned target to Actual Achievement for 2015/2016	Comment on deviations
To create an enabling environment through policy and strategy development and improve intergovernmental coordination.	The MTGS to be in line with the objectives of NTSS reviewed and updated	Tourism strategies developed and implemented	Tourism strategies developed and implemented	None	None
Sub-Programme: Tourism Planning					
Performance Indicator	Actual Achievement 2014/2015	Planned Target 2015/2016	Actual Achievement 2015/2016	Deviation from planned target to Actual Achievement for 2015/2016	Comment on deviations
Integrated Tourism Policy Framework and Legislation developed	None	Business Case for Tourism Developed and approved by Executive Council	Not developed and approval not obtained	Target not achieved as the business case was not developed as planned and approval was not obtained	Only two service providers submitted proposals instead of three, despite several requests as per the supply chain processes. The target was going to be done by the successful service providers.
	None	Draft Provincial Tourism Bill developed	Draft Tourism Bill developed	None	None
Number of tourism strategies developed and/or reviewed	None	5 Tourism Strategies reviewed	Target not achieved, however, appraisal report compiled based on the stakeholders' inputs	5 tourism strategies reviews not achieved	Only two service providers submitted proposals instead of three, despite several requests as per the supply chain processes.

Sub-Programme: Tourism Planning					
Performance Indicator	Actual Achievement 2014/2015	Planned Target 2015/2016	Actual Achievement 2015/2016	Deviation from planned target to Actual Achievement for 2015/2016	Comment on deviations
Number of stakeholder and strategic alliance partnership programmes implemented	4 Quarterly Tourism Intergovernmental Planning and Coordinating Forum convened	4 Stakeholder and strategic alliance partnership programme effectively implemented, viz Regional and Local Tourism Organization (RTOs and LTOs) Provincial Tourism Sector Forum (PTSF) Provincial Inter-governmental Relations Forum (PIGRF) Provincial Tourism Partnership Programme (PTPP)	2 Stakeholder and strategic alliance partnership programme effectively implemented, viz • Draft RTO/LTO Framework developed • The Provincial Intergovernmental Forum established	Target was not achieved by 2 namely, (i) Provincial Tourism Sector Forum (PTSF) (ii) Provincial Tourism Partnership Programme (PTPP)	The finalisation (signing) of the RTO Framework will provide for the establishment of the PTSF and confirm the PTPP
Self sustainable Zithabiseni Resort	None	Commercialisation plan developed	Commercialisation plan developed	None	None

Strategy to overcome areas of under performance

- The Business Case will be developed in the 2016/17 financial year if budget is provided.
- The strategy review report will be developed in the 2016/17 financial year.
- The RTO/LTO Framework will be signed in the first quarter of 2016/17
- The Provincial Tourism Sector Forum (PTSF) will be established once the RTO/LTO Framework has been signed
- Signing of the RTO/LTO will confirm the Provincial Tourism Partnership Programme (PTPP)

Changes to planned targets

None

Linking performance with budgets

The final appropriated budget for the Programme during 2014/15 financial year was R332, 828 million and during the period under review it was increased to R335, 735 million which represents 0.9%. of which 80% of this budget was allocated to the MTPA and the Zithabiseni Resort and Conference Centre. The variation in the implementation of the planned output was mainly due to none response by the suitable service providers despite several requests for proposals by the Department. The expenditure has assisted in the commencement of some of the implementation of the planned targets, though not completed.

Sub-programme expenditure

Sub-Programme	2014/15			2015/16		
	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 Planning	332,828	332,828	-	335,735	335,180	555

5. TRANSFER PAYMENTS

5.1 Transfer payments to public entities

The Department has signed shareholder compact with its Entities. Entities are monitored on quarterly basis based on the shareholder compact.

Name of Public Entity	Services rendered by the public entity	Amount transferred to the public entity	Amount spent by the public entity	Achievements of the public entity
		R'000	R'000	
Mpumalanga Economic Growth Agency	<ul style="list-style-type: none"> Promote and facilitate Trade and Investment in the Province Provide financial and non-financial support to SMME's in the Province Provide financial support to emerging farmers in the Province Grant housing loans to the needy and previously advantaged 	206,656	206,656	<ul style="list-style-type: none"> Reduction in dependency on government grants was achieved whereby own revenue collection of R190 085 728 is 55% of R348 741 728 of total revenue. For calculation purposes of this target, the total revenue excludes R48 million once-off grant allocation received in December 2015 and January 2016 for the Donkerhoek project (R5 million) and City of Tshwane debt (R43 million). Reduction in other financial liabilities was achieved by 30% at the end of March 2016 in comparison to other financial liabilities due at 31 March 2015. Phase 1 of the OD process which entailed the approval of the High level organisation structure has been completed with four positions of General Managers being filled. <p>Mpumalanga International Fresh Produce Market (MIFPM):</p> <ul style="list-style-type: none"> The township conditions of establishment were approved by Mbombela Local Municipality and the General Plan was submitted to the Surveyor-General for approval; The reservoir, tower and pump station project has commenced and currently 30% complete; The installation of the boundary fence is 100% complete; The appointment of the lead, and internal services consultants have been finalised. <p>Special Economic Zone (SEZ):</p> <ul style="list-style-type: none"> A commitment was made by the municipality to supply bulk infrastructure (water, sewer, electricity); A confirmation was received from the municipality on the ownership of the land on which the SEZ is to be developed; One letter of intent to invest was received from the investors; The designation application was submitted to the Department of Trade and Industry

Name of Public Entity	Services rendered by the public entity	Amount transferred to the public entity	Amount spent by the public entity	Achievements of the public entity
		R'000	R'000	
Mpumalanga Economic Growth Agency				<p>Foreign Trade Exhibitions:</p> <ul style="list-style-type: none"> In August 2015 Foreign Trade Promotion hosted an Inward Foreign Visit from the Associação dos Jovens Agricultores de Portugal (AJAP) - Association of Young Farmers of Portugal. MEGA organised the Mpumalanga Provincial Pavilion at FACIM 2015 which took place from the 31st August to 6th September 2015 in the Marracuene district outside of Maputo. The Pavilion yielded R19.4 million of assessed annual business and follow-up with the SAITEX 2015 participants reported R772 500 of additional sales. The Foreign Trade Exhibition (Maputo Development Corridor Investment Conference and Exhibition) was conducted in Matola, Mozambique, on 29th October 2015. MEGA showcased the Agro-processing Sector of Mpumalanga Province on the South African National Pavilion hosted at the Gulfood 2016 Exhibition which took place from the 21st to 25th February 2016 at Dubai World Trade Centre in Dubai - United Arab Emirates. Three agro-processing companies from Mpumalanga were showcased, namely: Blue Skies Holding, Timbali Technology Incubator and Golden Macadamias. MEGA recorded 139 trade inquires during the event. <p>Local Trade Exhibitions:</p> <ul style="list-style-type: none"> The Forum on China-Africa Cooperation Exhibition (FOCAC) was conducted in Johannesburg on the 4th and 5th of December 2015. MEGA successfully hosted the Mpumalanga Pavilion Local Exhibition at the South African International Trade Exhibition (SAITEX) at the Gallagher Convention Centre in Midrand, Gauteng from the 21st to 23rd of June 2015. At SAITEX 2015 the nine participating companies on the Mpumalanga Pavilion estimated the annual value trade inquiries received during the exhibition at close to R32 million 7 National Exporter Development Programmes were held

Name of Public Entity	Services rendered by the public entity	Amount transferred to the public entity	Amount spent by the public entity	Achievements of the public entity
		R'000	R'000	
Mpumalanga Economic Growth Agency				<p>Investment Facilitation:</p> <ul style="list-style-type: none"> During the first quarter, a potential investment from Coal India Limited based in Kolkata was facilitated. The investment enquiry originated during MEGA's participation at ITI India during February 2015. Coal India limited is seeking to invest in South Africa generally and Mpumalanga specifically. This enquiry is coordinated by the dti through the Deputy Minister's office. MEGA is facilitating this investment in a coal mine – Mooivaal - in the Ermelo District valued at US\$ 50 million. MEGA participated in the Outward Trade and Investment Promotion Mission arranged by the Department of Trade and Industry (the dti) in Vietnam and the Philippines from 25th to 29th of May 2015. In both these countries presentations were made to the local business people at the Investment Seminars showcasing trade and investment opportunities in Mpumalanga Province. The Property Fund Proposal was developed and initial negotiations commenced with potential investors, such as PIC, IDC and other private sector financial institutions. A new transformer was acquired for Ekandustria. There has been a steady increase in the number of housing loans approved compared to the previous year i.e. 10 housing loans valued at R3.8m in 2014/15 and 16 housing loans valued at R7.3m in 2015/16. 7 housing loans have been disbursed valued at R2.5m. There has been a 93% repayment on the current loan book as at end of the year and 2.6% on the legacy loan book. Processed 100% of new loans for bond registration and 44% new bonds registered Proportion of financing provided to designated groups were achieved as follows: 37% women, 44% youth and 6% people with disabilities; Non financing support provided to 110 SMMEs; The value of loans disbursed to 27 Agricultural Cooperatives amounted to R 1.9 million; The value of loans disbursed to 9 SMMEs amounted to R 2.4 million; R15 million was generated as additional revenue through MEGA's Agri-businesses (Tekwane Lemon Farm).

Name of Public Entity	Services rendered by the public entity	Amount transferred to the public entity	Amount spent by the public entity	Achievements of the public entity
		R'000	R'000	
Mpumalanga Tourism and Parks Agency	<ul style="list-style-type: none"> • Provide for effective management and conservation of biodiversity and ecosystems within the Province • Develop and ensure effective management of protected areas • 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. 	310,436	310,436	<p>Management and conservation of biodiversity and eco-systems</p> <p>Infrastructure maintenance and upgrades were conducted at the MTPA Head Office, Mkhombo Dam and SS Skhosana Nature reserves. Planned maintenance was also done at seven nature reserves, namely SS Skhosana, Blyde River Canyon, Verloren Valei, Mabusa, Sterkspruit, Mahushe Shongwe and Mathethumusha Nature reserves. At Andover and Bushbuck Ridge Nature Reserves substantial upgrades to existing infrastructure and the construction of new buildings were completed through external implementers as part of the R315 million DEA funded projects in MTPA reserves.</p> <p>MTPA Head Office infrastructure projects</p> <ul style="list-style-type: none"> • At Head Office the server room was upgraded to a high standard which included a 2 hour fire resistant structure, security access and camera monitoring and a sophisticated environmental monitoring system with early warning features. • A 550 KW standby diesel power generator capable of supporting the whole head Office complex was installed and successfully commissioned. • The construction of a new perimeter security fence with electrification around the Head Office complex was completed. • Fifty seven new split air-conditioning units were also installed at the offices to replace 20 year old dilapidated wall units. <p>SS Skhosana Nature Reserve</p> <p>The main communal ablution building servicing the chalets at the CN Mhuslangu Lodge was refurbished.</p> <p>Planned infrastructure and facilities maintenance at MTPA reserves</p> <p>The maintenance of infrastructure and facilities was conducted in 5 nature reserves and that includes the maintenance of ablution facilities servicing tourists, perimeter fence, plumbing repairs, tiling and painting, renovation of tourists' accommodation and the re-installation of bulk water supply.</p> <p>Mkhombo Dam Nature Reserve</p> <p>The construction of a new staff village at Mkhombo Dam Nature Reserve is progressing well and will be completed in the 1st quarter of the 2016/17 financial year. The village consists of 11 ranger picket units and a Manager's house. The units are a major improvement to previous staff accommodation and an under-cover communal external braai facility.</p>

Name of Public Entity	Services rendered by the public entity	Amount transferred to the public entity	Amount spent by the public entity	Achievements of the public entity
		R'000	R'000	
Mpumalanga Tourism and Parks Agency	<ul style="list-style-type: none"> Provide for effective management and conservation of biodiversity and ecosystems within the Province Develop and ensure effective management of protected areas 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. 	310,436	310,436	<p>DEA Funded Projects</p> <p>A new modern office block and a conference facility was constructed at Andover nature reserve. The old office rondawel chalets and manager's house were converted into chalets. The single staff quarters also received major upgrades and additions. Ranger pickets were also upgraded and supplied with electricity. New manager house and field rangers houses were constructed at Bushbuckridge nature reserve. A new borehole, water storage and reticulation was installed. Electricity was also supplied to the reserve.</p>
Mpumalanga Gambling Board	<ul style="list-style-type: none"> Regulate and ensure that the gambling industry functions within the parameters of the law Promote responsible gambling within the province 	52,205	52,205	<ul style="list-style-type: none"> The MGB's revenue collection reflected a growth of 6% during the year, to R90 million (2015: R84.8 million). The industry is also providing significant employment opportunities in the gambling establishments, hotels, restaurants and other entertainment facilities. In a bid to minimise the social cost 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 about the negative effects of gambling and combating of the illegal gambling market. In strengthening the public awareness and education drives to reach a much wider audience within the Province, the MGB visited various communities throughout the Province, during the year under review. The rollout of responsible gambling awareness campaigns was further enhanced by the continued association with the Miss Mpumalanga brand, which provides an Ambassador for the promotion of responsible gambling in the Province. Through the ambassadorial arrangement, the MGB continued to strengthen its awareness drives towards the promotion of responsible gambling to the citizens of the Province. The MGB maintained its record of an unqualified and clean audit report from the Auditor-General, which symbolises good governance and adherence to sound financial discipline.

5.2 Transfer payments to all organisations other than public entities

The table below reflects the transfer payments made for the period 1 April 2015 to 31 March 2016

Name of transferee	Type of organisation	Purpose for which the funds were used	Did the dept. comply with s 38 (1) (j) of the PFMA	Amount transferred (R'000)	Amount spent by the entity (R'000)	Reasons for the funds unspent by the entity
Goven Mbeki municipality	Municipality	Establishment of the Industrial Park	Yes	R4,800	R4,009	Multi-Year Project

6. CONDITIONAL GRANTS

6.1 Conditional grants and earmarked funds paid

Conditional Grant for Expanded Public Works Programme (EPWP)

Department/ Municipality to which the grant has been transferred	Mpumalanga Economic Growth Agency Mpumalanga Tourism Parks Agency
Purpose of the grant	To create jobs within the Environmental and Culture Sector
Expected outputs of the grant	Job creation and Poverty reduction
Actual outputs achieved	170 jobs were created within the Environmental and Culture Sector
Amount per amended DORA (R'000)	R3,138
Amount transferred (R'000)	R3,138
Reasons if amount as per DORA not transferred	None. Amount was transferred
Amount spent by the department/ municipality (R'000)	R3,138
Reasons for the funds unspent by the entity	None, funds were spent accordingly
Monitoring mechanism by the transferring department	Share Holders compact, Monthly expenditure and Quarterly Evaluation reports

Conditional grants and earmarked funds received

The Department of Economic Development and Tourism was identified as an important organisation to implement the Extended Public Works Programme. Therefore a grant of R3,138 million was allocated by National Department of Public Works to assist the Department to alleviate poverty by reducing unemployment. The allocated incentive was divided between the two Entities of the Department, MTPA and MEGA. These two entities managed to create 21 (twenty-one) EPWP funded projects as registered on the business plan, the planned projects created a total number of 170 job opportunities.

The total of R3,138 million was transferred to both Entities and was spent accordingly. The following targets were achieved:

- Facilities refurbished/maintained: 15
- Ablution facilities refurbished / maintained: 6
- Roads constructed: 90 km
- Alien plants removed/cleared: 380 hectares
- Fire breaks cleared: 851 km
- Building area maintained: 4
- Fencing: 74 km
- Administration and office buildings refurbished / maintained: 5
- Routine maintenance of low volume roads: 2 km

All targets were implemented as planned. However high employment turnover is still a challenge. Most of our sites and projects are not branded due to insufficient funds. Monthly and quarterly evaluation reports are submitted to the National Department of Public Works.

The table/s below details the conditional grants and ear marked funds received during for the period 1 April 2015 to 31 March 2016.

Conditional Grant: for Expanded Public Works Programme (EPWP)

Department which transferred the grant	National Public Works
Purpose of the grant	To create jobs within the Environmental and Culture Sector
Expected outputs of the grant	Job creation and Poverty reduction
Actual outputs achieved	170 jobs were created within the Environmental and Culture Sector
Amount per amended DORA (R'000)	R3,138
Amount received (R'000)	R3,138
Reasons if amount as per DORA was not received	None , Amount was transferred
Amount spent by the department (R'000)	R3,138
Reasons for the funds unspent by the entity	None
Reasons for deviations on performance	None
Measures taken to improve performance	None, funds were spent accordingly
Monitoring mechanism by the receiving department	Monthly expenditure and Quarterly Evaluation reports

7. DONOR FUNDS

None

8. CAPITAL INVESTMENT

8.1 Capital investment, maintenance and asset management plan

Asset Management Plan

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 at least twice in a year to ensure that the assets register is updated regularly.

During the year under review, the economic analysis function was transferred from the Mpumalanga Provincial Treasury to the Department. This resulted in the transfer of assets from the Provincial Treasury. This process was managed effectively with the signing of transfer certificates by the respective Accounting Officers and processes were followed in terms of applicable legislation.

The Department complies with the supply chain management framework. Bid committees were dully appointed to facilitate the appointment of service providers for acquisition of goods and services.



Part C:

Governance

1. INTRODUCTION

Commitment by the Department to maintain the highest standards of governance is fundamental to the management of public finances and resources. Users require assurance that the Department has good governance structures in place to effectively, efficiently and economically utilise the state resources funded by the tax payers.

9. 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 out 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:
 - Reviewed the risk management policy and strategy and recommended for approval by the Accounting Officer;
 - Reviewed the risk appetite and tolerance and recommended for approval by the Accounting Officer;
 - Reviewed the Department's risk identification and assessment methodologies to obtain reasonable assurance of the completeness and accuracy of the risk register;
 - Evaluated the effectiveness of mitigating strategies to address the material risks of the Department;
 - Reported to the Accounting Officer any material changes to the risk profile of the Department;
 - Reviewed any material findings and recommendations by assurance providers on the system of risk management and monitored that appropriate action is instituted to address the identified weaknesses;
 - Developed goals, objectives and key performance indicators for the Committee for approval by the Accounting Officer;
 - Developed goals, objectives and key performance indicators to measure the effectiveness of the risk management activity;
 - 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;
 - 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:
 - Added value to the risk management process by making recommendations to improve the process;
 - Reviewed and critiqued the risk appetite and risk tolerance
 - 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, have been identified during the risk assessment process.
 - Reviewed the risk profile and management action plans to address the risks quarterly;
 - Reviewed the adequacy of adapted risk responses;
 - Reviewed the progress made with regards to the implementation of the risk management strategy of the Department;
 - Provided regular feedback to the Accounting Authority / Officer on the effectiveness of the risk management process implemented by the Department;
 - Reviewed and ensured that the internal audit plans are aligned to the risk profile of the Department;

10. 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 Risk and Fraud Prevention Committee was functional.
- The Department has a Whistle blowing policy in place. Awareness workshops of the policy were conducted. Employees are continuously urged to report suspected corrupt activities to the Risk Management unit or alternatively the National Anti-Corruption Hotline (NACH) 0800 701 701.
- Progress on cases reported to the National Anti-Corruption Hotline (NACH) is requested from the Office of the Premier (Integrity Management Unit) as the investigating arm for all NACH cases in the Province. The report is reviewed quarterly by the Risk and Fraud Prevention Committee.

