



**economic development
& tourism**

MPUMALANGA PROVINCE
REPUBLIC OF SOUTH AFRICA

DEPARTMENT OF ECONOMIC DEVELOPMENT AND TOURISM

MPUMALANGA PROVINCE

VOTE NO. 06

ANNUAL REPORT

2016/2017



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PART A: *General Information*

1. GENERAL INFORMATION OF THE DEPARTMENT

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2. LIST OF ABBREVIATIONS/ACRONYMS

APP	Annual Performance Plan
BBBEE	Broad Based Black Economic Empowerment
CC	Close Corporation
CCTV	Closed Circuit Television
CFO	Chief Financial Officer
CIPC	Companies and Intellectual Property Commission
CPA	Consumer Protection Act
COP	Congress of Parties
CRDP	Comprehensive Rural Development Programme
CSI	Corporate Social Investment
DBSA	Development Bank of South Africa
DEDT	Department of Economic Development and Tourism
DESD	Decade of Education for Sustainable Development
DOE	Department of Education
DoL	Department of Labour
DPE	Department of Public Enterprise
DPSA	Department of Public Service and Administration
DTI	Department of Trade and Industry
EEP	Employment Equity Plan
EHWP	Employee Health and Wellness Programme
EIC	Enterprise Information Centre
EMC	Executive Management Committee
FTC	Food Technology Centre
FURNTECH	Furniture Technology
GDP	Growth Domestic Product
GIAMA	Government Immoveable Asset Management Act
GIS	Geographical Information System
HDI	Historically Disadvantaged Individual
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

IYM	In-Year-Monitoring
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
MINMEC	Ministers and Members of Executive Council
MINTECH	Ministers and Technical's Team
MISS	Minimum Information Security Standards
MLA	Mpumalanga Liquor Authority
MOU	Memorandum of Understanding
MPG	Mpumalanga Provincial Government
MSI	Mpumalanga Steel Initiative
MTGS	Mpumalanga Tourism Growth Strategy
MTI	Mpumalanga Tooling Initiative
MTPA	Mpumalanga Tourism and Parks Agency
MUNMEC	Municipalities and Member of Executive Council
NCC	National Consumer Commission
NDA	National Development Agency
NDP	National Development Plan
NEF	National Empowerment Fund
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	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
PSETA	Public Service Education and Training Authority

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
SMME	Small, Medium and Micro Enterprise
SMS	Senior Management Service
SONA	State of the Nation Address
SOPA	State of the Province Address
TOR	Terms of reference
TIPA	Trade and Investment Promotion Agency



Mr SE KHOLWANE, MPL
MEC: Finance, Economic
Development and Tourism

3 FOREWORD BY THE MEC

The programmes of the Department for the year under review were anchored on the National Development Plan and relevant strategic priorities as outlined in the 2016/17 State of the Province Address.

While the world's economic environment and the resultant domestic fiscal challenges continues to affect our service delivery programmes, we remained steadfast in our resolve to radically alter the exclusive and often suppressive economic discourse in order to improve the socio- economic wellbeing of our people.

Working together with business, labour and civil society, we undertook programmes aimed at placing the provincial economy on a growth trajectory, as this is the only leverage we have as a people, to make a meaningful impact in the lives of the people of Mpumalanga.

We can therefore look back with some level of comfort that the Department has made important strides in pursuance of the priorities of the government during the period under review, amongst which include:

- The completion of studies on the three (3) Industrial Centres (regions) of Competence as part of the initiatives to expand the province's industrial base, focusing mainly on beneficiation, agro-processing and value chain development.
- The completion of a feasibility study for the establishment of a horse racing track in line with the dual plan to grow provincial revenue and improve tourism offerings in Mpumalanga.
- We have set in motion a provincial government's programme to transit to a low carbon and sustainable economy, following a successful Green Economic Roundtable held in August 2016.
- Through our uncompromising stance on consumer rights, our consumer courts restored faith in the system of government that cares for the vulnerable members of our society. We have also recouped amount in excess of R6 million from unscrupulous businesses and put it back into consumers' pockets.

We will continue to implement these and many other initiatives that are aimed to boost the provincial economy and thereby creating much-needed jobs.

A key focus of our performance plan for the 2017/18 financial year will be the Social Enterprise Development Model and the Government Nutrition Programme, which will be supported through targeted financial and non-financial support programmes.

Work is underway to review the Provincial Small Business Development Strategy to align it to our socio-economic transformation agenda through the integration of the procurement set asides for youth, women and people with disabilities.

Working together with other government institutions such as MEGA, NEF and the IDC we will seek to expand access to opportunities for Small, Medium and Micro enterprises in the Province.

We will in 2017/18 enhance infrastructure at the iconic tourism sites like Blyde River Canyon, Pilgrims Rest and the proposed Barberton Makhonjwa Mountain World Heritage Site, and support other initiatives that are aimed to boost domestic and interactional tourism in the Province.

As part of supporting the growth of the sector, the Department will review the Mpumalanga Tourism Growth Strategy and prioritise the Development of the Tourism Policy Framework. We will also take forward the process of completing the legislative framework for the new provincial economic regulator which will enable the merger of MGB with MLA.

I would like to thank the then Acting Head of Department, Mr JS Mgidi, and the current Head of the Department, Mr MW Mkhize, for the sterling work done in executing the policy mandate on economic development. I would also like to thank the Chairpersons, Members of the Boards, CEOs and Management Teams of our Entities for ensuring continued implementation of government programmes.



Mr SE KHOLWANE (MPL)
MEC FOR FINANCE AND 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:

Mpumalanga Provincial Government successfully hosted the 2016 International Cooperative Day. The Department supported the staging of the three (3) Districts Cooperative Day events as a build up towards the main event that was held in Mbombela. Ninety (90) cooperatives participated in the Districts events. Thirty (30) Mpumalanga cooperatives exhibited their products in the International Cooperatives Day alongside other cooperatives from other provinces. Through the Tyre Initiative Programme, twenty (20) Tyre businesses were supported with training, business assessment, branding and credit for tyre stock through the partnership with Sumitomo Rubber SA (Pty) Ltd. An agreement to resuscitate township retail shops was entered into with NAFCOC and identified businesses to participate in the initiative were profiled.

The Department, given the fact that it has to provide thought leadership over economic issues, has begun to realign and position itself to live up to the expectations. Although the implementation of the OD report has been slow, due to quite number of factors, the Department has positioned itself in guiding the Province in all economic related issues.

It has begun to develop and align the Provincial 9 Point Plan with that of the National 9 Point Plan. Over the past year, the Department managed to complete the Green Economy Development Plan which seeks to guide the Province on issues of going green and thereby reducing the Carbon foot print. The Department, in its quest to industrialise the province, has completed the feasibility study for the establishment of the Petrochemicals Industrial Park in Secunda. Draft reports for the two feasibility studies for the Mining and Metals (at Nkangala District) and the Agriculture & Forestry at (Ehlanzeni District) Industrial Technology Parks have been produced. It is with noting that the Department has also completed the Trade and Investment Strategy with its Implementation Plan.

4.2 Overview of the financial results of the Department:

Departmental receipts

The main revenue sources for the Department are the gambling levies collected through the Mpumalanga Gambling Board (MGB) as well as Liquor Licence Fees through the 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:

Departmental receipts	2016/2017			2015/2016		
	Estimate	Actual Amount Collected	(Over)/ Under Collection	Estimate	Actual Amount Collected	(Over)/ Under Collection
	R'000	R'000	R'000	R'000	R'000	R'000
Tax Receipts	107,925	94,632	13,293	101,801	96,616	5,185
Casino taxes	79,388	74,307	5,081	75,608	73,420	2,188
Horse racing taxes	9,176	19,139	(9,963)	8,332	15,950	(7,618)
Liquor licences	19,361	1,186	18,175	17,861	7,246	10,615
Fines, penalties and forfeits	-	-	-	410	-	410
Interest, dividends and rent on land	958	1,410	(452)	912	1,068	(156)
Financial transactions in assets and liabilities	467	9,168	(8,701)	-	-	-
Other income	145	177	(32)	583	137	446
Total	109,495	105,387	4,108	103,706	97,821	5,885

Total revenue collected on behalf of the Department was R 105,387,000 against a target of R 109,495,000 which represents an under collection of 4%. The, under-collection was mainly on Liquor Licenses.

Programme Expenditure

The table below shows the Department's expenditure per programme for the current year:

Per Programme	2016/2017			2015/2016		
	Final Appropriation	Expenditure R'000	(Over)/Under Expenditure	Final Appropriation	Expenditure R'000	(Over)/Under Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
Administration	77,073	76,122	951	81,497	79,890	1,607
Integrated Economic Development	444,236	442,802	1,434	262,398	262,048	350
Trade and Sector Development	23,565	22,759	806	19,259	18,234	1,025
Business Regulation and Governance	93,119	92,951	168	84,030	83,240	790
Economic Planning	13,794	13,704	90	16,906	16,635	271
Tourism	350,355	350,231	124	335,391	335,180	211
TOTAL	1,002,142	998,569	3,573	799,481	795,227	4,254

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

Per Economic Classification	2016/2017			2015/2016		
	Final Appropriation	Expenditure	(Over)/Under Expenditure	Final Appropriation	Expenditure	(Over)/Under Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
Compensation of Employees	121,627	118,100	3,527	121,041	118,581	2,460
Goods and Services	62,221	62,170	51	76,426	74,632	1,794
Transfers	751,093	751,098	(5)	598,404	598,404	-
Payment of Capital Assets	67,181	67,181	-	3,610	3,610	-
Payment of Financial Assets	20	20	-	-	-	-
TOTAL	1,002,142	998,569	3,573	799,481	795,227	4,254

The Department spent 99.6% of the total appropriated budget. The under spending on compensation of employees was caused by vacant posts due to termination of services during the financial year through transfer (out), resignation and retirement and the non-payment of performance incentives since non-performance assessment were not finalized at senior management level.

Goods and Services were under spent due to feasibility studies for two Technology Parks not completed.

4.3 Virements/roll overs

Post Adjustments were processed by the Department which did not have an effect to the budget allocation. The following virements were processed:

- Programme 1: Administration**

An amount of R1,336,000 was shifted from Compensation of Employees to fund overspending on compensation of Employees in Programme 4 and financial and capital assets in Programme 1, and an amount of R1,231,000 was shifted from Goods and Services to fund overspending in leave gratuity within the Programme as well as goods and services in Programme 2.

- **Programme 2: Integrated Economic Development**

An amount of R2,518,000 was shifted to the goods and services from other programmes to fund goods and services and leave gratuity.

- **Programme 3: Trade and Sector Development**

An amount of R993,000 was shifted from goods and services to fund Programme 2 goods and services.

- **Programme 4: Business Regulations**

An amount of R1,035,000 and R38,000 was shifted from compensation of employees from programme 1 and within the programme to fund Compensation of Employees. An amount of R327,000 was shifted from goods and services to fund goods and services in Programmers 2.

- **Programme 5: Economic Planning**

An amount of R189,000 was shifted from goods and services to fund goods and services in Programme 2 (R104,000) and Programme 6 (R85,000).

- **Programme 6: Tourism**

An amount of R85,000 was shifted from goods and services in Programme 5 to fund goods and services.

4.4 Unauthorized, irregular, fruitless and wasteful expenditure

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

4.5 Future plans of the Department

The Department is still busy with the process of organisational re-design. This process is at an advanced stage of implementation as all the issues have been clearly specified. The Department is going to be focusing on implementing the Social Enterprise Development Model and the Government Nutrition Programme which seek to empower the disadvantaged groups and bring them into the mainstream economy. The programme also seek to stimulate and revitalise the township and rural economy with the intention of creating the much-needed jobs.

The Department, as part of the industrialisation process, will be focusing on implementing the feasibility study reports. The process will be to finalise the Environmental Impact Assessments with a view of attracting investments into the parks once the process has been finalised.

The Mpumalanga Liquor Authority (MLA) was listed as a stand-alone entity by the National Treasury as from the 1 April 2015. However, the Department has been focusing on merging the MLA with MGB with a view of creating one economic regulator that is going to be called the Mpumalanga Economic Regulator (MER). The merger process will be finalised in the 2017/18 financial year. The Department will also be working towards finalising the Creative Industry Bill and the Tourism Bill. Over and above this, the Department will be focusing on developing strategies and plans which will help in stimulating growth in the various sectors of the economy.

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 organizational re-design process. It is only once this process is completed, the Department will be able to determine which activities will be transferred or received from its Entities. The Mpumalanga Liquor Authority (MLA), which has completely de-linked from the Department and is a standalone entity, is now fully performing the liquor licensing function.

4.8 New or proposed activities

As mentioned the Department will be able to determine which activities will be transferred or received from its Entities once the organisational redesign process has been completed. However, the merging of MLA with MGB and the creation of a Creative Industry Commission are the main new or proposed activities of the Department.

4.9 Supply chain management

All assets acquired during the period under review were recorded in the asset register, with proper liaison between assets controllers and procurement practitioners regarding assets acquisition and delivery notes before distribution to the relevant end users. 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 LOGIS in order to update the movements of assets in the Asset Register. Asset verifications are performed at least twice in a year to ensure that the assets register is updated regularly.

During the year under review, obligations and assets of the Mpumalanga Liquor Authority (MLA) were transferred from the Department to the entity. This process was managed effectively with the signing of transfer certificates by the respective Accounting Officers and processed 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 that have happened after the balance sheet date warrant adjustment of the financial statements.

4.13 Other

None

4.14 Acknowledgement or Appreciation

I would like to appreciate the Honourable MEC for his sterling leadership; the Senior Management, CEOs of our Public Entities and employees of the Department and Public Entities for their support and dedication to the economic development and transformation agenda of our Province.

4.15 Conclusion

The annual financial statements set out on page 132 to 186 have been approved by the Accounting Officer.

Approval and sign off



Mr. MW Mkhize
Accounting Officer
Department of Economic Development and Tourism
Date: 31 May 2017

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 of 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 on this information.

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

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

In my opinion, the annual report fairly reflects the operations, the performance information, the human resources information and the financial affairs of the department for the financial year ended 31 March 2017.

Yours faithfully



Accounting Officer

Mr. MW Mkhize

Date: 31 May 2017

6. STRATEGIC OVERVIEW

6.1 Vision

An Inclusive, Global Competitive Economy.

6.2 Mission

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

6.3 Values

VALUE	VALUE STATEMENT
Integrity	Officials must be dedicated to the adherence to 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.

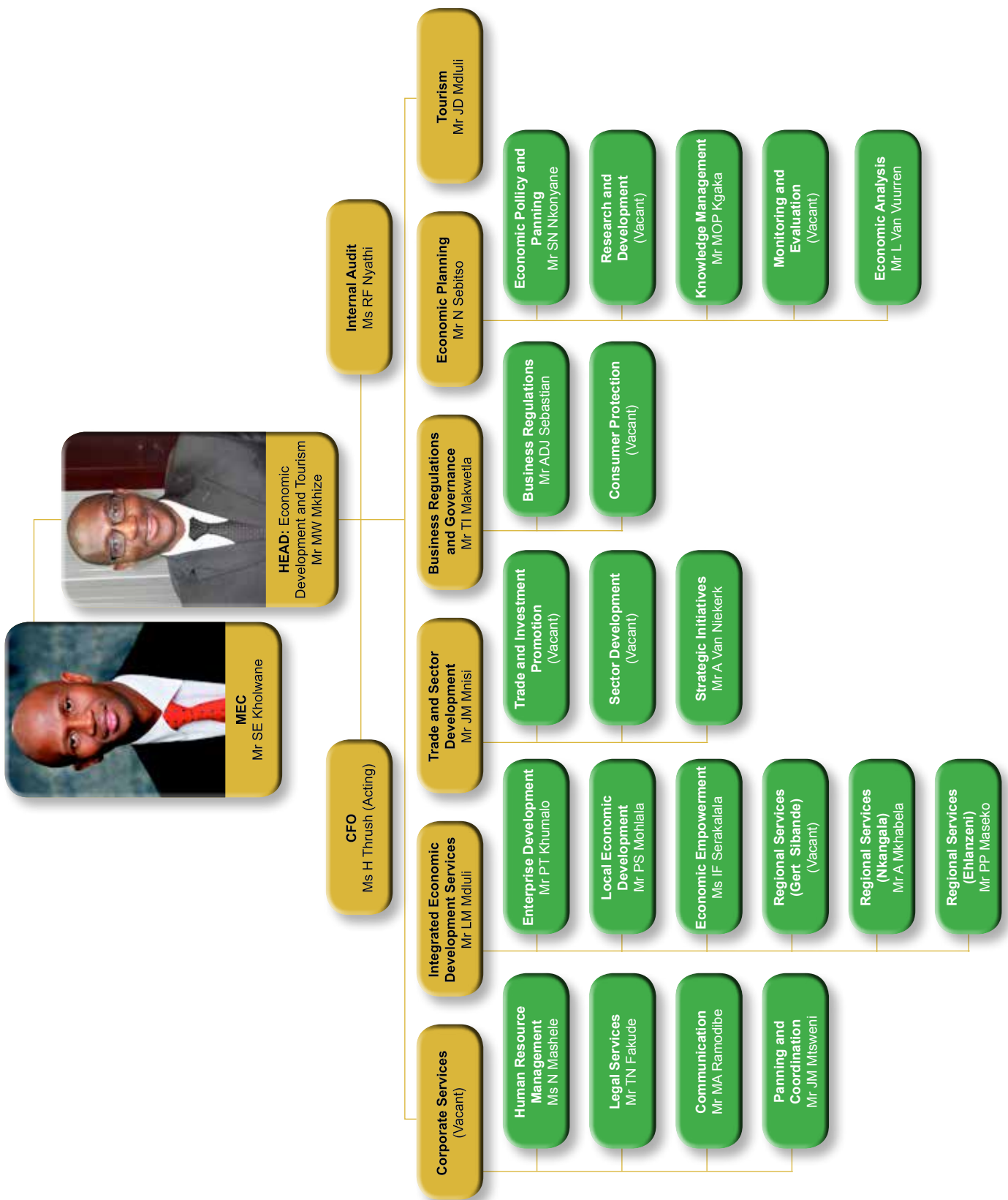
7. LEGISLATIVE AND OTHER MANDATES

CONSTITUTIONAL MANDATES	PURPOSE
The constitution of the Republic of South Africa, Act 108 of 1996; to protect citizens and afford them rights.	<p>The Department's mandate includes regulatory functions that are meant to promote fair trade, protection of the consumer rights as envisaged in Sections 22 and 24 of the Bill of Rights.</p> <p>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.</p>




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 gambling; 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 & 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. By ensuring that the Liquor Board regulates the issuing of liquor licences and conduct inspections to minimise the ill effects of unregulated consumption. Implementation and overseeing activities of Liquor Board.
National Gambling Act 59 of 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, wagering and to provide for the continued regulation of those matter. The Department is to ensure that the Mpumalanga Gambling Act is aligned to national norms and standards established in terms of the National Gambling Act.
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. The Department 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 2007.	<ul style="list-style-type: none"> To provide for the regulation of the liquor industry in the province; and for matters connected within. Directly responsible through the establishment of the Public Entity not yet implemented through the Directorate of Business Regulations.
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 carrying on of business.
National Small Business Enabling Act.	<ul style="list-style-type: none"> To provide for Small Business to enter the economic frame. The Department is responsible for the creation of a conducive environment for the promotion, support and development of small businesses in the province. Municipalities to 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.

8. ORGANISATIONAL STRUCTURE



9. ENTITIES REPORTING TO THE MEC

NAME OF ENTITY	LEGISLATIVE MANDATE	FINANCIAL RELATIONSHIP	NATURE OF OPERATIONS
<p>Mpumalanga Economic Growth Agency</p> 	<p>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; and to deliver massive infrastructure in Mpumalanga.</p>	<p>Transfer payments in line with the Shareholders Compact.</p>	<p>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; and To grant housing loans to the needy and previously advantaged.</p>
<p>Mpumalanga Tourism and Parks Agency</p> 	<p>To provide for the sustainable development and improvement of the tourism industry in Mpumalanga.</p>	<p>Transfer payments in line with the Shareholders Compact.</p>	<p>To provide for effective management and conservation of biodiversity and ecosystems within the Province. To develop and ensure effective management of protected areas; and 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>
<p>Mpumalanga Gambling Board</p> 	<p>To regulate the Gambling Industry as per the Act; To promote responsible gambling within the Province; Within the next 5 years, the Agency will try to implement the 4th Casino</p>	<p>Transfer payments in line with the Board Charters.</p>	<p>To ensure that the industry is regulated and functions within the parameters of the Law; and To promote responsible gambling within the Province.</p>
<p>Mpumalanga Liquor Authority</p> 	<ul style="list-style-type: none"> To provide for the regulation of the micro-manufacturing and retail sale of liquor; To regulate own revenue generations (section 5, subsection 2). To reduce the socio-economic and other related cost of alcohol abuse; To provide for public participation in the consideration of applicants for registration/licensing; and To promote the development of a responsible and sustainable retail and micro-manufacturing liquor industry in a manner that facilitates: The entry of new participants into the industry; Diversity of ownership in the industry; and an ethos of social responsibility in the industry. 	<p>Transfer payments in line with the Board Charters.</p>	<ul style="list-style-type: none"> To improve the process licensing, as well as expand and standardise industry compliance and enforcement; To provide an enabling environment in human capital, finance and ICT; To engender a high governance ethos; and To ensure effective and efficient administration and management of the Organisation.





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:** Integrated Economic Development Services
- **Programme 3:** Trade and Sector Development
- **Programme 4:** Tourism

The details of the AGSA report can be found on page 127

2. OVERVIEW OF DEPARTMENTAL PERFORMANCE

2.1 Service Delivery Environment

The Department has during the period under review been confronted with the objective of changing the approach in as far as service delivery is concerned. This meant that the Department had to submit the newly developed organogram which will make it fit for purpose.

As a result, quite a number of posts which became vacant were abolished in line with the Provincial decision to enable the Department to fill posts in line with the proposed organisational structure upon approval. This has added strain on the provision of services to our clients. However, despite all the challenges, the Department managed to perform better in comparison with the previous financial years. During the year under review, the Department achieved 96% which implies that 66 of the 69 planned targets were implemented. This indicates a 25% increase compared to the 71% performance level recorded in the 2015/16 financial year.

Notably, the services rendered directly to the public relate to the consumer cases. During the year under review, 1632 cases were received, advisory services provided thereon and investigated. Out of this, 1595 cases were resolved which exceeded our target by 195. The current economic challenges may increase the number of cases received as most people may be confronted by unscrupulous practices of some of the service providers.

The Department will work hard in ensuring that it meets the service delivery demands of the public despite the challenges of human resource capacity faced.

2.2 Service Delivery Improvement Plan

The Department has completed a Service Delivery Improvement Plan (SDIP). 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
Consumer protection services	Consumers in the Province	459 consumer education and awareness campaigns conducted, and 1786 consumer cases resolved.	To conduct 364 consumer education & awareness programmes as well as investigate and resolve 1400 consumer cases.	515 consumer education and awareness campaigns conducted in addition to resolving 1595 of the 1632 consumer cases received.

Batho Pele arrangements with beneficiaries (Consultation access etc.)

Current/Actual arrangements	Desired Arrangements	Actual achievement
Members of the public and clients were consulted through the following arrangements: walk-in interfaces, road shows, radio and print media channels.	<p>Endeavour to understand the needs and expectations of the public and clients by creating mutually beneficial interactional processes, including:</p> <ul style="list-style-type: none"> • Walk-in interfaces; • Road shows; and • Radio and print media channels. 	<p>In our endeavour to understand the needs and expectations of the public and clients, the following mutually beneficial interactional processes were amongst others conducted;</p> <ul style="list-style-type: none"> • Walk-in interfaces; • Road shows; and • Radio and print media channels.

Service delivery information tool

Current/Actual arrangements	Desired Arrangements	Actual achievement
14 partnership engagements conducted to promote prioritised sectors.	To conduct 12 partnership engagements to promote prioritised sectors and the work of the Department.	A total of 21 partnership engagements conducted.
459 consumer education and awareness campaigns conducted	To conduct 365 consumer education and awareness campaigns.	515 consumer education and awareness campaigns conducted

Complaints mechanism

Current/Actual Complaints mechanisms	Desired Mechanisms	Actual achievement
No complaints were received by the Department except the consumer cases handled.	To 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 were received the Department, except the consumer cases handled.
	To 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 were received by the Department except the consumer cases handled.

2.3 Organisational environment

In the previous years, the Department undertook a study to develop a turn-around strategy, the process culminated to the Executive Council approving that the Department submits an organisational structure to the Department of Public Service and Administration for consultation with the Minister for concurrence.

During the period under review, the organisational structure was submitted to the Office of the Premier requesting them to consult with the Minister of Public Service and Administration (MPSA) for concurrence prior to the organisational structure being approved. The Department still awaits feedback from the MPSA regarding that process.

As part of the turn-around strategy implementation, competency assessments for SMS members were conducted and a skills audit for MMS members was conducted in order to assist in identifying the strengths and areas for development of the managers.

The appointment of an HOD has brought stability in the Department given that there had been two (2) Acting HODs over a period of fourteen months. The appointment of the HOD seems to have had a positive impact on staff morale.

2.4 Key policy developments and legislative changes

The Department was requested to reorganise itself together with its entities, especially MTPA and MEGA, which are the most affected entities. The reorganisation meant the Department should begin the process of defining the role it should play vis-à-vis these entities 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 entities. The Department will thus remain with the function of thought leadership policy development, as well as 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 in this regard.

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:

In the 2011, the Department developed the Mpumalanga Economic Growth and Development Path (MEGDP) which was in response to Outcome 4: Decent employment through inclusive growth. The aim of the MEGDP as it is with Outcome 4, identified sectors which the Province has competitive advantage in- given our natural resources. In terms of the Outcome, economic infrastructure projects are critical in the development of the economy for creating decent employment. Therefore, critical infrastructure projects such as the Industrial Parks, Special Economic Zone (SEZ), Mpumalanga International Fresh Produce Market and Tourism Infrastructure Projects were prioritised.