11. MINIMISING CONFLICT OF INTEREST

The Risk and 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.

12. CODE OF CONDUCT

Awareness workshops were conducted on the Code of Conduct.

13. HEALTH SAFETY AND ENVIRONMENTAL ISSUES

The Department appointed Occupational Health and Safety representatives in all its offices to ensure that it is compliant to the legislation regulating Health and Safety matters. The representatives have been trained on Occupational Health and Safety Representative to assist them in fulfilling their responsibilities. They will be continually empowered and supported to assist the Department to manage Health and Safety Environmental matters.

14. PORTFOLIO COMMITTEES

Matters raised by the Portfolio Committee	Response
Date of the meeting:	10 November 2015
Develop and implement an improvement plan that will address materials findings raised by the Auditor General; regular progress report must be provided to the committee by end of February 2016	The Department developed an audit action plan and is monitoring progress on a monthly basis.
The Department must fill all critical vacant funded positions as approved in the Organogram as failure to fill these positions constitute non-compliance with the approved APP, Organogram and Budget Appropriated. A progress report must be submitted to the Committee.	The Provincial Government took a resolution in March 2015 to place a moratorium on the filling of vacant positions within the Administration. Departments were further required to abolish all vacant posts and remain only with the filled positions in their organisational structures. It was further resolved that when an employee leaves the Department that position should be abolished. The only position that is vacant in the Department is that of the Head of Department.

Matters raised by the Portfolio Committee	Response
<p>The Department must implement and monitor the developed plan that ensures that Cooperatives and SMME's are capacitated, supported and trained as per the mandate of the Department. A quarterly progress report on the implementation must be submitted to the Legislature.</p>	<ul style="list-style-type: none"> • The Department developed the Cooperative Strategy in 2014/15 financial year which has still not been approved by the Executive Council. In this regard, the Department continues to implement and monitor that SMMEs and Cooperatives are supported and this is done in partnership with the Small Enterprise Development Agency (SEDA) • The Department also works with the South African Bureau of Standards (SABS) to ensure that the products that are produced by SMMEs and Cooperatives are certified and of good quality • The Department also works with the private sector to build capacity to SMMEs and Cooperatives so that they can be able to deliver quality services, and • The Department will ensure that the quarterly progress in this regard are submitted to Legislature
<p>The Department must develop an improvement action plan to fast-track the implementation of the Agro-Processing Hubs in the two Municipalities.</p>	<ul style="list-style-type: none"> • Improvement action plan to fast-track the implementation of the Agro-Processing hubs was developed. • The Department upgraded security features by installing electricity fence and gate respectively, • The Department is looking after the premises to ensure the area is conducive for business. The Department ensures all assets are in good condition and are maintained accordingly, • The Department has established a steering committee and also chairs the committee which comprises DARDLEA, Department of Rural Development, MEGA, SEDA, Bushbuckridge Local Municipality and local cooperative including other relevant stakeholders • The Department will work with MEGA to ensure funding to resuscitate the hub is sourced and secured.
<p>The Department must table the Mpumalanga Consumer Affairs Amendment Bill not later than 29 February 2016</p>	<p>The Mpumalanga Consumer Protection Bill, 2015 could not be tabled before 29 February 2016 due to the following:</p> <ul style="list-style-type: none"> • When the draft Bill was submitted to the State Law Advisers in February 2016, they advised on further amendments meant to fill gaps insofar as the appropriate sanctions that a court may impose in the event of non-compliance with Consumer Court awards/judgements are concerned. The suggested amendments were effected and Bill resubmitted to the State Law Advisers. • The Department (Legal Services Directorate) acknowledges that its initial timelines for processing the Bill was not realistic in that it failed to consider the DTI led process of ensuring synergy amongst all provinces which was only concluded in the third quarter of the 2015/16 financial year.
<p>The Department must develop an implementation plan for the MLA and further fast-track the approval of the entity's organogram and the appointment of the CEO</p>	<ul style="list-style-type: none"> • The Mpumalanga Liquor Authority (MLA) implementation plan is in place and being updated from time to time as we make progress. • The MLA Organogram was approved last year by the MEC. The process of grading the entire approved organogram by service provider is underway. The grading of the post for the CEO was prioritised and finalised for purposes of advertising it. The MEC has already approved the advertisement of the post and was published newspapers.

Matters raised by the Portfolio Committee	Response
The Department must ensure that all critical vacant and funded positions, including that of the CEO are filled as a matter of urgency	<p>The Provincial Government took a resolution in March 2015 to place a moratorium on the filling vacant positions within the administration. Departments were further required to abolish all vacant posts and remain only with the filled positions in their organisational structures. It was further resolved that when an employee leaves the Department that position should be abolished.</p> <p>No posts were available to be filled by the MLA except for the advertised post of CEO.</p>

15. SCOPA RESOLUTIONS

Resolution No.	Subject	Details	Response by the department	Resolved (Yes/No)
3.1.1 (i)	Capacity of the CFO's Office	The Accounting Officer must ensure that the Office of the CFO is fully capacitated to discharge expected mandate and responsibilities	The organisational re-design process is currently in progress and addresses the capacity gaps within the CFO office.	No
3.2.1.(i)	Verification of qualification	The Accounting Officer must take disciplinary action against officials who failed to verify qualifications	The responsible officials received counselling as part of the disciplinary process	Yes
3.3.1 (i)	Public Entities oversight	The Accounting officer must establish mechanism to strengthen the Department's oversight role on its Public Entities	The Department has developed a monitoring and evaluation framework for Entities. Quarterly analysis reports are reviewed and assessed quarterly.	Yes
5.1 (i)	Irregular Expenditure	The Accounting Officer must take action against officials responsible for the R6,530 million irregular expenditure	The matter was referred to the State Attorney for an opinion. Further consultation with the State Attorney is in progress	No
5.1 (ii)	Recovery of irregular Expenditure	The Accounting Officer must fast track the process to recover irregular expenditure of R2,807 million from responsible officials	This matter was referred to the State Attorney to pursue the matter through civil litigation.	No

16. PRIOR MODIFICATIONS TO AUDIT REPORTS

Nature of matters of non-compliance	Financial year in which it first arose	Progress made in clearing / resolving the matter
Adjustment of material misstatements on the submitted Annual financial statements	2013/14	The Department finalised the preparation of annual financial statements early to allow for sufficient time for review by Management, Internal Audit, Provincial Treasury and the Audit Committee.

Nature of matters of non-compliance	Financial year in which it first arose	Progress made in clearing / resolving the matter
Internal audit did not assess the operational procedure and monitoring mechanisms relating to DORA transfer as required by the Treasury Regulation 3.2.8	2014/15	Internal audit has included into its audit plan the review of the operational procedure and monitoring mechanisms for DORA transfers made to Public Entities. Such review was performed for the financial year 2015/16.
Persons in the service of the Department failed to disclose their associates business interest in contracts awarded by the Department as required by the Treasury Regulation 16A8.4	2014/15	An investigation is currently underway for the affected official(s). A Circular was also issued to all staff members reminding them to disclose such business interests.
Sufficient appropriate evidence could not be obtained that qualifications were verified before appointment were effected, as required by the Public Service Regulation 1/VII/D.8.	2013/14	Appropriate disciplinary action was taken against official(s) who failed to verify qualification before appointments were made. Qualifications will be verified before new appointments are made.

17. INTERNAL CONTROL UNIT

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

18. 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 controls 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 for the 2015/2016 financial year as per the Annual Internal Audit Plan:

- Internal Controls
- Asset Management
- Financial Statements and Performance Information
- Corporate Services
- Information & Communication Technology
- Fleet Management
- MPAT Review
- Financial and Supply Chain Management
- Integrated Development Economic Services
- Trade & Sector Development
- Follow up audits on Zithabiseni, AGSA and Internal Audit Reports

- 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 the 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, six (6) Audit Committee meetings were held, including special meetings. Meetings between the external auditors and the Internal Audit function were held as and when a need arose, independent of management.

The Audit Committee consists of four (4) members who are independent. Three (3) of the four (4) members were appointed from outside the Public Service. Details of the members and their attendance of scheduled audit committee meetings during the 2015/2016 financial year are as follows:

Name of member	Qualifications	Internal or external	If internal, position in the department	Date appointed	Date Resigned	No of meetings attended
Ms TI Ranape	<ul style="list-style-type: none"> • BTech Public Management • Higher Dipl: Management • ND: State Finance 	External	Not applicable	01/06/2014	Not applicable	6
Mr. SP Simelane	<ul style="list-style-type: none"> • Chartered Accountant • BCom Honours • BCom Accounting • MDP on BBBEE 	External	Not applicable	01/06/2014	Not applicable	6
Mr IP Du Plessis	<ul style="list-style-type: none"> • BCom Honours • BCom Accounting 	External	Not applicable	13/05/2013	Not applicable	6
Adv. G Khoza	<ul style="list-style-type: none"> • LLB • B Juris • Dipl in Tax Law 	External	Not applicable	01/06/2014	Not applicable	3

19. AUDIT COMMITTEE REPORT

The Audit Committee of the Department of Economic Development and Tourism is pleased to present its report for the financial year ended 31 March 2016.

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 financial year, six (6) meetings were held including special meetings.

Name of Member	No. of meetings attended
Ms TI Ranape (Chairperson)	6/6
Ms G Khoza	3/6
Mr. IP Duplessis	6/6
Mr. SP Simelane	6/6

Audit Committee Responsibility

The Audit Committee reports that it has complied 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 the formal Terms of Reference in line with the 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 per the approved 2015/16 operational plan during the year under review:

- Internal Controls
- Asset Management
- Financial Statements and Performance Information Reviews
- Corporate Services
- Information & Communication Technology
- Fleet Management
- MPAT Review
- Financial and Supply Chain Management
- Integrated Development Economic Services
- Trade & Sector Development
- Follow up audits on Zithabiseni, AGSA and Internal Audit Reports

The following were areas of concern:

- Slow implementation of Internal Audit and Auditor General recommendations;
- Lack of strategic and coordinated oversight over Public Entities;
- Lack of a tracking system that ensure compliance with applicable legislation and regulations i.e. PMDS, Leave Management;
- Non achievement of planned targets;

- Unsatisfactory compilation of the portfolio of evidence to support reported Performance Information;
- Slow implementation of the Corporate Governance of Information & Communication Technology Policy Framework (CGICT);
- Inadequate capacity to deal with proper preparation of financial statements due to shortage of staff in the Office of the Chief Financial Officer;
- Late submission of information to prepare financial statements by the relevant stakeholders; and
- Shortage of staff in the Internal Audit Unit.

In Year Management, 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 timeous 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 acknowledges that there is tremendous improvement with regard to the compilation of financial statements.

Independence of the Audit Committee

The Audit Committee is independent of management in the execution of its duties.

Internal Audit

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.

Auditor-General's Report

The audit committee has reviewed the report of Auditor General South Africa (AGSA) and concurs with their findings, therefore the committee accepts the report.

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 responsibility.

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.



MS TI RANAPE
CHAIRPERSON OF THE AUDIT COMMITTEE
DATE: 31 July 2016





Part D:

Human Resource Management

HR OVERSIGHT STATISTICS - 01 APRIL 2015 TO 31 MARCH 2016

1. INTRODUCTION

The information contained in this part of the annual report has been prescribed by the Minister for the Public Service and Administration for all departments in the public service.

2. OVERVIEW OF HUMAN RESOURCES

The status of human resources in the department

The Department, during the year under review, had to focus on the implementation of the organisational development programme (turnaround strategy). The previous financial year was the diagnostic phase and the implementation of the recommendations from the diagnostic were done in the year under review. The moratorium that is placed on the filling of vacant positions in the provincial administration has had an effect on the morale of employees in the Department and the sick leave records for the year is a reflection of that state. In the coming year, focus will be placed on ensuring that managers create a conducive environment for employees to work despite the challenges faced. The Transversal Services of the Department have played an important role in ensuring that support is given to employees whenever there is a need.

On a daily basis the 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 paths to ensure that we have a capable workforce.

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 moratorium placed on recruitment in the Province, the Department continued to work with the available workforce. Some employees had added responsibilities to ensure that service delivery is not negatively affected.

Human Resource Development

Employees were developed according to the training needs that were identified in their development plans.

Promoting Employment Equity

The Employment Equity Committee played a crucial role in the finalisation of the HR policies. A good working relationship with the Department of Labour has also been established to make sure that the Department complies with legislation.

Performance management

The Department has seen an improvement in the implementation of the PMDS system, where only employees who have performed above the required standard as per the PMDS policy were rewarded for their performance. A total of 32 employees were paid incentive bonuses for the year 2014/15. An effort is made to get every employee to understand the policy in order to reduce the number of grievances as a result of the application of the policy.

Promoting 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.

HR OVERSIGHT STATISTICS - 01 APRIL 2015 TO 31 MARCH 2016

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 2015 and 31 March 2016

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*	79,889	50,199	166	5,464	62.8	192
Pr2: integrated economic development services	262,048	22,759	2	793	8.68	85
Pr3: trade and industry development	18,233	9,971	8	1,611	54.68	42
Pr4: business regulation and governance	83,240	22,138	4	199	26.59	87
Pr5: economic planning	16,635	10,830	15	329	65.10	10
Pr6: Tourism	335,180	2,682	3	0	0.8	38
Total	795,225	118,580	198	8,396	14.9	454.32

Table 3.1.2 Personnel costs by salary band for the period 1 April 2015 and 31 March 2016

Salary band	Personnel expenditure (R'000)	% of total personnel cost	No. of employees	Average personnel cost per employee (R'000)
Lower skilled (Levels 1-2)	393	0,76	3	131,000
Skilled (level 3-5)	7,340	0,5	39	188,205
Highly skilled production (levels 6-8)	34,800	0,3	105	331,429
Highly skilled supervision (levels 9-12)	46,976	0,1	85	552,659
Senior and Top management (levels 13-16)	23,893	0,1	24	995,542
Contract (Levels 1-2)	237	0,8	2	118,500
Contract (Levels 3-5)	187	0,5	1	187,000
Contract (Levels 9-12)	736	0,1	1	736,000
Contract (Levels 13-16)	917	0,1	1	917,000
Periodical Remuneration	1,184	1,6	19	62,316
Total	116663	0.24	280	416654

HR OVERSIGHT STATISTICS - 01 APRIL 2015 TO 31 MARCH 2016

Table 3.1.3 Salaries, Overtime, Home Owners Allowance and Medical Aid by programme for the period 1 April 2015 and 31 March 2016

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	Total Personnel Cost per Programme (R'000)
Management services	3953	72.7	0	0	278	5.1	133	2.4	5441
Pr1: Administration*	37855	72.2	0	0	1271	2.4	2066	3.9	52450
Pr2: Integrated economic development services	16595	73.6	0	0	405	1.8	770	3.4	22545
Pr3: Trade and industry development	9148	73.7	0	0	178	1.4	377	3	12411
Pr4: Business regulation and governance	15280	66.5	223	1	633	2.8	759	3.3	22970
Pr5: Economic planning	5806	75.7	0	0	172	2.2	270	3.5	7668
Pr6: Tourism	Accounted for under Programme 3								
Total	88637	71.8	223	0.2	2937	2.4	4375	3.5	123485

Table 3.1.4 Salaries, Overtime, Home Owners Allowance and Medical Aid by salary band for the period 1 April 2015 and 31 March 2016

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	Total Personnel Cost per Salary Band (R'000)
Lower skilled (Levels 1-2)	269	68.4	0	0	27	6.9	22	5.6	393
Skilled (Levels 3-5)	4928	67	13	0.2	515	7	647	8.8	7356
Highly skilled production (Levels 6-8)	25222	69.9	178	0.5	1340	3.7	1673	4.6	36089
Highly skilled supervision (Levels 9-12)	36276	72.6	32	0.1	755	1.5	1649	3.3	49952
Senior management (Levels 13-16)	20110	77	0	0	301	1.2	384	1.5	26125
Contract (Levels 1-2)	237	98.8	0	0	0	0	0	0	240
Contract (Levels 3-5)	187	100	0	0	0	0	0	0	187
Contract (Levels 9-12)	574	64.2	0	0	0	0	0	0	894
Contract (Levels 13-16)	834	86.2	0	0	0	0	0	0	968
Periodical Remuneration	0	0	0	0	0	0	0	0	1281
Total	88637	71.8	223	0.2	2938	2.4	4375	3.5	123485

HR OVERSIGHT STATISTICS - 01 APRIL 2015 TO 31 MARCH 2016

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 members who 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 Department 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 2016

Programme	Number of posts on approved establishment	Number of posts filled	Vacancy Rate	Number of employees additional to the establishment
Programme 1	122	121	0.8	0
Programme 2	45	45	0	0
Programme 3	18	18	0	0
Programme 4	52	52	0	0
Programme 5	20	20	0	0
Programme 6	5	5	0	0
Total	262	261	0.3%	0

Table 3.2.2 Employment and vacancies by salary band as on 31 March 2016

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)	5	5	0	0
Skilled(3-5)	40	40	0	0
Highly skilled production (6-8)	105	105	0	0
Highly skilled supervision (9-12)	86	86	0	0
Senior management (13-16)	26	25	3.8	0
Total	262	261	0.3%	0

HR OVERSIGHT STATISTICS - 01 APRIL 2015 TO 31 MARCH 2016

Table 3.2.3 Employment and vacancies by critical occupations as on 31 March 2016

Critical occupation	Number of posts on approved establishment	Number of posts filled	Vacancy Rate	Number of employees additional to the establishment
Administrative related, Permanent	34	34	0	0
Cleaners in offices workshops hospitals etc., Permanent	11	11	0	0
Communication and information related, Permanent	10	10	0	0
Economists, Permanent	58	58	0	0
Finance and economics related, Permanent	16	16	0	0
Financial and related professionals, Permanent	6	6	0	0
Financial clerks and credit controllers, Permanent	9	9	0	0
Food services aids and waiters, Permanent	1	1	0	0
General legal administration & rel. professionals, Permanent	1	1	0	0
Human resources & organisational development & relate prof, Permanent	2	2	0	0
Human resources clerks, Permanent	1	1	0	0
Human resources related, Permanent	17	17	0	0
Information technology related, Permanent	1	1	0	0
Legal related, Permanent	2	2	0	0
Light vehicle drivers, Permanent	4	4	0	0
Logistical support personnel, Permanent	4	4	0	0
Messengers porters and deliverers, Permanent	2	2	0	0
Natural sciences related, Permanent	1	1	0	0
Other administration and related clerks and organisers, Permanent	3	3	0	0
Other occupations, Permanent	2	2	0	0
Regulatory inspectors, Permanent	17	17	0	0
Risk management and security services, Permanent	1	1	0	0
Secretaries and other keyboard operating clerks, Permanent	24	24	0	0
Senior managers, Permanent	17	16	5.9	0
Statisticians and related professionals, Permanent	2	2	0	0
Trade/industry advisers and other related profession, Permanent	16	16	0	0
Total	262	261	0.3	0

Notes

- The CORE classification, as prescribed by the DPSA, should be used for completion of this table.
- Critical occupations are defined as occupations or sub-categories within an occupation –
 - i. in which there is a scarcity of qualified and experienced persons currently or anticipated in the future, either because such skilled persons are not available or they are available but do not meet the applicable employment criteria;
 - ii. for which persons require advanced knowledge in a specified subject area or science or learning field and such knowledge is acquired by a prolonged course or study and/or specialised instruction;

HR OVERSIGHT STATISTICS - 01 APRIL 2015 TO 31 MARCH 2016

- iii. where the inherent nature of the occupation requires consistent exercise of discretion and is predominantly intellectual in nature; and
- iv. in respect of which a department experiences a high degree of difficulty to recruit or retain the services of employees.
- v. Filling of SMS Posts

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 2016

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	5	100	0	0
Salary Level 13	19	19	100	0	0
Total	26	25	96%	1	3.8%

Table 3.3.2 SMS post information as on 30 September 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	5	100	0	0
Salary Level 13	19	19	100	0	0
Total	26	25	96%	1	3.8%

Table 3.3.3 Advertising and filling of SMS posts for the period 1 April 2015 and 31 March 2016

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

HR OVERSIGHT STATISTICS - 01 APRIL 2015 TO 31 MARCH 2016

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 2015 and 31 March 2016

Reasons for vacancies not advertised within six months
No positions were advertised in the period under review due to the fact that there were no vacant positions and the moratorium placed in the filling of vacant positions in the Provincial Administration.
Reasons for vacancies not filled within 12 months
No positions were advertised in the period under review due to the fact that there were no vacant positions and the moratorium placed in the filling of vacant positions in the Provincial Administration.