Notably, the feasibility studies for the Technology Parks and SEZ have been completed. The Department will focus its energy on implementing the Technology Parks and the SEZ as soon as it has been designated.

In as far as the SMMEs and Cooperatives support is concerned, the Province spent approximately R70 million during the year under review. The support ranges (training, coaching and mentoring) from development to financial support provided to the SMMEs and Cooperatives. The entrepreneurs which were supported as part of Outcome 4 cover a whole range of sectors such as mining, agriculture and forestry and manufacturing.

Through partnership, the Province has done tremendously well in that a lot of projects were implemented through partnerships. As a result, in the past five years, the Provincial Economy created 130 000 net jobs achieving approximately 36% of our annual job creation target which relate to the lacklustre domestic economic growth. The public sector was a significant contributor to most jobs created in the Province.

We can report that despite global economic challenges, international tourism has grown by over 4.0 % for the past 6 years since the start of the global economic crisis in 2008/2009. South Africa's tourism performance was constrained in 2015 with international tourist arrivals declining from 9.5 million in 2014 to 8.9 million in 2015. Despite the national decline, Mpumalanga recorded an increase of 14%, with growing foreign tourist arrivals from Mozambique and Swaziland (*source: South African Tourism*).

On the domestic front, Mpumalanga suffered the second worst decrease of domestic trips of 3% in 2015 when compared to other provinces. The domestic trips to Mpumalanga decreased from 3, 3330, 000 in 2014 to 2, 156, 000 in 2015. The decline in domestic trips was largely driven by domestic tourists taking fewer trips due to tough economic times. Mpumalanga remained the fourth most visited destination by foreign tourists and fifth most visited domestic destination in 2015 (*source: South African Tourism*).

4. PERFORMANCE INFORMATION BY PROGRAMME

4.1 Programme 1: Administration

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

Programme 1 consist of the following sub- Programmes

- Office of the MEC
- Office of the Head of Department
- Internal Audit
- Financial Management
- Risk Management
- Strategic Planning Services
- Corporate Services with the following sub-programmes:
 - Human Resource Management
 - Legal Services
 - Communications
 - Security Services
 - Transversal Services

Strategic objectives for the financial year under review

- Set policy and political directives in order to achieve provincial objectives
- Translate policies and priorities into strategies for effective service delivery
- Provide efficient and effective internal audit services in the Department
- Provide effective and efficient financial management.
- Implementing risk management and anti-corruption processes in order to build an ethical organizational 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 prioritized sectors through partnership meetings; and submission of all regulatory plans and reports. The organisational redesign process was partially implemented considering the fact that the organisational structure and the placement of personnel have not been finalized, however the competence assessments for Senior Managers and a skills audit for Middle Manager has been conducted.

Sub-Programme: MEC				
Strategic objectives	Actual Achievement 2015/2016	Planned Target 2016/2017	Actual Achievement 2016/2017	Deviation from planned target to Actual Achievement for 2016/2017
Set policy and political directives in order to achieve provincial objectives	5 Priorities and strategic directives to the Department provided	Provide 3 priorities and strategic directives to the Department.	3 priorities and strategic directives to the Department provided	None
				None

Sub-programme: MEC				
Performance Indicator	Actual Achievement 2015/2016	Planned Target 2016/2017	Actual Achievement 2016/2017	Deviation from planned target to Actual Achievement for 2016/2017
Number of Policy & Budget Speech conducted	1 Policy & Budget Speech conducted	1 Policy & Budget Speech conducted	1 Policy & Budget Speech conducted	None
Number of partnerships forged and serviced to promote the prioritised sectors	14 Partnership meetings attended to promote the prioritised sectors	12 Partnership meetings attended to promote the prioritised sectors	21 Partnership meetings attended to promote the prioritised sectors	Target was exceeded by 12
				More meetings were held than anticipated

Reasons for all deviations

More meetings were held than anticipated

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 2016/17 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.

Sub-programme expenditure

Sub- Programme Name	2015/2016			2016/2017		
	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
Office of the MEC	8,393	8,261	132	6,487	7,120	(633)

Sub-Programme: HOD					
Strategic objectives	Actual Achievement 2015/2016	Planned Target 2016/2017	Actual Achievement 2016/2017	Deviation from planned target to Actual Achievement for 2016/2017	Comment on deviations
Translate policies and priorities into strategies for effective service delivery	2 Priorities and strategic directives implemented	Implement 3 priorities and strategic directives	3 Priorities and strategic directives implemented	None	None

Sub-programme: HOD					
Performance Indicator	Actual Achievement 2015/2016	Planned Target 2016/2017	Actual Achievement 2016/2017	Deviation from planned target to Actual Achievement for 2016/2017	Comment on deviations
Number of performance reports submitted	4 performance reports submitted	Submit 4 performance reports	4 performance report 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 priority sectors supported	5 priority sectors implemented	5 priority sectors supported	5 priority sectors supported	None	None

Reasons for all deviations

None

Strategy to overcome areas of under performance

None

Changes to planned targets

None

Sub-Programme: Internal Audit				
Strategic objectives	Actual Achievement 2015/2016	Planned Target 2016/2017	Actual Achievement 2016/2017	Deviation from planned target to Actual Achievement for 2016/2017
Provide efficient and effective internal audit services in the Department	1 Audit Plan implemented	Implement 1 approved audit plan	1 approved audit plan implemented	None
				Comment on deviations
				None

Sub-programme: Internal Audit				
Performance Indicator	Actual Achievement 2015/2016	Planned Target 2016/2017	Actual Achievement 2016/2017	Deviation from planned target to Actual Achievement for 2016/2017
Number of quarterly progress reports submitted on implementation of the audit plan produced	4 quarterly progress reports on implementation of the annual audit plan produced	4 quarterly progress reports on implementation of the annual audit plan produced	4 quarterly progress report produced	None
				Comment on deviations
				None

Reasons for all deviations:

None

Strategy to overcome areas of under performance

None

Changes to planned targets

None

Linking performance with budgets

The budget was utilised for the execution of the risk based Internal Audit Operational Plan. 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 expenditure

Sub-Programme	2015/16				2016/17		
	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)	7,307	7,102	205		7,409	7,594	(185)

Sub-Programme: Financial Management				
Strategic objectives	Actual Achievement 2015/2016	Planned Target 2016/2017	Actual Achievement 2016/2017	Deviation from planned target to Actual Achievement for 2016/2017
Provide effective and efficient financial management	Effective and efficient financial management systems 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 2015/2016	Planned Target 2016/2017	Actual Achievement 2016/2017	Deviation from planned target to Actual Achievement for 2016/2017
Number of financial statements produced with disclosure notes	4 financial statements were produced with disclosure notes	4 financial statements produced with disclosure notes	4 financial statement was produced with disclosure notes	None
Number IYM reports submitted	4 internal control monitoring reports were produced	12 IYM reports submitted to Provincial Treasury	12 IYM reports were submitted to Provincial Treasury	None
Number of SCM reports submitted to provincial Treasury	None	12 SCM reports submitted to Provincial Treasury	12 SCM reports were submitted to Provincial Treasury	None
Number of Assets verification conducted	None	2 Assets verification conducted	2 Asset verification conducted	None
Number of inventory counts conducted	None	2 Inventory counts conducted	2 Inventory count conducted	None
Number of budget compiled and submitted to Provincial Treasury	None	2 set of budget compiled and submitted to Provincial Treasury	2 Set of budget was compiled and submitted to Provincial Treasury	None

Reasons for all deviations:

None

Strategy to overcome areas of under performance

None

Changes to planned targets

None

Sub-Programme: Risk Management					
Strategic objectives	Actual Achievement 2015/2016	Planned Target 2016/2017	Actual Achievement 2016/2017	Deviation from planned target to Actual Achievement for 2016/2017	Comment on deviations
Implementing risk management and anti-corruption 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 2015/2016	Planned Target 2016/2017	Actual Achievement 2016/2017	Deviation from planned target to Actual Achievement for 2016/2017	Comment on deviations
Number of risk treatment monitoring reports produced	4 Risk Assessment reports produced	4 risk monitoring reports produced	4 risk monitoring report produced.	None	None

Reasons for all deviations:

None

Strategy to overcome areas of under performance

None

Changes to planned targets

None

Linking performance with budgets

Sub-programme expenditure

Sub-Programme	2015/16			2016/17		
	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
Financial Management (Risk Management)	34,824		34,028	33,728	33,426	302

Sub-Programme: Corporate Services					
Strategic objectives	Actual Achievement 2015/2016	Planned Target 2016/2017	Actual Achievement 2016/2017	Deviation from planned target to Actual Achievement for 2016/2017	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 Oversight and security audit reports produced	Organisational redesign process operationalised and reports produced	Organisational redesign process not fully operationalised and 1 report produced	Organisational redesign process not fully operationalised	The concurrence by the Ministry for Public Service and Administration is key towards the approval of the organisational structure as selection and placement is dependant on the structure

Sub-Programme: Corporate Services					
Performance Indicator	Actual Achievement 2015/2016	Planned Target 2016/2017	Actual Achievement 2016/2017	Deviation from planned target to Actual Achievement for 2016/2017	Comment on deviations
Organisational redesign report implemented and reports produced	<p>Organisational redesign was implemented as follows:</p> <ul style="list-style-type: none"> Detailed design of new functions Development of organisational structure Configuration of Regional Economic Development Service Centre (REDSC) developed Migration Framework developed The review of legislation of MTPA not achieved 	Organisational redesign process operationalised and reports produced	<p>Organisational redesign process not fully operationalised. However, the following has been achieved.</p> <ul style="list-style-type: none"> Organisational structure developed and submitted to OTP for submission to DPSA. Competency assessment for level 1-12 has been conducted and a report produced Competency assessment for SMS members has been conducted and a report produced 	<ul style="list-style-type: none"> Placement of staff Approved organisational structure 	The concurrence by the Ministry for Public Service and Administration is key towards the approval of the organisational structure as placement is dependant on the structure

Reasons for all deviations:

The plan on the placement of staff in the organisational structure was subject to the approval of the structure through concurrence of the Minister of Public Service and Administration (MPSA) thereon. The organisational structure was submitted to the Office of the Premier requesting the Premier to consult with the MPSA on behalf of the Department. To date the concurrent of the MPSA is still pending.

Strategy to overcome areas of under performance

Continuous follow ups will be made and guidance from OTP sought in respect of the conclusion of this process.

Changes to planned targets

None

Linking performance with budgets

The budget for 2016/17 assisted the sub-programme in achieving all its target. The Corporate Services under spent by R301 000 due to cases which were not claimed on time within the legal services. In the main the sub-programme managed to achieve all its planned targets which required budget.

Sub-programme expenditure

Sub-Programme	2015/16			2016/17		
	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	30,973	30,499	474	29,449	27,982	1,467

4.2 Programme 2: Integrated Economic Development Services

Purpose of the Programme: is to stimulate economic growth in the province through promotion of HDI 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

During the year under review, the programme achieved the following:

- Thirty four (34) entrepreneurs were identified and placed in the **Kickstart/MYEP** programme where they received training and business skills development. The Department contributed R499 000 towards this programme to enable the entrepreneurs to receive the required capacity building.
- Eight (8) businesses were identified for participation in the **SABS Programme**. Under the conditions of the existing MOA with SABS, needs analysis on all the participating businesses was conducted and the 8 entrepreneurs were taken through the principles and application of internationally recognised management system standards along with product testing and quality systems management training. Through this exercise, a list of recommendations to enable each business to comply with the production process standards was drawn for implementation.
- Mpumalanga Provincial Government successfully hosted the 2016 International Cooperative Day. The department supported the staging of the three (3) Districts Cooperative Day events as a build up towards the main event that was held in Mbombela. Ninety (90) cooperatives participated in the Districts events. Thirty (30) Mpumalanga cooperatives exhibited their products in the International Cooperatives Day alongside other cooperatives from other provinces. Through the Tyre Initiative Programme, twenty (20) Tyre businesses were supported with training, business assessment, branding and credit for tyre stock through the partnership with Sumitomo Rubber SA (Pty) Ltd. An agreement to resuscitate township retail shops was entered into with NAFCOG and identified businesses to participate in the initiative were profiled.
- Four (4) Scoping opportunities were identified, 2 in Secunda, 1 in Thaba-Chweu and 1 in Steve Tshwete. Four Municipalities that is Mbombela (Umjindi), Lekwa, Steve Tshwete and Emalahleni were coordinated for the implementation of plans on revitalization of mining towns.

Sub-Programme: Enterprise Development				
Strategic objectives	Actual Achievement 2015/2016	Planned Target 2016/2017	Actual Achievement 2016/2017	Deviation from planned target to Actual Achievement for 2016/2017
To facilitate support and development of business enterprises	None	Development and Implementation of SMME and Cooperatives strategies	SMME and Cooperatives strategies developed and implemented	None
				None

Sub-Programme: Enterprise Development				
Performance Indicator	Actual Achievement 2015/2016	Planned Target 2016/2017	Actual Achievement 2016/2017	Deviation from planned target to Actual Achievement for 2016/2017
<i>Number of young entrepreneurs supported through MYEP/SAB Kick start program to improve their businesses</i>	None	The development of 15 young entrepreneurs through MYEP & Kickstart programmes supported	The development of 15 young entrepreneurs through MYEP & Kickstart programmes supported	None
<i>Number of SMME supported with the process towards product certification through SABS standards</i>	None	8 SMME with the process towards product certification through SABS standards supported	8 SMME with the process towards product certification through SABS standards supported	None
<i>Number of Cooperative event /summit coordinated</i>	None	1 International Cooperative day celebration and 3 cooperative summits coordinated in all Districts	1 International Cooperative day celebration and 3 cooperative summits coordinated in all Districts	None

Reasons for all deviations:

None

Strategy to overcome areas of under performance

None

Changes to planned targets

None

Linking performance with budgets

Kickstart / MYEP

The model is based on creating high impact entrepreneurs who operate sustainable entities and are able to make a significant contribution to job creation in the country. Entrepreneurs between the ages of 18 and 35 are offered the opportunity to grow their existing businesses through a comprehensive business development support package, which includes; (Business skills training, Seed Capital, business growth development strategy and Mentorship)

The Mpumalanga Government hosted the 2016 International Cooperative Day. Cooperatives from across the entire country and those aspiring to establish their own co-operatives participated in the event. The two days of the event was used by government and its partners to obtain feedback from its stakeholders on challenges confronting co-operatives in the country and to identify opportunities that could be seized to promote the development and sustainability of cooperatives

Sub-programme expenditure

Sub-Programme	2015/16			2016/17	
	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000
Enterprise Development (Transfer and subsidies)	217,779	217,861	(82)	400,169	399,406
					763

Sub-Programme: Economic Empowerment				
Strategic objectives	Actual Achievement 2015/2016	Planned Target 2016/2017	Actual Achievement 2016/2017	Deviation from planned target to Actual Achievement for 2016/2017
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 2015/2016	Planned Target 2016/2017	Actual Achievement 2016/2017	Deviation from planned target to Actual Achievement for 2016/2017
Number of 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
Number of Black Owned businesses supported as per the BBBEEs strategy	10 Black Owned Tyre businesses supported in the three District municipalities as per the Provincial BBBEE Strategy	20 Black Owned Tyre businesses supported in the three District municipalities as per the Provincial BBBEE Strategy	20 Black Owned Tyre businesses supported in the three District municipalities as per the Provincial BBBEE Strategy	None
Number of initiatives on warehousing and township retail shops supported	Facilitated Public sector markets for Products Prioritised for BEE procurement (Clothing and Textile; Food perishables; Furniture; cleaning supplies; and Construction material)	Support initiatives to resuscitate Black-owned warehousing and township retail shops	Initiatives to resuscitate Black-owned warehousing and township retail shops supported	None

Reasons for all deviations:

None

Strategy to overcome areas of under performance

None

Changes to planned targets

None

Linking performance with budgets

The budget has enabled the Department to support previously disadvantaged individuals to grow their businesses and participate in the mainstream of the economy. Twenty local tyre businesses were supported with equipment, technical and business support training to expand their businesses.

Sub-programme expenditure

Sub-Programme	2015/16			2016/17		
	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	4,063	3,620	443	4,268	3,718	550

Sub-Programme: Regional and Local Economic Development				
Strategic objectives	Actual Achievement 2015/2016	Planned Target 2016/2017	Actual Achievement 2016/2017	Deviation from planned target to Actual Achievement for 2016/2017
To provide strategic economic development support to municipalities	Opportunities identified in four municipalities for revitalization of distressed mining towns	Identified competitive advantage of all municipalities for economic development	Opportunities for economic development in municipalities identified	None
				None

Sub-Programme: Regional and Local Economic Development				
Performance Indicator	Actual Achievement 2015/2016	Planned Target 2016/2017	Actual Achievement 2016/2017	Deviation from planned target to Actual Achievement for 2016/2017
Number of economic opportunities identified and packaged to support SMME's within the process of developing techno-parks	2 Projects per municipality packaged for investment	4 scoping economic opportunities identified and packaged to support SMME's within the process of developing techno-parks	4 opportunities packaged. 2 in Govan Mbeki, one in Thaba Chweu and one in Steve Tshwete to support SMMEs in line with the development of techno-parks.	None
Number of revitalisation plans developed	4 Plans to revitalize and diversify local economy of 4 Mining Towns developed (Umjindi, Standerton, Emalahleni and Steve Tshwete) developed	Two (2) Plans developed to revitalise and diversify local economy of Mining Towns (Mashishing and Carolina) Developed	Two (2) Plans developed to revitalise and diversify local economy of Mining Towns (Mashishing and Carolina) Developed	None
	None	Four (4) municipalities coordinated for the implementation of the plans for revitalization	Four (4) municipalities coordinated for the implementation of the plans for revitalization	None

Reasons for all deviations:

None

Strategy to overcome areas of under performance

None

Changes to planned targets

None

Linking performance with budgets

The only budget available was operational. The under expenditure of R91 000 was because of restricted traveling and over budget on personnel.

Sub-programme expenditure

Sub-Programme	2015/16			2016/17		
	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	38,587	38,544	43	38,310	38,160	150

4.3 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 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

The Programme has managed to complete the Review of the Mpumalanga Trade and Investment Promotion Strategy which would assist the Provincial Government to achieve its developmental goals and priorities and provides a clear rationale and methodology for building the Province's export capacity and value through targeted investment and government support programmes. In support of the roll out of the Mpumalanga Industrial Development Plan the Programme has successfully completed the Feasibility Study on the Petro Chemicals Industrial Technology Park. The Programme has also finalized the draft final reports on the Feasibility Studies for the Mining and Metals Industrial Technology Park and the Agriculture and Forestry Industrial Technology Park. The Programme also successfully coordinated and monitored the implementation of the Nkomazi Special Economic Zone (SEZ) and the Mpumalanga International Fresh Produce Market and its associated Agri-Hubs situated within the Dr JS Moroka, Bushbuckridge and Mkhondo Local Municipalities.

The Programme supported the incubation entities of the Mpumalanga Stainless Initiative (MSI), the Mpumalanga Tooling Initiative (MTI) as well as the Furniture Technology Centre (Furntech) to ensure skills development in these critical sectors. It also ensured that it continues with its support towards the Govan Mbeki Fly Ash Brick Manufacturing Plant as well as the Mkhondo Water Bottling Plant to ensure these projects ultimately create the much-needed youth employment opportunities.

Sub-Programme: Trade and Investment Promotion				
Strategic objectives	Actual Achievement 2015/2016	Planned Target 2016/2017	Actual Achievement 2016/2017	Deviation from planned target to Actual Achievement for 2016/2017
To ensure growth in exports and direct investment in the province	Trade and Investment initiatives implemented and reviewed	Trade and Investment initiatives implemented and reviewed	Trade and Investment initiatives implemented and reviewed	None
				Comment on deviations
				None

Sub-Programme: Trade and Investment Promotion				
Performance Indicator	Actual Achievement 2015/2016	Planned Target 2016/2017	Actual Achievement 2016/2017	Deviation from planned target to Actual Achievement for 2016/2017
Number of strategies / plans developed.	<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 has been appointed to review the strategies Service Level Agreement has been developed 	Trade and Investment Strategy and Plan finalised	Trade and Investment Strategy and Plan have been finalised	None
				Comment on deviations
				None

Reasons for all deviations:

None

Strategy to overcome areas of under performance

None

Changes to planned targets

None

Linking performance with budgets

The sub programme managed to reach its planned targets. The sub programme however experienced a under spending due to the fact that none of the employees received a performance bonus.

Sub-programme expenditure

Sub-Programme	2015/16				2016/17		
	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure		Final Appropriation	Actual Expenditure	(Over)/Under Expenditure
	R'000	R'000	R'000		R'000	R'000	R'000
Trade and Investment Promotion Transfers and Subsidies	3,645	3,428	217		4,410	3,397	1,013

Sub-Programme: Strategic Initiatives					
Strategic objectives	Actual Achievement 2015/2016	Planned Target 2016/2017	Actual Achievement 2016/2017	Deviation from planned target to Actual Achievement for 2016/2017	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 Plan implemented	None	None
Sub-Programme: Strategic Initiatives					
Performance Indicator	Actual Achievement 2015/2016	Planned Target 2016/2017	Actual Achievement 2016/2017	Deviation from planned target to Actual Achievement for 2016/2017	Comment on deviations
Number of feasibility studies conducted	Feasibility studies of 3 technology parks conducted				
	Feasibility study developed and commenced with	Conduct the feasibility study on the establishment of the Industrial/ Supplier Park in Govan Mbeki Municipality	Feasibility Study on the establishment of the Industrial/ Supplier Park in Govan Mbeki Municipality conducted	None	None
	None	Develop feasibility study for the establishment of a mining and metals technology park in Emalahleni and Steve Tshwete Local Municipalities	Feasibility study for the establishment of a Mining and Metals Technology Park in Emalahleni and Steve Tshwete Local Municipalities developed.	None	None
	None	Develop feasibility study for the establishment of agricultural and forestry technology park in Mbombela and Thaba Chweu Local Municipalities	Feasibility Study for the establishment of Agriculture and Forestry Technology Park in Mbombela and Thaba Chweu Local Municipalities developed.	None	None
Number of economic infrastructure initiatives supported	Coordinate and support (3) high impact economic infrastructure initiatives				
	None	Coordinate and monitor the implementation of the Mpumalanga International Fresh Produce Market and associated Agri-Parks	Coordinated and monitored the implementation of the Mpumalanga International Fresh Produce Market and associated Agri-Parks	None	None
	None	Coordinate and monitor the implementation of the SEZ in Nkomazi Local Municipality	Coordinated and monitored the implementation of the SEZ in Nkomazi Local Municipality	None	None
	None	Coordinate and monitor the implementation of feasibility study for Zithabiseni Resort	Not achieved	The implementation of feasibility study for Zithabiseni Resort was not coordinated and monitored	The coordination was meant to track progress on the implementation of the feasibility study which was not conducted

Reasons for all deviations:

- The feasibility study was not done as the resort did not have sufficient funding

Strategy to overcome areas of under performance

- Commercialisation Plan developed for Zlithabiseni Resort.

Changes to planned targets

None

Linking performance with budgets

The sub programme experienced a slight over expenditure due to the fact that the responsibility for the coordination of the APP and Economic Cluster activities as well as the coordination and monitoring of various infrastructure projects overstretched the travelling budget. The sub directorate coordinated and monitored the implementation of the Mpumalanga International Fresh Produce Market and its associated Agri-hubs in Dr. JS Moroka, Bushbuckridge and Mkhondo. The sub directorate also monitored the implementation of the Nkomazi Special Economic Zone which is awaiting formal designation.