Notes

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

Table 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 2015 and 31 March 2016

Reasons for vacancies not advertised within six months
None
Reasons for vacancies not filled within six months
None

Notes

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

3.4 Job Evaluation

Within a nationally determined framework, executing authorities may evaluate or re-evaluate any job in his or her 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.

HR OVERSIGHT STATISTICS - 01 APRIL 2015 TO 31 MARCH 2016

Table 3.4.1 Job Evaluation by Salary band for the period 1 April 2015 and 31 March 2016

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)	5	0	0	0	0	0	0
Skilled (Levels 3-5)	40	0	0	0	0	0	0
Highly skilled production (Levels 6-8)	105	0	0	0	0	0	0
Highly skilled supervision (Levels 9-12)	86	0	0	0	0	0	0
Senior Management Service Band A	19	0	0	0	0	0	0
Senior Management Service Band B	5	0	0	0	0	0	0
Senior Management Service Band C	1	0	0	0	0	0	0
Senior Management Service Band D	1	0	0	0	0	0	0
Total	262	0	0	0	0	0	0

The following table provides a summary of the number of employees whose positions were upgraded due to their post being upgraded. The number of employees might differ from the number of posts upgraded since not all employees are automatically absorbed into the new posts and some of the 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 2015 and 31 March 2016

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

Employees with a disability	0
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The following table summarises the number of cases where remuneration bands exceeded the grade determined by job evaluation. Reasons for the deviation are provided in each case.

HR OVERSIGHT STATISTICS - 01 APRIL 2015 TO 31 MARCH 2016

Table 3.4.3 Employees with salary levels higher than those determined by job evaluation by occupation for the period 1 April 2015 and 31 March 2016

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

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

Table 3.4.4 Profile of employees who have salary levels higher than those determined by job evaluation for the period 1 April 2015 and 31 March 2016

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

Employees with a disability	0	0	0	0	0
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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
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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).

HR OVERSIGHT STATISTICS - 01 APRIL 2015 TO 31 MARCH 2016

Table 3.5.1 Annual turnover rates by salary band for the period 1 April 2015 and 31 March 2016

Salary band	Number of employees at beginning of period-1 April 2015	Appointments and transfers into the department	Terminations and transfers out of the department	Turnover rate
Lower skilled (Levels 1-2)	3	0	1	33.3
Skilled (Levels3-5)	39	1	1	2.5
Highly skilled production (Levels 6-8)	109	1	4	3.6
Highly skilled supervision (Levels 9-12)	85	3	2	2.3
Senior Management Service Bands A	19	1	2	10.5
Senior Management Service Bands B	3	2	0	0
Senior Management Service Bands C	0	0	0	0
Senior Management Service Bands D	1	0	0	0
Contracts	5	0	3	60
Total	264	8	13	4.9

Table 3.5.2 Annual turnover rates by critical occupation for the period 1 April 2015 and 31 March 2016

Critical occupation	Number of employees at beginning of period-April 2015	Appointments and transfers into the department	Terminations and transfers out of the department	Turnover rate
Administrative related, Permanent	36	0	0	0
Cleaners in offices workshops hospitals etc., Permanent	12	0	1	8.3
Communication and information related, Permanent	11	0	1	9
Economists, Permanent	57	3	0	0
Finance and economics related, Permanent	15	0	0	0
Financial and related professionals, Permanent	5	0	2	40
Financial clerks and credit controllers, Permanent	11	0	4	36
Food services aids and waiters, Permanent	1	0	0	0
General legal administration and rel. professionals, Permanent	1	0	0	0
Human resources and organisat developm and relate prof, Permanent	2	0	0	0
Human resources related, Permanent	17	0	0	0
Information technology related, Permanent	1	0	0	0
Legal related, Permanent	2	0	0	0
Light vehicle drivers, Permanent	4	0	0	0
Logistical support personnel, Permanent	4	0	0	0
Messengers porters and deliverers, Permanent	2	0	0	0
Natural sciences related, Permanent	1	0	0	0
Other administrat and related clerks and organisers, Permanent	3	0	0	0
Other occupations, Permanent	1	0	0	0
Regulatory inspectors, Permanent	18	0	1	5.5
Risk management and security services, Permanent	1	1	1	100

HR OVERSIGHT STATISTICS - 01 APRIL 2015 TO 31 MARCH 2016

Critical occupation	Number of employees at beginning of period-April 2015	Appointments and transfers into the department	Terminations and transfers out of the department	Turnover rate
Secretaries and other keyboard operating clerks, Permanent	23	1	0	0
Senior managers, Permanent	17	3	2	11.7
Statisticians and related professionals, Permanent	2	0	0	0
Trade/industry advisers and other related profession, Permanent	17	0	1	5.8
TOTAL	264	8	13	4.9

Notes

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

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

Table 3.5.3 Reasons why staff left the department for the period 1 April 2015 and 31 March 2016

Termination Type	Number	% of Total Resignations
Death	0	0
Resignation	5	38.4
Expiry of contract	3	23
Dismissal – operational changes	0	0
Dismissal – misconduct	0	0
Dismissal – inefficiency	0	0
Discharged due to ill-health	0	0
Retirement	1	7.6
Transfer to other Public Service Departments	4	30.7
Total	13	100%
Total number of employees who left as a % of total employment	4.9%	100%

HR OVERSIGHT STATISTICS - 01 APRIL 2015 TO 31 MARCH 2016

Table 3.5.4 Promotions by critical occupation for the period 1 April 2015 and 31 March 2016

Occupation	Employees 1 April 2015	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
Administrative related	36	0	0	22	61.1
Cleaners in offices workshops hospitals etc.	12	0	0	12	100
Communication and information related	11	0	0	11	100
Economists	57	0	0	44	77.2
Finance and economics related	15	0	0	13	86.7
Financial and related professionals	5	0	0	2	40
Financial clerks and credit controllers	11	0	0	5	45.5
Food services aids and waiters	1	0	0	0	0
General legal administration and rel. professionals	1	0	0	1	100
Human resources and organisat developm and relate prof	2	0	0	1	50
Human resources clerks	17	0	0	13	76.5
Human resources related	1	0	0	0	0
Information technology related	2	0	0	1	50
Legal related	4	0	0	3	75
Light vehicle drivers	4	0	0	3	75
Logistical support personnel	2	0	0	2	100
Messengers porters and deliverers	1	0	0	0	0
Natural sciences related	3	0	0	2	66.7
Other administrat and related clerks and organisers	1	0	0	0	0
Other occupations	18	0	0	8	44.4
Regulatory inspectors	1	0	0	1	100
Risk management and security services	23	0	0	18	78.3
Secretaries and other keyboard operating clerks	17	0	0	0	0
Senior managers	2	0	0	2	100
Statisticians and related professionals	17	0	0	14	82.4
Trade/industry advisers and other related profession	36	0	0	20	55.5
TOTAL	264	0	0	176	67

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Table 3.5.5 Promotions by salary band for the period 1 April 2015 and 31 March 2016

Salary Band	Employees 1 April 2015	Promotions to another salary level	Salary bands promotions as a % of employees by salary level	Progressions to another notch within a salary level	Notch progression as a % of employees by salary bands
Lower skilled (Levels 1-2)	6	0	0	3	50
Skilled (Levels3-5)	40	0	0	32	80
Highly skilled production (Levels 6-8)	109	0	0	73	67
Highly skilled supervision (Levels 9-12)	85	0	0	68	80
Senior Management (Level 13-16)	24	0	0	0	0
Total	264	0	0	176	67

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 2016

Occupational category	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top Management	6	0	0	0	0	0	0	0	6
Senior Management	13	1	0	2	3	0	0	0	19
Professionally qualified and experienced specialists and mid-management	20	0	1	1	17	0	1	2	420
Skilled technical and academically qualified workers, junior management, supervisors, foreman and superintendents	24	0	0	0	19	0	0	1	44
Semi-skilled and discretionary decision making	42	1	1	0	86	1	0	1	132
Unskilled and defined decision making	2	0	0	0	16	0	0	0	18
Total	107	2	2	3	141	1	1	4	261
Employees with disabilities	3	0	0	0	0	0	0	0	3

Table 3.6.2 Total number of employees (including employees with disabilities) in each of the following occupational bands as on 31 March 2016

Occupational band	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top Management	6	0	0	0	0	0	0	0	6
Senior Management	13	1	0	2	3	0	0	0	19
Professionally qualified and experienced specialists and mid-management	20	0	1	1	17	0	1	2	420
Skilled technical and academically qualified workers, junior management, supervisors, foreman and superintendents	24	0	0	0	19	0	0	1	44
Semi-skilled and discretionary decision making	42	1	1	0	86	1	0	1	132
Unskilled and defined decision making	2	0	0	0	16	0	0	0	18
Total	107	2	2	3	141	1	1	4	261

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Table 3.6.3 Recruitment for the period 1 April 2015 to 31 March 2016

Occupational band	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top Management	0	0	0	0	0	0	0	0	0
Senior Management	0	0	0	0	0	0	0	0	0
Professionally qualified and experienced specialists and mid-management	0	0	0	0	0	0	0	0	0
Skilled technical and academically qualified workers, junior management, supervisors, foreman and superintendents	0	0	0	0	0	0	0	0	0
Semi-skilled and discretionary decision making	0	0	0	0	0	0	0	0	0
Unskilled and defined decision making	0	0	0	0	0	0	0	0	0
Total	0	0	0	0	0	0	0	0	0
Employees with disabilities	0	0	0	0	0	0	0	0	0

Table 3.6.4 Promotions for the period 1 April 2015 to 31 March 2016

Occupational band	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top Management	0	0	0	0	0	0	0	0	0
Senior Management	0	0	0	0	0	0	0	0	0
Professionally qualified and experienced specialists and mid-management	0	0	0	0	0	0	0	0	0
Skilled technical and academically qualified workers, junior management, supervisors, foreman and superintendents	0	0	0	0	0	0	0	0	0
Semi-skilled and discretionary decision making	0	0	0	0	0	0	0	0	0
Unskilled and defined decision making	0	0	0	0	0	0	0	0	0
Total	0	0	0	0	0	0	0	0	0
Employees with disabilities	0	0	0	0	0	0	0	0	0

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Table 3.6.5 Terminations for the period 1 April 2015 to 31 March 2016

Occupational band	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top Management	0	0	0	0	0	0	0	0	0
Senior Management	1	0	0	0	1	0	0	0	2
Professionally qualified and experienced specialists and mid-management	0	0	0	0	0	0	0	0	0
Skilled technical and academically qualified workers, junior management, supervisors, foreman and superintendents	2	0	0	0	0	0	0	0	2
Semi-skilled and discretionary decision making	3	0	0	0	1	0	0	0	4
Unskilled and defined decision making	4	0	0	0	1	0	0	0	5
Total	10	0	0	0	3	0	0	0	13
Employees with Disabilities	0	0	0	0	0	0	0	0	0

Table 3.6.6 Disciplinary action for the period 1 April 2015 to 31 March 2016

Disciplinary action	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	

Table 3.6.7 Skills development for the period 1 April 2015 to 31 March 2016

Occupational category	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Legislators, senior officials and managers	15	0	0	0	16	0	0	0	31
Professionals	13	1	0	0	15	0	0	2	31
Technicians and associate professionals	0	0	0	0	0	0	0	0	0
Clerks	9	0	0	0	9	0	0	0	18
Service and sales workers	0	0	0	0	0	0	0	0	0
Skilled agriculture and fishery workers	0	0	0	0	0	0	0	0	0
Craft and related trades workers	0	0	0	0	0	0	0	0	0
Plant and machine operators and assemblers	0	0	0	0	0	0	0	0	0
Elementary occupations	0	0	0	0	0	0	0	0	0

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Occupational category	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Total	37	1	0	0	40	0	0	2	80
Employees with disabilities	2								2

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 May 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	0	0	0	0
Salary Level 16	0	0	0	0
Salary Level 15	1	0	0	0
Salary Level 14	3	3	2	66.6
Salary Level 13	20	20	12	60
Total	24	23	14	61

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 March 2016

Reasons
The SMS members who didn't complete their agreements by 31 May 2015 were due to not compliance to policy.

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 March 2016

Reasons
The members who had not completed their agreements by 31 May 2015 received counselling. As at 31 March 2016 all SMS members had signed their performance agreements

Notes

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).

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Table 3.8.1 Performance Rewards by race, gender and disability for the period 1 April 2015 to 31 March 2016

Race and Gender	Beneficiary Profile			Cost	
	Number of beneficiaries	Number of employees	% of total within group	Cost (R'000)	Average cost per employee
African					
Male	11	107	10.3	396	19 775
Female	20	141	14.2	379	34 471
Asian					0
Male	0	1	0	0	0
Female	0	1	0	0	0
Coloured					0
Male	0	3	0	0	0
Female	0	1	0	0	0
White					0
Male	1	3	33.3	42	41 828
Female	1	4	25	67	66 953
Total	33	261	12.6	884	26 787

Table 3.8.2 Performance Rewards by salary band for personnel below Senior Management Service for the period 1 April 2015 to 31 March 2016

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)	2	5	40	18	9	11
Skilled (level 3-5)	6	40	15	64	10.6	9
Highly skilled production (level 6-8)	16	105	15	368	23	4
Highly skilled supervision (level 9-12)	8	86	9	391	48.8	2
Total	32	236	13.5	841	26.2	3.8

Table 3.8.3 Performance Rewards by critical occupation for the period 1 April 2015 to 31 March 2016

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Critical occupation	Beneficiary Profile			Cost	
	Number of beneficiaries	Number of employees	% of total within occupation	Total Cost (R'000)	Average cost per employee
Administrative related	2	34	5.9	88	44,000
Cleaners in offices workshops hospitals etc.	5	11	45.5	47	9,400
Communication and information related	0	10	0	0	0
Economists	4	58	6.9	165	41,250
Finance and economics related	2	16	12.5	63	31,500
Financial and related professionals	2	6	33.3	47	23,500
Financial clerks and credit controllers	2	9	22.2	50	25,000
Food services aids and waiters	1	1	100	9	9,000
General legal administration and rel. professionals	0	1	0	0	0
Human resources and organisat developm and relate prof	0	2	0	0	0
Human resources clerks	0	1	0	0	0
Human resources related	2	17	11.8	82	41,000
Information technology related	0	1	0	0	0
Legal related	0	2	0	0	0
Light vehicle drivers	1	4	25	16	16,000
Logistical support personnel	0	4	0	0	0
Messengers porters and deliverers	0	2	0	0	0
Natural sciences related	0	1	0	0	0
Other administrat and related clerks and organisers	1	3	33.3	20	20,000
Other occupations	0	2	0	0	0
Regulatory inspectors	7	17	41.2	220	31,429
Risk management and security services	0	1	0	0	0
Secretaries and other keyboard operating clerks	2	24	8.3	27	13,500
Senior managers	0	16	0	0	0
Statisticians and related professionals	0	2	0	0	0
Trade/industry advisers and other related profession	2	16	12.5	51	25,500
Total	33	261	12.6	885	26818

Notes

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

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Table 3.8.4 Performance related rewards (cash bonus), by salary band for Senior Management Service for the period 1 April 2015 to 31 March 2016

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	1	19	5.3	42,000	42, 000	100
Band B	0	5	0	0		
Band C	0	0	0	0		
Band D	0	1	0	0		
Total	1	25	4	42, 000	42, 000	100

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 2015 and 31 March 2016

Salary band	01 April 2015		31 March 2016		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
Total	0	0	0	0	0	0

Table 3.9.2 Foreign workers by major occupation for the period 1 April 2015 and 31 March 2016

Major occupation	01 April 2015		31 March 2016		Change	
	Number	% of total	Number	% of total	Number	% Change
	0	0	0	0	0	0
	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.

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Table 3.10.1 Sick leave for the period 1 January 2015 to 31 December 2015

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)	28	100	3	1.9	9	13
Skilled (Levels 3-5)	160	85	28	17.7	6	104
Highly skilled production (Levels 6-8)	410	81	63	39.9	7	471
Highly skilled supervision (Levels 9-12)	349	82.2	49	31	7	725
Senior management (Levels 13-16)	98	89.8	12	7.6	8	342
Contract (Levels 1-2)	15	86.7	2	1.3	8	5
Contract (Levels 13-16)	1	100	1	0.6	1	3
Total	1061	83.4	158	100	6.7	1663

Table 3.10.2 Disability leave (temporary and permanent) for the period 1 January 2015 to 31 December 2015

Salary band	Total days	% Days with Medical certification	Number of Employees using disability leave	% of total employees using disability leave	Average days per employee	Estimated Cost (R'000)
Lower skilled (Levels 1-2)	0	0	0	0	0	0
Skilled (Levels 3-5)	36	100	1	33.3	15.3	24
Highly skilled production (Levels 6-8)	6	100	1	33.3	15.3	5
Highly skilled supervision (Levels 9-12)	0	0	0	0	0	0
Senior management (Levels 13-16)	4	100	1	33.3	15.3	13
Total	46	100	3	100	15.3	42

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 2015 to 31 December 2015

Salary band	Total days taken	Number of Employees using annual leave	Average per employee
Lower skilled (Levels 1-2)	84	3	28
Skilled Levels 3-5)	916	40	23
Highly skilled production (Levels 6-8)	2467	106	23
Highly skilled supervision (Levels 9-12)	2059	88	23
Senior management (Levels 13-16)	482	25	19
Contract (Levels 1-2)	27	3	9
Contract (Levels 3-5)	8	1	8
Contract (Levels 9-12)	14	1	14
Contract (Levels 13-16)	20	1	20
Total	6077	268	23

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Table 3.10.4 Capped leave for the period 1 January 2015 to 31 December 2015

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 2015
Lower skilled (Levels 1-2)	0	0	0	0
Skilled Levels 3-5)	1	1	1	127
Highly skilled production (Levels 6-8)	2	1	2	61
Highly skilled supervision(Levels 9-12)	0	0	0	0
Senior management (Levels 13-16)	0	0	0	0
Total	3	2	3	94

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 2015 and 31 March 2016

Reason	Total amount (R'000)	Number of employees	Average per employee (R'000)
Leave pay out for 2016 March 31 due to non-utilisation of leave for the previous cycle	0	0	0
Capped leave pay-outs on termination of service for 2016 March 31	203	5	40600
Current leave pay out on termination of service for 2016 March 31	27	2	13500
Total	230	7	32857

3.11 HIV/AIDS & Health Promotion Programmes

3.11.1 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 Workers (Cleaners)	Provision of PPE's e.g gloves, mouth covers
Liquor Inspectors	Provision of PPE's e.g gloves, mouth covers

3.11.2 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.	Yes		Ms IN 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.	Yes		The total number of staff is five (4), and the budget allocated is two million four hundred and eighty thousand (2,200,000) for compensation and goods and services.

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Question	Yes	No	Details, if yes
3. Has the Department introduced an Employee Assistance or Health Promotion Programme for your employees? If so, indicate the key elements/services of this Programme.	Yes		Proactive and reactive Employee Health and Well-ness Programme Workplace HIV/AIDS Programme Occupational Health and Safety
4. Has the Department established (a) committee(s) as contemplated in Part VI E.5 (e) of Chapter 1 of the Public Service Regulations, 2001? If so, please provide the names of the members of the committee and the stakeholder(s) that they represent.	Yes		<u>Occupational Health & Safety Committee</u> Ms BG Molahlegi, Ms VP Mbatha, Ms S Malaza, Ms L Phoku, Ms G Makhaya, Ms M Mabilu Ms Y Thabethe, Ms A Tshifularo, Mr. MD Mashaba, Mr J Moile, Mr S Mahlangu, Mr C Ngobe , Mr L Maphetu Mr M Mthethwa. <u>Employment Equity Committee:</u> Ms IN Mashele Mr. SJ Nkambule Mr. SV Hlatshwayo Mr. BV Makamu Mr. DJ Sibiya Mr. SM Mahlangu Mr. JS Mashiane Mr. JA Mthabini Ms HT Mokotedi Ms AM Johnson Ms VP Mbatha Ms JS Phahlamohlaka
5. Has the Department reviewed its employment policies and practices to ensure that these do not unfairly discriminate against employees on the basis of their HIV status? If so, list the employment policies/practices so reviewed.	Yes		The Department reviewed the HIV/AIDS and TB management and the EHWP 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.	Yes		The Department has an approved HIV/AIDS and TB management and the Occupational Health & Safety and EHWP, Disability Management and Gender Equality and Empowerment policies and also the implementation of Education and awareness Programmes to address stigma and discrimination in the workplace.
7. Does the Department encourage its employees to undergo Voluntary Counselling and Testing? If so, list the results that you have achieved.	Yes		The Department arranged 05 onsite Health Screening sessions including HIV Counselling and testing for the employees and the response was positive. Employees are also encouraged to do medical screenings on regular basis.
8. Has the Department developed measures/indicators to monitor & evaluate the impact of its health promotion programme? If so, list these measures/indicators.	Yes		The Department has a monitoring and evaluation component that monitors the impact of the HIV/AIDS programmes

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Labour Relations

Table 3.12.1 Collective agreements for the period 1 April 2015 and 31 March 2016

Subject matter	Date
None	

Notes

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

Total number of Collective agreements	None
--	-------------

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

Table 3.12.2 Misconduct and disciplinary hearings finalised for the period 1 April 2015 and 31 March 2016

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	0	0
Total	0	0

Notes

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

Total number of Disciplinary hearings finalised	None
--	-------------

Table 3.12.3 Types of misconduct addressed at disciplinary hearings for the period 1 April 2015 and 31 March 2016

Type of misconduct	Number	% of total
None	0	0
	0	0
Total	0	0

Table 3.12.4 Grievances logged for the period 1 April 2015 and 31 March 2016

Grievances	Number	% of Total
Number of grievances resolved	1	6.25
Number of grievances not resolved	15	93.75
Total number of grievances lodged	16	100

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Table 3.12.5 Disputes logged with Councils for the period 1 April 2015 and 31 March 2016

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

Table 3.12.6 Strike actions for the period 1 April 2015 and 31 March 2016

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 2015 and 31 March 2016

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

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 2015 and 31 March 2016

Occupational category	Gender	Number of employees as at 1 April 2015	Training needs identified at start of the reporting period			
			Learnerships	Skills Programmes & other short courses	Other forms of training	Total
Legislators, senior officials and managers	Female	4	0	5	0	5
	Male	21	0	20	0	20
Professionals	Female	20	0	48	0	48
	Male	20	0	46	0	46
Technicians and associate professionals	Female	19	0	11	0	11
	Male	26	0	5	0	5
Clerks	Female	89	0	30	0	30
	Male	46	0	10	0	10
Service and sales workers	Female	0	0	0	0	0
	Male	0	0	0	0	0
Skilled agriculture and fishery workers	Female	0	0	0	0	0
	Male	0	0	0	0	0
Craft and related trades workers	Female	0	0	0	0	0
	Male	0	0	0	0	0
Plant and machine operators and assemblers	Female	0	0	0	0	0
	Male	0	0	0	0	0
Elementary occupations	Female	17	0	10	0	10
	Male	3	0	0	0	0
Sub Total	Female	149	0	103	0	103
	Male	115	0	82	0	82
Total		264	0	185	0	185

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Table 3.13.2 Training provided for the period 1 April 2015 and 31 March 2016

Occupational category	Gender	Number of employees as at 1 April 2015	Training provided within the reporting period			
			Learnerships	Skills Programmes & other short courses	Other forms of training	Total
Legislators, senior officials and managers	Female	4	0	16	0	16
	Male	21	0	15	0	15
Professionals	Female	20	0	17	0	17
	Male	20	0	14	0	14
Technicians and associate professionals	Female	19	0	0	0	0
	Male	26	0	0	0	0
Clerks	Female	89	0	9	0	9
	Male	46	0	9	0	9
Service and sales workers	Female	0	0	0	0	0
	Male	0	0	0	0	0
Skilled agriculture and fishery workers	Female	0	0	0	0	0
	Male	0	0	0	0	0
Craft and related trades workers	Female	0	0	0	0	0
	Male	0	0	0	0	0
Plant and machine operators and assemblers	Female	0	0	0	0	0
	Male	0	0	0	0	0
Elementary occupations	Female	17	0	0	0	0
	Male	3	0	0	0	0
Sub Total	Female	149	0	42	0	42
	Male	115	0	38	0	38
Total		264	0	80	0	80

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 2015 and 31 March 2016

Nature of injury on duty	Number	% of total
Required basic medical attention only	0	0
Temporary Total Disablement	0	0
Permanent Disablement	0	0
Fatal	0	0
Total	0	0

3.15 Utilisation of Consultants

The following tables relates information on the utilisation of consultants in the department. In terms of the Public Service Regulations "consultant" means a natural or juristic person or a partnership who or which provides in terms of a specific contract on an ad hoc basis any of the following professional services to a department against remuneration received from any source:

- (a) The rendering of expert advice;
- (b) The drafting of proposals for the execution of specific tasks; and
- (c) The execution of a specific task which is of a technical or intellectual nature, but excludes an employee of a department.

HR OVERSIGHT STATISTICS - 01 APRIL 2015 TO 31 MARCH 2016

Table 3.15.1 Report on consultant appointments using appropriated funds for the period 1 April 2015 and 31 March 2016

Project title	Total number of consultants that worked on project	Duration (work days)	Contract value in Rand
Development and implementation of the organisational development programme of DEDT (Tender Number EDT/031/15/MP)	1	36 months	R5 464 476.00
Township and informal business strategy (TIBS)	1	7 months	R498 000.00
Review of Mpumalanga SMME strategy and comprehensive implementation plan	1	7 months	R295 000.00
Job profiling and job evaluation for MLA	1	1 month	R198 930.00
Technical advisor to guide roadmap for implementation of Mpumalanga industrial development plan	1	12 months	R329 040.00
Green Economy Research and Development Sector Plan (Tender No. EDT/033/15/MP)	1	12 weeks	R880 874.00
Develop a plan for revitalisation of 2 economically distressed mining towns (Barberton and Standerton)	1	3 months	R193 800.00
Review the Mpumalanga Trade and Investment Promotion Strategy	1	3 months	R536 001.83

Total number of projects	Total individual consultants	Total duration Work days	Total contract value in Rand
8	8	81 months	R8 396 121.83

HR OVERSIGHT STATISTICS - 01 APRIL 2015 TO 31 MARCH 2016

Table 3.15.2 Analysis of consultant appointments using appropriated funds, in terms of Historically Disadvantaged Individuals (HDIs) for the period 1 April 2015 and 31 March 2016

Project title	Percentage ownership by HDI groups	Percentage management by HDI groups	Number of consultants from HDI groups that work on the project
Development and implementation of the organizational development programme of DEDT	100%	100%	1
Township and informal business strategy (TIBS)	100%	100%	1
Review of Mpumalanga SMME strategy and comprehensive implementation plan	100%	100%	1
Job profiling and job evaluation for MLA	51%	51%	4
Technical advisor to guide roadmap for implementation of Mpumalanga industrial development plan	100%	100%	1
Green Economy Research and Development Sector Plan (Tender No. EDT/033/15/MP)	30%	30%	3
Develop a plan for revitalization of 2 economically distressed mining towns (Barberton and Standerton)	25%	25%	1
Review the Mpumalanga Trade and Investment Promotion Strategy	N/A	N/A	N/A

Table 3.15.3 Report on consultant appointments using Donor funds for the period 1 April 2015 and 31 March 2016

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

Total number of projects	Total individual consultants	Total duration Work days	Total contract value in Rand
N/A	N/A	N/A	N/A

Table 3.15.4 Analysis of consultant appointments using Donor funds, in terms of Historically Disadvantaged Individuals (HDIs) for the period 1 April 2015 and 31 March 2016

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

The following tables relate information on the utilisation of consultants in the department. In terms of the Public Service Regulations 'consultant' means a natural or juristic person or a partnership who or which provides in terms of a specific contract on an ad hoc basis any of the following professional services to a department against remuneration received from any source:

- (d) The rendering of expert advice;
- (e) The drafting of proposals for the execution of specific tasks; and
- (f) The execution of a specific task which is of a technical or intellectual nature, but excludes an employee of a department.

Table 3.15.1 Report on consultant appointments using appropriated funds for the period 1 April 2015 and 31 March 2016

HR OVERSIGHT STATISTICS - 01 APRIL 2015 TO 31 MARCH 2016

Project title	Total number of consultants that worked on project	Duration (work days)	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 3.15.2 Analysis of consultant appointments using appropriated funds, in terms of Historically Disadvantaged Individuals (HDIs) for the period 1 April 2015 and 31 March 2016

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

Table 3.15.3 Report on consultant appointments using Donor funds for the period 1 April 2015 and 31 March 2016

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 2015 and 31 March 2016

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 2015 and 31 March 2016

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
Total	0	0	0	0





Part E: Financial Information



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REPORT OF THE AUDITOR-GENERAL TO THE MPUMALANGA PROVINCIAL LEGISLATURE ON VOTE NO. 06: 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 119 to 168 which comprise the appropriation statement, the statement of financial position as at 31 March 2016, the statement of financial performance, statement of changes in net assets and cash flow statement and 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 prescribed by National Treasury 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, 2015 (Act No. 1 of 2015) (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 2016 and its financial performance and cash flows for the year then ended, in accordance with the Modified Cash Standard by National Treasury 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, compliance with legislation and 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.

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 2016:
 - Programme 2: Integrated Economic Development services on pages 39 to 44
 - Programme 6: Tourism on pages 68 to 71
9. 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 (FMPPI).

REPORT ON THE AUDITOR - GENERAL

For the year ended 31 March 2016

10. I assessed the reliability of the reported performance information to determine whether it was valid, accurate and complete.
11. I did not identify any material findings on the usefulness and reliability of the reported performance information for the following programme:
 - Programme 2: Integrated Economic Development Service
 - Programme 6: Tourism

Additional matters

12. 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

13. Refer to the annual performance report on pages 26 to 29 and 30 to 71 for information on the achievement of the planned targets for the year.

Adjustment of material misstatements

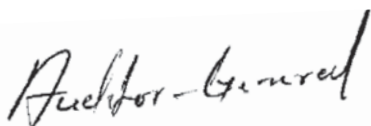
14. I identified material misstatements in the annual performance report submitted for auditing. These material misstatements were on the reported performance information of the tourism programme. As management subsequently corrected the misstatements, I did not raise any material findings on the usefulness and reliability of the reported performance information.

Compliance with legislation

15. I performed procedures to obtain evidence that the department had complied with applicable legislation regarding financial matters, financial management and other related matters. I did not identify any instances of material non-compliance with specific matters in key legislation, as set out in the general notice issued in terms of the PAA.

Internal control

16. I considered internal control relevant to my audit of the financial statements, annual performance report and compliance with legislation. I did not identify any significant deficiencies in internal control.



Mbombela

31 July 2016



AUDITOR - GENERAL
SOUTH AFRICA

Auditing to build public confidence

APPROPRIATION STATEMENT

For the year ended 31 March 2016 - Vote 6

Appropriation per programme									
2015/16								2014/15	
	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
1.Administration	81,689	-	(192)	81,497	79,890	1,607	98	84,648	79,648
2.Integrated Economic Development	261,406	-	992	262,398	262,048	350	99.9	231,114	231,114
3.Trade and Sector Development	19,936	-	(677)	19,259	18,234	1,025	94.7	14,986	14,912
4.Business Regulation and Governance	83,401	-	629	84,030	83,240	790	99.1	83,129	82,400
5. Economic Planning	17,314	-	(408)	16,906	16,635	271	98.4	14,389	13,362
6. Tourism	335,735	-	(344)	335,391	335,180	211	99.9	332,828	332,828
Subtotal	799,481	-	-	799,481	795,227	4,254	99.5	761,094	754,264
Statutory Appropriation	-	-	-	-	-	-	-	3,199	1,771
Member of the Executive Council	-	-	-	-	-	-	-	3,199	1,771
TOTAL	799,481	-		799,481	795,227	4,2	99.5	764,293	756,035
TOTAL (brought forward)									
Reconciliation with statement of financial performance									
ADD									
Departmental receipts				97,821				105,674	
Actual amounts per statement of financial performance (total revenue)				897,302				869,967	
ADD									
Prior year unauthorised expenditure approved without funding									5,000
Actual amounts per statement of financial performance (total expenditure)					795,227				761,035

APPROPRIATION STATEMENT

For the year ended 31 March 2016 - Vote 6

Appropriation per economic classification									
2015/16								2014/15	
	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	200,784	-	(330)	200,454	196,200	4,254	97.9	202,914	194,167
Compensation of employees	121,041	-	-	121,041	118,581	2,460	98	110,557	109,953
Salaries and wages	104,112	-	-	104,112	102,317	1,795	98.3	95,814	95,501
Social contributions	16,929	-	-	16,929	16,264	665	96.1	14,743	14,452
Goods and services	79,743 w	-	(330)	79,413	77,619	1,794	97.7	92,357	84,214
Administrative fees	432	-	426	858	937	(79)	109.2	100	1,020
Advertising	1,593	-	(963)	630	657	(27)	104.3	1,628	2,158
Minor assets	263	-	(36)	227	517	(290)	227.8	362	165
Audit costs:	4,131	-	(287)	3,844	3,844	-	100	4,113	3,367
External Catering:	511	-	28	539	842	(303)	156.2	610	1,701
Departmental activities	2,871	-	1,395	4,266	4,666	(400)	109.4	4,522	4,598
Communication	699	-	193	892	942	(50)	105.6	370	238
Computer services	985	-	213	1,198	1,862	(664)	155.4	1,427	2,084
Consultants: Business and advisory services	1,700	-	(1,335)	365	365	-	100	-	-
Legal Services	850	-	(798)	52	175	(123)	336.5	1,645	173
Contractors	24,996	-	(3,548)	21,448	17,523	3,925	81.7	27,533	22,932
Agency and support / outsourced services	639	-	682	1,321	1,321	-	100	1,060	584
Fleet services	146	-	(146)	-	-	-	-	-	-
Inventory: Food and food supplies	472	-	-	472	596	(124)	126.3	825	2,048
Consumable supplies	1,386	-	(449)	937	1,418	(481)	151.3	2,130	1,703
Consumable: Stationery, printing and office supplies	21,581	-	1,679	23,260	23,260	-	100	28,943	21,032
Operating leases	3,812	-	1,180	4,992	4,992	-	100	3,824	5,627
Property payments	10,475	-	2,119	12,594	12,379	215	98.3	9,849	12,385
Travel and subsistence	580	-	(253)	327	312	15	95.4	581	781
Training and development	1,011	-	(558)	453	476	(23)	105.1	2,200	717
Operating payments	610	-	128	738	535	203	72.5	635	901
Venues and facilities									

APPROPRIATION STATEMENT

For the year ended 31 March 2016 - Vote 6

Appropriation per economic classification									
2015/16								2014/15	
	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	595,097	-	320	595,417	595,417	-	100	556,146	556,540
Provinces and municipalities	4,800	-	-	4,800	4,800	-	100	-	17
Departmental agencies and accounts	590,297	-	-	590,297	590,297	-	100	384,441	384,441
Public corporations	-	-	-	-	-	-	-	171,605	171,605
Households			320	320	320	-	100	100	477
Payments for capital assets	3,600	-	10	3,610	3,610	-	100	5,233	5,328
Machinery and equipment	3,600	-	10	3,610	3,610	-	100	5,233	5,328
Total	799,481	-	-	799,481	795,227	4,254	99.5	764,293	756,035

Statutory Appropriation per economic classification									
2015/16								2014/15	
	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	-	-	-	-	-	-	-	3,199	1,771
Compensation of employees	-	-	-	-	-	-	-	3,199	1,771
Salaries and wages	-	-	-	-	-	-	-	2,829	1,465
Social contributions	-	-	-	-	-	-	-	370	306
Total	-	-	-	-	-	-	-	3,199	1,771

APPROPRIATION STATEMENT
For the year ended 31 March 2016 - Vote 6

PROGRAMME 1: ADMINISTRATION									
2015/16								2014/15	
	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									
1.1 Office of the MEC	8,946		(553)	8,393	8,261	132	98.4	5,266	6,238
1.2 Senior Management (HOD)	7,191		116	7,307	7,102	205	97.2	5,008	6,112
1.3 Financial Management	32,604		2,220	34,824	34,028	796		43,019	38,649
1.4 Corporate Services	32,948		(1,975)	30,973	30,499	474		31,355	28,649
Total for sub programmes	81,689		(192)	81,497	79,890	1,607	98	84,648	79,648
Economic classification									
Current payments	79,889	-	(728)	79,161	77,554	1,607	98	81,262	76,801
Compensation of employees	49,432	-	-	51,470	50,200	1,270	97.5	46,849	48,277
Salaries and wages	44,696	-	-	44,696	43,008	1,688	96.2	40,434	41,796
Social contributions	6,774	-	-	6,774	7,192	(418)	106.2	6,415	6,481
Goods and services	28,419	-	(728)	27,691	27,354	337	98.8	34,413	28,524
Administrative fees	248	-	397	645	645	-	100	100	681
Advertising	1,523	-	(963)	560	462	98	82.5	1,628	1,306
Minor assets	240	-	(39)	201	169	32	84.1	320	137
Audit costs: External	4,131	-	(287)	3,844	3,844	-	100	4,113	3,367
Catering: Departmental activities	240	-	61	301	301	-	100	520	539
Communication	2,828	-	1,394	4,222	4,222	-	100	4,522	4,597
Computer services	380	-	293	673	673	-	100	370	238
Consultants: Business and advisory services	150	-	121	271	266	5	98.2	120	187
Legal fees	1,700	-	(1,335)	365	365	-	100	-	-
Contractors	750	-	(708)	42	2	40	4.8	1,443	7
Agency and support / outsourced services	6,034	-	(490)	5,544	5,438	106	98.1	3,090	2,963
Fleet services	639	-	682	1,321	1,321	-	100	1,060	584
Inventory: Food and food supplies	130	-	(130)	-	-	-	-	-	-