Sub-programme expenditure

Sub-Programme	2015/16				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
Strategic Initiatives	5,908	5,954	(46)	5,182	5,701	(519)

Sub-Programme: Sector Development					
Strategic objectives	Actual Achievement 2015/2016	Planned Target 2016/2017	Actual Achievement 2016/2017	Deviation from planned target to Actual Achievement for 2016/2017	Comment on deviations
To ensure the development of competitive growth sectors	4 sectors strategies implemented	2 prioritised growth sectors supported on beneficiation	2 prioritised growth sectors supported on beneficiation	None	None
Sub-Programme: Sector Development					
Performance Indicator	Actual Achievement 2015/2016	Planned Target 2016/2017	Actual Achievement 2016/2017	Deviation from planned target to Actual Achievement for 2016/2017	Comment on deviations
Number of prioritised growth sectors supported on beneficiation	• 2 prioritised growth sectors supported on beneficiation				
	None	Agriculture: Mpumalanga International Fresh Produce Market and associated Agri- Hubs supported	Mpumalanga International Fresh Produce Market and associated Agri- Hubs supported	None	None
	Smallholder farmers were identified. Production of soya-beans and maize are prioritised within existing Programmes (Masibuyele Emasimini)	Agriculture: Soya bean and Maize Production for Oliseed Crunching Plant supported	Soya bean and Maize Production for Oliseed Crunching Plant supported: • Government has facilitated a process where Noble Resources will finalise Off-take contract with identified farmers • 2035 ha of Land Reform Farms in Gert Sibande District Municipality have been identified to produce Soya and maize for Noble Resources Crushing Plant. • Support provided to small scale farmers through the Masibuyele Emasimini programme in DARDLEA	Only 1 soya bean Harvester available for the entire Gert Sibande District and non-addition of Harvesters will compromise the produce of the smallholder farmers, subsequently their contracts with Noble Resources	In collaboration with the Land Bank, government is facilitating the process of securing an additional Harvester for the smallholder farmers.
	None	Manufacturing: Mkhondo Water Bottling Plant supported	Mkhondo Water Bottling Plant supported. Production (non-commercial) at the plant has commenced and are being coordinated and monitored.	Health certificate pending for plant and water to sell water	CSIR to conduct water test and submit to the department of Health for certification.
	Joint Implementation Agreement with Govan Mbeki Local Municipality to roll out fly ash brick manufacturing incubator	Manufacturing: Fly Ash Incubation supported.	Fly Ash Incubation supported: • Land Availability Agreement concluded. • Equipment secured and production of bricks has commenced • The off-take and source material agreement has not been finalized. However, SASOL does supply source material to the plant at a fee. • The incubation program and production of bricks has commenced	Formal take of agreement with Human Settlements not yet concluded.	To hold the off-take agreement workshop with relevant Departments. To involve both DEDT and SASOL legal teams to finalise the agreement.
Number of strategic partners coordinated	None	Coordinate Strategic Partnerships.	Coordinated the below mentioned strategic partnerships. Government: DPE and MPG, Transnet (Hub), Eskom, SASOL Strategic Initiatives: Oman External (Outbound Missions): Russia	None	None

Sub-Programme: Sector Development				
Performance Indicator	Actual Achievement 2015/2016	Planned Target 2016/2017	Actual Achievement 2016/2017	Deviation from planned target to Actual Achievement for 2016/2017
Number of capacity building programmes conducted in the prioritised growth sectors	3 capacity building programmes conducted in prioritised growth sectors:	Capacity building programmes conducted in prioritised growth sectors: MSI& MTI	Developed and adopted the support programme for the incubation programme.	Financial constrains for construction remain a challenge
	55 trainees capacitated through incubation centres within the prioritised sectors as follows:		<ul style="list-style-type: none"> MSI 2016/17 business plan reviewed and approved MTI Service Level Agreement finalized 	
	25 youth capacitated on the tooling initiative apprenticeship programme at Steve Tshwete Local Municipality			
	15 SME's capacitated on Stainless Steel fabrication programme at Steve Tshwete Local Municipality			
	15 trainees completed a training on small scale furniture manufacturing at Gert Sibande District Municipality	Capacity building programmes conducted in prioritised growth sectors: Furntech	Partnership Agreement between Department and Furntech reviewed. Funds has been transferred to FurnTech to facilitate the professional work required to allow for the construction of new buildings for the post incubation programme	None
				None

Reasons for all deviations:

- Process of setting up institutional arrangements not yet concluded and delayed the finalization of the Production Plan.
- Only 1 soya bean Harvester available for the entire Gert Sibande District and non-addition of Harvesters will compromise the produce of the smallholder farmers, subsequently their contracts with Noble Resources
- Health certificate pending for plant and water to sell water
- Formal take of agreement with Human Settlements not yet concluded.
- Conclusion of the EIA will facilitate the securing of funding
- Financial constrains for construction remain a challenge (MSI& MTI programme)

Strategy to overcome areas of under performance

- Escalate issue of institutional arrangements to decision making structures within Government and relevant Parastatals.
- In collaboration with the Land Bank, government is facilitating the process of securing an additional Harvester for the smallholder farmers.
- Meeting conducted to include land reforms within harvesting programme of Afgri.
- CSIR to conduct water test and submit to the department of Health for certification.
- To hold the off-take agreement workshop with relevant Departments. To involve both DEDT and SASOL legal teams to finalise the agreement.
- Mobilisation of funding will be initiated in the next quarter as discussion have begun with DTI and SEDA

Changes to planned targets

None

Linking performance with budgets

The sub programme experienced a substantial under expenditure which can be contributed to the Compensation of Employees Allocation based largely on the fact that employees did not receive their subsidised vehicles which they applied for, resulting in an under expenditure as well as the fact that no official qualified for a performance bonus which further contributed to the under expenditure of Compensation of Employees

Sub-programme expenditure

Sub-Programme	2015/16			2016/17		
	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	8,389	7,616	773	11,991	11,982	9

4.4 Programme 4: Business Regulation and Governance

Purpose of the Programme: is to ensure an equitable, socially responsible business environment that allows fair trade and the protection of consumer rights.

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

The Department was able to implement the Mpumalanga Consumer Protection Act during the year under review. The Act in the main seeks to protect consumers by outlining and advocating the rights of consumers. The consumer education and awareness are very key in consumer protection services because they capacitate consumers to know and understand these rights.

We managed to resolve 1595 reported consumer cases and recovered R6 016 877 on behalf of consumers. The planned Consumer Court sittings were exceeded as more cases were referred by the Consumer Protector to the Consumer Court for adjudication. In terms of capacitating consumers 515 consumer education and awareness programmes conducted. All annual targets were achieved and exceeded, this means more consumers' cases were investigated and that more consumers were also reached and capacitated, this should translate into high levels of awareness among consumers. In a business environment where consumers know their rights retailers think twice when it comes to short-changing buyers and that promotes fair trade and builds confidence in business. When buyers have confidence in business, in the long run this will contribute towards sustainable business and will have a positive impact in the growth of the economy.

The merger of MGB with MLA is at an advance stage. MLA had suspended some of its planned targets pending the merger. MGB has achieved all their planned targets, at year end the total collected amount of R93 261 717 compared to the R90 071 815 collected in the 2015-16 financial, this translates into an increase of 4% on the 2015/16 financial year revenue collection. This will contribute towards the Provincial revenue purse and in turn finance other projects in the Province. The Compliance and Enforcement within the programme was able to achieve 99% of the planned targets. A Capacity building workshop could not be conducted due to protest actions at Dipaliseng Local Municipality.

Sub-Programme: Consumer Protection					
Strategic objectives	Actual Achievement 2015/2016	Planned Target 2016/2017	Actual Achievement 2016/2017	Deviation from planned target to Actual Achievement for 2016/2017	Comment on deviations
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	None

Sub-Programme: Consumer Protection					
Performance Indicator	Actual Achievement 2015/2016	Planned Target 2016/2017	Actual Achievement 2016/2017	Deviation from planned target to Actual Achievement for 2016/2017	Comment on deviations
Number of consumer cases received, investigated and resolved	Cases received and investigated 1834 Cases resolved 1786	1600 consumer cases received, advisory services provided, investigated and 1400 resolved	1632 cases received, advisory services provided and investigated. 1595 cases resolved	Target exceed by 32 on cases received, investigated and 195 resolved	More cases received, investigated and resolved
Number of education awareness campaigns conducted	459 Consumer Education and Awareness programmes conducted	364 consumer education and awareness programmes conducted	515 consumer education and awareness programmes conducted	Target exceed by 151	More education awareness programmes conducted due to request from stake holders.
Number of Consumer Protectors and Court hearings held	26 Consumer Court sittings conducted.	20 Consumer Court hearings conducted in terms of the Mpumalanga Consumer Affairs Act.	33 Consumer court hearings conducted	Target exceeded by 13	More cases were referred to the Consumer Protector for consumer court hearings.

Reasons for all deviations:

None

Strategy to overcome areas of under performance

None

Changes to planned targets

None

Linking performance with budgets

The Consumer sub-directorate was able to achieve more than 100% of planned targets that was due to partnering and collaborating with stakeholders that assisted with consumer education and awareness programmes. The budget was adequate hence there was a small savings on goods and services due to additional consumer education and awareness programmes that were sponsored by stakeholders.

Sub-programme expenditure

Sub-Programme	2015/16			2016/17		
	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
Consumer Protection	11,836	11,836	-	12,122	12,122	-

Sub-Programme: Business Regulations					
Strategic objectives	Actual Achievement 2015/2016	Planned Target 2016/2017	Actual Achievement 2016/2017	Deviation from planned target to Actual Achievement for 2016/2017	Comment on deviations
To promote and maintain an effective and efficient regulatory system for the liquor, gambling and betting industry	The Mpumalanga Licensing Act implemented	Implement and review the Mpumalanga Licensing Act	The Mpumalanga Licensing Act implemented	None	None
Sub-Programme: Business Regulations					
Performance Indicator	Actual Achievement 2015/2016	Planned Target 2016/2017	Actual Achievement 2016/2017	Deviation from planned target to Actual Achievement for 2016/2017	Comment on deviations
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	4 Monitoring and Evaluation reports of MGB in line with their Strategic Plans	4 Analysis reports of MGB Quarterly performance produced.	None	None
	4 Monitoring and evaluation reports of MLA in line with their	4 Monitoring and Evaluation reports of MLA in line with their Strategic Plans	4 Analysis reports of MLA quarterly performance produced.	None	None
	6 Capacity Building workshops conducted at local municipalities on regulatory legislation	6 Capacity Building Workshops conducted to capacitate Local municipalities to review and implement business regulatory legislation.	5 Capacity Building Workshop conducted	Target not achieved by 1	The workshop was postponed to the new financial year due to the unavailability of the Municipality.
	28 Education and Awareness programmes conducted on applicable legislation (MLLA)	18 Municipalities and 3 District municipalities assisted in finalising street trading by-laws i.r.o Mpumalanga Business Act	18 Municipalities and 3 District municipalities assisted in finalising street trading by-laws i.r.o Mpumalanga Business Act	None	None

Reasons for all deviations:

Unavailability of the Municipality.

Strategy to overcome areas of under performance

Workshop to be conducted in the new financial year

Changes to planned targets

None

Linking performance with budgets

The small saving on goods and service was due to the one capacity building workshop that could not be conducted due to circumstance beyond our control. The budget allocated to the directorate was adequate to achieve all the planned annual targets.

Sub-programme expenditure

Sub-Programme	2015/16			2016/17		
	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
Business Regulations	70,704	69,914	790	79,216	79,216	-

4.5 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
- Conduct socio-economic research to inform the provincial and municipal planning and budget processes

Strategic objectives, performance indicators, planned targets and actual achievements

The Department hosted a roundtable on the green economy in August 2016 to gather valuable insights on key areas of focus for the green economy. The roundtable provided an opportunity to gather inputs towards finalisation of the Green Economy Development Plan (GEDP). The GEDP emphasised a number of initiatives that leverage the Province's natural resource endowments and also address social, economic, and environmental challenges. A detailed implementation plan for each initiative has been developed with the aim of outlining action items under each implementation pillar of the Green Economy Development Plan (namely, Biomass, towns and urban centres initiatives, sustainable agriculture, and sustainable tourism). The implementation of the plan would require partnerships among various stakeholders.

At a strategic level, the Department coordinated implementation of the Mpumalanga Industrial Development Plan (MIDP). The MIDP has identified three Industrial Centres of Competence in the Province, aimed at stimulating economic growth through diversification and specialisation of key economic sectors. The plans for these centres have been developed including scoping opportunities which encompasses the greater Mbombela-Thaba Chweu-Nkomazi region, identified as an Agriculture and Forestry Industrial Centre of Competence; the Govan Mbeki region identified as a Petrochemical Industrial Centre of Competence; and the Emalahleni- Steve Tshwete region identified as a Mining and Metals Industrial Centre of Competence.

The Department plays a leading role in providing quality and credible socio-economic data and socio-economic intelligence information for decision making purposes and eventually assisting to address the triple challenges of Mpumalanga. During the period under review, the Department produced the following economic intelligence reports: the Socio-Economic Review and Outlook of Mpumalanga (SERO) reports which is widely utilized in the Province for decision making purposes, the Provincial Economic Review and Outlook (PERO) which is an annual publication which provides an over-view and analysis of the Mpumalanga economy. Other economic intelligence reports produced are the socio-economic profiles of all the municipalities, the labour market and inflation bulletins. The Department is part of several economic forums on national level (ERAN of DTI, Public Sector Economist Forum etc) where economic topics and also data challenges on sub-national level is discussed.

The Department produced the following two research reports. Energy conversion report which looks at the biomass energy conversion plants to generate electricity for both industrial and household consumption, using identified biomass resources across the Province. A report on the State of Mining in Mpumalanga to provide information on industrial structure of mining in the Province was developed. This report presents the geology of Mpumalanga, the location of mines and the general activity in relation to prospecting and mining applications. The report further analyses the economic contribution as well as the labour profile of mining in Mpumalanga.

Sub-Programme: Policy & Planning				
Strategic objectives	Actual Achievement 2015/2016	Planned Target 2016/2017	Actual Achievement 2016/2017	Deviation from planned target to Actual Achievement for 2016/2017
To provide economic policy direction and strategies.	Economic development policies and strategies developed, coordinated and integrated	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 2015/2016	Planned Target 2016/2017	Actual Achievement 2016/2017	Deviation from planned target to Actual Achievement for 2016/2017
Number of Industrial Development Plan projects coordinated	Delivery Agreements coordinated, reviewed and finalized (outcome 4)	Coordinate implementation of Industrial Development Plan projects	Coordinate implementation of Industrial Development Plan projects	None
Number of sector plans developed	Draft report on Green Economy Plan developed. Industrial Development Plan roadmap developed.	4 provincial integrated sector plans/strategies developed/ reviewed	4 provincial integrated sector plans/strategies developed/ reviewed	None

Reasons for all deviations:

None

Strategy to overcome areas of under performance

None

Changes to planned targets

None

Linking performance with budgets

An amount of R800 000 was allocated under Policy and Planning Sub-Programme Please to develop the Mpumalanga Green Economy Plan. The Sub-Programme hosted the Green Economy Roundtable during the second quarter which provided valuable inputs towards finalisation of the Plan.

Sub-programme expenditure

Sub-Programme	2015/16			2016/17		
	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
Economic Policy & Planning	6,935	6,750	185	2,559	2,620	(61)

Sub-Programme: Research and Development				
Strategic objectives	Actual Achievement 2015/2016	Planned Target 2016/2017	Actual Achievement 2016/2017	Deviation from planned target to Actual Achievement for 2016/2017
To conduct/commission research on the provincial economy to inform economic policy analysis process and strategy development.	2 research projects conducted	Conduct 2 research projects	2 research projects conducted	None
				None

Sub-Programme: Research and Development				
Performance Indicator	Actual Achievement 2015/2016	Planned Target 2016/2017	Actual Achievement 2016/2017	Deviation from planned target to Actual Achievement for 2016/2017
Number of research reports conducted/ commissioned	1 Research report project conducted. (Green Economy)	2 research reports conducted	2 research reports conducted.	None
				None

Reasons for all deviations:

None

Strategy to overcome areas of under performance

None

Changes to planned targets

None

Linking performance with budgets

The Research and Development Sub-Programme completed two detailed research reports in-house on energy conversion and the state of mining in Mpumalanga. The planned targets were achieved with limited resources as there was only one official in the Sub-Programme under the supervision of the Director: Economic Analysis. The state of the mining report was informing the Department on decisions and policy regarding the mining industry in the Province including the engagements with the mining houses.

Sub-programme expenditure

Sub-Programme	2015/16			2016/17		
	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
Research and Development	972	657	315	674	683	(9)

Sub-Programme: Knowledge Management				
Strategic objectives	Actual Achievement 2015/2016	Planned Target 2016/2017	Actual Achievement 2016/2017	Deviation from planned target to Actual Achievement for 2016/2017
To provide data, information and intelligence on the economy for effective decision making	Central Information system with economic indicators provided. One series of provincial economic intelligence reports. produced	Provide Central Information system with economic indicators. Processing 100% of information queries on the economy developed and maintained 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 2015/2016	Planned Target 2016/2017	Actual Achievement 2016/2017	Deviation from planned target to Actual Achievement for 2016/2017
Number of information queries processed	None	80 economic information queries processed	66 economic information queries processed	Target was not achieved by 14
Number of Shared statistical database and GIS information on MEGDP priority initiatives produced	GIS developed on MEGDP priority initiatives	Shared statistical database and GIS information on MEGDP priority initiatives produced	Shared statistical database and GIS information on MEGDP priority initiatives produced	None
Number of series labour reports based on QLFS, Public sector, EPWP and Vuka Sisebente produced	1 series labour reports based on QLFS, Public sector, EPWP and CRDP jobs	1 economic intelligence reports based on QLFS, Public sector, EPWP and Vuka Sisebente produced	1 economic intelligence reports based on QLFS, Public sector, EPWP and Vuka Sisebente produced	None
				None

Reasons for all deviations:

- Requests are demand driven and fewer request towards festive season
- Little project data on employment provided as most are still on planning phase

Strategy to overcome areas of under performance

Work with project managers to incorporate employment data in future.

Changes to planned targets

None

Linking performance with budgets

There were no projects budgeted in the Sub-Programme. The planned targets were achieved with limited human resources.

Sub-programme expenditure

Sub-Programme	2015/16			2016/17		
	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
Knowledge Management	6,223	6,294	(70)	3,017	2,980	37

Sub-Programme: Monitoring and Evaluation				
Strategic objectives	Actual Achievement 2015/2016	Planned Target 2016/2017	Actual Achievement 2016/2017	Deviation from planned target to Actual Achievement for 2016/2017
To determine the effectiveness and impact of provincial policy, programmes, objectives and strategies	Performance on implementation of the MEGDP monitored and evaluated	Performance monitoring & evaluation on implementation of the MEGDP	Performance on implementation of the MEGDP monitored and evaluated	None
				None

Sub-Programme: Monitoring and Evaluation				
Performance Indicator	Actual Achievement 2015/2016	Planned Target 2016/2017	Actual Achievement 2016/2017	Deviation from planned target to Actual Achievement for 2016/2017
Number of monitoring reports produced	4 analysis reports on public entity performance	4 performance monitoring reports produced on implementation of priority projects	4 performance monitoring reports produced	None
	4 reports on the implementation of private sector projects	4 reports on the implementation of private sector projects	4 reports on the implementation of private sector projects produced	None
Number of public entity oversight reports produced	2 governance oversight reports on public entities compiled in line with their strategic plans (shareholder compacts report, oversight policy framework)	16 oversight reports on public entities compiled in line with their strategic plans	16 analysis reports on public entity performance produced	None

Reasons for all deviations:

None

Strategy to overcome areas of under performance

None

Changes to planned targets

None

Linking performance with budgets

There were no projects budgeted in the Monitoring and Evaluation Sub-Programme as the focus was on oversight of state owned entities.

Sub-programme expenditure

Sub-Programme	2015/16			2016/17		
	Final Appropriation R'000	Actual Expenditure R'000	(Over)/Under Expenditure R'000	Final Appropriation R'000	Actual Expenditure R'000	(Over)/Under Expenditure R'000
Monitoring and evaluation	1,293	1,524	(231)	1,815	1,546	269

Sub-Programme: Economic Analysis					
Strategic objectives	Actual Achievement 2015/2016	Planned Target 2016/2017	Actual Achievement 2016/2017	Deviation from planned target to Actual Achievement for 2016/2017	Comment on deviations
Conduct socio-economic research to inform the provincial and municipal planning and budget processes	Improved provincial planning and budgeting through provision of quality and accurate socio-economic documents (28)	Improved provincial planning and budgeting through provision of quality and accurate socio-economic documents (30)	Improved provincial planning and budgeting through provision of quality and accurate socio-economic documents (30)	None	None

Sub-Programme: Economic Analysis					
Performance Indicator	Actual Achievement 2015/2016	Planned Target 2016/2017	Actual Achievement 2016/2017	Deviation from planned target to Actual Achievement for 2016/2017	Comment on deviations
Number of Provincial Economic Review and Outlook (PERO) reports compiled and published	1 report	1 report	1 PERO report compiled and published	None	None
Number of updated Socio-Economic Review and Outlook (SERO) reports completed and communicated	2 reports	2 reports	2 SERO reports completed and communicated	None	None
Number of updated Provincial Inflation/Labour Bulletins completed	16 Bulletins	16 Bulletins	16 Inflation/Labour Bulletins completed	None	None
Number of Socio-Economic Outlook reports for Estimates of Provincial Revenue and Expenditure (EPRE) document compiled and tabled	1 report	1 report	1 Socio-Economic Outlook report for the EPRE document compiled and tabled	None	None
Number of economic research reports completed (in line with Government priorities)	4 reports	6 reports	6 research reports completed	None	None
Number of District Socio-Economic Review (SER) reports compiled	3 reports	3 reports	3 District SER reports compiled	None	None
Number of updated Socio-Economic Profiles of Municipalities completed	42 Profiles	20 Profiles	20 Socio-Economic Profiles of Municipalities updated and completed	None	None

Reasons for all deviations:

None

Strategy to overcome areas of under performance

None

Changes to planned targets

None

Linking performance with budgets

There were no projects budgeted in the Economic Analysis Sub-Programme. The over expenditure in the Sub-Programme is because funds were deducted from the Sub-Programme during the adjustment period.

The Economic Analysis sub-programme was transferred from the Provincial Treasury to the Department of Economic Development and Tourism (DEDT) in Programme 5: Economic Planning hence the financial information for 2015/16 is not reflected under DETD. The sub-programme expenditure as a percentage of final appropriation was 94,3 percent.

Sub-programme expenditure

Sub-Programme	2015/16			2016/17		
	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 Analysis	-	-	-	4,190	4,430	(240)

4.6 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 and Transformation

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

Generally the programme has achieved its targets for the financial year 2016/17, as a result this has a direct contribution to the whole departmental priorities to grow tourism in the province. Secondly, the programme has significantly achieved the target on the coordination of tourism projects/programmes as a result of more demands for assistance received from stakeholders. The projects referred to above include (i) the development of a preliminary project plan for the Waterval Boven Heritage and Tourism precinct, (ii) assisting in the submission of the funding application for the upgrade of Butsini Cultural Village, and (iii) development of a project plan for the resuscitation of Pilgrims Rest Heritage and Tourism town. This achievement will have a position bearing on the diversification of the tourism products in the Province-thereby improving on the number of both international and domestic tourist numbers.

Sub-Programme: Tourism Planning					
Strategic objectives	Actual Achievement 2015/2016	Planned Target 2016/2017	Actual Achievement 2016/2017	Deviation from planned target to Actual Achievement for 2016/2017	Comment on deviations
To create an enabling environment through policy and strategy development and improve intergovernmental coordination.	Tourism strategies developed and implemented	Tourism strategies developed and implemented	Tourism strategies developed and implemented	None	None

Sub-Programme: Tourism Planning					
Performance Indicator	Actual Achievement 2015/2016	Planned Target 2016/2017	Actual Achievement 2016/2017	Deviation from planned target to Actual Achievement for 2016/2017	Comment on deviations
Number of tourism projects/programmes coordinated to diversify the tourism offerings in the Province	None	2 tourism projects/programmes coordinated	3 tourism projects/programmes coordinated	Target was exceeded by 1	More demand for project assistance received
Number of intergovernmental tourism stakeholder forums convened	2 x Stakeholder and strategic alliance partnership programme effectively implemented, viz: <ul style="list-style-type: none"> Draft RTO/LTO Framework developed The Provincial Intergovernmental Forum established 	4 x intergovernmental Tourism Stakeholder Intergovernmental Relations Forums convened	2 Tourism stakeholder and Inter-governmental Relations Forum convened in Gert Sibande and Ehlanzeni District Municipalities	Target underachieved by 2	The appointment of new LED and Tourism MMCs after the local government elections has affected the convening of the two tourism intergovernmental meetings
Number of awareness programmes coordinated to stimulate interest and access to grow domestic tourism	None	Coordinate the Tourism Month programme	Coordinated one (1) tourism awareness programme (Provincial Tourism Month)	None	None
Number of capacity building programme coordinated	None	One (1) capacity building coordinated, namely: National Tourism Careers Expo	One (1) tourism capacity building coordinated (National Tourism Careers Expo)	None	None
Number of tourism service excellence programmes coordinated	None	One (1) tourism service excellence programme coordinated, viz: <ul style="list-style-type: none"> Provincial Lilizela Tourism Awards National Tourism Lilizela Award 	One (1) tourism service excellence programme coordinated by Hosting and participation of the Provincial and National Lilizela Tourism Awards respectively.	None	None

Reasons for all deviations:

The 2016 local government elections has affected the convening of the Tourism IGR Forum meeting

Strategy to overcome areas of under performance

New Forum members were subsequently appointed and a meeting convened in the new financial year

Changes to planned targets

None

Linking performance with budgets

The budget indicated below include the allocation for the MTPA which is located within programme six (6). The tourism programme internally only had a budget for the Compensation of employees as well as the travel and subsistence which was used to coordinate the implementation of the 2016/17 APP. The rest of the implementation of actual projects happened at the MTPA and the stakeholders' level. It is this travelling and subsistence budget allocated internally to the programme that made it possible for the programme to coordinate its set targets for the year.

Sub-programme expenditure

Sub-Programme	2015/16			2016/17		
	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
Tourism Planning	335,391	335,180	211	350,355	350,231	124

5. TRANSFER PAYMENTS

5.1 Transfer payments to public entities

The department has signed a shareholder compact with our 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
Mpumalanga Economic Growth Agency	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	R 384 910	R 384 910	<p>Title Deeds and Bond Registrations: All of the MEGA properties which were previously registered under the Mbombela Municipality have now been successfully transferred in the name of MEGA. The properties in question are reflected below:</p> <ol style="list-style-type: none"> Kabokweni Post Office (Erf 1201 Kabokweni - A); Erf 1389 Kabokweni – A; Kabokweni Shopping Centre (Erven 1606 - 1631 and Erf 1633 Kabokweni - A) and; Kabokweni Small Industrial Park (Erven 1490 - 1493 Kabokweni A.). All in all, the afore-mentioned properties consist of 64 units. Worth noting, is that the Deeds Registry takes up to two [2] months for delivery of the original security documents after successful registration. <p>The entity has managed to secure lost title deeds (VA's) and endorsements for all Housing properties handed over and all title deeds obtained.</p> <ul style="list-style-type: none"> Progress on the OD process <p>The second phase of the OD project has progressed well although there were delays due to a prolonged engagement between the Union and Management.</p> <p>The Migration Strategy and Implementation Plan for the placement of all employees below the level of General Manager was developed and approved.</p> <p>The Placement Committee was established and consists of General Managers, two (2) Board members and three (3) employee representatives (as observers) and the OD consultants as technical advisors.</p> <p>All employees have undergone the Competency assessments, except five (5) employees who did not turn up for the assessment.</p> <p>By 31st March 2017, the Placement Committee was near completion of the placement process and will present its report to the Board on 25th April 2017 for adoption and implementation. Placement letters will be issued to employees in the ensuing reporting period. The next phase is the management of employees in the pool who could not be placed in accordance with the principles of the migration strategy and plan.</p> <ul style="list-style-type: none"> Trade and Investment Promotion: MEGA achieved the following milestones against its planned targets: <ol style="list-style-type: none"> Investor Conference: The service provider to manage the event was appointed and an in-house project team was established to supervise the work of the external service provider in implementing the project. The event shall take place in the 2017/18 financial year. Investment Promotion: MEGA facilitated investments valued at R606 million. Trade Promotion: MEGA ensured access to export opportunities for Mpumalanga export companies through the facilitation of foreign trade exhibitions/missions, local trade exhibitions/missions, foreign trade counselling and support to exporters, NEDP export training workshops, and EMIA / SSAS application facilitation.