APPROPRIATION STATEMENT

For the year ended 31 March 2016 - Vote 6

2015/16								2014/15	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
Consumable supplies	472	-	(7)	465	435	30	93.5	825	2,048
Consumable: Stationery, printing and office supplies	1,282	-	(449)	833	833	-	100	2,130	1,677
Operating leases	-	-	-	-	-	-	-	5,000	-
Property payments	-	-	724	724	724	-	100	900	1,625
Travel and subsistence	6,115	-	527	6,642	6,642	-	100	5,261	6,924
Training and development	560	-	(253)	307	307	-	100	581	781
Operating payments	750	-	(460)	290	264	26	91	2,200	310
Venues and facilities	247	-	194	441	441	-	100	230	553
Transfers and subsidies	-	-	128	128	128	-	100	60	315
Provinces and municipalities	-	-	-	-	-	-	-	-	17
Households	-	-	128	128	128	-	100	60	298
Payments for capital assets	1,800	-	408	2,208	2,208	-	100	3,326	2,532
Total	81,689	-	(728)	81,497	79,890	1,607	98	84,648	79,648

1.1 Office of the MEC									
2015/16								2014/15	
	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	8,946	-	(553)	8,393	8,261	132	98.4	5,166	6,238
Compensation of employees	5,138	-	37	5,175	5,175	-	100	2,466	3,564
Salaries and wages	4,549	-	-	4,586	4,564	22	99.5	1,972	3,183
Social contributions	589	-	-	589	611	(22)	103.7	494	376
Goods and services	3,808	-	(590)	3,218	3,086	132	95.9	2,700	2,674
Payments for capital assets								100	-
Machinery and equipment								100	
Total	8,946	-	-	8,393	8,261	132	98.4	5,266	6,238

APPROPRIATION STATEMENT

For the year ended 31 March 2016 - Vote 6

1.2 Senior Management (HOD)									
2015/16								2014/15	
	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	7,191	-	116	7,307	7,102	205	97.2	5,008	6,112
Compensation of employees	4,600	-	189	4,789	4,789	-	100	4,288	4,992
Goods and services	2,591	-	(73)	2,518	2,313	205	91.9	720	1,120
Total	7,191	-	116	7,307	7,102	205	97.2	5,008	6,112

1.3 Financial Management									
2015/16								2014/15	
	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	30,804	-	1,751	32,555	31,759	796	97.6	39,793	40,802
Compensation of employees	19,885	-	(226)	19,659	18,863	796	96	17,730	18,655
Goods and services	10,919	-	1,977	12,896	12,896	-	100	22,063	22,147
Transfers and subsidies								-	315
Provinces and municipalities								-	17
								-	-
Households			61	61	62	(1)	101.6	-	298
Payments for capital assets	1,800	-	408	2,208	2,207	1	99.9	3,226	2,532
Machinery and equipment	1,800	-	408	2,208	2,207	1	99.9	3,226	2,532
Total	32,604	-	2,220	34,824	34,028	796	97.6	43,019	43,649

1.4 Corporate Services									
2015/16								2014/15	
	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	32,948	-	(2,042)	30,906	30,432	474	98.5	31,295	28,649
Compensation of employees	21,847	-	-	21,847	21,373	474	97.8	22,365	21,066
Goods and services	11,101	-	(2,042)	9,059	9,059	-	100	8,930	7,583
Transfers and subsidies	-	-	67	67	67	-	100	60	-
Households	-	-	67	67	67	-	100	60	-
Total	32,948	-	(1,975)	30,973	30,499	474	98.5	31,355	28,649

APPROPRIATION STATEMENT

For the year ended 31 March 2016 - Vote 6

PROGRAMME 2: INTEGRATED ECONOMIC DEVELOPMENT									
	2015/16							2014/15	
	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									
2.1 CD: Office Support	1,969	-	-	1,969	2,023	(54)	102.7	2,199	3,209
2.2 Enterprise Development	217,393	-	386	217,779	217,861	(82)	100	180,338	181,137
2.3 Local Economic Empowerment	4,956	-	(67)	4,889	4,865	24	99.5	6,427	5,869
2.4 Economic Empowerment	5,263	-	(1,200)	4,063	3,620	443	89.1	4,981	4,457
2.5 Regional Director	31,825	-	1,873	33,698	33,679	19	99.9	37,169	36,442
Total for sub programmes	261,406	-	992	262,398	262,048	350	99.9	231,114	231,114
Economic classification									
Current payments	54,250	-	1,033	54,250	54,250	54,933	(683)	58,709	57,720
Compensation of employees	24,096	-	(986)	24,096	22,760	1,336	94.5	22,455	22,971
Salaries and wages	21,422	-	(986)	21,422	19,708	1,714	92,	19,677	19,117
Social contributions	2,674	-	-	2,674	3,052	(378)	114.1	2,778	2,854
Goods and services	30,154	-	2,019	30,154	32,173	(2,019)	106,7	36,254	35,749
Administrative fees	10	-	24	10	36	(26)	360	-	39
Advertising		-	-					-	109
Minor assets	7	-	3	7	10	(3)	142.9	4	6
Catering: Departmental activities	87	-	11	87	96	(9)	110.3	51	418
Communication (G&S)			1	1	1		100		
Agency and support / outsourced services	3,051	-	(200)	3,051	2,851	200	93.4	7,837	8,417
Operating leases	21,581	-	1,679	21,581	23,260	(1,679)	107.8	23,943	21,032
Property payments	3,812	-	456	3,812	4,268	(456)	112	2,924	4,002
Travel and subsistence	1,323	-	221	1,323	1,544	(221)	116.7	1,376	1,540
Operating payments	211	-	(117)	211	94	117	44.5	-	156
Venues and facilities	72	-	(59)	72	13	59	18.1	119	30
Transfers and subsidies	206,656	-	-	206,656	206,656	100	100	171,605	171,697
Other transfers to public corporations	206,656	-	-	206,656	206,656		100	171,605	171,605
Households								-	92
Social benefits								-	92
Payments for capital assets	500		(41)	459	459	100	100	800	1,697
Buildings and other fixed structures									

APPROPRIATION STATEMENT

For the year ended 31 March 2016 - Vote 6

2015/16								2014/15	
	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
Machinery and equipment	500	-	(41)	459	459	41	100	800	1,697
Total	261,406	-	992	262,398	262,048	350	99.9	231,114	231,114

2.1 CD: Office Support									
2015/16								2014/15	
	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	1,469	-	41	1,510	1,564	(54)	103.6	1,399	1,512
Compensation of Employees	1,330	-	-	1,330	1,388	(58)	104.4	1,179	1,284
Goods and services	139	-	41	180	176	4	97.8	220	228
Payments for capital assets	500		(41)	459	459	-	100	800	1,697
Machinery and equipment	500	-	-	500	459	41	100	800	1,697
Total	1,969	-	-	1,969	2,023	(54)	102.7	2,199	3,209

2.2 Enterprise Development									
2015/16								2014/15	
	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	10,737	-	386	11,123	11,205	(82)	100.7	8,733	9,497
Compensation of Employees	8,054	-	-	8,054	8,136	(82)	101	7,921	7,392
Goods and services	2,683	-	386	3,069	3,069	-	100	812	2,105
Interest and rent on land									
Transfers and subsidies	206,656	-	-	206,656	206,656	-	100	171,605	171,640
Provinces and municipalities		-	-						
Departmental agencies and accounts	206,656	-	-	206,656	206,656	-	100	171,605	171,605
Non-profit institutions									
Households									35
Total	217,393	-	386	217,779	217,861	(82)	100	180,338	181,137

APPROPRIATION STATEMENT

For the year ended 31 March 2016 - Vote 6

2.3 Local Economic Empowerment									
2015/16								2014/15	
	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	4,956	-	(67)	4,889	4,865	24	99.5	6,427	5,869
Compensation of employees	4,555	-	-	4,555	4,531	24	99.5	4,771	4,244
Goods and services	401	-	(67)	334	334	-	100	1,656	1,625
Total	4,956	-	(67)	4,889	4,865	24	99.5	6,427	5,869

2.4 Economic Empowerment									
2015/16								2014/15	
	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	5,263	-	(1,200)	4,063	3,620	443	89.1	4,981	4,400
Compensation of employees	4,458	-	(986)	3,472	3,029	443	87.2	4,564	3,959
Goods and services	805	-	(214)	591	591	-	100	417	441
Transfers and subsidies	-	-	-	-	-	-	-	-	57
Households	-	-	-	-	-	-	-	-	57
Total	5,263	-	(1,200)	4,063	3,620	443	89.1	4,981	4,457

2.5 Regional Directors									
2015/16								2014/15	
	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	31,825	-	1,873	33,698	33,679	19	99.9	37,169	36,442
Compensation of employees	5,699	-	-	5,699	5,676	23	99.6	4,020	5,092
Goods and services	26,126	-	1,873	27,999	28,003	(4)	100	33,149	31,350
Total	31,825	-	1,873	33,698	33,679	19	99.9	37,169	36,442

APPROPRIATION STATEMENT

For the year ended 31 March 2016 - Vote 6

PROGRAMME 3: TRADE AND SECTOR DEVELOPMENT									
2015/16								2014/15	
	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	1,317	-	-	1,317	1,236	81	93.8	1,111	798
3.2 Trade and Investment Promotion	3,717	-	(72)	3,645	3,428	217	94	3,230	3,074
3.3 Sector Development	8,994	-	(605)	8,389	7,616	773	90.8	8,985	9,556
3.4 Strategic Initiatives	5,908	-	-	5,908	5,954	(46)	100.8	1,660	1,484
Total for sub programmes	19,936	-	(677)	19,259	18,234	1,025	94.7	14,986	14,912
Economic classification									
Current payments	15,136	-	(677)	14,459	13,434	1,025	92.9	14,946	14,825
Compensation of employees	10,593	-	-	10,593	9,972	621	94.1	9,183	9,629
Salaries and wages	9,350	-	-	9,350	8,684	666	92.9	7,915	8,399
Social contributions	1,243	-	-	1,243	1,288	(45)	103.6	1,268	1,230
Goods and services	4,543	-	(677)	3,866	3,462	404	89.5	5,763	5,196
Administrative fees	29	-	5	34	31	3	91.2	-	44
Minor assets	-	-	-	-	-	-	-	10	-
Catering: Departmental activities	91	-	(44)	47	12	35	25.5	39	41
Agency and support / outsourced services	3,319	-	(749)	2,570	2,475	95	96.3	4,771	3,986
Travel and subsistence	1,044	-	80	1,124	913	211	81.2	858	982
Operating payments	-	-	19	19	19	-	100	-	119
Venues and facilities	60	-	12	72	12	60	16.7	85	24
Transfers and subsidies	4,800	-	-	4,800	4,800	-	100	40	87
Municipalities	4,800	-	-	4,800	4,800	-	100		
Households		-	-					40	87
Total	19,936	-	(677)	19,259	18,234	1,025	94.7	14,986	14,912

3.1 CD: Office Support									
2015/16								2014/15	
	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	1,317	-	-	1,317	1,236	81	93.8	1,071	762
Compensation of employees	1,010	-	-	1,010	1,066	(56)	105.5	813	600
Salaries and wages	1,010	-	-	1,010	974	36	96.4	696	517
Social Contributions	-	-	-	-	92	(92)	-	117	83
Goods and services	307	-	-	307	170	137	55.4	258	162

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For the year ended 31 March 2016 - Vote 6

3.1 CD: Office Support									
2015/16								2014/15	
	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	R'000
Transfers and subsidies	-	-	-	-	-	-	-	40	36
Households	-	-	-	-	-	-	-	40	36
Total	1,317	-	-	1,317	1,236	81	93.8	1,111	798

3.2 Trade and Investment Promotion									
2015/16								2014/15	
	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	3,717	-	(72)	3,645	3,428	217	94	3,230	3,074
Compensation of employees	2,887	-	-	2,887	2,914	(27)	100.9	2,875	2,914
Goods and services	830	-	(72)	758	514	244	67.8	355	160
Total	3,717	-	(72)	3,645	3,428	217	94	3,230	3,074

3.3 Sector Development									
2015/16								2014/15	
	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	8,994	-	(605)	8,389	7,616	773	90.8	8,985	9,505
Compensation of employees	5,768	-	-	5,768	4,995	773	86.6	5,356	5,550
Goods and services	3,226	-	(605)	2,621	2,621	-	100	3,629	3,955
Transfers and subsidies									51
Provinces and municipalities								-	51
Total	8,994	-	(605)	8,389	7,616	773	90.8	8,985	9,556

3.4 Strategic Initiatives									
2015/16								2014/15	
	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	1,108	-	-	1,108	1,154	(46)	104.2	1,660	1,484
Compensation of employees	928	-	-	928	997	(69)	107.4	139	566
Goods and services	180	-	-	180	157	23	87.2	1,521	918
Transfers and subsidies	4,800	-	-	4,800	4,800	-	100	-	-
Provinces and municipalities	4,800							-	-
Total	5,908	-	-	5,908	5,954	(46)	100.8	1,660	1,484

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PROGRAMME 4: BUSINESS REGULATION AND GOVERNANCE									
2015/16								2014/15	
	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	1,589	-	(99)	1,490	1,490	-	100	1,370	1,278
4.2 Consumer Protection	11,728	-	108	11,836	11,836	-	100	11,945	12,438
4.3 Regulation Services	70,084	-	620	70,704	69,914	790	98.9	69,814	68,684
Total for sub programmes	83,401	-	629	84,030	83,240	790	99.1	83,129	82,400
Economic classification									
Current payments	29,896	-	794	30,690	29,900	790	97.4	27,522	26,941
Compensation of employees	21,153	-	986	22,139	22,139	-	100	18,372	18,738
Salaries and wages	17,737	-	986	18,723	19,130	(407)	102.2	15,754	16,336
Social contributions	3,416	-	-	3,416	3,009	407	88.1	2,618	2,402
Goods and services	8,743	-	(192)	8,551	7,761	790	90.8	9,150	8,203
Administrative fees	79	-	-	79	143	(64)	181	-	191
Advertising	70	-	-	70	195	(125)	278.6	-	545
Minor assets	16	-	-	16	338	(322)	2 112.5	18	3
Catering: Departmental activities	90	-	-	90	400	(310)	444.4	-	661
Communication	-	-	-	-	415	(415)	-	-	1
Computer services	-	-	-	-	50	(50)	-	-	-
Consultants: Business and advisory services	405	-	92	497	1,167	(670)	234.8	600	1,417
Contractors	-	-	-	-	173	(173)	-	-	166
Agency and support / outsourced services	6,942	-	(1,404)	5,538	1,910	3,628	34.5	7,045	2,933
Inventory: Food and food supplies	16	-	(16)	-	-	-	-	-	-
Travel and subsistence	930	-	1,148	2,078	2,070	8	99.6	1,336	1,963
Consumable supplies	-	-	7	7	161	(154)	2300	-	-
Consumable: stationery, printing office supplies	-	-	-	-	585	(585)	-	-	-
Operating payments	50	-	-	50	99	(49)	198	-	132
Venues and facilities	145	-	(19)	126	55	71	43.7	151	191
Transfers and subsidies	52,205	-	192	52,397	52 397	-	100	54,500	54,500
Departmental agencies and accounts	52 205	-	-	52,205	52 205	-	100	54,500	54,500
Households	-	-	192	192	192	-	100	-	-
Payments for capital assets	1,300	-	(357)	943	943	-	100	1,107	959
Machinery and equipment	1,300	-	(357)	943	943	-	100	1,107	959
Total	83,401	-	629	84,030	83,240	790	99.1%	83,129	82,400

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4.1 CD: Office Support									
2015/16								2014/15	
	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	1,589	-	(158)	1,431	1,431	-	100	1,370	1,278
Compensation of employees	1,250	-	(16)	1,234	1,234	-	100	1,118	1,116
Goods and services	339	-	(142)	197	197	-	100	252	162
Transfers and subsidies	-	-	59	59	59	-	100	-	-
Households	-	-	59	59	59	-	100	-	-
Total	1 589	-	(99)	1,490	1,490	-	100	1,370	1,278

4.2 Consumer Protection									
2015/16								2014/15	
	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	11,728	-	(6)	11,722	11,722	-	100	11,945	12,438
Compensation of employees	9,797	-	16	9,813	9,641	156	98.2	9,063	9,122
Goods and services	1,931	-	(22)	1,909	2,081	(172)	109	2,882	3,316
Transfers and subsidies	-	-	114	114	114	-	100	-	-
Households	-	-	114	114	114	-	100	-	-
Total	11,728	-	108	11,836	11,836	-	100	11,945	12,438

4.3 Regulation Services									
2015/16								2014/15	
	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	16,579	-	958	17,537	16 747	790	95.5	14,207	13,225
Compensation of employees	10,106	-	986	11,092	11,264	(172)	101.6	8,191	8,500
Goods and services	6,473	-	(28)	6 445	5,483	962	85.1	6,016	4,725
Transfers and subsidies	52,205	-	19	52,224	52,224	-	100	54,500	54,500
Departmental agencies and accounts	52,205	-	19	52,224	52,224	-	100	-	-
Payments for capital assets	1,300	-	(357)	943	943	-	100	1,107	959
Machinery and equipment	1,300	-	-	943	943	-	100	1,107	959
Total	70,084	-	620	70,704	69,914	790	98.9	69 814	68 684

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PROGRAMME 5: ECONOMIC PLANNING

2015/16								2014/15	
	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									
5.1 CD: Office Support	1,483	-	-	1,483	1,410	73	95.1	1,251	1,336
5.2 Economic Policy and Planning	7,243	-	(308)	6,935	6,750	185	97.3	3,155	2,880
5.3 Research and Development	972	-	-	972	657	315	67.6	1,348	1,141
5.4 Knowledge Management	6,323	-	(100)	6,223	6,294	(71)	101.1	3,013	2,976
5.5 Monitoring and Evaluation	1,293	-	-	1,293	1,524	(231)	117.9	5,622	5,029
Total for sub programmes	17,314	-	(408)	16,906	16,635	271	98.4	14,389	13,362
Economic classification									
Current payments	17,314	-	(408)	16,906	16,635	271	98.4	14,389	13,222
Compensation of employees	10,949	-	-	10,949	10,828	121	98.9	8,062	7,095
Salaries and wages	8,565	-	-	8,565	9,422	(857)	110	7,063	6,195
Social contributions	2,384	-	-	2,384	1,406	978	59	999	900
Goods and services	6,365	-	(408)	5,957	5,807	150	97.5	6,327	6,127
Administrative fees	66	-	-	66	54	12	81.8	-	44
Advertising	-	-	-	-	-	-	-	-	164
Minor assets	-	-	-	-	-	-	-	10	19
Catering: Departmental activities	3	-	-	3	33	(30)	1100	-	33
Communication	43	-	-	43	28	15	65.1	-	-
Computer services	319	-	(100)	219	219	-	100	-	-
Consultants : Business and advisory services	430	-	-	430	429	1	99.8	707	480
Contractors	100	-	(90)	10	-	10	-	202	-
Agency and support / outsourced services	4,500	-	(308)	4,192	4,192	-	100	4,790	4,634
Consumable supplies	-	-	-	-	-	-	-	-	-
Consumable: Stationery, printing and office supplies	104	-	-	104	-	104	-	26	(26)
Travel and subsistence	747	-	90	837	841	(4)	100.5	618	640
Training and Development	20	-	-	20	5	15	25	-	-
Venues and facilities	33	-	-	33	6	27	18.2	-	87
Payments for capital assets	-	-	-	-	-	-	-	-	140
Machinery and equipment	-	-	-	-	-	-	-	-	140
Total	17,314	-	(408)	16,906	16,635	271	98.4	14,389	13,362

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5.1 CD: Office Support									
2015/16								2014/15	
	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	1,483	-	-	1,483	1,410	73	95.1	1,251	1,336
Compensation of employees	1,283	-	-	1,283	1,260	23	98.2	1,099	1,182
Goods and services	200	-	-	200	150	50	75	152	154
Total	1,483	-	-	1,483	1,410	73	95.1	1,251	1,336

5.2 Economic Policy and Planning									
2015/16								2014/15	
	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	7,243	-	(308)	6,935	6,750	185	97.3	3,155	2,880
Compensation of employees	5,169	-	-	5,169	5,122	47	99.1	2,096	1,741
Goods and services	2,074	-	(308)	1,766	1,628	138	92.2	1,059	1,139
Total	7,243	-	(308)	6,935	6,750	185	97.3	3,155	2,880

5.3 Research Development									
2015/16								2014/15	
	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	972	-	-	972	657	315	67.6	1,348	1,141
Compensation of employees	891	-	-	891	621	270	69.7	1,057	850
Goods and services	81	-	-	81	36	45	44.4	291	291
Total	972	-	-	972	657	315	67.6	1,348	1,141

5.4 Knowledge Management									
2015/16								2014/15	
	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	6,323	-	(100)	6,223	6,294	(71)	101.1	3,013	2,976
Compensation of employees	2,453	-	-	2,453	2,407	46	98.1	2,269	2,232
Goods and services	3,870	-	(100)	3,770	3,887	(117)	103.1	744	744
Total	6,323	-	(100)	6,223	6,294	(71)	101.1	3,013	2,976

APPROPRIATION STATEMENT

For the year ended 31 March 2016 - Vote 6

5.5 Monitoring and Evaluation									
2015/16								2014/15	
	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	1,293	-	-	1,293	1,524	(231)	117.9	5,622	4,889
Compensation of employees	1,153	-	-	1,153	1,418	(265)	123	1,541	1,090
Goods and services	140	-	-	140	106	34	75.7	4,081	3,799
Payments for capital assets	-	-	-	-	-	-	-	-	140
Machinery and equipment	-	-	-	-	-	-	-	-	140
Total	1,293	-	-	1,293	1,524	(231)	117.9	5,622	5,029

PROGRAMME 6: TOURISM									
2015/16								2014/15	
	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									
1. Tourism	335 735	-	(344)	335,391	335 180	211	99.9%	332,828	332,828
Total for sub programmes	335,735	-	(344)	335,391	335,180	211	99.9	332,828	332,828
Economic classification									
Current payments	4,299	-	(344)	3,955	3,744	211	94.7	2,887	2,887
Compensation of employees	2,780	-	-	2 780	2 682	98	96.5	2,437	2,471
Salaries and wages	2,342	-	-	2 342	2 365	(23)	101	2,142	2,192
Social contributions	438	-	-	438	317	121	72.4	295	279
Goods and services	1 519	-	(344)	1,175	1,062	113	90.4	450	416
Administrative fees	-	-	-	-	28	(28)	-	-	21
Advertising	-	-	-	-	-	-	-	-	34
Catering	-	-	-	-	-	-	-	-	9
Departmental activities	-	-	-	-	-	-	-	-	-
Agency and support / outsourced services	1,150	-	(397)	753	657	96	87.3	-	-
Travel and subsistence	316	-	53	369	369	-	100	400	336
Venues and facilities	53	-	-	53	8	45	15.1	50	16
Transfers and subsidies	331 436	-	-	331 436	331 436	-	100	329,941	329,941
Departmental agencies and accounts	331 436	-	-	331 436	331 436	-	100	329,941	329,941
TOTAL	335,735	-	(344)	335,391	335,180	211	99.9	332,828	332,828

APPROPRIATION STATEMENT

For the year ended 31 March 2016 - Vote 6

6.1 Tourism									
2015/16								2014/15	
Economic classification	Adjusted Appropriation R'000	Shifting of Funds R'000	Virement R'000	Final Appropriation R'000	Actual Expenditure R'000	Variance R'000	Expenditure as % of final appropriation %	Final Appropriation R'000	Actual expenditure R'000
Current payments	4,299	-	(344)	3,955	3,744	211	94.7	2,887	2,887
Compensation of employees	2,780	-	-	2,780	2,682	98	96.5	2,437	2,471
Goods and services	1,519	-	(344)	1,175	1,062	113	90.4	450	416
Transfers and subsidies	331 436	-	-	331 436	331 436	-	100.0%	329,941	329,941
Departmental agencies and accounts	331 436	-	-	331 436	331 436	-	100.0%	329,941	329,941
Total	335 735	-	(344)	335,391	335,180	211	99.9	332,828	332,828

NOTES TO THE APPROPRIATION STATEMENT

For the year ended 31 March 2016 - Vote 6

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 R'000	Variance as a % of Final Appropriation
		R'000	R'000	R'000	%
	Administration	81,497	79,890	1,607	2.0
	Integrated Economic Development	262,398	262,048	350	0.1
	Trade and Sector Development	19,259	18,234	1,025	5.3
	Business Regulation and Governance	84,030	83,240	790	0.9
	Economic Planning	16,906	16,635	271	1.6
	Tourism	335,391	335,180	211	0.1

4.2	Per economic classification	Final Appropriation	Actual Expenditure	Variance	Variance as a % of Final Appropriation
		R'000	R'000	R'000	%
	Current payments				
	Compensation of employees	121,041	118,581	2,460	2.0
	Goods and services	79,413	77,619	1,794	2.3
	Transfers and subsidies				
	Provinces and municipalities	4,800	4,800	-	-
	Departmental agencies and accounts	362,641	362,641	-	-
	Public corporations and private enterprises	227,656	227,656	-	-
	Households	320	320	-	-
	Payments for capital assets				
	Machinery and equipment	3,610	3,610	-	-

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)	3,138	3,138	-	-

COMPENSATION OF EMPLOYEES

The underspending is a result of non- payment of performance incentives and related pay progression for Senior managers. Vacant and funded posts not filled (HOD post and other Senior management posts)

GOODS AND SERVICES

The underspending is a result of accruals and planned projects not completed and paid for in full. A request for roll-over amounting to R1 794 000 of unspent funds will be submitted to Treasury.

STATEMENT OF THE FINANCIAL PERFORMANCE

For the year ended 31 March 2016 - Vote 6

	Note	2015/16 R'000	2014/15 R'000
REVENUE			
Annual appropriation	1	799,481	761,094
Statutory appropriation	2	-	3,199
Departmental revenue	3	97,821	105,674
TOTAL REVENUE		897,302	869,967
EXPENDITURE			
Current expenditure			
Compensation of employees	4	118,581	109 953
Goods and services	5	77,619	84, 214
Total current expenditure		196,200	194, 167
Transfers and subsidies			
Transfers and subsidies	6	595,417	556,540
Total transfers and subsidies		595,417	556,540
Expenditure for capital assets			
Tangible assets	7	3,610	5,328
Total expenditure for capital assets		3,610	5,328
Unauthorised expenditure approved without funding	8	-	5,000
TOTAL EXPENDITURE		795,227	761,035
SURPLUS/(DEFICIT) FOR THE YEAR		102,075	108,932
Reconciliation of Net Surplus/(Deficit) for the year			
Voted funds		4,254	3,258
Annual appropriation		4,254	3,258
Departmental revenue and NRF Receipts	12	97,821	105,674
SURPLUS/(DEFICIT) FOR THE YEAR		102,075	108,932

STATEMENT OF FINANCIAL POSITION
For the year ended 31 March 2016 - Vote 6

	Note	2015/16 R'000	2014/15 R'000
ASSETS			
Current assets		4,433	23,705
Unauthorised expenditure	8	-	-
Cash and cash equivalents	9	4,175	23,421
Receivables	10	258	284
TOTAL ASSETS		4,433	23,705
LIABILITIES			
Current liabilities		4,395	23,647
Voted funds to be surrendered to the Revenue Fund	11	4,254	7,265
Departmental revenue and NRF Receipts to be surrendered to the Revenue Fund	12	111	16,380
Payables	13	30	2
TOTAL LIABILITIES		4,395	23,647
NET ASSETS		38	58
Represented by:			
Recoverable revenue		38	58
TOTAL		38	58

STATEMENT OF CHANGES IN NET ASSETS

For the year ended 31 March 2016 - Vote 6

	Note	2015/16 R'000	2014/15 R'000
Recoverable revenue			
Opening balance		58	99
Transfers:		(20)	(41)
Debts recovered (included in departmental receipts)		(59)	(96)
Debts raised		39	55
Closing balance		38	58
TOTAL		38	58

CASH FLOW STATEMENT

For the year ended 31 March 2016 - Vote 6

	Note	2015/16 R'000	2014/15 R'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts		897,302	869,864
Annual appropriated funds received	1.1	799,481	761,094
Statutory appropriated funds received	2	-	3,199
Departmental revenue received	3	96,752	104,392
Interest received	3.3	1,069	1,179
Net (increase)/decrease in working capital		54	4,544
Surrendered to Revenue Fund		(121,355)	(91,044)
Current payments		(196,200)	(199,167)
Payments for financial assets		-	-
Transfers and subsidies paid		(595,417)	(556,540)
Net cash flow available from operating activities	14	(15,616)	27,657
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for capital assets	7	(3,610)	(5,328)
Proceeds from sale of capital assets	3.4	-	103
Net cash flows from investing activities		(3,610)	(5,225)
CASH FLOWS FROM FINANCING ACTIVITIES			
Increase/(decrease) in net assets		(20)	(41)
Net cash flows from financing activities		(20)	(41)
Net increase/(decrease) in cash and cash equivalents		(19,246)	22,391
Cash and cash equivalents at beginning of period		23,421	1,030
Cash and cash equivalents at end of period	15	4,175	23,421

ACCOUNTING POLICIES

For the year ended 31 March 2016 -Vote 6

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. Management has concluded that the financial statements present fairly the Department's primary and secondary information. 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 spot 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.

ACCOUNTING POLICIES

For the year ended 31 March 2016 - Vote 6

7.3	<p>Accrued departmental revenue</p> <p>Accruals in respect of departmental revenue (excluding tax revenue) are recorded in the notes to the financial statements when:</p> <ul style="list-style-type: none"> 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. <p>The accrued revenue is measured at the fair value of the consideration receivable.</p> <p>Accrued tax revenue (and related interest and / penalties) is measured at amounts receivable from collecting agents.</p>
8	Expenditure
8.1	Compensation of employees
8.1.1	<p>Salaries and wages</p> <p>Salaries and wages are recognised in the statement of financial performance on the date of payment.</p>
8.1.2	<p>Social contributions</p> <p>Social contributions made by the department in respect of current employees are recognised in the statement of financial performance on the date of payment.</p> <p>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.</p>
8.2	<p>Other expenditure</p> <p>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.</p>
8.3	<p>Accrued expenditure payable</p> <p>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 or in the case of transfers and subsidies when they are due and payable.</p> <p>Accrued expenditure payable is measured at cost.</p>
8.4	Leases
8.4.1	<p>Operating leases</p> <p>Operating lease payments made during the reporting period are recognised as current expenditure in the statement of financial performance on the date of payment.</p> <p>The operating lease commitments are recorded in the notes to the financial statements.</p>
8.4.2	<p>Finance leases</p> <p>Finance lease payments made during the reporting period are recognised as capital expenditure in the statement of financial performance on the date of payment.</p> <p>The finance lease commitments are recorded in the notes to the financial statements and are not apportioned between the capital and interest portions.</p> <p>Finance lease assets acquired at the end of the lease term are recorded and measured at the lower of:</p> <ul style="list-style-type: none"> 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	<p>Aid assistance received</p> <p>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.</p> <p>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.</p>

ACCOUNTING POLICIES

For the year ended 31 March 2016 -Vote 6

9.2	<p>Aid assistance paid</p> <p>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.</p>
10	<p>Cash and cash equivalents</p> <p>Cash and cash equivalents are stated at cost in the statement of financial position.</p> <p>Bank overdrafts are shown separately on the face of the statement of financial position as a current liability.</p> <p>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.</p>
11	<p>Prepayments and advances</p> <p>Prepayments and advances are recognised in the statement of financial position when the department receives or disburses the cash.</p> <p>Prepayments and advances are initially and subsequently measured at cost.</p> <p><Indicate when prepayments are expensed and under what circumstances.></p>
12	<p>Loans and receivables</p> <p>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. Write-offs are made according to the department's write-off policy.</p>
13	<p>Investments</p> <p>Investments are recognised in the statement of financial position at cost.</p>
14	<p>Financial assets</p>
14.1	<p>Financial assets (not covered elsewhere)</p> <p>A financial asset is recognised initially at its cost plus transaction costs that are directly attributable to the acquisition or issue of the financial.</p> <p>At the reporting date, a department shall measure its financial assets at cost, less amounts already settled or written-off, except for recognised loans and receivables, which are measured at cost plus accrued interest, where interest is charged, less amounts already settled or written-off.</p>
14.2	<p>Impairment of financial assets</p> <p>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.</p>
15	<p>Payables</p> <p>Loans and payables are recognised in the statement of financial position at cost.</p>
16	<p>Capital Assets</p>

ACCOUNTING POLICIES

For the year ended 31 March 2016 - Vote 6

16.1	<p>Immovable capital assets</p> <p>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.</p> <p>Where the cost of immovable capital assets cannot be determined reliably, 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.</p> <p>All assets acquired prior to 1 April 2002 (or a later date as approved by the OAG) may be recorded at R1.</p> <p>Immovable capital assets are subsequently carried at cost and are not subject to depreciation or impairment.</p> <p>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.</p>
16.2	<p>Movable capital asset</p> <p>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.</p> <p>Where the cost of movable capital assets cannot be determined reliably, the movable capital assets are measured at fair value and where fair value cannot be determined; the movable assets are measured at R1.</p> <p>All assets acquired prior to 1 April 2002 (or a later date as approved by the OAG) may be recorded at R1.</p> <p>Movable capital assets are subsequently carried at cost and are not subject to depreciation or impairment.</p> <p>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.</p>
16.3	<p>Intangible assets</p> <p>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.</p> <p>Internally generated intangible assets are recorded in the notes to the financial statements when the department commences the development phase of the project.</p> <p>Where the cost of intangible assets cannot be determined reliably, the intangible capital assets are measured at fair value and where fair value cannot be determined; the intangible assets are measured at R1.</p> <p>All assets acquired prior to 1 April 2002 (or a later date as approved by the OAG) may be recorded at R1.</p> <p>Intangible assets are subsequently carried at cost and are not subject to depreciation or impairment.</p> <p>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.</p>
17	<p>Provisions and Contingents</p>
17.1	<p>Provisions</p> <p>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.</p>
17.2	<p>Contingent liabilities</p> <p>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.</p>
17.3	<p>Contingent assets</p> <p>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.</p>

ACCOUNTING POLICIES

For the year ended 31 March 2016 -Vote 6

17.4	<p>Commitments</p> <p>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.</p>
18	<p>Unauthorised expenditure</p> <p>Unauthorised expenditure is recognised in the statement of financial position until such time as the expenditure is either:</p> <ul style="list-style-type: none"> • 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. <p>Unauthorised expenditure is measured at the amount of the confirmed unauthorised expenditure.</p>
19	<p>Fruitless and wasteful expenditure</p> <p>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.</p> <p>Fruitless and wasteful expenditure is removed from the notes to the financial statements when it is resolved or transferred to receivables for recovery.</p> <p>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.</p>
20	<p>Irregular expenditure</p> <p>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.</p> <p>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.</p> <p>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.</p>
21	<p>Changes in accounting policies, accounting estimates and errors</p> <p>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.</p> <p>Changes in accounting estimates are applied prospectively in accordance with MCS requirements.</p> <p>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.</p>
22	<p>Events after the reporting date</p> <p>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.</p>
23	<p>Principal-Agent arrangements</p>
24	<p>Departures from the MCS requirements</p> <p>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.</p>

ACCOUNTING POLICIES

For the year ended 31 March 2016 - Vote 6

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 within the MEC's portfolio are recorded in the notes to the financial statements when the transaction is not at arm's length. Key management personnel are those persons having the authority and responsibility for planning, directing and controlling the activities of the department. The number of individuals and their full compensation is recorded in the notes to the financial statements.
28	Public-Private Partnerships Public Private Partnerships are accounted for based on the nature and or the substance of the partnership. The transaction is accounted for in accordance with the relevant accounting policies. A summary of the significant terms of the PPP agreement, the parties to the agreement, and the date of commencement thereof together with the description and nature of the concession fees received, the unitary fees paid, rights and obligations of the department are recorded in the notes to the financial statements.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

For the year ended 31 March 2016 -Vote 6

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:

2015/16			2014/15		
	Final Appropriation	Actual Funds Received	Funds not requested/not received	Final Appropriation	Appropriation received
	R'000	R'000	R'000	R'000	R'000
Administration	81,497	81,497	-	84,648	84,648
Integrated Economic Development	262,398	262,398	-	231,114	231,114
Trade and Sector Development	19,259	19,259	-	14,986	14,986
Business Regulation	84,030	84,030	-	83,129	83,129
Economic Planning	16,906	16,906	-	14,389	14,389
Tourism	335,391	335,391	-	332,828	332,828
Total	799,481	799,481	-	761,094	761,094

1.2 Conditional grants

Note

Total grants received

31

2015/16	2014/15
R'000	R'000
3,138	3,561

2. Statutory Appropriation

Members' remuneration

Total

2015/16	2014/15
R'000	R'000
-	3,199
-	3,199

Actual Statutory Appropriation received

- 3,199

3. Departmental revenue

Note

Tax revenue
Sales of goods and services other than capital assets
Fines, penalties and forfeits
Interest, dividends and rent on land
Sales of capital assets
Transactions in financial assets and liabilities

3.1

3.2

3.3

3.4

3.5

2015/16	2014/15
R'000	R'000
96,617	86,080
105	2,207
-	1,857
1,069	1,179
-	103
30	14,248
97,821	105,674
97,821	105,674

Total revenue collected

Departmental revenue collected

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

For the year ended 31 March 2016 - Vote 6

3.1 Sales of goods and services other than capital assets

	Note	2015/16	2014/15
	3	R'000	R'000
Sales of goods and services produced by the department		105	2,207
Sales by market establishment		105	2,207
Total		105	2,207

3.2 Fines, penalties and forfeits

	Note	2015/16	2014/15
	3	R'000	R'000
Fines		-	1,857
Total		-	1,857

3.3 Interest, dividends and rent on land

	Note	2015/16	2014/15
	3	R'000	R'000
Interest		1,069	1,179
Total		1,069	1,179

3.4 Sale of capital assets

	Note	2015/16	2014/15
	3	R'000	R'000
Tangible assets		-	103
Machinery and equipment		-	103
Total		-	103