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
Mpumalanga Economic Growth Agency (continued...)	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	R 384 910	R 384 910	<p>Mpumalanga International Fresh Produce Market</p> <p>The feasibility study</p> <p>The feasibility study conducted in order to ascertain the social, economic and financial viability of the project has been completed.</p> <p>Infrastructure Development</p> <p>Completion of the bulk water supply: Reservoir 95% complete (structure complete, water tightness test outstanding), elevated tower is 95% complete (structure complete, water tightness test outstanding), pump house is 90% complete (structure complete, pumps and electrical switch gear awaiting power connection).</p> <p>Completion of the design and construction of internal services: Contractor for roads and storm water was appointed on 24th January 2017 and contractor for bulk earthworks was appointed on 11th January 2017. The detailed designs for water and sewer reticulation are complete whilst electricity reticulation designs will commence soon after the finalisation of the building designs.</p> <p>Designs and construction of market buildings: Designs for the following are at various stages of completion: Staging & Clearance, Gate House/Access Control, Gate House /Egress Control, Staging Ablutions, Bus Stop, Ticket Office & Ablutions, Pedestrian Access & Bridge, Workshop, Waste Management & Recycling, Market Building, Processing Facility, Taxi Rank & Taxi Rank Ablution.</p> <p>Nkomazi Special Economic Zone</p> <p>The application by the Mpumalanga Provincial Government for designation of the proposed Nkomazi Special Economic Zone was duly submitted on 24th June 2016 to the Department of Trade & Industry (the dti) in terms of the SEZ Act No. 16 of 2014. Subsequent to the submission of the application for designation, MEGA through its PMU, engaged in a series of meetings with the dti to ensure that all regulatory requirements and administrative matters concerning the application are properly and adequately addressed.</p> <p>Since the submission of the application, MEGA made concerted efforts towards improving the size and quality of its investor pipeline. It has since increased its letters of interests to the tune of R 5.6 billion and is still pursuing a number of potential investors.</p> <p>An Investment Strategy has been developed to guide and focus our efforts to attract potential investors in the proposed Nkomazi SEZ. Forming part of the Strategy is a list of a number of leading companies globally within agro-processing identified as potential investors to be approached.</p> <p>A website for the SEZ has been developed and is constantly updated and upgraded to ensure that it meets appropriate standards.</p> <p>Infrastructure Fund</p> <p>Transaction Advisors for the establishment of the Infrastructure Fund were appointed and benchmark studies completed.</p> <p>At the end of the period under review, the analysis of the regulatory environment was 80% complete whilst the institutional structure and governance was 60% complete</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
Mpumalanga Economic Growth Agency (continued...)	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	R 384 910	R 384 910	<p>Re-Development of Township Shopping Centres</p> <p>Redevelopment proposals for shopping centres in KaBokweni, Siyabuswa and Elukwatini have been received from Strategic Development Partners. The total indicative investment in the three shopping centres amounts to R300m.</p> <p>During the 1st Quarter of 2017/18, the next group of properties will be prepared for investment by the proposed Property Fund and/or Strategic Development Partners</p> <p>Revitalisation of Industrial Parks</p> <p>The refurbishment of 2 factories at KaBokweni has been completed. These are earmarked for the warehousing facilities for the bulk buying groups for retailers. The balance of the projects (8 factories) are planned to be completed by the end of April 2017.</p> <p>The dti funded R50m for the revitalisation of Ekandustria which commenced in February 2017.</p> <p>Funding</p> <p>During the period under review, loans approved amounted to R 83.6 million while the value of loans disbursed was R 45.4 million. Loans approved in the current financial year but not yet disbursed (commitments) amount to R 38.2 million and commitments from prior year amount to R 6.9 million.</p> <p>A breakdown of the allocation of approved funding and loan commitments (year-to-date) is as per the tables below:</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
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. 	R 346 808	R 346 808	<p>1.1 HIGHLIGHTS / ACHIEVEMENTS</p> <ul style="list-style-type: none"> • During the 2016/17 financial year a total of 18 711 hectares were added to the provincial protected areas system by the declaration of 4 nature reserves on SAPPI owned land and the declaration of the Greater Lakenvlei Protected Environment which will protect one of the most significant wetland systems in the province – the Lakenvlei wetlands -located south of Dullstroom. • Four new settlement agreements on provincial nature reserves were concluded and seven co-management committees were maintained. The Settlement and co-management agreements put in place the rules and modus operandi for the MTPA to manage the nature reserves in conjunction with the new landowners (claimant communities). • The National People and Parks Conference was attended and the regional and provincial People and Parks Executive committees were re-elected. The KNP has been included into the Provincial People and Parks Structures for the first time since inception. • The DST (Department of Science and Technology) Provincial Indigenous knowledge database was established which will provide information on all the indigenous plants used by people for medicine and food. • Conservation education was rolled out to 152 431 learners during 2016/2017. • An integrated approach to the handling of Damage Causing Animals, which escape from the Kruger National Park and other nature reserves and game farms, was agreed between the SANParks, MTPA and Limpopo Province, to ensure a rapid response to the handling of incidents.

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
Mpumalanga Gambling Board	<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 	R 62 382	R 62 382	<ol style="list-style-type: none"> The gambling industry in the Province continues to be well regulated and consistent with licensing objectives, ensuring that gambling is conducted in a fair and open way, protecting children and other vulnerable persons from being harmed or exploited by gambling, as well as preventing gambling from being a source of, or associated with crime or disorder. The MGB continues to regulate this industry, being mindful of our obligation to have regard to the desirability of economic growth, while at the same time, ensuring a positive balance of the social costs and benefits to our people. In fulfilling the mandate of ensuring that gambling levies and taxes due to the provincial fiscus are collected, the MGB has collected just over R93 million in direct revenue during the financial year under review. This is an increase of about 3, 5 % compared to the previous financial year. In a bid to further stimulate economic growth and development, through the creation of tourism spin-offs, job creation and the generation of additional fiscal revenue for the Province, the MGB granted five Bingo licences in the Province, with a further two still being considered. In respect of educational and awareness drives on responsible gambling, the MGB sustained the partnership with <i>Crowning Miss Mpumalanga</i>, an initiative that continues to create a pool of societal role models to drive our social mobilisation campaigns against social ills within the communities. The Crowning Miss Mpumalanga initiative continues to afford the MGB an incredible opportunity to reach groups of people who may be vulnerable to risky gambling behaviours, such as women and young persons.

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
Mpumalanga Liquor Authority	<ul style="list-style-type: none"> To improve organisational licensing, expand and standardise industry compliance and enforcement. Provide an enabling environment in human capital, finance and ICT. Engender a high governance ethos. To ensure effective and efficient administration and management of the Organisation. 	R 13 001	R 13 001	<ol style="list-style-type: none"> The process of delinking the MLA from the DEDT was completed and was further synchronised with the Cabinet decision to merge the MLA with the MGB. With regard to the MLA/MGB merger, the process was fast-tracked during the year and led to both entities operating from the same premises in White River. This process also led to both entities taking advantage of shared resources and streamlined operations to achieve effectiveness and efficiency of business processes. Understandably, the MLA encountered a number of challenges in the implementation of the provincial Liquor licensing laws, enforcing compliance and creating awareness around the social ills of liquor abuse and educate licence holders and communities. While operational challenges are being addressed, legal challenges will require legislative intervention. These challenges will be dealt with in the new merged entity. In terms of revenue collection, the MLA has managed to collect just over R5, 7 million on liquor licence fees. The entity was further constrained by limited resources, both financial and human capacity to fulfil its mandate.

5.2 Transfer payments to all organisations other than public entities

The table below reflects the transfer payments made for the period 1 April 2016 to 31 March 2017

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	Reasons for the funds unspent by the entity
Govan Mbeki Local Municipality	Municipality		Yes	R 2 464	R 1 851	
Mbombela Local Municipality	Municipality		Yes	R 6	-	

6. CONDITIONAL GRANTS

6.1 Conditional grants and earmarked funds received

The table/s below details the conditional grants and ear marked funds received during for the period 1 April 2016 to 31 March 2017.

Conditional Grant: Expanded Public Works Programme (EPWP)

Department who transferred the grant	Mpumalanga Economic Growth Agency Mpumalanga Tourism and Parks Agency
Purpose of the grant	To create jobs within the Environment and Cultural Centre
Expected outputs of the grant	Job Creation and Poverty Reduction
Actual outputs achieved	193 Jobs created
Amount per amended DORA(R'000)	R 3,911
Amount received (R'000)	R 3,911
Reasons if amount as per DORA was not received	None, amount transferred
Amount spent by the entities (R'000)	R 3,911
Reasons for the funds unspent by the entity	None, funds were spent accordingly
Reasons for deviations on performance	None
Measures taken to improve performance	None
Monitoring mechanism by the receiving department	Shareholders compact, Monthly expenditure and Quarterly Evaluations reports

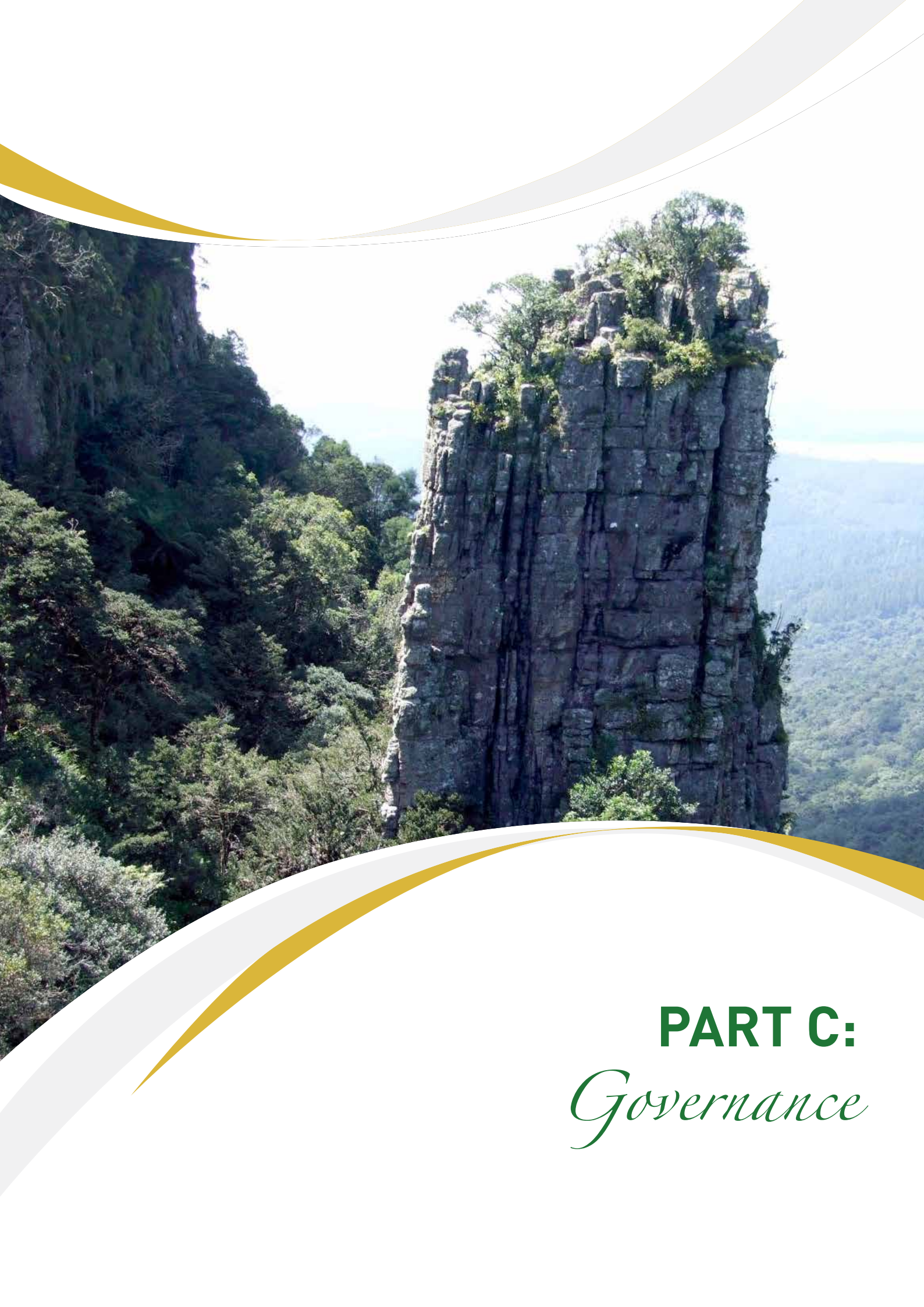
7. CAPITAL INVESTMENT

7.1 Capital investment, maintenance and 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 *LOGIS* in order to update the movements of assets in the Asset Register. Asset verifications are performed at least twice in a year to ensure that the assets register is updated regularly.

During the year under review obligations and assets of the Mpumalanga Liquor Authority (MLA) were transferred from the Department to the entity. This process was managed effectively with the signing of transfer certificates by the respective Accounting Officers and processed 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.



PART C: *Governance*

1. INTRODUCTION

The Department is committed to maintain the highest standard of governance which is fundamental to the management of public finances and resources. Governance structures have been established and were functional during the year under review. The Audit Committee provided oversight over the internal audit function and risk management process to promote effective, efficient and economic utilisation of state resources.

2. RISK MANAGEMENT

- The Department has an approved Risk Management policy and strategy in place.
- Risk Assessments are conducted regularly to identify new and emerging risks. Strategic, Operational, Fraud and ICT risk assessments were conducted and monitored during the year under review.
- The Department has a functional Risk Management Committee, chaired by an external member as set by the National Treasury Risk Management Framework. The committee convened four (4) meetings and advised management on systems of risk management and internal control improvements during the year under review.
- The Risk Management unit has provided quarterly reports on risk management processes to the Audit Committee, during the year under review. In discharging its oversight responsibilities relating to risk management, the audit committee has:
 - i. Added value to the risk management process by making recommendations to improve the process;
 - ii. Reviewed and critiqued the risk appetite and risk tolerance
 - iii. Reviewed the completeness of the risk assessment process implemented by management and ensured that all possible categories of risks, both internal and external to the Department, have been identified during the risk assessment process.
 - iv. Reviewed the risk profile and management action plans to address the risks quarterly;
 - v. Reviewed the adequacy of adopted risk responses;
 - vi. Reviewed the progress made with regards to the implementation of the risk management strategy of the Department;
 - vii. Provided regular feedback to the Accounting Authority / Officer on the effectiveness of the risk management process implemented by the Department;
 - viii. Reviewed and ensured that the Internal Audit Plans are aligned to the risk profile of the Department.

3. FRAUD AND CORRUPTION

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

4. 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.

5. CODE OF CONDUCT

Awareness workshops were conducted on the Code of Conduct.

6. HEALTH SAFETY AND ENVIRONMENTAL ISSUES

The Health and Safety representatives that were appointed and trained in the previous financial year continued to fulfil their responsibility of ensuring that the environment complies with the legislative requirements. The Department of Labour came to conduct a follow up on the audit conducted in the year 2015/16.

7. PORTFOLIO COMMITTEES

Provide commentary on the following:

- The dates of the meeting
- Matters raised by the Portfolio Committee and how has the department addressed these matters

DATE OF MEETING: 07 MARCH 2017	MATTERS RAISED BY PORTFOLIO COMMITTEE	RESPONSE BY THE DEPARTMENT
Meeting of the Portfolio Committee on Premiers Office; Finance; Economic Development and tourism 2016/17 Budget and Annual Performance Plan of the Department of Economic Development and Tourism (Vote 6)	The Department must ensure that the MLA implements all planned targets as per the APP and fully utilise the allocated bud get for the 2016/17 financial year.	The Department signs shareholders compact with MTPA and MEGA and Board Charter in the case of MGB and MLA. These agreements clearly spell out deliverables to be achieved by the entities and serve as the basis for providing oversight. The Department also has representatives sitting in the boards of these entities safeguarding the interests of the shareholder. We also have a unit in the Department which does analysis for both the quarterly and financial performance reports of all our entities. With these systems in place, we will ensure that MLA implements all its planned targets and spends its allocated budget in line with the approved APP for 2016/17 financial year.
	The Department must ensure that MGB implements on its planned target of granting the eight (8) Bingo Licences in 2016/17 financial year. A progress made must be submitted to the Committee on a quarterly basis.	The process of granting of the eight (8) Bingo licences has commenced. The Board is at this stage, awaiting proposals from prospective applicants, the closing date of which was 31 May 2016.
	The Department must develop a mechanism to ensure that the multi-year projects commences in the 2016/17 financial year. A progress report must be delivered to the Committee on a quarterly basis.	The Department developed the Annual Performance Plan and the Implementation plan which will assist the Department to monitor progress on the implementation of planned targets. Over and above this, the Department has also developed the operational plan which serves as the gaunt chart and it indicates all the activities which are going to be undertaken in the implementation of the projects. We have also established the project team which sits every Monday to track on progress made in the implementation of all the projects of the Department. The project team is one of the mechanisms which are over and above the quarterly performance reviews held to assess the entire Department's performance.

DATE OF MEETING: 07 MARCH 2017	MATTERS RAISED BY PORTFOLIO COMMITTEE	RESPONSE BY THE DEPARTMENT
Meeting of the Portfolio Committee on Premiers Office; Finance; Economic Development and tourism 2016/17 Budget and Annual Performance Plan of the Department of Economic Development and Tourism (Vote 6)	The Department must finalise the transfer of the Bio-diversity function to DARDLEA in the 2016/17 financial year and ensure that it does not have a negative impact on the budget and planned targets.	The transfer of the Biodiversity functions from Mpumalanga Tourism and Parks Agency (MTPA) to the Department of Agriculture, Rural Development, Land and Environmental Affairs (DARDLEA) requires the amendment of the MTPA Act, which is a process the Departments and the entity are working on. Interim arrangements will be put in place with effect from July 2016, where functions will be performed by DARDLEA on behalf of MTPA through a Service Level Agreement (SLA). The whole process will ensure that there is no negative impact on the budget and planned targets for the 2016/17 financial year.
	The Department must implement the adopted strategy on the execution of the feasibility phase of the Projects (i.e. Agro Processing Hub, Special Economic Zone).	The Department has already commenced with the implementation of the adopted strategy whereby it will ensure that the following funded feasibility studies are concluded in the 2016/17 financial year: <ul style="list-style-type: none"> • Feasibility study for the establishment of the Petro-Chemical Industrial Park in Govan Mbeki Municipality. • Develop feasibility study for the establishment of a Mining and Metal Technology Park in Emalahleni and Steve Tshwete Local Municipalities. • Develop feasibility study for the establishment of Agricultural and Forestry Technology Park in Mbombela and Thaba-Chweu Local Municipalities. • In addition to this the Department would further monitor and coordinate the implementation of the following projects by MEGA and MTPA: • Coordinate and monitor the implementation of the Mpumalanga International Fresh Produce Market and associated Agri-Parks by ensuring the required business plans and governance structures are in place. • Coordinate and monitor implementation of the SEZ in Nkomazi Local Municipality by MEGA. • Coordinate and monitor the implementation of feasibility study for Zithabiseni Resort by MTPA. • Support MEGA by coordinating and monitoring the commercialisation of the MKhondo Water Bottling Plant. • Support and assist the Govan Mbeki Local Municipality in the roll-out of the Fly Ash Brick Manufacturing Incubator for youth job creation.
	The Department must put systems in place to ensure that the budget allocated to MGB and MLA for transfers and subsidiaries is utilised correctly and accounted for accordingly.	We confirm that the Department has sufficient systems in place to ensure that the transfers to MGB and MLA are correctly utilised and accounted for, to this end the Department has obtained a written assurance from MLA as a new entity and also provided in Section 38 (1)(J) of the PFMA. We are satisfied that both entities MGB and MLA, will be able to effectively, efficiently and transparently manage and account for transfers and subsidiaries effected by the Department

8. SCOPA RESOLUTIONS

Resolution No.	Subject	Details	Response by the department	Resolved (Yes/No)
3.1.1 (i) 2013/14	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 still in progress and will address the capacity gaps within the CFO's office.	No
5.1 (i) 2013/14	Irregular Expenditure	The Accounting officer must take action against official(s) responsible for the R6,530 million irregular expenditure	All necessary information pertaining to this matter has been submitted to the State Attorney. Department awaits final report in this regard.	No
5.1 (ii) 2013/14	Irregular Expenditure	The Accounting Officer must fast track the process to recover irregular expenditure of R2,807 million from responsible official(s).	The Department has instructed the State Attorney to institute the necessary civil proceedings to recover the amount.	No

9 PRIOR MODIFICATIONS TO AUDIT REPORTS

Matters of non-compliance	Financial year in which it first arose	Progress made in clearing / resolving the matter
External assessment on the internal audit function was not performed	2015/16	Finalised an internal assessment review through the Provincial Treasury. Currently implementing recommendations from the internal review.
Internal audit did not assess the operational procedure and monitoring mechanisms relating to all the transfers made and received as required by treasury Regulation 3.2.8	2014/15	Operational procedure and monitoring mechanisms have been assessed for all transfers made and received.

10. 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.

11. INTERNAL AUDIT AND AUDIT COMMITTEES

Key activities and objectives

Internal Audit is an independent appraisal function established by the management of an organisation for the review of the internal control system, as a service to the organisation. It objectively examines, evaluates and reports on the adequacy of internal 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 2016/2017 financial year as per the Annual Internal Audit Plan:

- Asset Management
 - Financial Statements Audits (Annual and Interim)
 - Performance Information (Annual and Interim)
 - Internal Controls
 - King III Assessment
 - Mpumalanga Liquor Authority (MLA)
 - Human Resource Management
 - Project Management
 - Transfer Payments
 - Public Entities Performance Oversight
 - MPAT Review
 - Financial and Supply Chain Management
 - Follow Up Reviews: Internal Audit Reports
- Auditor General South Africa (AGSA)

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 consisted of four (4) independent members. Three (3) of the four (4) members were appointed from outside the Public Service and one (1) member is an ex officio employed by Statistics South Africa. Details of the members and their attendance of scheduled audit committee meetings during the 2016/2017 financial year are as follows:

Name of member	Qualifications	Internal or external	Date appointed	No of meetings attended
Ms TI Ranape	<ul style="list-style-type: none"> • Masters in BA • BTech Public Management • Higher Dipl: Management • ND: State Finance 	External	01/06/2014	6
Mr. SP Simelane	<ul style="list-style-type: none"> • Chartered Accountant • BCom Honours • BCom Accounting • MDP on BBBEE 	External	01/06/2014	6
Mr. IP Du Plessis	<ul style="list-style-type: none"> • BCom Honours • BCom Accounting 	External	13/05/2013	6
Adv. G Khoza	<ul style="list-style-type: none"> • LLB • B Juris • Dipl in Tax Law 	External	01/06/2014	2

12. AUDIT COMMITTEE REPORT

Final report of the Audit Committee

The Audit Committee of the Department of Economic Development and Tourism is pleased to present its report for the financial year ended 31 March 2017.

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 (5) meetings were held including special meetings.

Name of Member	No. of meetings attended
Ms TI Ranape (Chairperson)	6/6
Ms G Khoza	2/6
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 IV 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 2016/17 operational plan during the year under review:

- Asset Management
- Financial Statements Audits (Annual and Interim)
- Performance Information (Annual and Interim)
- Internal Controls
- King III Assessment
- Mpumalanga Liquor Authority (MLA)
- Human Resource Management
- Project Management
- Transfer Payments
- Public Entities Performance Oversight

- MPAT Review
- Financial and Supply Chain Management
- Follow Up Reviews: Internal Audit Reports
Auditor General South Africa (AGSA)

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.

INTERNAL AUDIT AND AUDIT COMMITTEES

Key activities and objectives

Internal Audit is an independent appraisal function established by Management of the Department to review and improve the effectiveness of risk management, control and governance processes. It objectively examines, evaluates and reports on the adequacy and effectiveness 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 were performed by the Internal Audit function for the 2016/2017 financial year as per the Annual Internal Audit Plan:

- Asset Management
- Financial Statements Audits (Annual and Interim)
- Performance Information (Annual and Interim)
- Internal Controls
- King III Assessment
- Mpumalanga Liquor Authority (MLA)
- Human Resource Management
- Project Management
- Transfer Payments
- Public Entities Performance Oversight
- MPAT Review
- Financial and Supply Chain Management
- Follow Up Reviews: Internal Audit Reports
Auditor General South Africa (AGSA)

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 consisted of four (4) independent members. Three (3) of the four (4) members were appointed from outside the Public Service and one (1) member is an ex officio employed by Statistics South Africa. Details of the members and their attendance of scheduled audit committee meetings during the 2016/2017 financial year are as follows:

Name of member	Qualifications	Internal or external	Date appointed	No of meetings attended
Ms TI Ranape	<ul style="list-style-type: none"> Masters in BA BTech Public Management Higher Dipl: Management ND: State Finance 	External	01/06/2014	6
Mr. SP Simelane	<ul style="list-style-type: none"> Chartered Accountant BCom Honours BCom Accounting MDP on BBBEE 	External	01/06/2014	6
Mr. IP Du Plessis	<ul style="list-style-type: none"> BCom Honours BCom Accounting 	External	13/05/2013	6
Adv. G Khoza	<ul style="list-style-type: none"> LLB B Juris Dipl in Tax Law 	External	01/06/2014	2

Report of the Audit Committee

We are pleased to present our report for the financial year ended 31 March 2017.

Audit Committee Responsibility

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

The Effectiveness of Internal Control Systems

Our review of the findings of the Internal Audit work, which was based on the risk assessments conducted in the Department of Economic Development and Tourism revealed certain weaknesses, which were then raised with management.