3.5 Transactions in financial assets and liabilities

	Note	2015/16	2014/15
	3	R'000	R'000
Other Receipts including Recoverable Revenue		30	14,248
Total		30	14,248

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
For the year ended 31 March 2016 -Vote 6

4. Compensation of employees

4.1 Salaries and Wages

	Note	2015/16	2014/15
		R'000	R'000
Basic salary		82,197	76,087
Performance award		993	889
Service Based		6,235	5,853
Compensative/circumstantial		848	1,693
Other non-pensionable allowances		12,033	10,980
Total		102,306	95,502

4.2 Social contributions

	Note	2015/16	2014/15
		R'000	R'000
Employer contributions			
Pension		10,712	9,796
Medical		5,544	4,638
Bargaining council		19	17
Total		16,275	14,451
Total compensation of employees		118,581	109,953
Average number of employees		279	267

5. Goods and services

	Note	2015/16	2014/15
		R'000	R'000
Administrative fees		959	18
Advertising		656	2,155
Minor assets	5.1	518	189
Catering		866	1,701
Communication		4,666	4,601
Computer services	5.2	968	719
Legal services		365	-
Consultants, contractors and agency/outsourced services		17,647	23,103
Audit cost – external	5.3	3,844	3,366
Fleet services		1,322	585
Consumables	5.4	2,013	3,731
Operating leases		23,260	21,032
Property payments	5.5	4,992	5,630
Travel and subsistence	5.6	12,395	13,383
Venues and facilities		525	901
Training and development		310	782
Other operating expenditure	5.7	2,313	2,318
Total		77,619	84,214

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
For the year ended 31 March 2016 - Vote 6

5.1 Minor assets

	Note	2015/16	2014/15
	5	R'000	R'000
Tangible assets			
		518	189
Machinery and equipment		518	189
Total		518	189

5.2 Computer services

	Note	2015/16	2014/15
	5	R'000	R'000
SITA computer services		490	197
External computer service providers		478	522
Total		968	719

5.3 Audit cost – External

	Note	2015/16	2014/15
	5	R'000	R'000
Regularity audits		3,844	3,366
Total		3,844	3,366

5.4 Consumables

	Note	2015/16	2014/15
	5	R'000	R'000
Consumable supplies		689	2,371
Uniform and clothing		227	106
Household supplies		356	-
IT consumables		13	31
Other consumables		93	2,234
Stationery, printing and office supplies		1,324	1,360
Total		2,013	3,731

5.5 Property payments

	Note	2015/16	2014/15
	5	R'000	R'000
Municipal services		2,753	3,155
Property maintenance and repairs		-	700
Other		2,239	1,775
Total		4,992	5,630

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
For the year ended 31 March 2016 -Vote 6

5.6 Travel and subsistence

	Note	2015/16	2014/15
	5	R'000	R'000
Local		12,191	13,346
Foreign		204	37
Total		12,395	13,383

5.7 Other operating expenditure

	Note	2015/16	2014/15
	5	R'000	R'000
Professional bodies, membership and subscription fees		25	1,606
Resettlement costs		-	99
Other		2,288	613
Total		2,313	2,318

6. Transfers and subsidies

		2015/16	2014/15
		R'000	R'000
Provinces and municipalities	Note		
Departmental agencies and accounts	Annex 1	4,800	17
Public corporations and private enterprises	Annex 2	362,641	365,441
Households	Annex 3	227,656	190,605
	Annex 4	320	477
Total		595,417	556,540

7. Expenditure for capital assets

	Note	2015/16	2014/15
		R'000	R'000
Tangible assets		3,610	5,328
Machinery and equipment	26	3,610	5,328
Total		3,610	5,328

7.1 Analysis of funds utilised to acquire capital assets – 2015/16

	Voted funds	Total
	R'000	R'000
Tangible assets	3,610	3,610
Machinery and equipment	3,610	3,610
Total	3,610	3,610

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

	Voted funds	Total
	R'000	R'000
Tangible assets	5,328	5,328
Machinery and equipment	5,328	5,328
Total	5,328	5,328

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

For the year ended 31 March 2016 - Vote 6

8. Unauthorised expenditure

8.1 Reconciliation of unauthorised expenditure

	Note	2015/16 R'000	2014/15 R'000
Opening balance		-	10,226
Prior period error			(5,226)
As restated			5,000
Unauthorised expenditure – discovered in current year (as restated)			
Less: Amounts approved by Parliament/Legislature without funding			(5,000)
Current		-	(5,000)
Unauthorised expenditure awaiting authorisation / written off		-	-

9. Cash and cash equivalents

	Note	2015/16 R'000	2014/15 R'000
Consolidated Paymaster General Account		4,175	23,421
Total		4,175	23,421

10. Receivables

		2015/16			2014/15		
		Current R'000	Non-current R'000	Total R'000	Current R'000	Non-current R'000	Total R'000
Staff debt	10.1	172	-	172	189	-	189
Other debtors	10.2	86	-	86	95	-	95
Total		258	-	258	284	-	284

10.1 Staff debt

	Note	2015/16 R'000	2014/15 R'000
Salary: Tax debt: CA	10	172	16
Salary: Income Tax: CL		-	76
Other		-	97
Total		172	189

10.2 Other debtors

	Note	2015/16 R'000	2014/15 R'000
Salary: Tax debt: CA	10	1	9
Salary: Income Tax: CL		85	86
Total		86	95

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

For the year ended 31 March 2016 -Vote 6

11. Voted funds to be surrendered to the Revenue Fund

	Note	2015/16	2014/15
		R'000	R'000
Opening balance		7,265	10,302
Prior period error			(5,226)
As restated		7,265	5,076
Transfer from statement of financial performance (as restated)		4,254	3,258
Paid during the year		(7,265)	(1,069)
Closing balance		4,254	7,265

Analysis of Prior period error

	Note	2015/16	2014/15
		R'000	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	2015/16	2014/15
		R'000	R'000
Opening balance		16,380	681
Prior period error			-
As restated		16,380	681
Transfer from Statement of Financial Performance (as restated)		97,821	105,674
Paid during the year		(114,090)	(89,975)
Closing balance		111	16,380

13. Payables – current

	Note	2015/16	2014/15
		R'000	R'000
Other payables	13.1	30	2
Total		30	2

13.1 Other payables

	Note	2015/16	2014/15
		R'000	R'000
Sal: Pension Fund: CL		2	-
Sal: Persal Ebt Control Acc: Dom		-	2
Capital Contr. Other Gov Units: NA		28	-
Total		30	2

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

For the year ended 31 March 2016 - Vote 6

14. Net cash flow available from operating activities

Note	2015/16	2014/15
	R'000	R'000
Net surplus/(deficit) as per Statement of Financial Performance	102,075	108,932
Add back non cash/cash movements not deemed operating activities	(117,691)	(81,275)
(Increase)/decrease in receivables – current	26	1
(Increase)/decrease in other current assets	-	5,000
Increase/(decrease) in payables – current	28	(457)
Proceeds from sale of capital assets	-	(103)
Expenditure on capital assets	3,610	5,328
Surrenders to Revenue Fund	(121,355)	(91,044)
Net cash flow generated by operating activities	(15,616)	27,657

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

Note	2015/16	2014/15
	R'000	R'000
Consolidated Paymaster General account	4,175	23,421
Total	4,175	23,421

16. Contingent liabilities and contingent assets

16.1 Contingent liabilities

Note	2015/16	2014/15
	R'000	R'000
Claims against the department	2,097	15,168
Total	2,097	15,168

17. Commitments

Note	2015/16	2014/15
	R'000	R'000
Current expenditure		
Approved and contracted	4,733	16
Approved but not yet contracted	-	-
	4,733	16
Total Commitments	4,733	16

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

For the year ended 31 March 2016 -Vote 6

18. Accruals and payables not recognised

18.1 Accruals

			2015/16 R'000	2014/15 R'000
Listed by economic classification				
	30 Days	30+ Days	Total	Total
Compensation of Employees				16
Goods and services	1,616	-	1,616	2,937
Total	1,616	-	1,616	2,953

	Note	2015/16 R'000	2014/15 R'000
Listed by programme level			
Programme 1: Administration		1,349	1,804
Programme 2: Integrated Economic Development		243	79
Programme 3: Trade and Sector Development		1	-
Programme 4: Business Regulation		12	1,070
Programme 5: Economic Planning		7	-
Programme 6: Tourism		4	-
Total		1,616	2,953

18.2 Payables not recognised

			2015/16 R'000	2014/15 R'000
Listed by economic classification				
	30 Days	30+ Days	Total	Total
Goods and services	94	-	94	1,757
Other				
Total	94	-	94	1,757

	Note	2015/16 R'000	2014/15 R'000
Listed by programme level			
Programme 1: Administration		94	1,757
Total		94	1,757

	Note	2015/16 R'000	2014/15 R'000
Included in the above totals are the following:			
Confirmed balances with other departments	Annex 6	94	1,757
Total		94	1,757

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

For the year ended 31 March 2016 - Vote 6

19. Employee benefits

Accruals

	Note	2015/16	2014/15
		R'000	R'000
Leave entitlement		6,335	6,370
Service bonus (Thirteenth cheque)		3,428	3,080
Provisions			
Performance awards		1,828	2,897
Long service awards		195	151
Capped leave commitments		7,458	6,973
Total		19,244	19,471

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 R49 594.29

20. Lease commitments

20.1 Operating leases expenditure

2015/16	Buildings and other fixed structures	Machinery and equipment	Total
Not later than 1 year	7,906	6,545	14,451
Later than 1 year and not later than 5 years	4,755	6,454	11,209
Later than five years	-	-	-
Total lease commitments	12,661	12,999	25,660
2014/15	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	-	-	-
Total lease commitments	16,876	19,000	35,876

21. Accrued departmental revenue

	Note	2015/16	2014/15
		R'000	R'000
Tax revenue		8,973	7,362
Total		8,973	7,362

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
For the year ended 31 March 2016 -Vote 6

Analysis of accrued departmental revenue

	Note	2015/16	2014/15
		R'000	R'000
Opening balance		7,362	7,009
Less: amounts received		(7,362)	(7,009)
Add: amounts recognised		8,973	7,362
Closing balance		8,973	7,362

The closing balance of **R 8 973 000** relates to:

- Gambling levies amounting to R 6 350 000 and horse racing taxes amounting to R 1 663 000 for March 2016 from MGB which was paid in April 2016 after financial year end.
- An amount of R 960 000 relating to liquor license fees for March 2016 from MLA which was also received after year end.

22. Irregular expenditure

Reconciliation of irregular expenditure

	Note	2015/16	2014/15
		R'000	R'000
Opening balance		37,492	37,492
Prior period error			
As restated		37,492	37,492
Closing balance		37,492	37,492

Analysis of awaiting condonation per age classification

Current year	-	-
Prior years	37,492	37,492
Total	37,492	37,492

23. Fruitless and wasteful expenditure

Reconciliation of fruitless and wasteful expenditure

	Note	2015/16	2014/15
		R'000	R'000
Opening balance		3,936	3,936
		-	-
Fruitless and wasteful expenditure awaiting resolution		3,936	3,936

Analysis of awaiting resolution per economic classification

	2015/16	2014/15
	R'000	R'000
Current	3,936	3,936
Total	3,936	3,936

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

For the year ended 31 March 2016 - Vote 6

24. Related party transactions

24.1 Zithabiseni Resort and Conference Centre

The Department had budgeted R21 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. A process is currently underway to transfer the Resort to MTPA as from 01 April 2016. The total amount transferred to Zithabiseni is R21 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. A total of 25 youth were capacitated on the tooling initiative apprenticeship programme at Steve Tshwete Local Municipality. The Department has paid an amount of R1 000 000 towards the Tooling Initiative during the year under review.

24.3 Department of Public Works, Roads and Transport

During the year the Department received services from the Department of Public Works, Road and Transport. This relates to the occupation of Government buildings provided by the Department of Public Works, Roads and Transport free of charge to the Department.

24.4 Mpumalanga Provincial Treasury

During the year the Department received services from the Mpumalanga Provincial Treasury. 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 Provincial Treasury. free of charge to the Department.

Furthermore this Department and the Provincial Treasury 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 four Public Entities reporting to it and these Entities assist the Department in carrying out its legislative mandate. The Department has entered into shareholders compact with the Boards of the following Entities:

Mpumalanga Gambling Board – MGB
Mpumalanga Economic Growth Agency – MEGA
Mpumalanga Tourism and Parks Agency – MTPA
Mpumalanga Liquor Authority – MLA

24.6 Key Management Personnel - refer to note 25

Revenue received	Note	2015/16	2014/15
		R'000	R'000
Tax revenue		96,617	86,080
Total		96,617	86,080

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 under review by the Mpumalanga Liquor Authority.

Payments made	Note	2015/16	2014/15
		R'000	R'000
Goods and services		1,000	11,098
Transfers		21,000	19,000
Total		22,000	30,098

Goods and Services

The amount of R1 000 000 relates to payments made to the Provincial Tooling Initiative.

Transfers

The amount of R 21 000 000 relates to transfers made to Zithabiseni Resort and Conference Centre.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
For the year ended 31 March 2016 -Vote 6

	Note	2015/16	2014/15
		R'000	R'000
Year end balances arising from revenue/payments			
Receivables from related parties		8,973	7,362
Payables to related parties		-	-
Total		8,973	7,362

25. Key management personnel

	No. of Individuals	2015/16	2014/15
		R'000	R'000
Member of the Executive Council	1	1,821	896
Officials:			
Deputy Director-General (HOD)		-	554
Chief Directors (incl. CFO)	6	5,628	5,600
Total		7,449	7,050

The zero expenditure under remuneration of the HOD is due to the fact that the acting Head of Department was on secondment from the Office of the Premier, and salary is paid for by the Office of the Premier.

26. Movable Tangible Capital Assets

MOVEMENT IN MOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2016

	Opening balance	Value adjustments	Additions	Disposals	Closing Balance
	R'000	R'000	R'000	R'000	R'000
MACHINERY AND EQUIPMENT	17,641	-	3,752	2,794	18,599
Transport assets	4,459	-	575	-	5,034
Computer equipment	6,122	-	1,766	2,234	5,654
Furniture and office equipment	6,607	-	1,318	416	7,509
Other machinery and equipment	453	-	93	144	402
TOTAL MOVABLE TANGIBLE CAPITAL ASSETS	17,641	-	3,752	2,794	18,599

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	2	40

Stolen laptops. We are awaiting for security and police investigation report.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

For the year ended 31 March 2016 - Vote 6

26.1 Additions

ADDITIONS TO MOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2016

	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
MACHINERY AND EQUIPMENT	3,610	142			3,752
Transport assets	575	-			575
Computer equipment	1,703	63			1,766
Furniture and office equipment	1,239	79			1,318
Other machinery and equipment	93	-			93
TOTAL ADDITIONS TO MOVABLE TANGIBLE CAPITAL ASSETS	3,610	142			3,752

26.2 Disposals

DISPOSALS OF MOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2016

	Sold for cash	Non-cash disposal	Total disposals	Cash Received Actual
	R'000	R'000	R'000	R'000
MACHINERY AND EQUIPMENT	-	2,794	2,794	-
Transport assets	-	-	-	-
Computer equipment	-	2,234	2,234	-
Furniture and office equipment	-	416	416	-
Other machinery and equipment	-	144	144	-
TOTAL DISPOSAL OF MOVABLE TANGIBLE CAPITAL ASSETS	-	2,794	2,794	-

The method used for disposal of the above assets was through donation to Cooperatives in the Province hence no cash was generated in this regard.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

For the year ended 31 March 2016 -Vote 6

26.3 Movement for 2014/15

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

	Opening balance	Prior period error	Additions	Disposals	Closing Balance
	R'000	R'000	R'000	R'000	R'000
MACHINERY AND EQUIPMENT	31,923	(361)	5,328	19,249	17,641
Transport assets	7,027	(244)	1,411	3,735	4,459
Computer equipment	16,863	52	1,601	12,394	6,122
Furniture and office equipment	5,644	(52)	2,261	1,246	6,607
Other machinery and equipment	2,389	(117)	55	1,874	453
TOTAL MOVABLE TANGIBLE CAPITAL ASSETS	31,923	(361)	5,328	19,249	17,641

26.3.1 Prior period error

Note	2014/15
	R'000

Nature of prior period error

Relating to 2012/13 [affecting the opening balance]

Vehicles sold in 2012/13 financial year and not removed from the asset register since they remained in the Government garage.

Guard houses to be accounted for under other fixed structures

Correction of classification between computers and office equipment

Correction of classification between computers and office equipment

Total prior period errors

	(361)
	(361)
	52
	(52)
	(361)

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

For the year ended 31 March 2016 - Vote 6

26.4 Minor assets

MOVEMENT IN MINOR ASSETS PER THE ASSET REGISTER FOR THE YEAR ENDED AS AT 31 MARCH 2016

	Machinery and equipment			Total
	R'000			R'000
Opening balance	4,288	-	-	4,288
Value adjustments	-	-	-	-
Additions	614	-	-	614
Disposals	(545)	-	-	(545)
TOTAL MINOR ASSETS	4,357	-	-	4,357

	Machinery and equipment			Total
	R'000			R'000
Number of R1 minor assets	32	-	-	32
Number of minor assets at cost	2,306	-	-	2,306
TOTAL NUMBER OF MINOR ASSETS	2,338	-	-	2,338

Included in the Additions above are non-cash additions to the value of R97 000 which were transferred from the Department of Finance.

Minor assets

MOVEMENT IN MINOR ASSETS PER THE ASSET REGISTER FOR THE YEAR ENDED AS AT 31 MARCH 2015

	Machinery and equipment R'000	Total R'000
Opening balance	9,104	9,104
Prior period error	(16)	(16)
Additions	189	189
Disposals	(4,989)	(4,989)
TOTAL MINOR ASSETS	4,288	4,288

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

For the year ended 31 March 2016 -Vote 6

26.4.1 Prior period error

	Note	2014/15
		R'000
Nature of prior period error		
Hard drives re-classified to consumables		(16)
Relating to 2014/15		-
Total		(16)

26.5 Movable assets written off

MOVABLE ASSETS WRITTEN OFF FOR THE YEAR ENDED AS AT 31 MARCH 2016

	Machinery and equipment	Total
	R'000	R'000
Assets written off	200	200
TOTAL MOVABLE ASSETS WRITTEN OFF	200	200

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

For the year ended 31 March 2016 - Vote 6

27. S42 Movable capital assets

MAJOR ASSETS SUBJECTED TO TRANSFER IN TERMS OF S42 OF THE PFMA - 31 MARCH 2016

				Machinery and equipment		Total
No. of Assets				13		13
Value of the assets (R'000)	-	-	-	142	-	142

MINOR ASSETS SUBJECTED TO TRANSFER IN TERMS OF S42 OF THE PFMA - 31 MARCH 2016

				Machinery and equipment		Total
No. of Assets				53		53
Value of the assets (R'000)	-	-	-	96	-	96

28. Intangible Capital Assets

MOVEMENT IN INTANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2016

	Opening balance	Value adjustments	Additions	Disposals	Closing Balance
	R'000	R'000	R'000	R'000	R'000
SOFTWARE	115				115
TOTAL INTANGIBLE CAPITAL ASSETS	115	-	-	-	115

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

For the year ended 31 March 2016 -Vote 6

28.1 Movement for 2014/15

MOVEMENT IN INTANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2015

	Opening balance	Prior period error	Additions	Disposals	Closing Balance
	R'000	R'000	R'000	R'000	R'000
SOFTWARE	115				115
TOTAL INTANGIBLE CAPITAL ASSETS	115	-	-	-	115

29. Immovable Tangible Capital Assets

MOVEMENT IN IMMOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2016

	Opening balance	Value adjustments	Additions	Disposals	Closing Balance
	R'000		R'000	R'000	R'000
BUILDINGS AND OTHER FIXED STRUCTURES	117				117
Other fixed structures	117				117
TOTAL IMMOVABLE TANGIBLE CAPITAL ASSETS	117				117

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

For the year ended 31 March 2016 - Vote 6

29.1 Movement for 2014/15

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

	Opening balance	Prior period error	Additions	Disposals	Closing Balance
	R'000	R'000	R'000	R'000	R'000
BUILDINGS AND OTHER FIXED STRUCTURES	117				117
Other fixed structures	117				117
TOTAL IMMOVABLE TANGIBLE CAPITAL ASSETS	117				117

29.1.1 Prior period error

Note

2014/15
R'000

Nature of prior period error

Relating to 2014/15

117

Guardhouses previously accounted for under machinery and equipment

117

Total prior period errors

117

30. Transfer of functions

a. Statement of Financial Position

	Note	Bal per dept 2014/15 AFS before transfer	Functions per dept (transferred) / received	2015/16 Bal after transfer
		2014/15	2015/16	2015/16
		R'000	R'000	R'000
ASSETS		204	-	-
Current Assets				
Receivables		204	-	-
TOTAL ASSETS		204	-	-
LIABILITIES				
Current Liabilities		(5)	-	-
Payables		(5)	-	-
TOTAL LIABILITIES		(5)	-	-
NET ASSETS		209	-	-

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

For the year ended 31 March 2016 -Vote 6

30.1 Notes

	Note	Bal per dept 2014/15 AFS before transfer	Functions per dept (transferred) / received	2015/16 Bal after transfer
		2014/15	2015/16	2015/16
		R'000	R'000	R'000
Contingent liabilities				
Contingent assets				
Commitments				
Accruals and payables not recognised				
Employee benefits				
Lease commitments – Operating lease		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		9,836	-	-

31. STATEMENT OF CONDITIONAL GRANTS RECEIVED

NAME OF DEPARTMENT	GRANT ALLOCATION					SPENT				2014/15	
	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
	3,138				3,138	3,138	3,138			3,561	3,561
	3,138				3,138	3,138	3,138			3,561	3,561

ANNEXURE 1

STATEMENT OF CONDITIONAL GRANTS PAID TO MUNICIPALITIES

NAME OF MUNICIPALITY	GRANT ALLOCATION				TRANSFER			SPENT			2014/15
	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	% of available funds spent by municipality	
	R'000	R'000	R'000		R'000	R'000	%	R'000	R'000	%	
Govan Mbeki Local Municipality	4,800	-	-	-	4,800	-	-	4,800	4,009	84	-
Mbombela Local Municipality	-	-	-	-	-	-	-	-	-	-	17
	4,800	-	-	-	4,800	-	-	4,800	4,009	84	17

ANNEXURE 2
STATEMENT OF TRANSFERS TO DEPARTMENTAL AGENCIES AND ACCOUNTS

AGENCY	TRANSFER ALLOCATION				TRANSFER		2014/15
	Adjusted Appropriation	Roll Overs	Adjust-ments	Total Available	Actual Transfer	% of Available funds Transferred	
	R'000	R'000	R'000	R'000	R'000	%	
Mpumalanga Gambling Board - MGB	52,205	-	-	52,205	52,205	100	54,500
Mpumalanga Tourism and Parks Agency - MTPA	310,436	-	-	310,436	310,436	100	310,941
	362,641	-	-	362,641	362,641	100	365,441

ANNEXURE 3
STATEMENT OF TRANSFERS TO PUBLIC CORPORATIONS AND PRIVATE ENTERPRISES

NAME OF PUBLIC CORPORATION/ PRIVATE ENTERPRISE	TRANSFER ALLOCATION				EXPENDITURE				2014/15
	Adjusted Appropriation Act	Roll Overs	Adjustments	Total Available	Actual Transfer	Available funds Transferred	Capital	Current	
	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	R'000
Public Corporations									
Transfers									
Mpumalanga Economic Growth Agency (MEGA)	206,656			206,656	206,656	100			171,605
	206,656			206,656	206,656	100			171,605
Total	206,656	-	-	206,656	206,656	100	-	-	171,605
Private Enterprises									
Transfers									
Zithabisi Resort and Conference Centre	21,000			21,000	21,000	100			19,000
	21,000			21,000	21,000	100			19,000
Subsidies									
Total	21,000			21,000	21,000	100			19,000
TOTAL	227,656	-	-	227,656	227,656	100	-	-	190,605

**ANNEXURE 4
STATEMENT OF TRANSFERS TO HOUSEHOLDS**

HOUSEHOLDS	TRANSFER ALLOCATION				EXPENDITURE		2014/15
	Adjusted Appropriation Act	Roll Overs	Adjustments	Total Available	Actual Transfer	% of Available funds Transferred	Appropriation Act
	R'000	R'000	R'000	R'000	R'000	%	R'000
Transfers					320		477
Leave Gratuity					320		477
Subsidies					-		
					-		
					-		
Total					320		477

ANNEXURE 5
STATEMENT OF CONTINGENT LIABILITIES AS AT 31 MARCH 2016

Nature of Liability	Opening Balance 1 April 2015	Liabilities incurred during the year	Liabilities paid/ cancelled/ reduced during the year	Liabilities recoverable (Provide details hereunder)	Closing Balance 31 March 2016
	R'000	R'000	R'000	R'000	R'000
Claims against the department					
MW Nkosi and 3 others	13,547		13,547		-
Makgamatha v/s dedet	1,217				1,217
Macbeth Attorneys / MEC dedet	380			-	380
M Leonard / Liquor Board	3		3	-	
Siya Embili Properties	21		21		
BP Mnisi v/s MEC & MTPA		500			500
Subtotal	15,168	500	13,571	-	2,097
TOTAL	15,168	500	13,571	-	2,097

**ANNEXURE 6
INTER-GOVERNMENT PAYABLES**

GOVERNMENT ENTITY	Confirmed balance outstanding		Unconfirmed balance outstanding		TOTAL		Cash in transit at year end 2015/16	
	31/03/2016	31/03/2015	31/03/2016	31/03/2015	31/03/2016	31/03/2015	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
DEPARTMENTS								
Current								
Department of Public Works, Roads and Transport	-	1,757	151		151	1,757		
Department of Justice and Constitutional Development	38	-	-	-	38	-		
Office of the Premier	48		48		96			
Government Printing Works	8				8			
Subtotal	94	1,757	199		293	1,757		
Total	94	1,757	199	-	293	1,757		



MLA

MPUMALANGA LIQUOR AUTHORITY



Part F:

**Mpumalanga Liquor Authority
Annual Financial Statements**

TABLE OF CONTENTS

The report and statements set out below comprise the Annual Financial Statements presented to the stakeholders

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PUBLIC ENTITY'S GENERAL INFORMATION

Registered name:	Mpumalanga Liquor Authority
Physical address:	14 Bateleur Building, Nel Street, Mbombela, 1200
Postal address:	Private Bag x 11215, Mbombela, 1200
Telephone number:	027 13 752 3761
Fax number:	027 13 752 3729
External Auditors:	The Auditor- General South Africa, P.O.Box 446 Pretoria, 0001
Bankers:	Standard Bank of South Africa The Grove Lifestyle Centre
Board Secretary:	Sasa Molobela (1 March 2015 to date)

REPORT OF THE AUDITOR-GENERAL TO THE MPUMALANGA PROVINCIAL LEGISLATURE ON THE MPUMALANGA LIQUOR AUTHORITY

Report on the financial statements

Introduction

1. I have audited the financial statements of the Mpumalanga Liquor Authority set out on pages 187 to 192, which comprise the statement of financial position as at 31 March 2016, the statement of financial performance, statement of changes in net assets and statement of cash flows for the year then ended, as well as the notes, comprising a summary of significant accounting policies and other explanatory information.

Accounting authority's responsibility for the financial statements

2. The accounting authority is responsible for the preparation and fair presentation of these financial statements in accordance with the South African Standards of Generally Recognised Accounting Practice (SA Standards of GRAP) and the requirements of the Public Finance Management Act of South Africa, 1999 (Act No. 1 of 1999) (PFMA), and for such internal control as the accounting authority 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 adverse audit opinion.

Basis for adverse opinion

Revenue

6. The entity incorrectly recognised amounts collected on behalf of the Department of Economic Development and Tourism and from which no economic benefits would flow to the entity in accordance with GRAP 9, Revenue from exchange transactions. Consequently, revenue was overstated by R8 065 000, payables was understated by R819 000, and expenditure was overstated by R7 246 000.

Opening balances

7. I was unable to determine the effect of errors that may exist in the opening balances of the various account balances re-

flected in the financial statements, as financial statements for the 2013-14 and 2014-15 financial years were not submitted for audit purposes. My opinion on the current period's financial statements is also modified because of the possible effects of this matter on the comparability of the current period figures and the corresponding figures.

Adverse opinion

In my opinion, because of the significance of the matters described in the basis for adverse opinion paragraphs, the financial statements do not present fairly the financial position of the Mpumalanga Liquor Authority as at 31 March 2016 and its financial performance and cash flows for the year then ended, in accordance with the SA Standards of GRAP and the requirements of the PFMA.

Report on other legal and regulatory requirements

Predetermined objectives

8. I was unable to report on the usefulness and reliability of the reported performance information, as the entity's annual performance report was not prepared as required by section 55(2)(a) of the PFMA.

Compliance with legislation

9. I performed procedures to obtain evidence that the entity had complied with applicable legislation regarding financial matters, financial management and other related matters. My material findings on 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

10. The financial statements submitted for auditing were not prepared in accordance with the prescribed financial reporting framework and were not supported by full and proper records, as required by section 55(1)(a) and (b) of the PFMA. Uncorrected material misstatements of revenue and expenditure resulted in the financial statements receiving an adverse audit opinion.

Internal control

11. I considered internal control relevant to my audit of the financial statements and compliance with legislation. The matters reported below are limited to the significant internal control deficiencies that resulted in the basis for the adverse opinion and the findings on compliance with legislation included in this report.

Leadership

12. As the accounting authority did not review the financial statements before submitting them for auditing, the following matters were not identified and corrected:
 - The accrual basis of accounting that was not implemented.
 - The incorrect recognition of revenue.
13. The entity is not yet fully capacitated to enable it to operate fully.

REPORT ON THE AUDITOR GENERAL

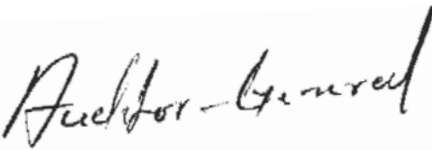
For the year ended 31 March 2016 - Mpumalanga Liquor Authority

Financial and performance management

14. The financial statements contained numerous misstatements that were not corrected. This was mainly due to staff not fully understanding the requirements of the financial reporting framework.

Governance

15. The entity did not have an internal audit function to review internal control and provide recommendations for addressing deficiencies.
16. The audit committee did not review the financial statements before their submission to the external auditors.



Mbombela

31 July 2016



AUDITOR - GENERAL
SOUTH AFRICA

Auditing to build public confidence

STATEMENT OF RESPONSIBILITY FOR THE ANNUAL FINANCIAL STATEMENTS

The Public Finance Management Act requires the Board of Directors of the MLA to ensure that the entity keeps full and proper records of its financial affairs. The annual financial statements should fairly represent the state of affairs of the MLA, and its financial position at the end of the financial year in terms of the prescribed standards of Generally Recognised Accounting Practices and relevant International Financial Reporting Standards (IFRS).

The Board Members are responsible for monitoring the preparation of the Annual Financial Statement. The Auditor General South Africa is responsible for independently auditing and reporting of Annual Financial Statements.

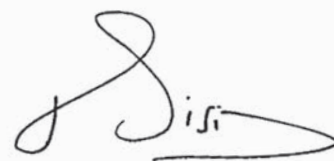
The Annual Financial Statements are prepared in accordance with the prescribed standards of Generally Recognised Accounting Practices and relevant International Financial Reporting Standards (IFRS) and incorporate disclosures in line with the accounting policies of the MLA. The Annual Financial Statements are based on appropriate accounting policies consistently applied and supported by reasonable and prudent judgements and estimates and are prepared on the on-going basis.

The Annual Financial Statement for the year ended 31 March 2016 set out on pages 187-192 were approved on the 29 July 2016 by the MLA Board appointed in terms of the MLA Act, 2006 which has assumed the responsibilities of the board and are signed on its behalf by:



Mr JS MATSANE

Chairperson of the Board
Mbombela



Mr NB LUBISI

Acting Chief Executive Officer

REPORT OF THE ACCOUNTING AUTHORITY

1. BACKGROUND

The MLA is a juristic person established in terms of the MLA Act, 2006 and is registered as a Schedule 3C Public entity in terms of the PFMA Act (Act 1 of 1999). The MLA's main shareholder is the Department of Economic Development and Tourism from which it receives its funding and revenue is transferred to.

2. REVIEW OF ACTIVITIES MAIN BUSINESS AND OPERATIONS

The objective of the MLA is to fulfil its mandate in terms of the MLA Act, 2006 which entails:

Regulating the registration of retail sales and micro manufacturing of liquor in the rovince and facilitating the new entrants into the industry; Encouraging and supporting the liquor industry in the management and reduction of socio-economic impact and other costs of excessive alcohol consumption; The operating Results and state of affairs of the MLA are fully set out in the attached Annual Financial Statement.

Financial Performance	2016	2015
	R '000	R '000
Total Assets	960	273
Total Liabilities	960	273

3. MEMBERS IN OFFICE DURING THE REPORTING PERIOD

JS Matsane	Appointed 07 July 2014
BR Makamo	Appointed 07 July 2014
TE Mawelele	Appointed 07 July 2014
MCN Sephiri	Appointed 07 July 2014
VRS Ngobe Nkosi	Appointed 07 July 2014
Dr PP Lombard	Terminated 12 December 2015
SW Lubisi	Appointed 01 March 2016
MR Lubisi	Appointed 01 March 2016

STATEMENT OF FINANCIAL POSITION

ASSETS	Notes	2016 R'000	2015 R'000
Current Assets		960	273
Cash and Cash Equivalents	1	960	273
TOTAL ASSETS		960	273
LIABILITIES			
Current Liabilities		960	273
Taxes and Transfers Payable	2	960	273
TOTAL LIABILITIES		960	273
Net Assets		-	-
Accumulated Surplus/ (Deficit)		-	-
TOTAL NET ASSETS AND LIABILITIES		960	273

STATEMENT OF FINANCIAL PERFORMANCE

	Notes	2016 R'000	2015 R'000
REVENUE			
Revenue from exchange transactions		8 065	1 991
Sale of Goods & Rendering of Services	3	8 065	1 991
TOTAL REVENUE		8 065	1 991
EXPENSES			
Grants and subsidies paid	4	(7 246)	(1 934)
General Expensed	5	(133)	(57)
TOTAL EXPENSES		(7 379)	(1 991)
SURPLUS/ (DEFICIT) FOR THE PERIOD NET OF TAX		686	-

STATEMENT OF CHANGES IN NET ASSETS

	Accumulated Surplus/ (Deficit)	Total Net Assets
	R'000	R'000
FOR THE YEAR ENDED 31 MARCH 2014		-
Changes in accounting policy		-
Correction of prior period error		-
FOR THE YEAR ENDED 1 APRIL 2014		-
Surplus / (Deficit) for the period as per statement of financial position		-
Transfers to / from accumulated surplus/ (deficit)		-
FOR THE YEAR ENDED 31 MARCH 2015		-
Changes in accounting policy		-
Correction of prior period error		-
	-	
FOR THE YEAR ENDED 1 APRIL 2015		-
Surplus / (Deficit) for the period		
as per statement of financial position	686	686
Transfers to / from accumulated		
surplus/ (deficit)	(686)	(686)
FOR THE YEAR ENDED 31 MARCH 2016	-	-

STATEMENT OF CASH FLOW

	Notes	2016 R'000	2015 R'000
Cash flow from operating activities			
Receipts		8 065	1 990
Sale of Goods and Rendering Services		8 065	1 990
Payments		(7 378)	(1 990)
Goods and Services		(133)	(56)
Other Payments		(7 245)	(1 934)
Net cash flows from operating activities	6	687	-
Net cash flows from investing activities		-	-
Net cash flows from financing activities		-	-
Net increase/ (decrease) in cash and cash equivalents		687	-
Cash and Cash Equivalents at the beginning of the year		273	273
Effect of exchange rate movement on cash balances		-	-
Cash and cash equivalents at the end of the year	1	960	273

ACCOUNTING POLICIES

1. Presentation of Annual Financial Statements

The Financial Statements are prepared in accordance with the prescribed Standards of Generally Recognised Accounting Practices (GRAP).

2. Significant Judgements

In preparing the Annual Financial Statements, Management is required to make estimates and assumptions that effect the amounts represented in the Annual Financial Statements and related disclosures. Use available information and the application of judgement are inherent in the formation of estimates. Actual results in the future could differ from these estimates which may be material to the Annual Financial Statements.

3. Cash and Cash Equivalents

Cash and Cash Equivalents comprise cash on hand and demand deposits and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value. These are initially and subsequently recorded at fair value.

4. Revenue

Revenue from the sale of goods is recognised when all the following conditions have been satisfied:

- The MLA has transferred to the buyer the significant risks and rewards of ownership of the goods;
- The MLA retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- The amount of revenue can be measured reliably;
- It is probable that the economic benefits associated with the transactions will flow to the MLA; and
- The costs incurred or to be incurred in respect of the transaction can be measured reliably.

Revenue is measured at the fair value of the consideration received or receivable and represents the amount receivable for goods and services provided in the normal course of business, net of trade discounts and volume rebates.

Interest is recognised, in surplus or deficit, using the effective interest rate method.

NOTES TO THE FINANCIAL STATEMENTS

	2016 R'000	2015 R'000
1 Cash and Cash Equivalents		
Cash and Cash Equivalents consist of the following:		
Cash at the Bank	960	273
Total Cash and Cash Equivalents	960	273
2 Taxes and Transfer Payable		
Taxes and Transfer Payable (Exchange)	960	273
Total Taxes and Transfers Payable	960	273
3 Revenue from exchange Transactions –Sale of Goods and Services		
Revenue from Exchange Transactions		
– Sale of Goods and Services	8 065	1 991
4 Grants and Subsidies Paid		
Total grants and subsidies paid	7 246	1 934
5 General Expenses		
Included in general expenses are the following:		
Bank Charges	103	39
Legal Expenses	30	-
Other	-	18
	133	57
6 Cash Flows from Operating Activities		
Surplus/ (Deficit) for the year from:		
Continuing operations	686	-
Operating surplus before working		
Capital changes:	686	-
Net cash flows from operating activities	686	-
	2016 R'000	2015 R'000
7 Events after the reporting date		
Non Adjusting events		
Revenue received by DEDT	0.4	-