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

- Asset Management
 - Financial Statements Audits (Annual and Interim)
 - Performance Information (Annual and Interim)
 - Internal Controls
 - King III Assessment
 - Mpumalanga Liquor Authority (MLA)
 - Human Resource Management
 - Project Management
 - Transfer Payments
 - Public Entities Performance Oversight
 - MPAT Review
 - Financial and Supply Chain Management
 - Follow Up Reviews: Internal Audit Reports
- Auditor General South Africa (AGSA)

The following were areas of concern:

- Slow implementation of Internal Audit and Auditor General recommendations;
- Lack of strategic and coordinated oversight over Public Entities;
- Non achievement of planned targets;
- Unsatisfactory compilation of the portfolio of evidence to support reported Performance Information;
- Inadequate record keeping;
- Non/late evaluation of SMS Members which result in non-compliance with the PMDS Policy;
- Slow implementation of the Corporate Governance of Information & Communication Technology Policy Framework (CGICT);
- Inadequate review of financial statements which result in misstatements;
- Incomplete and inaccurate contract register;
- Shareholder's compacts concluded late;
- Late submission of information to preparers of financial statements by the relevant stakeholders; and
- Shortage of staff in the Governance Units (Internal Audit and Risk Management), which affects the extent of risk intelligence and audit coverage of risks.

In order to address deficiencies noted, the Audit Committee will monitor progress made in implementing action plans developed and implemented by Management.

In-Year Management and Monthly and Quarterly Reports

The Department has been reporting monthly and quarterly to the Treasury 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 reviewed the annual financial statements prepared by the Department.

Auditor-General's Report

We have reviewed the Department's implementation plan for audit issues raised in the previous year and we are satisfied that the matters have been adequately resolved except, for the non filling of the Deputy Director: Supply Chain Management position, due to the moratorium on filling of vacant posts.

The Audit Committee concurs and accepts the conclusion of the Auditor-General on the Annual Financial Statements and is of the opinion that the Audited Annual Financial Statements be accepted and read together with the report of the Auditor-General.

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.

Appreciation

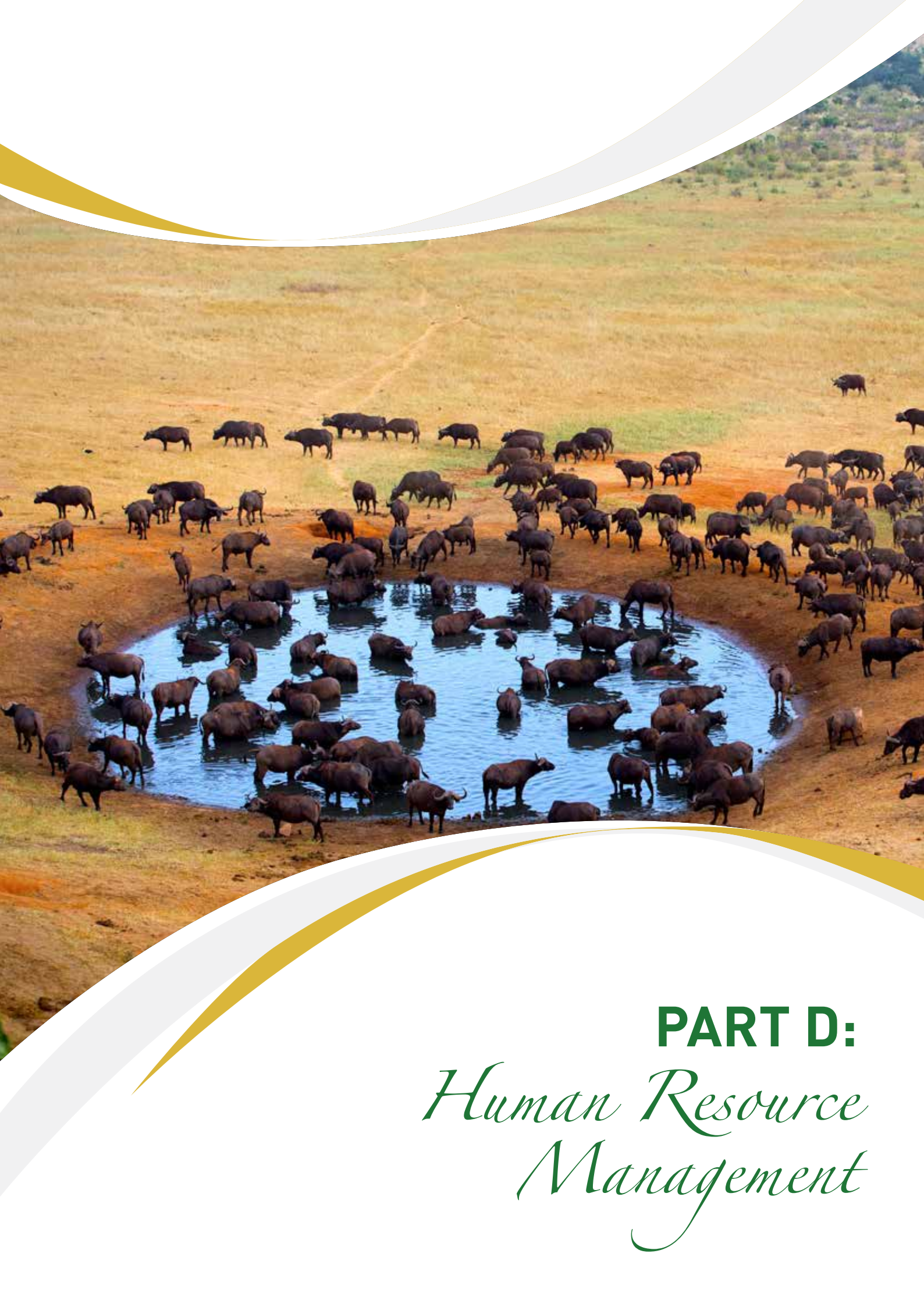
The Audit Committee appreciates the assistance and cooperation of Management in the discharge of its responsibility.



MS TI RANAPE
CHAIRPERSON OF THE AUDIT COMMITTEE

DATE: 31 July 2017





PART D:
*Human Resource
Management*

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

In the previous two financial years, the Department was busy with the organisational development project (OD) which resulted amongst others positioning the Department as a thought leader on Economic Development matters in the Province. That required that the organisational structure of the Department be reviewed in order to make sure that follows the strategy approved. The proposed organisational structure was submitted to the Office of the Premier requesting that the Honourable Premier consult with the Minister of Public Service and Administration as per the requirements of the Public Service Regulations. Feedback on that process is still awaited.

The SMS members and MMS members underwent competency assessments and skills audit in order to assess the skills/competency gaps as part of the OD project in order to make sure that development interventions at this two levels are focused according to the identified development needs.

The Transversal Services of the Department have played an important role in ensuring that support is given to employees whenever there is a need.

Daily 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 in the beginning of the year and employees are encouraged to take ownership of their development 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.

Employee 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. There was however a challenge also in that the number of grievances received were mainly due to PMDS as a result an effort was made to ensure that at least the performance contracts are assessed to ensure that they meet the requirements of how a contract should be developed. In instances where it was found that the contracts did not meet the requirements they were returned and a discussion held with the employee concerned and the supervisor. There were delays with the finalisation of assessments for SMS members which will be prioritised in the next financial year in order to ensure that the backlog is addressed.

Employee wellness programmes

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 of risk. Counselling services was provided in instances where employees were in need.

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 2016 and 31 March 2017

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)	Number of Employees
Administration	61 367	44 078	236 905	0	72	374	118
Integrated Econ Development	380 706	20 838	7869	0	5.4	485	43
Trade and Sector Development	16 102	8 836	17 530	0	54.8	491	18
Business Regulation & Governance	69 875	12 455	39 871	0	17.8	244	51
Economic Planning	11 230	9 571	70 398	0	85.2	563	17
Tourism	291 303	2 426	800	0	0.8	485	5
Total	830 583	98 206	373 373	0	11.8	390	252

Table 3.1.2 Personnel costs by salary band for the period 1 April 2016 and 31 March 2017

Salary band	Personnel expenditure (R'000)	% of total personnel cost	No. of employees	Average personnel cost per employee (R'000)	Total Personnel Cost for Department including Goods and Services (R'000)
Lower skilled (Levels 1-2)	443	0.33	2	221.5	133 969
Skilled (level 3-5)	8088	6.0	38	212 482	133 969
Highly skilled production (levels 6-8)	37 519	28.0	103	364 262	133 969
Highly skilled supervision (levels 9-12)	53 276	39.7	84	634 238	133 969
Senior and Top management (levels 13-16)	27 497	20.5	25	1 099.8	133 969
Periodical Employees	617	0.46	16	38 5625	133 969
Total	127 430	95.1	268	475 485	133 969

Table 3.1.3 Salaries, Overtime, Home Owners Allowance and Medical Aid by programme for the period 1 April 2016 and 31 March 2017

Programme	Salaries		Overtime		Home Owners Allowance		Medical Aid		Total Personnel Cost per Salary Band (R'000)
	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	
Administration	39 950	71	233	0.4	1 274	2.3	2 578	4.6	56 241
Integrated Econ Development	18 362	73.3	0	0	425	1.7	972	3.9	25 035
Trade and Sector Development	9 500	72.6	0	0	190	1.4	559	4.3	13 080
Business Regulation & Governance	16 478	71	39	0.2	665	2.9	1 066	4.6	23 195
Economic Planning	8 773	86.3	0	0	216	2.1	356	3.5	10 161
Tourism	3 502	55.9	0	0	284	4.5	148	2.4	6 257
Total	96 565	72.1	273	0.2	3 053	2.3	5 678	4.2	133 969

Table 3.1.4 Salaries, Overtime, Home Owners Allowance and Medical Aid by salary band for the period 1 April 2016 and 31 March 2017

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
Skilled (level 1-2)	299	67.6	0	0	30	6.8	30	6.8
Skilled (level 3-5)	5 297	65.1	0	0	533	6.6	848	10.5
Highly skilled production (levels 6-8)	26 869	69.7	164	0.4	1 392	3.6	2 286	5.9
Highly skilled supervision (levels 9-12)	40 786	72.0	108	0.2	800	1.4	2 102	3.8
Senior management (level 13-16)	23 313	62.2	0	0	298	1.1	411	1.5
Total	96 564	72.1	273	0.2	3053	2.3	5678	4.2

3.2. Employment and Vacancies

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

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

This information is presented in terms of three key variables:

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

Departments have identified critical occupations that need to be monitored. In terms of current regulations, it is possible to create a post on the establishment that 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 2017

Programme	Number of posts on approved establishment	Number of posts filled	Vacancy Rate	Number of employees additional to the establishment
Administration	118	118	0	0
Integrated Econ Development	43	43	0	0
Trade and Sector Development	18	18	0	0
Business Regulation & Governance	51	51	0	0
Economic Planning	17	17	0	0
Tourism	5	5	0	0
Total	252	252	0	0

Table 3.2.2 Employment and vacancies by salary band as on 31 March 2017

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)	2	2	0	0
Skilled(3-5)	38	38	0	0
Highly skilled production (6-8)	103	103	0	0
Highly skilled supervision (9-12)	83	83	0	0
Senior management (13-16)	23	23	0	0
Contract (Levels 9-12),	1	1	0	0
Contract (Levels 13-16),	2	2	0	0
Total	252	252	0	0

Table 3.2.3 Employment and vacancies by critical occupations as on 31 March 2017

Critical occupation	Number of posts on approved establishment	Number of posts filled	Vacancy Rate	Number of employees additional to the establishment
Administrative related, Permanent	39	39	0	0
Cleaners in offices workshops Hospitals ETC., Permanent	10	10	0	0
Communication and Information related, Permanent	10	10	0	0
Economists, Permanent	57	57	0	0
Finance and Economics related, Permanent	17	17	0	0
Financial and related professionals, Permanent	6	6	0	0
Financial clerks and credit Controllers, Permanent	6	6	0	0
food Services aids and Waiters, Permanent	1	1	0	0
General legal Administration & rel. Professionals, Permanent	1	1	0	0
Head of Department/Chief Executive Officer, Permanent	1	1	0	0
Human Resources & Organisational Development & relate prof, Permanent	2	2	0	0
Human Resources Clerks, Permanent	0	0	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	3	3	0	0
Messengers Porters and Deliverers, permanent	2	2	0	0
Other Administrat & related clerks and organisers, Permanent	0	0	0	0
Other Occupations, Permanent	0	0	0	0
Regulatory Inspectors, Permanent	17	17	0	0
Risk Management and Security Services, Permanent	1	1	0	0
Secretaries & other keyboard operating clerks, Permanent	22	22	0	0
Senior Managers, Permanent	15	15	0	0
Statisticians and related Professionals, Permanent	2	2	0	0
Trade/Industry Advisers & other related profession, Permanent	16	16	0	0
Total	252	252	0	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 –
 - in which there is a scarcity of qualified and experienced persons currently or anticipated in the future, either because such skilled persons are not available or they are available but do not meet the applicable employment criteria;
 - for which persons require advanced knowledge in a specified subject area or science or learning field and such knowledge is acquired by a prolonged course or study and/or specialised instruction;
 - where the inherent nature of the occupation requires consistent exercise of discretion and is predominantly intellectual in nature; and
 - in respect of which a department experiences a high degree of difficulty to recruit or retain the services of employees.

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 2017

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	1	100	0	0
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	18	18	100	0	0
Total	25	25	100	0	0

Table 3.3.2 SMS post information as on 30 September 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	1	100	0	0
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	26	100	0	0

Table 3.3.3 Advertising and filling of SMS posts for the period 1 April 2016 and 31 March 2017

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

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 2016 and 31 March 2017

Reasons for vacancies not advertised within six months
There were no funded vacant positions due to the moratorium placed in the filling of vacant positions in the Province.
Reasons for vacancies not filled within twelve months
There were no funded vacant positions due to the moratorium placed in the filling of vacant positions in the Province.

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 2016 and 31 March 2017

Reasons for vacancies not advertised within six months
There were no funded vacant positions due to the moratorium placed in the filling of vacant positions in the Province.
Reasons for vacancies not filled within six months
There were no funded vacant positions due to the moratorium placed in the filling of vacant positions in the Province.

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 16 A (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.

Table 3.4.1 Job Evaluation by Salary band for the period 1 April 2016 and 31 March 2017

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)	2	0	0	0	0	0	0
Skilled (Levels 3-5)	38	0	0	0	0	0	0
Highly skilled production (Levels 6-8)	103	0	0	0	0	0	0
Highly skilled supervision (Levels 9-12)	83	91	0	17	18.6	0	0
Senior Management Service Band A	17	0	0	0	0	0	0
Senior Management Service Band B	5	0	0	0	0	0	0
Senior Management Service Band D	1	0	0	0	0	0	0
Senior Management Service Band C, Contract	1	0	0	0	0	0	0
Contract (Levels 9-12)	1	0	0	0	0	0	0
Contract Band C	1	0	0	0	0	0	0
Total	252	91	0	17	18.6	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. Please note that the indicated positions were evaluated during 2009/2010 financial year but the upgrade was effected during 2016/2017.

Table 3.4.2 Profile of employees whose positions were upgraded due to their posts being upgraded for the period 1 April 2016 and 31 March 2017

Gender	African	Asian	Coloured	White	Total
Female	8	0	0	0	8
Male	9	0	0	0	9
Total	0	0	0	0	17

Employees with a disability	1
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The following table summarises the number of cases where remuneration bands exceeded the grade determined by job evaluation. Reasons for the deviation are provided in each case.

Table 3.4.3 Employees with salary levels higher than those determined by job evaluation by occupation for the period 1 April 2016 and 31 March 2017

Occupation	Number of employees	Job evaluation level	Remuneration level	Reason for deviation
None	None	None	None	None
Total number of employees whose salaries exceeded the level determined by job evaluation				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 2016 and 31 March 2017

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 determined 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).

Table 3.5.1 Annual turnover rates by salary band for the period 1 April 2016 and 31 March 2017

Salary band	Number of employees at beginning of period-1 April 2016	Appointments and transfers into the department	Terminations and transfers out of the department	Turnover rate
Lower skilled (Levels 1-2)	4	0	2	50
Skilled (Levels 3-5)	41	0	2	4.8
Highly skilled production (Levels 6-8)	104	0	2	1.9
Highly skilled supervision (Levels 9-12)	84	0	2	2.3
Senior Management Service Bands A	18	0	1	5.2
Senior Management Service Bands B	5	0	0	0
Senior Management Service Bands C	0	1	0	0
Senior Management Service Bands D	1	0	0	0
Contract (Levels 3-5)	2	0	1	50
Contract (Levels 9-12)	1	0	0	0
Contract Band A	1	0	0	0
Total	261	1	10	3.8

Table 3.5.2 Annual turnover rates by critical occupation for the period 1 April 2016 and 31 March 2017

Critical occupation	Number of employees at beginning of period-April 2016	Appointments and transfers into the department	Terminations and transfers out of the department	Turnover rate
Administrative related Permanent	34	0	0	0
Cleaners in offices Workshops hospitals ETC. Permanent	11	0	1	9
Communication and Information related Permanent	10	0	0	0
Economists Permanent	58	0	0	0
Finance and Economics related Permanent	16	0	0	0
Financial and related Professionals Permanent	6	0	0	0
Financial Clerks and Credit Controllers Permanent	9	0	4	44.4
Food Services aids and waiters Permanent	1	0	0	0
General Legal Administration & REL. Professionals Permanent	1	0	0	0
Human Resources & Organisat developm & relate prof Permanent	2	0	1	50
Human Resources Clerks Permanent	1	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	3	0	0	0
Messengers Porters and Deliverers Permanent	2	0	0	0
Natural Sciences related Permanent	1	0	0	0
Administrat & related Clerks and organisers Permanent	3	0	0	0
Regulatory Inspectors Permanent	17	0	0	0
Risk Management and Security Services Permanent	1	0	0	0
Secretaries & other keyboard Operating Clerks Permanent	24	0	2	8.3
Senior Managers Permanent	19	1	1	5.2
Statisticians and related Professionals Permanent	2	0	0	0
Trade/Industry Advisers & other related Profession Permanent	16	0	1	6.2
TOTAL	261	1	10	3.8

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.

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 2016 and 31 March 2017

Termination Type	Number	% of Total Resignations
Death	1	10
Resignation	3	30
Expiry of contract	3	30
Dismissal – operational changes	0	0
Dismissal – misconduct	0	0
Dismissal – inefficiency	0	0
Discharged due to ill-health	0	0
Retirement	1	10
Transfer to other Public Service Departments	2	20
Other	0	0
Total	10	100
Total number of employees who left as a % of total employment	3.8	

Table 3.5.4 Promotions by critical occupation for the period 1 April 2016 and 31 March 2017

Occupation	Employees 1 April 2016	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 Permanent	34	0	0	21	61.7
Cleaners in offices Workshops hospitals ETC. Permanent	11	1	9	11	100
Communication and Information related Permanent	10	2	20	10	100
Economists Permanent	58	11	18.9	46	79.3
Finance and Economics related Permanent	16	3	18.7	10	62.5
Financial and related Professionals Permanent	6	0	0	0	0
Financial Clerks and Credit Controllers Permanent	9	0	0	5	55.5
Food Services aids and waiters Permanent	1	0	0	0	0
General Legal Administration & REL. Professionals Permanent	1	0	0	0	0
Human Resources & Organisational development & relate prof Permanent	2	0	0	2	100
Human Resources Clerks Permanent	18	6	25.2	14	77.7
Human Resources related Permanent	1	0	0	1	100
Information Technology related Permanent	2	0	0	1	50
Legal related Permanent	4	0	0	4	100
Light vehicle Drivers Permanent	6	0	0	6	100
Logistical Support Personnel Permanent	0	0	0	0	0
Messengers Porters and Deliverers Permanent	0	0	0	0	0
Natural Sciences related Permanent	3	0	0	3	100
Administrative & related Clerks and organisers Permanent	17	0	0	0	0
Regulatory Inspectors Permanent	1	0	0	0	0
Risk Management and Security Services Permanent	24	0	0	17	70.8
Secretaries & other keyboard Operating Clerks Permanent	19	0	0	0	0
Senior Managers Permanent	2	0	0	2	100
Statisticians and related Professionals Permanent	16	2	12.5	15	93.7
TOTAL	261	25	9.5	168	64.3

Table 3.5.5 Promotions by salary band for the period 1 April 2016 and 31 March 2017

Salary Band	Employees 1 April 2016	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)	4	0	0	2	50
Skilled (Levels3-5)	41	1	2.4	28	68.2
Highly skilled production (Levels 6-8)	104	1	0.9	69	66.3
Highly skilled supervision (Levels 9-12)	84	23	27.3	69	82.1
Senior Management Service Bands A	18	0	0	0	0
Senior Management Service Bands B	5	0	0	0	0
Senior Management Service Bands C	0	0	0	0	0
Senior Management Service Bands D	1	0	0	0	0
Contract (Levels 3-5)	2	0	0	0	0
Contract (Levels 9-12)	1	0	0	0	0
Contract Band A	1	0	0	0	0
Total	261	25	30.6	168	64.3

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 2017

Occupational category	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Legislators, senior officials and managers	19	1	0	2	3	0	0	0	25
Professionals	44	1	0	1	34	0	1	3	84
Technicians and associate professionals	0	0	0	0	0	0	0	0	0
Clerks	38	0	0	0	64	0	0	1	103
Service and sales workers	0	0	0	0	0	0	0	0	0
Semi-Skilled and discretionary decision making	4	0	0	0	33	1	0	0	38
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	2	0	0	0	2
Total	105	2	0	3	136	1	1	4	252
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 2017

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	11	1	0	2	3	0	0	0	17
Professionally qualified and experienced specialists and mid-management	43	1	0	1	34	0	1	3	83
Skilled technical and academically qualified workers, junior management, supervisors, foreman and superintendents	38	0	0	0	64	0	0	1	103
Semi-skilled and discretionary decision making	4	0	0	0	33	1	0	0	38
Unskilled and defined decision making	0	0	0	0	2	0	0	0	2
Contract (Top Management),	1	0	0	0	0	0	0	0	1
Contract (Senior Management),	1	0	0	0	0	0	0	0	1
Contract (Professionally Qualified),	1	0	0	0	0	0	0	0	1
Total	105	2	0	3	136	1	1	4	252

Table 3.6.3 Recruitment for the period 1 April 2016 to 31 March 2017

Occupational band	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top Management	1	0	0	0	0	0	0	0	1
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	1	0	0	0	0	0	0	0	1
Employees with disabilities	0	0	0	0	0	0	0	0	0

Table 3.6.4 Promotions for the period 1 April 2016 to 31 March 2017

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	5	0	0	0	1	0	0	0	6
Skilled technical and academically qualified workers, junior management, supervisors, foreman and superintendents	8	0	0	0	8	0	0	0	16
Semi-skilled and discretionary decision making	0	0	0	0	1	0	0	0	1
Unskilled and defined decision making	0	0	0	0	1	0	0	0	1
Total	13	0	0	0	11	0	0	0	24
Employees with disabilities	1	0	0	0	0	0	0	0	1

Table 3.6.5 Terminations for the period 1 April 2016 to 31 March 2017

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	0	0	0	0	1
Professionally qualified and experienced specialists and mid-management	1	0	0	0	0	0	0	0	1
Skilled technical and academically qualified workers, junior management, supervisors, foreman and superintendents	0	0	0	0	1	0	0	0	1
Semi-skilled and discretionary decision making	2	0	0	0	2	0	0	0	4
Unskilled and defined decision making	2	0	0	0	1	0	0	0	3
Total	6	0	0	0	4	0	0	0	10
Employees with Disabilities	0	0	0	0	0	0	0	0	0

Table 3.6.6 Disciplinary action for the period 1 April 2016 to 31 March 2017

Disciplinary action	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
	0	0	0	0	0	0	0	0	0
	0	0	0	0	0	0	0	0	0

Table 3.6.7 Skills development for the period 1 April 2016 to 31 March 2017

Occupational category	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Legislators, senior officials and managers	8	0	0	0	2	0	0	0	10
Professionals	18	0	0	1	23	0	0	0	42
Technicians and associate professionals	5	0	0	0	8	0	1	0	14
Clerks	3	0	0	0	28	0	0	1	32
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
Employees with disabilities	3	0	0	0	0	0	0	0	3
Total	34	0	0	1	61	0	1	1	98

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 2016

SMS Level	Total number of funded SMS posts	Total number of SMS members	Total number of signed performance agreements	Signed performance agreements as % of total number of SMS members
Director-General/ Head of Department	0	0	0	0
Salary Level 16	1	1	0	0
Salary Level 15	1	0	0	0
Salary Level 14	5	5	4	80
Salary Level 13	19	19	17	89.5
Total	26	25	21	80.7

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 2016.

Table 3.7.2 Reasons for not having concluded Performance agreements for all SMS members as on 31 March 2017

Reasons
Three officials did not comply with the stipulated time submitting time frames.

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 2017

Reasons
None

Notes

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

3.8. Performance Rewards

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

Table 3.8.1 Performance Rewards by race, gender and disability for the period 1 April 2016 to 31 March 2017

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	15	103	15	510 482	34 032
Female	25	138	18	575 819	23 033
Asian					
Male	0	1	0	0	
Female	0	1	0	0	
Coloured					
Male	0	1	0	0	
Female	0	1	0	0	
White					
Male	0	3	0	0	
Female	1	4	25	104 878	104 878
Total	41	252	16	1 191 179	29 053

Table 3.8.2 Performance Rewards by salary band for personnel below Senior Management Service for the period 1 April 2016 to 31 March 2017

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)	1	3	33.3	9	9206	1
Skilled (level 3-5)	10	38	26.3	122	12 226	8
Highly skilled production (level 6-8)	16	104	15.3	398	24 901	4
Highly skilled supervision (level 9-12)	14	83	16.8	661	47 235	2
Total	41	228	17.9	1 191	29 051	3.4

Table 3.8.3 Performance Rewards by critical occupation for the period 1 April 2016 to 31 March 2017

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, Permanent	1	39	2.5	21 145	21 145
Cleaners in Offices Workshops Hospitals ETC., Permanent	8	10	80	89 365	11 171
Communication and Information related, Permanent	3	10	30	101 078	33 693
Economists, Permanent	18	55	32.7	659 553	36 642
Finance and Economics related, Permanent	1	17	0	22 111	22 111
Financial and related Professionals, Permanent	0	6	0	0	0
Financial Clerks and Credit Controllers, Permanent	0	6	0	0	0
Food Services aids and Waiters, Permanent	0	0	0	0	0
General Legal Administration & rel. Professionals, Permanent	0	1	0	0	0
Head of Department/Chief Executive Officer, Permanent	0	0	0	0	0
Human Resources & Organisational Development & relate prof, Permanent	1	2	50	31 215	31 215
Human Resources Clerks, Permanent	0	0	0	0	0
Human Resources related, Permanent	1	16	6.2	33 130	33 130
Information Technology related, Permanent	0	1	0	0	0
Legal Related, Permanent	0	0	0	0	0
Light Vehicle Drivers, Permanent	2	4	50	49 100	24 550
Logistical Support Personnel, Permanent	0	3	0	0	0
Messengers Porters and Deliverers, Permanent	0	0	0	0	0
Other Administrative & related Clerks and Organisers, Permanent	0	0	0	0	0
Other Occupations, Permanent	0	0	0	0	0
Regulatory Inspectors, Permanent	0	17	0	0	0
Risk Management and Security Services, Permanent	0	1	0	0	0
Secretaries & other keyboard Operating Clerks, Permanent	6	22	27.2	184 381	30 730
Senior Managers, Permanent	0	0	0	0	0
Statisticians and related Professionals, Permanent	0	2	0	0	0
Trade/Industry Advisers & Other related Profession, Permanent	0	16	0	0	0
Total	41	228	17.9	1 191 079	29 051

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;
 - (a) 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;
 - (a) where the inherent nature of the occupation requires consistent exercise of discretion and is predominantly intellectual in nature; and
 - (a) in respect of which a department experiences a high degree of difficulty to recruit or retain the services of employees;

Table 3.8.4 Performance related rewards (cash bonus), by salary band for Senior Management Service for the period 1 April 2016 to 31 March 2017

Salary band	Beneficiary Profile			Cost		Total cost as a % of the total personnel expenditure
	Number of beneficiaries	Number of employees	% of total within salary bands	Total Cost (R'000)	Average cost per employee	
Band A	0	19	0	0	0	0
Band B	0	5	0	0	0	0
Band C	0	1	0	0	0	0
Band D	0	1	0	0	0	0
Total	0	26	0	0	0	0

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 2016 and 31 March 2017

Salary band	01 April 2016		31 March 2017		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 2016 and 31 March 2017

Major occupation	01 April 2016		31 March 2017		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.

Table 3.10.1 Sick leave for the period 1 January 2016 to 31 December 2016

Salary band	Total days	% Days with Medical certification	Number of Employees using sick leave	% of total employees using sick leave	Average days per employee	Estimated Cost (R'000)
Lower Skills (Level 1-2)	1	100	1	0.67	1	4.00
Skilled (levels 3-5)	430	48.6	54	36.24	7.96	574.00
Highly skilled production (levels 6-8)	455	61.32	49	32.89	9.29	1057.00
Highly skilled supervision (levels 9 -12)	28	89.29	3	2.01	9.33	14.00
Top and Senior management (levels 13-16)	56	85.71	11	7.38	5.09	210.00
Contract (Levels 13-16)	266	42.48	31	20.81	8.58	190.00
Total	1236	54.61	149	100	8.3	2047.00

Table 3.10.2 Disability leave (temporary and permanent) for the period 1 January 2016 to 31 December 2016

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

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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 2016 to 31 December 2016

Salary band	Total days taken	Number of Employees using annual leave	Average per employee
Lower skilled (Levels 1-2)	93	31	4
Skilled Levels 3-5)	870	21.75	40
Highly skilled production (Levels 6-8)	2331	21.99	106
Highly skilled supervision(Levels 9-12)	1978	23.55	84
Senior management (Levels 13-16)	450	20.45	22
Contract (Levels 1-2)	12	6	2
Contract (Levels 13-16)	16	16	1
Contract (Levels 3-5)	15	15	1
Total	5783	22.24	261

Table 3.10.4 Capped leave for the period 1 January 2016 to 31 December 2016

Salary band	Total days of capped leave available as on 31 March 2017	Number of Employees using capped leave	Average number of days taken per employee	Average capped leave per employee as on 31 March 2017
Lower skilled (Levels 1-2)	25.57	1	0	25.57
Skilled Levels 3-5)	1050.5	9	0	116.72
Highly skilled production (Levels 6-8)	1938.41	31	0	62.53
Highly skilled supervision(Levels 9-12)	2106.38	34	0	61.95
Senior management (Levels 13-16)	712.78	14	0	50.91
Total	5833.64	89	0	65.55

Table 3.10.5 Leave payouts for the period 1 April 2016 and 31 March 2017

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

Reason	Total amount (R'000)	Number of employees	Average per employee (R'000)
Leave payout for 2016/17 due to non-utilisation of leave for the previous cycle	551	7	78 692
Capped leave payouts on termination of service for 2016/17	63	3	20 890
Current leave payout on termination of service for 2016/17	83	2	41 440
Total	696	12	58 033

3.11. HIV/AIDS & Health Promotion Programmes

Table 3.11.1 Steps taken to reduce the risk of occupational exposure

Units/categories of employees identified to be at high risk of contracting HIV & related diseases (if any)	Key steps taken to reduce the risk
General Workers (Cleaners)	Provision of Personal Protective Equipment (PPE's) e.g. gloves, mouth covers

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 (5), and the budget allocated is two million four hundred and eighty thousand (2,682.000) for compensation and goods and services.
3. Has the Department introduced an Employee Assistance or Health Promotion Programme for your employees? If so, indicate the key elements/services of this Programme.	Yes		Proactive and reactive Employee Health and Wellness 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		Occupational Health & Safety committee (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 Mapheto, Mr M Mthethwa. Employment Equity Committee: Mr S Nkambule, Ms SJ Phahlamohlaka, Ms VP Mbatha, Ms H Mokotedi, Mr DJ Sibiyi, Mr JS Mashiane, Mr JA Mthabini, Mr MS Mahlangu, Ms A Johnson, Mr V Makamu
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.	No		No, however the Department has the approved Recruitment, HIV/AIDS, STI&TB Management, Occupational Health & Safety and Labour Relations Act & Regulations policies to ensure that employees are not discriminated on the basis of their HIV status
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 02 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.

3.12. Labour Relations

Table 3.12.1 Collective agreements for the period 1 April 2016 and 31 March 2017

Subject matter	Date
None	N/A

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Notes

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

Total number of Collective agreements	None
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The following table summarises the outcome of disciplinary hearings conducted within the department for the year under review.

Table 3.12.2 Misconduct and disciplinary hearings finalised for the period 1 April 2016 and 31 March 2017

Outcomes of disciplinary hearings	Number	% of total
Correctional counselling	0	0
Verbal warning	0	0
Written warning	2	100%
Final written warning	0	0
Suspended without pay	0	0
Fine	0	0
Demotion	0	0
Dismissal	0	0
Not guilty	0	0
Case withdrawn	0	0
Total	2	100%

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 2016 and 31 March 2017

Type of misconduct	Number	% of total
	0	0
Total	0	0

Table 3.12.4 Grievances logged for the period 1 April 2016 and 31 March 2017

Grievances	Number	% of Total
Number of grievances resolved	10	77%
Number of grievances not resolved	3	23%
Total number of grievances lodged	13	100%

Upheld

Table 3.12.5 Disputes logged with Councils for the period 1 April 2016 and 31 March 2017

Disputes	Number	% of Total
Number of disputes upheld	0	0
Number of disputes dismissed	1	33%
Total number of disputes lodged	3	100%

There two disputes that were lodged are still not yet finalised, that is why the Department has three disputes lodged with only one that has been finalised during the period under review

Table 3.12.6 Strike actions for the period 1 April 2016 and 31 March 2017

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 2016 and 31 March 2017

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

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 2016 and 31 March 2017

Occupational category	Gender	Number of employees as at 1 April 2016	Training needs identified at start of the reporting period			
			Learnership	Skills Programmes & other short courses	Other forms of training	Total
Legislators, senior officials and managers SL 13-16	Female	3	0	2	0	2
	Male	22	0	15	0	15
Professionals SL 11-12	Female	20	0	7	0	7
	Male	22	0	3	0	3
Technicians and associate professionals SL 9-10	Female	20	0	6	0	6
	Male	24	0	2	0	2
Clerks SL 4-8	Female	88	0	0	3	3
	Male	44	0	0	1	1
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 SL 1-3	Female	16	0	0	0	0
	Male	2	0	0	0	0
Sub Total	Female	0	0	0	0	0
	Male	0	0	0	0	0
Total		261	0	35	4	39

Table 3.13.2 Training provided for the period 1 April 2016 and 31 March 2017

Occupational category	Gender	Number of employees as at 1 April 2016	Training provided within the reporting period			
			Learnership	Skills Programmes & other short courses	Other forms of training	Total
Legislators, senior officials and managers	Female	3	0	0	2	2
	Male	22	0	0	8	8
Professionals	Female	20	0	9	13	23
	Male	22	0	10	10	18
Technicians and associate professionals	Female	20	0	6	3	9
	Male	24	0	5	2	5
Clerks	Female	88	0	4	23	29
	Male	44	0	1	2	3
Service and sales workers	Female	0	0	0	0	0
	Male	0	0	0	0	0
Skilled agriculture and fishery workers	Female	0	0	0	0	0
	Male	0	0	0	0	0
Craft and related trades workers	Female	0	0	0	0	0
	Male	0	0	0	0	0
Plant and machine operators and assemblers	Female	0	0	0	0	0
	Male	0	0	0	0	0
Elementary occupations	Female	16	0	0	0	0
	Male	2	0	0	0	0
Sub Total	Female	0	0	0	0	0
	Male	0	0	0	0	0
Total		261	0	35	63	98

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 2016 and 31 March 2017

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;
- (a) The drafting of proposals for the execution of specific tasks; and
- (a) 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 2016 and 31 March 2017

Project title	Total number of consultants that worked on project	Duration (work days)	Contract value in Rand
Feasibility study for the development of a technology park for agriculture and forestry industry	1	6 months	R3 094 549.98
Feasibility study for the development of a technology park for mining and metals industry	1	6 months	R3 094 549.98
Total	2		6 189 100

Total number of projects	Total individual consultants	Total duration Work days	Total contract value in Rand
2	1	12 months	R6 189 099.96

Table 3.15.2 Analysis of consultant appointments using appropriated funds, in terms of Historically Disadvantaged Individuals (HDIs) for the period 1 April 2016 and 31 March 2017

Project title	Percentage ownership by HDI groups	Percentage management by HDI groups	Number of consultants from HDI groups that work on the project
Feasibility study for the development of a technology park for agriculture and forestry industry	30%	30%	2
Feasibility study for the development of a technology park for mining and metals industry	30%	30%	2

Table 3.15.3 Report on consultant appointments using Donor funds for the period 1 April 2016 and 31 March 2017

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 2016 and 31 March 2017

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 2016 and 31 March 2017

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. 6: DEPARTMENT OF ECONOMIC DEVELOPMENT AND TOURISM.

Report on the Audit of the Financial Statements

Opinion

1. I have audited the financial statements of the Department of Economic Development and Tourism set out on pages 132 to 185, which comprise the appropriation statement, the statement of financial position as at 31 March 2017, the statement of financial performance, statement of changes in net assets and cash flow statement for the year ended, as well as the notes to the financial statements, including a summary of significant accounting policies.
2. In my opinion, the financial statement presents fairly, in all material respects, the financial position of the Department of Economic Development and Tourism as at 31 March 2017, and its financial performance and cash flows for the year then ended in accordance with the Modified Cash Standard prescribed by the National Treasury (MCS) and the requirements of the Public Finance Management Act of South Africa, 1999 (Act No.1 of 1999)(PFMA) and the Division of Revenue Act of South Africa, 2016 (Act No.3 of 2016)(DoRA).
3. I conducted my audit in accordance with the International Standards on Auditing (ISAs). My responsibilities under those standards are further described in the auditor-general's responsibilities for the audit of the financial statements section of my report.
4. I am independent of the Department in accordance with the International Ethics Standards Board for Accountants' *Code of ethics for professional accountants* (IESBA code) together with the ethical requirements that are relevant to my audit in South Africa. I have fulfilled my other ethical responsibilities in accordance with these requirements and the IESBA code.
5. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Emphasis of matters

6. I draw attention to the matters below. My opinion is modified in respect of these matters.

Restatement of corresponding figures

7. As disclosed in note 28 to the financial statements, the corresponding figures for 31 March 2016 have been restated as a result of an error in the financial statements of the Department at, and for the year ended, 31 March 2017.

Irregular as well as fruitless and wasteful expenditure

8. As disclosed in note 21 to the financial statements, irregular expenditure of R37 492 000 incurred in previous years was still under investigation.
9. As disclosed in note 22 to the financial statements, fruitless and wasteful of R3 936 000 incurred in previous years was still under investigation.

Responsibilities of the accounting officer for the financial statements

10. The accounting officer is responsible for the preparation and fair presentation of the financial statements in accordance with the MCS and the requirements of the PFMA and 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.
11. In preparing the financial statements, the accounting officer is responsible for assessing the Department's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the intention is to either liquidate the department or cease operations, or there is no realistic alternative but to do so.

Auditor-general's responsibilities for the audit of the financial statements

12. My objectives are to obtain reasonable assurance about whether financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Responsible assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.
13. A further description of my responsibilities for the audit of the financial statements is included in the annexure to the auditor's report.

REPORT ON THE AUDIT OF THE ANNUAL PERFORMANCE REPORT

Introduction and scope

14. 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 material findings on the reported performance information against predetermined objectives for selected programmes presented in the annual performance report. I performed procedures to identify findings but not to gather evidence to express assurance.
15. My procedures address the reported performance information, which must be based on the approved performance planning documents of the department. I have not evaluated the completeness and appropriateness of the performance indicators included in the planning documents. My procedures also did not extend to any disclosures or assertions relating to planned performance strategies and information in respect of future periods that may be included as part of the reported performance information. Accordingly, my findings do not extend to these matters.
16. I evaluated the usefulness and reliability of the reported performance information in accordance with the criteria developed from the performance management and reporting framework, as defined in the general notice, for the following selected programmes presented in the annual performance report of the Department for the year ended 31 March 2017:

Programmes	Pages in the annual performance report
Programme 2 – integrated economic development services	42 - 48
Programme 3 – trade and sector development	49 - 56
Programme 6 - tourism	73 - 75

17. I performed procedures to determine whether the reported performance information was properly presented and whether the performance was consistent with the approved performance planning documents. I performed further procedures to determine whether the indicators and related targets were measurable and relevant, and assessed the reliability of the reported performance information to determine whether it was valid, accurate and complete.
18. I did not identify any material findings on the usefulness and reliability of the reported performance information for the following programmes:
 - Programme 2 – integrated economic development services
 - Programme 3 – trade and sector development
 - Programme 6 – tourism

Other matter

19. I draw attention to the matter below.

Achievement of planned targets

20. Refer to the annual performance report on pages 42 to 48, 49 to 56 and 73 to 75 for information on the achievement of the planned targets for the year and the explanations provided for the under- or overachievement of a number of targets.

REPORT ON THE AUDIT OF COMPLIANCE WITH LEGISLATION

Introduction and scope

21. In accordance with the PAA and the general notice issued in terms thereof, I have a responsibility to report material findings on the compliance of the department with specific matters in key legislation. I performed procedures to identify findings but not to gather evidence to express assurance.
22. I did not identify any instances of material non-compliance with specific matters in key legislation, as set out in the general notice issued in terms of the PAA.

Other information

23. The accounting officer of the Department is responsible for the other information. The other information comprises the information included in the annual report. The other information does not include the financial statements, the auditor's report thereon and those selected programmes presented in the annual performance report that have been specifically reported on in the auditor's report.
24. My opinion on the financial statements and findings on the reported performance information and compliance with legislation do not cover the other information and I do not express an audit opinion or any form of assurance conclusion thereon.
25. In connection with my audit, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements and the selected programmes presented in the annual performance misstated. If, based on the work I have performed on the other information obtained prior to the date of this auditor's report, I conclude that there is a material misstatement of this other information, I am required to report that fact.

26. I have read the other information included in the draft annual report and have nothing to report in this regard.
27. I have not yet received the final annual report containing the other information. When I do receive this information, and if I conclude that it contains a material misstatement, I am required to communicate the matter to those charged with governance and to request that the other information be corrected. If the other information is not corrected, I may have to re-issue my auditor's report amended as appropriate.

Internal control deficiencies

28. I considered internal control relevant to my audit of the financial statements, reported performance information and compliance with applicable legislation; however, my objective was not to express any form of assurance thereon. I did not identify any significant deficiencies in internal control.

Auditor-General

Mbombela

1 August 2017



A U D I T O R - G E N E R A L
S O U T H A F R I C A

Annexure – Auditor-general's responsibility for the audit

1. As part of an audit in accordance with the ISA's, I exercise professional judgement and maintain professional scepticism throughout my audit of the financial statements, and the procedures performed on the reported performance information for selected programmes and on the Department's compliance with respect to the selected subject matters.

Financial statements

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

- Identify and assess the risks of material misstatement of the financial statements whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
 - Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Department's internal control.
 - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the accounting officer.
 - Conclude on the appropriateness of the accounting officer's use of the going concern basis of accounting in the preparation of the financial statements. I also conclude, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the department to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditors report to the related disclosures in the financial statements about the material uncertainty or, if such disclosures are inadequate, to modify the opinion on the financial statements. My conclusions are based on the information available to me at the date of the auditor's report. However, future events or conditions may cause the department to cease to continue as a going concern.
 - Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
3. I communicate with the accounting officer regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.
 4. I also confirm to the accounting officer that I have complied with relevant ethical requirements regarding independence, and communicate all relationships and other matters that may reasonably be thought to have a bearing on my independence and where applicable, related safeguards

APPROPRIATION STATEMENT
For the year ended 31 March 2017

Appropriation per programme									
2016/17								2015/16	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Programme									
1. Administration	79,202	-	(2,129)	77,073	76,122	951	98.8	81,497	79,890
2. Integrated Economic Development	441,718	-	2,518	444,236	442,802	1,434	99.7	262,398	262,048
3. Trade and Sector Development	24,558	-	(993)	23,565	22,759	806	96.6	19,259	18,234
4. Business Regulation and Governance	92,411	-	708	93,119	92,951	168	99.8	84,030	83,240
5. Economic Planning	13,983	-	(189)	13,794	13,704	90	99.3	16,906	16,635
6. Tourism	350,270	-	85	350,355	350,231	124	100	335,391	335,180
Subtotal	1,002,142		-	1,002,142	998,569	3,573	99.6	799,481	795,227
Statutory Appropriation	-	-	-	-	-	-	-	-	-
TOTAL	1,002,142			1,002,142	998,569	3,573	99.6	799,481	795,227
TOTAL (brought forward)									
Reconciliation with statement of financial performance									
ADD									
Departmental receipts				105,387				97,821	
Actual amounts per statement of financial performance (total revenue)				1,107,529				897,302	
ADD									
Prior year unauthorised expenditure approved without funding									
Actual amounts per statement of financial performance (total expenditure)					998,569				795,227

APPROPRIATION STATEMENT
For the year ended 31 March 2017

Appropriation per economic classification									
	2016/17							2015/16	
	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	184,326		(478)	183,848	180,270	3,578	98.1	197,467	193,213
Compensation of employees	121,928		(301)	121,627	118,100	3,527	97.1	121,041	118,581
Salaries and wages	101,702		(263)	101,439	102,130	(691)	100.7	104,112	102,317
Social contributions	20,226		(38)	20,188	15,970	4,218	79.1	16,929	16,264
Goods and services	62,398		(177)	62,221	62,170	51	99.9	76,426	74,632
Administrative fees	720		4	724	861	(137)	118.9	858	937
Advertising	700		81	781	486	295	62.2	630	657
Minor assets	429		(418)	11	41	(30)	372.7	227	517
Audit costs: External	4,247		-	4,247	3,851	396	90.7	3,844	3,844
Catering: Departmental activities	349		(30)	319	337	(18)	105.6	539	842
Communication	3,863		-	3,863	3,690	173	95.5	4,266	4,666
Computer services	641		-	641	658	(17)	102.7	892	942
Consultants: Business and advisory services	1,010		(200)	810	747	63	92.2	1,198	1,862
Legal Services	200		-	200	923	(723)	461.5	365	365
Contractors	1,026		(515)	511	74	437	14.5	52	175
Agency and support / outsourced services	12,865		(1,244)	11,621	11,293	328	97.2	18,461	14,536
Fleet services	1,237		(236)	1,001	934	67	93.3	1,321	1,321
Inventory: Food and food supplies	205		-	205	-	205	-	-	-
Consumable supplies	250		-	250	815	(565)	326	472	596
Consumable: Stationery, printing and office supplies	1,640		-	1,640	1,282	358	78.2	937	1,418
Operating leases	15,455		2,478	17,933	19,932	(1,999)	111.1	23,260	23,260
Property payments	4,562		-	4,562	4,066	496	89.1	4,992	4,992
Travel and subsistence	10,026		(97)	9,929	10,967	(1,038)	110.5	12,594	12,379
Training and development	1,200		-	1,200	428	772	35.7	327	312
Operating payments	1,163		-	1,163	244	919	21	453	476
Venues and facilities	610		-	610	541	69	88.7	738	535
Transfers and subsidies	750,916	-	177	751,093	751,098	(5)	100	598,404	598,404
Provinces and municipalities	2,465	-	-	2,465	2,470	(5)	100.2	4,800	4,800
Departmental agencies and accounts	422,191	-	-	422,191	422,191	-	100	362,641	362,641
Public corporations	319,910	-	-	319,910	319,910	-	100	206,656	206,656
Private enterprises	6,150	-	-	6,150	6,150	-	100	23,987	23,987
Households	200	-	177	377	377	-	100	320	320
Payments for capital assets	66,900	-	281	67,181	67,181	-	100	3,610	3,610
Buildings and other fixed structures	65,000	-	-	65,000	65,000	-	100	-	-
Machinery and equipment	1,900	-	281	2,181	2,181	-	100	3,610	3,610
Payments for financial assets	-	-	20	20	20	-	100	-	-
Total	1,002,142	-	-	1,002,142	998,569	3,573	99.6	799,481	795,227

APPROPRIATION STATEMENT
For the year ended 31 March 2017

PROGRAMME 1: ADMINISTRATION									
2016/17								2015/16	
	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. Office of the MEC	6,487	-	-	6,487	7,120	(633)	109.7	8,393	8,261
2. Senior Management (HOD)	7,409	-	-	7,409	7,594	(185)	102.5	7,307	7,102
3. Financial Management	35,606	-	(1,878)	33,728	33,426	302	99.1	34,824	34,028
4. Corporate Services	29,700	-	(251)	29,449	27,982	1,467	95	30,973	30,499
Total for sub programmes	79,202	-	(2,129)	77,073	76,122	951	98.8	81,497	79,890
Economic classification									
Current payments	77,520	-	(2,567)	74,953	73,828	1,125	98.5	79,161	77,554
Compensation of employees	55,287	-	(1,336)	53,951	52,827	1,124	97.9	51,470	50,200
Salaries and wages	46,793	-	(1,336)	45,457	45,431	26	99.9	44,696	43,008
Social contributions	8,494	-	-	8,494	7,395	1,099	87.1	6,774	7,192
Goods and services	22,233	-	(1,231)	21,002	21,001	1	100	27,691	27,354
Administrative fees	302	-	-	302	574	(272)	190.1	645	645
Advertising	520	-	-	520	184	336	35.4	560	462
Minor assets	429	-	(418)	11	11	-	100	201	169
Audit costs: External	4,247	-	-	4,247	3,851	396	90.7	3,844	3,844
Catering: Departmental activities	234	-	-	234	175	59	74.8	301	301
Communication	3,816	-	-	3,816	3,689	127	96.7	4,222	4,222
Computer services	200	-	-	200	238	(38)	119	673	673
Consultants: Business and advisory services	150	-	-	150	163	(13)	108.7	271	266
Legal fees	200	-	-	200	923	(723)	461.5	365	365
Contractors	544	-	(326)	218	16	202	7.3	42	2
Agency and support / outsourced services	1,600	-	(251)	1,349	1,024	325	75.9	5,544	5,438
Fleet services	1,237	-	(236)	1,001	934	67	93.3	1,321	1,321
Inventory: Food and food supplies	205	-	-	205	-	205	-	-	-
Consumable supplies	250	-	-	250	813	(563)	325.2	465	435
Consumable: Stationery, printing and office supplies	1,523	-	-	1,523	1,274	249	83.7	833	833
Property payments			-	-	207	(207)	-	724	724
Travel and subsistence	4,927	-	-	4,927	6,002	(1,075)	121.8	6,642	6,642
Training and development	1,145	-	-	1,145	420	725	36.7	307	307
Operating payments	554	-	-	554	152	402	27.4	290	264
Venues and facilities	150	-	-	150	351	(201)	234	441	441
Transfers and subsidies	200		137	337	343	(6)	101.8	128	128
Provinces and municipalities					6	(6)	-	-	-
Households	200		137	337	337	-	100	128	128
Payments for capital assets	1,482		281	1,763	1,931	(168)	109.5	2,208	2,208
Machinery and equipment	1,482		281	1,763	1,931	(168)	109.5	2,208	2,208
Payments for financial assets			20	20	20	-	100	-	-
	79,202		(2,129)	77,073	76,122	951	98.8	81,497	79,890

APPROPRIATION STATEMENT
For the year ended 31 March 2017

1.1 Office of the MEC									
2016/17								2015/16	
	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	6,487	-	-	6,487	7,120	(633)	107.8	8,393	8,261
Compensation of employees	4,585	-	-	4,585	4,594	(9)	100.2	5,175	5,175
Salaries and wages	2,470	-	-	2,470	4,031	(1,561)	163.2	4,586	4,564
Social contributions	2,115	-	-	2,115	563	1,552	26.6	589	611
Goods and services	1,902	-	-	1,902	2,526	(624)	132.8	3,218	3,086
Payments for financial assets	-	-	-	-	-	-	-	-	-
Total	6,487	-	-	6,487	7,120	(633)	109.8	8,393	8,261

1.2 Senior Management (HOD)									
2016/17								2015/16	
	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	7,409			7,409	7,594	(185)	102.5	7,307	7,102
Compensation of employees	6,000			6,000	6,162	(162)	102.7	4,789	4,789
Goods and services	1,409			1,409	1,432	(23)	101.6	2,518	2,313
Total	7,409			7,409	7,594	(185)	102.5	7,307	7,102

1.3 Financial Management									
2016/17								2015/16	
	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	34,124	-	(2,316)	31,808	31,142	666	97.9	32,555	31,759
Compensation of employees	21,026	-	(1,336)	19,690	19,024	666	96.6	19,659	18,863
Goods and services	13,098	-	(980)	12,118	12,118	-	100	12,896	12,896
Transfers and subsidies	-	-	137	137	333	(196)	243.1	61	61
Provinces and municipalities					6	(6)			
Departmental agencies									
Households	-	-	137	137	327	(190)	238.7	61	61
Payments for capital assets	1,482		281	1,763	1,931	(168)	109.5	2,208	2,208
Machinery and equipment	1,482		281	1,763	1,931	(168)	109.5	2,208	2,208
Payments for financial assets	-	-	20	20	20	-	100	-	-
Total	35,606	-	(1,878)	33,728	33,427	301	99.1	34,824	34,028

APPROPRIATION STATEMENT
For the year ended 31 March 2017

1.4 Corporate Services									
2016/17								2015/16	
	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	29,500	-	(251)	29,249	27,972	1,277	95.6	30,906	30,432
Compensation of employees	23,676	-	-	23,676	23,046	630	97.3	21,847	21,373
Goods and services	5,824	-	(251)	5,573	4,926	647	88.4	9,059	9,059
Transfers and subsidies	200	-	-	200	10	190	5	67	67
Households	200	-	-	200	10	190	5	67	67
Total	29,700	-	(251)	29,449	27,982	1,467	95	30,973	30,499

APPROPRIATION STATEMENT
For the year ended 31 March 2017

PROGRAMME 2: INTEGRATED ECONOMIC DEVELOPMENT									
2016/17								2015/16	
	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. CD: Office Support	1,489	-	-	1,489	1,518	(29)	101.9	1,969	2,023
2. Enterprise Development	400,169	-	-	400,169	399,406	763	99.8	217,779	217,861
3. Local Econ. Empowerment	5,424	-	-	5,424	5,314	110	98	4,889	4,865
4. Economic Empowerment	4,268	-	-	4,268	3,718	550	87.1	4,063	3,620
5. Regional Director	30,368	-	2,518	32,886	32,846	40	99.9	33,698	33,679
Total for sub programmes	441,718	-	2,518	444,236	442,802	1,434	99.7	262,398	262,048
Economic classification									
Current payments	52,808	-	2,478	55,286	53,852	1,434	97.4	54,353	54,003
Compensation of employees	26,397	-	-	26,397	24,963	1,434	94.6	24,096	22,760
Salaries and wages	23,379	-	-	23,379	21,689	1,690	92.8	21,422	19,708
Social contributions	3,018	-	-	3,018	3,274	(256)	108.5	2,674	3,052
Goods and services	26,411	-	2,478	28,889	28,889	-	100	31,243	31,243
Administrative fees	156	-	-	156	37	119	23.7	34	36
Minor assets	-	-	-	-	-	-	-	10	10
Catering: Dept. activities	-	-	-	-	48	(48)	-	98	96
Communication (G&S)	-	-	-	-	-	-	-	1	1
Agency and support / outsourced services	3,710	-	-	3,710	3,260	450	87.9	1,921	1,921
Operating leases	15,455	-	2,478	17,933	19,932	(1,999)	111.1	23,260	23,260
Property payments	4,562	-	-	4,562	3,859	703	84.6	4,268	4,268
Travel and subsistence	1,694	-	-	1,694	1,672	22	98.7	1,544	1,544
Operating payments	534	-	-	534	57	477	10.7	94	94
Venues and facilities	300	-	-	300	24	276	8	13	13
Transfers and subsidies	323,910		40	323,950	323,950	-	100	207,586	207,586
Public corp. priv. enterprises	323,910	-	-	323,910	323,910	-	100	207,586	207,586
Public corporations	319,910	-	-	319,910	319,910	-	100	206,656	206,656
Private enterprises	4,000	-	-	4,000	4,000	-	100	930	930
Households	-	-	40	40	40	-	100	-	-
Payments for capital assets	65,000	-	-	65,000	65,000	-	100	459	459
Buildings and other fixed structures	65,000	-	-	65,000	65,000	-	100	-	-
Machinery and equipment	-	-	-	-	-	-	-	459	459
Total	441,718		2,518	444,236	442,802	1,434	99.7	262,398	262,048

APPROPRIATION STATEMENT
For the year ended 31 March 2017

2.1 CD: Office Support									
2016/17								2015/16	
	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	1,489			1,489	1,518	(29)	101.9	1,510	1,564
Compensation of Employees	1,446			1,446	1,436	10	99.3	1,330	1,388
Goods and services	43			43	82	(39)	190.7	180	176
Payments for capital assets	-	-	-	-	-	-	-	459	459
Machinery and equipment	-	-	-	-	-	-	-	459	459
Payments for financial assets	-	-	-	-	-	-	-	-	-
Total	1,489			1,489	1,518	(29)	101.9	1,969	2,023

2.2 Enterprise Development									
2016/17								2015/16	
	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	11,259			11,259	10,496	763	93.2	10,193	10,275
Compensation of Employees	9,955			9,955	8,916	1,039	89.6	8,054	8,136
Goods and services	1,304			1,304	1,580	(276)	121.2	2,139	2,139
Transfers and subsidies	323,910	-	-	323,910	323,910	-	100	207,586	207,586
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	323,910			323,910	323,910	-	100	207,586	207,586
Public corporations	319,910			319,910	319,910	-	100	206,656	206,656
Private enterprises	4,000			4,000	4,000	-	100	930	930
Payments for capital assets	65,000			65,000	65,000	-	100	-	-
Buildings and other other fixed structures	65,000			65,000	65,000	-	100	-	-
Total	400,169			400,169	399,406	763	99.8	217,779	217,861

2.3 Local Economic Empowerment									
2016/17								2015/16	
	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	5,424			5,424	5,314	110	98	4,889	4,865
Compensation of employees	4,951			4,951	5,076	(125)	102.5	4,555	4,531
Goods and services	473			473	238	235	50.3	334	334
Payments for financial assets									
Total	5,424			5,424	5,314	110	98	4,889	4,865

APPROPRIATION STATEMENT
For the year ended 31 March 2017

2.4 Economic Empowerment									
2016/17								2015/16	
	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	4,268			4,268	3,718	550	87.1	4,063	3,620
Compensation of employees	3,350			3,350	3,343	7	99.8	3,472	3,029
Goods and services	918			918	376	542	40.8	591	591
Transfers and subsidies	-	-	-	-	-	-	-	-	-
Total	4,268			4,268	3,718	550	87.1	4,063	3,620

2.5 Regional Directors									
2016/17								2015/16	
	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	30,368		2,478	32,846	32,806	40	99.9	33,698	33,679
Compensation of employees	6,695			6,695	6,192	503	92.5	5,699	5,676
Goods and services	23,673		2,478	26,151	26,614	(463)	101.8	27,999	28,003
Transfers and subsidies	-	-	40	40	40	-	100	-	-
Households	-	-	40	40	40	-	100	-	-
Payments for financial assets									
Total	30,368		2,518	32,886	32,846	40	99.9	33,698	33,679

APPROPRIATION STATEMENT
For the year ended 31 March 2017

PROGRAMME 3: TRADE AND SECTOR DEVELOPMENT									
2016/17								2015/16	
	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. CD: Office Support	1,982	-	-	1,982	1,679	303	84.7	1,317	1,236
2. Trade and Investment Promotion	4,410	-	-	4,410	3,397	1,013	77	3,645	3,428
3. Sector Development	12,984	-	(993)	11,991	11,982	9	99.9	8,389	7,616
4. Strategic Initiatives	5,182	-	-	5,182	5,701	(519)	110	5,908	5,954
Total for sub programmes	24,558		(993)	23,565	22,759	806	96.6	19,259	18,234
Economic classification									
Current payments	19,943	-	(993)	18,950	18,145	805	95.8	12,402	11,377
Compensation of employees	11,378	-	-	11,378	10,573	805	92.9	10,593	9,972
Salaries and wages	9,350	-	-	9,350	9,154	196	97.9	9,350	8,684
Social contributions	2,028			2,028	1,419	609	70	1,243	1,288
Goods and services	8,565		(993)	7,572	7,572	-	100	1,809	1,405
Administrative fees	100			100	94	6	94	34	31
Catering: Departmental activities					29	(29)	-	47	12
Agency and support / outsourced services	7,288		(993)	6,295	6,316	(21)	100.3	513	418
Travel and subsistence	1,127			1,127	1,111	16	98.6	1,124	913
Operating payments	-	-	-	-	-	-	-	19	19
Venues and facilities	50			50	22	28	44	72	12
Transfers and subsidies	4,615			4,615	4,614	1	100	6,857	6,857
Municipalities	2,465			2,465	2,464	1	100	4,800	4,800
Public corporations and private enterprises	2,150			2,150	2,150	-	100	2,057	2,057
Total	24,558		(993)	23,565	22,759	806	96.6	19,259	18,234

3.1 CD: Office Support									
2016/17								2015/16	
	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	1,982	-	-	1,982	1,679	303	84.7	1,317	1,236
Compensation of employees	1,475	-	-	1,475	1,285	190	87.1	1,010	1,066
Salaries and wages	781	-	-	781	1,176	(395)	150.6	1,010	974
Social Contributions	694	-	-	694	109	585	15.7	-	92
Goods and services	507	-	-	507	394	113	77.7	307	170
Transfers and subsidies	-	-	-	-	-	-	--	-	-
Households	-	-	-	-	-	-	-	-	-
Total	1,982			1,982	1,679	303	84.7	1,317	1,236

3.2 Trade and Investment Promotion									
2016/17								2015/16	
	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	4,410	-	-	4,410	3,397	1,013	77	3,645	3,428
Compensation of employees	3,138	-	-	3,138	2,708	430	86.3	2,887	2,914
Goods and services	1,272	-	-	1,272	689	583	54.2	758	514
Transfers and subsidies	-	-	-	-	-	-	-	-	-
Payments for financial assets	-	-	-	-	-	-	-	-	-
Total	4,410	-	-	4,410	3,397	1,013	77	3,645	3,428

3.3 Sector Development									
2016/17								2015/16	
	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	10,834		(993)	9,841	9,832	9	99.9	6,332	5,559
Compensation of employees	5,683			5,683	5,543	140	97.5	5,768	4,995
Goods and services	5,151		(993)	4,158	4,289	(131)	103.2	564	564
Transfers and subsidies	2,150	-	-	2,150	2,150	-	100	2,057	2,057
Public corporations and private enterprises	2,150	-	-	2,150	2,150	-	100	-	-
Private enterprises	2,150	-	-	2,150	2,150	-	100	2,057	2,057
Payments for financial assets	-	-	-	-	-	-	-	-	-
Total	12,984	-	(993)	11,991	11,982	9	99.9	8,389	7,616

3.4 Strategic Initiatives									
2016/17								2015/16	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments	2,717	-	-	2,717	3,237	(520)	119.1	1,108	1,154
Compensation of employees	1,082	-	-	1,082	1,037	45	95.8	928	997
Goods and services	1,635	-	-	1,635	2,200	(565)	134.6	180	157
Transfers and subsidies	2,465	-	-	2,465	2,464	1	100	4,800	4,800
Provinces and municipalities	2,465	-	-	2,465	2,464	1	100	4,800	4,800
Payments for financial assets	-	-	-	-	-	-	-	-	-
Total	5,182	-	-	5,182	5,701	(519)	110	5,908	5,954

APPROPRIATION STATEMENT
For the year ended 31 March 2017

PROGRAMME 4: BUSINESS REGULATION AND GOVERNANCE									
2016/17								2015/16	
	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. CD: Office Support	1,819		(38)	1,781	1,613	168	90.6	1,490	1,490
2. Consumer Protection	12,002		(120)	12,122	12,122	-	100	11,836	11,836
3. Regulation Services	78,590		626	79,216	79,216	-	100	70,704	69,914
Total	92,411		708	93,119	92,951	168	99.8	84,030	83,240
Total for sub programmes									
Economic classification									
Current payments	16,610		708	17,318	17,318	-	100	30,690	29,900
Compensation of employees	14,360		1,035	15,395	15,395	-	100	22,139	22,139
Salaries and wages	10,664		1,073	11,737	13,338	(1,601)	113.6	18,723	19,130
Social contributions	3,696		(38)	3,658	2,057	1,601	56.2	3,416	3,009
Goods and services	2,250		(327)	1,923	1,923	-	100	8,551	7,761
Administrative fees	65			65	64	1	98.5	79	143
Advertising	180			180	221	(41)	122.8	70	195
Minor assets					30	(30)		16	338
Catering: Departmental activities	40		(30)	10	30	(20)	300	90	400
Communication	-		-	-	-	-	-	-	415
Computer services	-		-	-	-	-	-	-	50
Consultants: Business and advisory services	860		(200)	660	584	76	88.5	497	1,167
Contractors	-		-	-	41	(41)	-	-	173
Agency and support / outsourced services	-		-	-	36	(36)	-	5,538	1,910
Travel and subsistence	1,005		(97)	908	854	54	94.1	2,078	2,070
Consumable supplies	-		-	-	2	(2)	-	7	161
Consumable: stationery, printing office supplies	-		-	-	-	-	-	-	585
Operating payments					35	(35)	-	50	99
Venues and facilities	100			100	26	74	26	126	55
Transfers and subsidies	75,383			75,383	75,383	-	100	52,397	52,397
Departmental agencies and accounts	75,383			75,383	75,383	-	100	52,205	52,205
Households	-	-	-	-	-	-	-	192	192
Payments for capital assets	418			418	250	168	59.8	943	943
Machinery and equipment	418			418	250	168	59.8	943	943
Payments for financial assets									
Total	92,411		708	93,119	92,951	168	99.8	84,030	83,240

APPROPRIATION STATEMENT
For the year ended 31 March 2017

4.1 CD: Office Support									
2016/17								2015/16	
	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	1,401	-	(38)	1,363	1,363	-	100	1,431	1,431
Compensation of employees	1,301	-	(38)	1,263	1,263	-	100	1,234	1,234
Goods and services	100	-	-	100	100	-	100	197	197
Transfers and subsidies	-	-	-	-	-	-	-	59	59
Households	-	-	-	-	-	-	-	59	59
Payments for capital assets	418	-	-	418	250	168	59.8	-	-
Machinery and equipment	418	-	-	418	250	168	59.8	-	-
Payments for financial assets	-	-	-	-	-	-	-	-	-
Total	1,819	-	(38)	1,781	1,613	168	90.6	1,490	1,490

4.2 Consumer Protection									
2016/17								2015/16	
	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	12,002		120	12,122	12,122	-	100	11,722	11,722
Compensation of employees	10,208		417	10,625	10,625	-	100	9,813	9,641
Goods and services	1,794		(297)	1,497	1,497	-	100	1,909	2,081
Transfers and subsidies	-	-	-	-	-	-	-	114	114
Households	-	-	-	-	-	-	-	114	114
Payments for financial assets	-	-	-	-	-	-	-	-	-
Total	12,002	-	120	12,122	12,122	-	100	11,836	11,836

4.3 Regulation Services									
2016/17								2015/16	
	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	3,207		626	3,833	3,833	-	100	17,537	16 747
Compensation of employees	2,851		656	3,507	3,507	-	100	11,092	11,264
Goods and services	356		(30)	326	326	-	100	6 445	5,483
Transfers and subsidies	75,383	-	-	75,383	75,383	-	100	52,224	52,224
Departmental agencies and accounts	75,383	-	-	75,383	75,383	-	100	52,224	52,224
Payments for capital assets	-	-	-	-	-	-	-	943	943
Machinery and equipment	-	-	-	-	-	-	-	943	943
Payments for financial assets	-	-	-	-	-	-	-	-	-
Total	78,590	-	626	79,216	79,216	-	100	70,704	69,914

APPROPRIATION STATEMENT
For the year ended 31 March 2017

PROGRAMME 5: ECONOMIC PLANNING									
	2016/17							2015/16	
	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. CD: Office Support	1,539			1,539	1,445	94	93.9	1,483	1,410
2. Economic Policy and Planning	2,748		(189)	2,559	2,620	(61)	102.4	6,935	6,750
3. Research and Development	674			674	683	(9)	101.3	972	657
4. Knowledge Management	3,017			3,017	2,980	37	98.8	6,223	6,294
5. Monitoring and Evaluation	1,815			1,815	1,546	269	85.2	1,293	1,524
6. Economic Analysis	4,190			4,190	4,430	(240)	105.7	-	-
Total for sub programmes	13,983		(189)	13,794	13,704	90	99.3	16,906	16,635
Economic classification									
Current payments	13,983		(189)	13,794	13,704	90	99.3	16,906	16,635
Compensation of employees	11,484			11,484	11,445	39	99.7	10,949	10,828
Salaries and wages	8,964			8,964	9,998	(1,034)	111.5	8,565	9,422
Social contributions	2,520			2,520	1,447	1,073	57.4	2,384	1,406
Goods and services	2,499		(189)	2,310	2,259	51	97.8	5,957	5,807
Administrative fees	97			97	70	27	72.2	66	54
Catering: Departmental activities	75			75	51	24	68	3	33
Communication	47			47	1	46	2.1	43	28
Computer services	441			441	420	21	95.2	219	219
Consultants : Business and advisory services	-	-	-	-	-	-	-	430	429
Contractors	482		(189)	293	7	286	2.4	10	-
Agency and support / outsourced services	267			267	657	(390)	246.1	4,192	4,192
Consumable: Stationery, printing and office supplies	117			117	8	109	6.8	104	-
Travel and subsistence	833			833	919	(86)	110.3	837	841
Training and Development	55			55	8	47	14.5	20	5
Operating payments	75			75	-	75	-	-	-
Venues and facilities	10			10	118	(108)	1180	33	6
Payments for capital assets	-	-	-	-	-	-	-	-	-
Machinery and equipment									
Total	13,983		(189)	13,794	13,704	90	99.3	16,906	16,635

APPROPRIATION STATEMENT
For the year ended 31 March 2017

5.1 CD: Office Support									
2016/17								2015/16	
	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	1,539			1,539	1,445	94	93.9	1,483	1,410
Compensation of employees	1,395			1,395	1,303	92	93.4	1,283	1,260
Goods and services	144			144	142	2	98.6	200	150
Payments for financial assets	-	-	-	-	-	-	-	-	-
Total	1,539	-	-	1,539	1,445	94	93.9	1,483	1,410

5.2 Economic Policy and Planning									
2016/17								2015/16	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments	2,748		(189)	2,559	2,620	(61)	102.4	6,935	6,750
Compensation of employees	2,066			2,066	2,004	62	97	5,169	5,122
Goods and services	682		(189)	493	616	(123)	124.9	1,766	1,628
Total	2,748		(189)	2,559	2,620	(61)	102.4	6,935	6,750

5.3 Research Development									
2016/17								2015/16	
	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	674	-	-	674	683	(9)	101.3	972	657
Compensation of employees	634	-	-	634	670	(36)	105.7	891	621
Goods and services	40	-	-	40	13	27	32.5	81	36
Total	674	-	-	674	683	(9)	101.3	972	657

5.4 Knowledge Management									
2016/17								2015/16	
	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	3,017	-	-	3,017	2,980	37	98.8	6,223	6,294
Compensation of employees	2,666	-	-	2,666	2,598	68	97.4	2,453	2,407
Goods and services	351	-	-	351	382	(31)	108.8	3,770	3,887
Total	3,017	-	-	3,017	2,980	37	98.8	6,223	6,294

APPROPRIATION STATEMENT
For the year ended 31 March 2017

5.5 Monitoring and Evaluation									
2016/17								2015/16	
	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	1,815	-	--	1,815	1,546	269	85.2	1,293	1,524
Compensation of employees	1,671	-	-	1,671	1,440	231	86.2	1,153	1,418
Goods and services	144	-	-	144	106	38	73.6	140	106
Payments for capital assets	-	-	-	-	-	-	-	-	-
Total	1,815	-	-	1,815	1,546	269	85.2	1,293	1,524

5.6 Economic Analysis									
2016/17								2015/16	
	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	4,190	-	-	4,190	4,430	(240)	105.7	-	-
Compensation of employees	3,052	-	-	3,052	3,430	(378)	112.4	-	-
Goods and services	1,138	-	-	1,138	1,000	138	87.9	-	-
Payments for capital assets	-	-	-	-	-	-	-	-	-
Total	4,190	-	-	4,190	4,430	(240)	105.7	-	-

APPROPRIATION STATEMENT
For the year ended 31 March 2017

PROGRAMME 6: TOURISM									
2016/17								2015/16	
	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	350,270	-	85	350,355	350,231	124	100	335,391	335 180
Total for sub programmes	350,270	-	85	350,355	350,231	124	100	335,391	335,180
Economic classification									
Current payments	3,462		85	3,547	3,423	124	96.5	3,955	3,744
Compensation of employees	3,022	-	-	3,022	2,898	124	95.9	2 780	2 682
Salaries and wages	2,552	-	-	2,552	2,520	32	98.7	2 342	2 365
Social contributions	470	-	-	470	378	92	80.4	438	317
Goods and services	440		85	525	525	-	100	1,175	1,062
Administrative fees	-		4	4	22	(18)	550	-	28
Advertising			81	81	81	-	100	-	-
Catering Departmental activities					3	(3)		-	-
Contractors	-	-	-	-	10	(10)	-	-	-
Agency and support / outsourced services	-	-	-	-	-	-	-	753	657
Travel and subsistence	440	-	-	440	409	31	93	369	369
Venues and facilities	-	-	-	-	-	-	-	53	8
Transfers and subsidies	346,808		-	346,808	346,808	-	100	331 436	331 436
Departmental agencies and accounts	346,808	-	-	346,808	346,808	-	100	331 436	331 436
TOTAL	350,270		85	350,355	350,231	124	100	335,391	335,180

6.1 Tourism									
2016/17								2015/16	
	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	3,462	-	85	3,547	3,423	124	96.5	3,955	3,744
Compensation of employees	3,022	-	-	3,022	2,898	124	95.9	2,780	2,682
Goods and services	440	-	85	525	525	-	100	1,175	1,062
Transfers and subsidies	346,808	-	-	346,808	346,808	-	100	331,436	331,436
Departmental agencies and accounts	346,808	-	-	346,808	346,808	-	100	310,436	310,436
Public Corporations and Private Enterprises	-	-	-	-	-	-	-	21,000	21,000
Total	350,270	-	85	350,355	350,231	124	100	335,391	335,180

NOTES TO THE APPROPRIATION STATEMENT

For the year ended 31 March 2017

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'00	R'00	R'00	R'00
Administration	77,073	76,122	951	1.2
Integrated Economic Development	444,236	442,802	1,434	0.3
Trade and Sector Development	23,565	22,759	806	3.4
Business Regulation and Governance	93,119	92,951	168	0.1
Economic Planning	13,794	13,704	90	0.6
Tourism	350,355	350,231	124	-

4.2 Per economic classification	Final Appropriation	Actual Expenditure	Variance	Variance as a % of Final Appropriation
	R'000	R'000	R'000	R'000
Current payments				
Compensation of employees	121,627	118,100	3,527	2.9
Goods and services	62,221	62,170	51	0.1
Transfers and subsidies				
Provinces and municipalities	2,465	2,470	(5)	(0.2)
Departmental agencies and accounts	422,191	422,191	-	-
Public corporations and private enterprises	326,060	326,060	-	-
Households	377	377	-	-
Payments for capital assets				
Buildings and other fixed structures	65,000	65,000	-	-
Machinery and equipment	2,181	2,181	-	-
Payments for financial assets	20	20	-	-

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)	3,911	3,911	-	-

COMPENSATION OF EMPLOYEES

- The underspending is a result of non- payment of performance incentives and related pay progression for Senior managers. The Department could not finalize performance assessments of Senior Managers. The outcome of which may have resulted in the payment of performance incentives and pay progression.
- Vacant posts due to terminations that could not be filled as a result of moratorium.

GOODS AND SERVICES

- The underspending is a result of late submission of invoices related to planned feasibility studies for the establishment of two Technology parks (Mining and Metals, Agriculture and Forestry) which were completed at year end.

STATEMENT OF FINANCIAL PERFORMANCE
For the year ended 31 March 2017

	Note	2016/17 R'000	2015/16 R'000
REVENUE			
Annual appropriation	1	1,002,142	799,481
Departmental revenue	2	105,387	97,821
TOTAL REVENUE		1,107,529	897,302
EXPENDITURE			
Current expenditure			
Compensation of employees	3	118,100	118,581
Goods and services	4	62,170	74,632
Total current expenditure		180,270	193,213
Transfers and subsidies			
Transfers and subsidies	6	751,098	598,404
Total transfers and subsidies		751,098	598,404
Expenditure for capital assets			
Tangible assets	7	67,181	3,610
Total expenditure for capital assets		67,181	3,610
Payments for financial assets	5	20	-
TOTAL EXPENDITURE		998,569	795,227
SURPLUS/(DEFICIT) FOR THE YEAR		108,960	102,075
Reconciliation of Net Surplus/(Deficit) for the year			
Voted funds		3,573	4,254
Annual appropriation		3,573	4,254
Departmental revenue and NRF Receipts	11	105,387	97,821
SURPLUS/(DEFICIT) FOR THE YEAR		108,960	102,075

STATEMENT OF FINANCIAL POSITION
For the year ended 31 March 2017

	Note	2016/17 R'000	2015/16 R'000
ASSETS			
Current assets		3,789	4,433
Cash and cash equivalents	8	3,391	4,175
Receivables	9	398	258
Non- Current assets		44	-
Receivables	9	44	-
TOTAL ASSETS		3,833	4,433
LIABILITIES			
Current liabilities		3,812	4,395
Voted funds to be surrendered to the Revenue Fund	10	3,573	4,254
Departmental revenue and NRF Receipts to be surrendered to the Revenue Fund	11	238	111
Payables	12	1	30
TOTAL LIABILITIES		3,812	4,395
NET ASSETS		21	38
Represented by:			
Recoverable revenue		21	38
TOTAL		21	38

STATEMENT OF CHANGES IN NET ASSETS
For the year ended 31 March 2017

	<i>Note</i>	2016/17 R'000	2015/16 R'000
Recoverable revenue			
Opening balance		38	58
Transfers:		(17)	(20)
Irrecoverable amounts written off		(20)	-
Debts recovered (included in departmental receipts)		(20)	(59)
Debts raised		23	39
Closing balance		21	38
TOTAL		21	38

CASH FLOW STATEMENT
For the year ended 31 March 2017

	Note	2016/17 R'000	2015/16 R'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts		1,107,460	897,302
Annual appropriated funds received	1.1	1,002,142	799,481
Departmental revenue received	2	103,908	96,752
Interest received	2.2	1,410	1,069
Net (increase)/decrease in working capital		(213)	54
Surrendered to Revenue Fund		(109,514)	(121,355)
Current payments		(180,270)	(196,200)
Payments for financial assets		(20)	-
Transfers and subsidies paid		(751,098)	(595,417)
Net cash flow available from operating activities	13	66,345	(15,616)
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for capital assets	7	(67,181)	(3,610)
Proceeds from sale of capital assets	2.3	69	-
Net cash flows from investing activities		(67,112)	(3,610)
CASH FLOWS FROM FINANCING ACTIVITIES			
Increase/(decrease) in net assets		(17)	(20)
Net cash flows from financing activities		(17)	(20)
Net increase/(decrease) in cash and cash equivalents		(784)	(19,246)
Cash and cash equivalents at beginning of period		4,175	23,421
Cash and cash equivalents at end of period	14	3,391	4,175

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.

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

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

7.2 Departmental revenue

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

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

7.3 Accrued departmental revenue

Accruals in respect of departmental revenue are recorded in the notes to the financial statements when:

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

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

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

8 EXPENDITURE

8.1 Compensation of employees

8.1.1 Salaries and wages

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

8.1.2 Social contributions

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

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

8.2 Other expenditure

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

8.3 Accrued expenditure payable

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

Accrued expenditure payable is measured at cost.

8.4 Leases

8.4.1 Operating leases

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

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

8.4.2 Finance leases

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

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

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

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

9 AID ASSISTANCE

9.1 Aid assistance received

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

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

9.2 Aid assistance paid

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

10 CASH AND CASH EQUIVALENTS

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

Bank overdrafts are shown separately on the face of the statement of financial position as a current liability.

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

11 PREPAYMENTS AND ADVANCES

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

Prepayments and advances are initially and subsequently measured at cost.

12 LOANS AND RECEIVABLES

Loans and receivables are recognised in the statement of financial position at cost plus accrued interest, where interest is charged, less amounts already settled or written-off. Write-offs are made according to the Department's write-off policy.

13 INVESTMENTS

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

14 FINANCIAL ASSETS

14.1 Financial assets (not covered elsewhere)

A financial asset is recognised initially at its cost plus transaction costs that are directly attributable to the acquisition or issue of the financial.

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.

14.2 Impairment of financial assets

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

15 PAYABLES

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

16 CAPITAL ASSETS

16.1 Immovable capital assets

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

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.

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

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

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

16.2 Movable capital asset

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

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

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

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

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

16.3 Intangible assets

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

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

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

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

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

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

17 PROVISIONS AND CONTINGENTS

17.1 Provisions

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

17.2 Contingent liabilities

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

17.3 Contingent assets

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

17.4 Commitments

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

18 UNAUTHORISED EXPENDITURE

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

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

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

19 FRUITLESS AND WASTEFUL EXPENDITURE

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

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

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

20 IRREGULAR EXPENDITURE

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

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

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

21 CHANGES IN ACCOUNTING POLICIES, ACCOUNTING ESTIMATES AND ERRORS

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

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

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

22 EVENTS AFTER THE REPORTING DATE

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

23 PRINCIPAL-AGENT ARRANGEMENTS

24 DEPARTURES FROM THE MCS REQUIREMENTS

Management has concluded that the financial statements present fairly the department's primary and secondary information. The department complied with the Standard except that it has departed from a particular requirement to achieve fair

presentation and the requirement from which the department has departed, the nature of the departure and the reason for departure.

25 CAPITALISATION RESERVE

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

26 RECOVERABLE REVENUE

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

27 RELATED PARTY TRANSACTIONS

A related party transaction is a transfer of resources, services or obligations between the reporting entity and a related party. Related party transactions 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 2017

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:

	2016/17			2015/16	
	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	77,073	77,073	-	81,497	81,497
Integrated Economic Development	444,236	444,236	-	262,398	262,398
Trade and Sector Development	23,565	23,565	-	19,259	19,259
Business Regulation	93,119	93,119	-	84,030	84,030
Economic Planning	13,794	13,794	-	16,906	16,906
Tourism	350,355	350,355	-	335,391	335,391
Total	1,002,142	1,002,142	-	799,481	799,481

1.2 Conditional grants

	Note	2016/17 R'000	2015/16 R'000
Total grants received	29	3,911	3,138

The amount of R3 911 000 relates to Extended Public Works Programme (EPWP) of which R2 911 000 was appropriated under MEGA and R1 000 000 under MTPA respectively. These funds were subsequently transferred to the entities.

2. Departmental revenue

	Note	2016/17 R'000	2015/16 R'000
Tax revenue		94,632	96,617
Sales of goods and services other than capital assets	2.1	108	105
Interest, dividends and rent on land	2.2	1,410	1,069
Sales of capital assets	2.3	69	-
Transactions in financial assets and liabilities	2.4	9,168	30
Total revenue collected		105,387	97,821
Departmental revenue collected		105,387	97,821

2.1 Sales of goods and services other than capital assets

	Note	2016/17 R'000	2015/16 R'000
Sales of goods and services produced by the department		108	105
Sales by market establishment		108	105
Total		108	105

2.2 Interest, dividends and rent on land

	Note	2016/17	2015/16
	2	R'000	R'000
Interest (PMG Account)		1,410	1,069
Total		1,410	1,069

2.3 Sale of capital assets

	Note	2016/17	2015/16
	2	R'000	R'000
Tangible assets		69	-
Proceed from Sale of Machinery and equipment		69	-
Total		69	-

2.4 Transactions in financial assets and liabilities

	Note	2016/17	2015/16
	2	R'000	R'000
Other Receipts including Recoverable Revenue		9,168	30
Total		9,168	30

Included in the recoverable revenue above is the surrender from Mpumalanga Gambling Board amounting to R 8 000 000 which was later reallocated back to the entity during adjustment appropriation.

3. Compensation of employees

3.1 Salaries and Wages

	Note	2016/17	2015/16
		R'000	R'000
Basic salary		81,616	82,197
Performance award		1,192	993
Service Based		6,499	6,235
Compensative/circumstantial		91	848
Other non-pensionable allowances		12,732	12,033
Total		102,130	102,306

3.2 Social contributions

	Note	2016/17	2015/16
		R'000	R'000
Employer contributions			
Pension		10,763	10,712
Medical		5,190	5,544
Bargaining council		17	19
Total		15,970	16,275
Total compensation of employees		118,100	118,581
Average number of employees		252	279

4. Goods and services

	Note	2016/17	2015/16
		R'000	R'000
Administrative fees		879	959
Advertising		486	656
Minor assets	4.1	33	518
Catering		338	866
Communication		3,690	4,666
Computer services	4.2	658	968
Legal services		923	365
Contractors		70	175
Consultants, and agency/outsourced services		11,294	14,485
Audit cost – external	4.3	3,851	3,844
Fleet services		933	1,322
Consumables	4.4	2,107	2,013
Operating leases		19,931	23,260
Property payments	4.5	4,052	4,992
Travel and subsistence	4.6	10,952	12,395
Venues and facilities		541	525
Training and development		427	310
Other operating expenditure	4.7	1,005	2,313
Total		62,170	74,632

4.1 Minor assets

	Note	2016/17	2015/16
		R'000	R'000
Tangible assets			
		33	518
Machinery and equipment		33	518
Total		33	518

4.2 Computer services

	Note	2016/17	2015/16
		R'000	R'000
SITA computer services		208	490
External computer service providers		450	478
Total		658	968

4.3 Audit cost – External

	Note	2016/17	2015/16
		R'000	R'000
Regularity audits		3,851	3,844

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
For the year ended 31 March 2017

Total	3,851	3,844
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4.4 Consumables

	Note	2016/17	2015/16
	4	R'000	R'000
Consumable supplies		824	689
Uniform and clothing		90	227
Household supplies		717	356
IT consumables		17	13
Other consumables		-	93
Stationery, printing and office supplies		1,283	1,324
Total		2,107	2,013

4.5 Property payments

	Note	2016/17	2015/16
	4	R'000	R'000
Municipal services		3,154	2,753
Other		898	2,239
Total		4,052	4,992

4.6 Travel and subsistence

	Note	2016/17	2015/16
	4	R'000	R'000
Local		10,867	12,191
Foreign		85	204
Total		10,952	12,395

4.7 Other operating expenditure

	Note	2016/17	2015/16
	4	R'000	R'000
Professional bodies, membership and subscription fees		787	25
Other		218	2,288
Total		1,005	2,313

5. Payments for financial assets

	Note	2016/17	2015/16
		R'000	R'000
Debts written off	5.1	20	-
Total		20	-

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
For the year ended 31 March 2017

5.1 Debts written off

	Note	2016/17	2015/16
	5	R'000	R'000
Nature of debts written off			
Recoverable revenue written off			
Tax debt		8	-
Salary overpayment		12	-
Total		20	-
Total debt written off		20	-

6. Transfers and subsidies

		2016/17	2015/16
		R'000	R'000
	Note		
Provinces and municipalities	Annex 1	2,470	4,800
Departmental agencies and accounts	Annex 2	422,191	362,641
Public corporations and private enterprises	Annex 3	326,060	230,643
Households	Annex 4	377	320
Total		751,098	598,404
<u>Unspent funds transferred to the above beneficiaries</u>			
Provinces and municipalities		613	791
Departmental agencies and accounts		-	-
Total		613	791

7. Expenditure for capital assets

	Note	2016/17	2015/16
		R'000	R'000
Tangible assets		67,181	3,610
Machinery and equipment	25	2,181	-
Buildings and other fixed structures	27	65,000	3,610
Total		67,181	3,610

7.1 Analysis of funds utilised to acquire capital assets – 2016/17

	Voted funds	Aid assistance	Total
	R'000	R'000	R'000
Tangible assets	67,181	-	67,181
Buildings and other fixed structures	65,000	-	65,000
Machinery and equipment	2,181	-	2,181
Total	67,181	-	67,181

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

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

8. Cash and cash equivalents

	Note	2016/17	2015/16
		R'000	R'000
Consolidated Paymaster General Account		3,572	4,175
Disbursements		(181)	-
Total		3,391	4,175

9. Receivables

		2016/17			2015/16		
		Current	Non-current	Total	Current	Non-current	Total
	Note	R'000	R'000	R'000	R'000	R'000	R'000
Claims recoverable	9.1	206	-	206	-	-	-
Staff debt	9.2	123	44	167	172	-	172
Other debtors	9.3	69	-	69	86	-	86
Total		398	44	442	258	-	258

9.1 Claims recoverable

	Note	2016/17	2015/16
	Annex 7	R'000	R'000
Public entities		206	-
Total		206	-

Included above is an outstanding amount of R206 000.00 which is receivable from Mpumalanga Liquor Authority at year end for payment of salaries for liquor inspectors incurred by the Department.

9.2 Staff debt

	Note	2016/17	2015/16
	9	R'000	R'000
Tax debt – Ex employees		167	172
Total		167	172

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
For the year ended 31 March 2017

9.3 Other debtors

	Note	2016/17	2015/16
		R'000	R'000
Salary: Tax debt: CA		-	1
Salary: Income Tax: CL		69	85
Total		69	86

10. Voted funds to be surrendered to the Revenue Fund

	Note	2016/17	2015/16
		R'000	R'000
Opening balance		4,254	7,265
As restated		4,254	7,265
Transfer from statement of financial performance (as restated)		3,573	4,254
Paid during the year		(4,254)	(7,265)
Closing balance		3,573	4,254

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

	Note	2016/17	2015/16
		R'000	R'000
Opening balance		111	16,380
As restated		111	16,380
Transfer from Statement of Financial Performance (as restated)		105,387	97,821
Paid during the year		(105,260)	(114,090)
Closing balance		238	111

12. Payables – current

	Note	2016/17	2015/16
		R'000	R'000
Other payables	12.1	1	30
Total		1	30

12.1 Other payables

	Note	2016/17	2015/16
		R'000	R'000
Sal: Pension Fund: CL		1	2
Capital Contr. Other Gov Units: NA		-	28
Total		1	30

13. Net cash flow available from operating activities

Note	2016/17	2015/16
	R'000	R'000
Net surplus/(deficit) as per Statement of Financial Performance	108,960	102,075
Add back non cash/cash movements not deemed operating activities	(42,615)	(117,691)
(Increase)/decrease in receivables – current	(184)	26
Increase/(decrease) in payables – current	(29)	28
Proceeds from sale of capital assets	(69)	-
Expenditure on capital assets	67,181	3,610
Surrenders to Revenue Fund	(109,514)	(121,355)
Net cash flow generated by operating activities	66,345	(15,616)

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

Note	2016/17	2015/16
	R'000	R'000
Consolidated Paymaster General account	3,572	4,175
Disbursements	(181)	-
Total	3,391	4,175

The above disbursement amount of R181 000.00 relates to an outstanding payment to Office of the Premier which was disbursed in April 2017.

15. Contingent liabilities and contingent assets

15.1 Contingent liabilities

Note	2016/17	2015/16
	R'000	R'000
Claims against the department	4,236	2,097
Total	4,236	2,097

16. Commitments

Note	2016/17	2015/16
	R'000	R'000
Current expenditure		
Approved and contracted	710	4,733
Approved but not yet contracted	-	-
	710	4,733
Total Commitments	710	4,733

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

For the year ended 31 March 2017

17. Accruals and payables not recognised

17.1 Accruals

			2016/17	2015/16
			R'000	R'000
Listed by economic classification				
	30 Days	30+ Days	Total	Total
Goods and services	944	142	1,086	1,616
Other	2,938	-	2,938	
Total	3,882	142	4,024	1,616

	Note	2016/17	2015/16
		R'000	R'000
Listed by programme level			
Programme 1: Administration		865	1,349
Programme 2: Integrated Economic Development		3,159	243
Programme 3: Trade and Sector Development		-	1
Programme 4: Business Regulation		-	12
Programme 5: Economic Planning		-	7
Programme 6: Tourism		-	4
Total		4,024	1,616

17.2 Payables not recognized

			2016/17	2015/16
			R'000	R'000
Listed by economic classification				
	30 Days	30+ Days	Total	Total
Goods and services	380	1,995	2,375	94
Capital assets	21,000	-	21,000	
Total	21,380	1,995	23,375	94

	Note	2016/17	2015/16
		R'000	R'000
Listed by programme level			
Programme 1: Administration		2,085	94
Programme 2: Integrated Economic Development		21,175	-
Programme 3: Trade and Sector Development		71	-
Programme 4: Business Regulation		34	-
Programme 5: Economic Planning		10	-
Total		23,375	94

	Note	2016/17	2015/16
		R'000	R'000
Included in the above totals are the following:			
Confirmed balances with other departments	Annex 6	2,906	94
Confirmed balances with other government entities	Annex 6	2,938	-
Total		5,844	94

18. Employee benefits

Accruals

	Note	2016/17	2015/16
		R'000	R'000
Leave entitlement		6,977	6,335
Service bonus (Thirteenth cheque)		3,625	3,428
Provisions			
Performance awards		1,957	1,828
Capped leave commitments		7,536	7,458
Long service awards		117	195
Total		20,212	19,244

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 249.82

19. Lease commitments

19.1 Operating leases expenditure

2016/17	Buildings and other fixed structures	Machinery and equipment	Total
Not later than 1 year	7,262	5,095	12,357
Later than 1 year and not later than 5 years	1,874	2,543	4,417
Later than five years	-	-	-
Total lease commitments	9,136	7,638	16,774

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
Total lease commitments	12,661	12,999	25,660

20. Accrued departmental revenue

	Note	2016/17	2015/16
		R'000	R'000
Tax revenue		14,106	8,973
Total		14,106	8,973

Analysis of accrued departmental revenue

	Note	2016/17	2015/16
		R'000	R'000
Opening balance		8,973	7,362
Less: amounts received		(8,973)	(7,362)
Add: amounts recognised		14,106	8,973
Closing balance		14,106	8,973

The closing balance of R 14 106 000 relates to:

- Gambling levies and horse racing taxes amounting to R 7 809 000 for March 2017 from MGB which was paid in April 2017 after financial year end.
- An amount of R 6 297 000 relating to liquor license fees from MLA which had not been received at year end.

21. Irregular expenditure

Reconciliation of irregular expenditure

	Note	2016/17	2015/16
		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

22. Fruitless and wasteful expenditure

Reconciliation of fruitless and wasteful expenditure

	Note	2016/17	2015/16
		R'000	R'000
Opening balance		3,936	3,936
As restated		3,936	3,936
Fruitless and wasteful expenditure awaiting resolution		3,936	3,936

Analysis of awaiting resolution per economic classification

	2016/17	2015/16
	R'000	R'000
Current	3,936	3,936
Total	3,936	3,936

23. Related party transactions

23.1 Department of Public Works, Roads and Transport

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

23.2 Department of Finance

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

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

23.3 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 enters into a shareholders compact with the Boards of these agencies. The public entities are as listed below;

Mpumalanga Gambling Board – MGB

Mpumalanga Economic Growth Agency – MEGA

Mpumalanga Tourism and Parks Agency – MTPA

Mpumalanga Liquor Authority – MLA

23.4 Key Management Personnel - refer to note 24

Revenue received	Note	2016/17 R'000	2015/16 R'000
Tax revenue		94,633	96,617
Total		94,633	96,617

The above relates to revenue collected by the Mpumalanga Gambling Board through its 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	2016/17 R'000	2015/16 R'000
Goods and services		-	1,000
Transfers		807,101	590,297
Total		807,101	591,297

The prior year amount of R590 297 000 includes R21 000 000 for Zithabiseni Resort which was disclosed and an amount of R569,297 000 which was transfers to other related parties (MEGA, MGB & MTPA) but was however not disclosed in 2015/16 financial year.

	Note	2016/17 R'000	2015/16 R'000
Year end balances arising from revenue/payments			
Receivables from related parties		14,313	8,973
Payables to related parties		60	-
Total		14,373	8,973

24. Key management personnel

	No. of Individuals	2016/17	2015/16
		R'000	R'000
Member of the Executive Council	1	1,901	1,821
Officials:			
Deputy Director-General (HOD)	1	1,017	-
Chief Directors (incl. CFO)	5	5,480	5,628
Total		8,398	7,449

25. Movable Tangible Capital Assets

MOVEMENT IN MOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2017

	Opening balance	Value adjustments	Additions	Disposals	Closing Balance
	R'000	R'000	R'000	R'000	R'000
MACHINERY AND EQUIPMENT	18,599	-	2,181	(3,653)	17,127
Transport assets	5,034	-	506	(839)	4,701
Computer equipment	5,652	-	505	(1,530)	4,627
Furniture and office equipment	7,511	-	891	(1,186)	7,216
Other machinery and equipment	402	-	279	(98)	583
TOTAL MOVABLE TANGIBLE CAPITAL ASSETS	18,599	-	2,181	(3,653)	17,127

25.1 Additions

ADDITIONS TO MOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2017

	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	2,181	-	-	-	2,181
Transport assets	506	-	-	-	506
Computer equipment	505	-	-	-	505
Furniture and office equipment	891	-	-	-	891
Other machinery and equipment	279	-	-	-	279
TOTAL ADDITIONS TO MOVABLE TANGIBLE CAPITAL ASSETS	2,181	-	-	-	2,181

25.2 Disposals

DISPOSALS OF MOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2017

	Sold for cash	Non-cash disposal	Total disposals	Cash Received Actual
	R'000	R'000	R'000	R'000
MACHINERY AND EQUIPMENT	260	3,393	3,653	69
Transport assets	260	579	839	69
Computer equipment	-	1,530	1,530	-
Furniture and office equipment	-	1,186	1,186	-
Other machinery and equipment	-	98	98	-
TOTAL DISPOSAL OF MOVABLE TANGIBLE CAPITAL ASSETS	260	3,393	3,653	69

The method used for disposal of the above assets was through scrapping of assets, donation to Cooperatives in the Province and transfer of assets to Mpumalanga Liquor Authority (MLA). Two vehicles were sold for cash hence cash was generated in this regard as stated above.

25.3 Movement for 2015/16

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

	Opening balance	Prior period error	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	(2)	1,766	2,234	5,652
Furniture and office equipment	6,607	2	1,318	416	7,511
Other machinery and equipment	453	-	93	144	402
TOTAL MOVABLE TANGIBLE CAPITAL ASSETS	17,641	-	3,752	2,794	18,599

25.4 Minor assets

MOVEMENT IN MINOR ASSETS PER THE ASSET REGISTER FOR THE YEAR ENDED AS AT 31 MARCH 2017

	Machinery and equipment	Total
	R'000	R'000
Opening balance	4,357	4,357
Value adjustments	-	-
Additions	33	33
Disposals	740	740
TOTAL MINOR ASSETS	3,650	3,650

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

For the year ended 31 March 2017

Number of R1 minor assets
Number of minor assets at cost
TOTAL NUMBER OF MINOR ASSETS

Machinery and equipment	Total
R'000	R'000
27	27
2,002	2,002
2,029 -	2,029

Minor assets

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

Opening balance
Prior period error
Additions
Disposals
TOTAL NUMBER OF MINOR ASSETS

Machinery and equipment	Total
R'000	R'000
4,288	4,288
-	-
614	614
545	545
4,357 -	4,357

25.5 Movable assets written off

MOVABLE ASSETS WRITTEN OFF FOR THE YEAR ENDED AS AT 31 MARCH 2017

Assets written off
TOTAL MOVABLE ASSETS WRITTEN OFF

Machinery and equipment	Total
R'000	R'000
91	91
91	91

26. Intangible Capital Assets

MOVEMENT IN INTANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2017

	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	-

26.1 Movement for 2015/16

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

	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

27. Immovable Tangible Capital Assets

MOVEMENT IN IMMOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2017

	Opening balance	Value adjustments	Additions	Disposals	Closing Balance
	R'000		R'000	R'000	R'000
BUILDINGS AND OTHER FIXED STRUCTURES	117	-	65,000	90	27
Other fixed structures	117	-	65,000	90	27
Capital Work-in- progress	-	-	65,000	-	65,000
TOTAL IMMOVABLE TANGIBLE CAPITAL ASSETS	117		65,000	90	65,027

27.1 Additions

ADDITIONS TO MOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2017

	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
BUILDINGS AND OTHER FIXED STRUCTURES	65,000	-	(65,000)	-	-
Non-residential buildings	65,000	-	(65,000)	-	-
TOTAL ADDITIONS TO IMMOVABLE TANGIBLE CAPITAL ASSETS	65,000	-	65,000	-	-

27.2 Disposals

DISPOSALS OF IMMOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2017

	Sold for cash	Non-cash disposal	Total disposals	Cash Received Actual
	R'000		R'000	R'000
BUILDINGS AND OTHER FIXED STRUCTURES	90	-	90	-
Other fixed structures	90	-	90	-
TOTAL DISPOSALS OF IMMOVABLE TANGIBLE CAPITAL ASSETS	90	-	90	-

Movement for 2015/16

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

	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

28. Prior period errors

28.1 Correction of prior period errors

	<i>Note</i>	2015/16 R'000
Expenditure:		
Goods and services		(2,987)
Transfers		2,987
Net effect		-

Expenditure for projects which were classified as goods and services under programme 2 and 3 instead of transfer payments to external implementing institutions.

	<i>Note</i>	2015/16 R'000
Assets		
Laptop Notebook		(2)
Printer		2
Net effect		-

Laptop Notebook previously accounted as Office Equipment and a Printer accounted as Computer Equipment

29. STATEMENT OF CONDITIONAL GRANTS RECEIVED

NAME OF GRANT	GRANT ALLOCATION					SPENT				2015/16	
	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
	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Extended Public Works Programme –(EPWP)			3,911		3,911	3,911	3,911	-	-	3,138	3,138
	-	-	3,911	-	3,911	3,911	3,911	-	-	3,138	3,138

ANNEXURE 1

STATEMENT OF CONDITIONAL GRANTS PAID TO MUNICIPALITIES

NAME OF MUNICIPALITY	GRANT ALLOCATION				TRANSFER			SPENT			2015/16
	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	Division of Revenue Act
	R'000	R'000	R'000		R'000	R'000	%	R'000	R'000	%	R'000
Govan Mbeki Local Municipality			2,465	2,465	2,464	-	-	2,464	1,851	75	4,800
Mbombela Local Municipality	-	-	-	-	6	-	-	-	-	-	-
		-	2,465	2,465	2,470	-	-	2,464	1,851	75	4,800

ANNEXURE 2

STATEMENT OF TRANSFERS TO DEPARTMENTAL AGENCIES AND ACCOUNTS

AGENCY	TRANSFER ALLOCATION				TRANSFER		2015/16 Appropriation Act R'000
	Adjusted Appropriation R'000	Roll Overs R'000	Adjustments R'000	Total Available R'000	Actual Transfer R'000	% of Available funds Transferred %	
Mpumalanga Gambling Board - MGB	62,382			62,382	62,382	100	52,205
Mpumalanga Tourism and Parks Agency - MTPA	346,808			346,808	346,808	100	310,436
Mpumalanga Liquor Authority	13,001			13,001	13,001	100	
	422,191			422,191	422,191	100	362,641

ANNEXURE 3

STATEMENT OF TRANSFERS TO PUBLIC CORPORATIONS AND PRIVATE ENTERPRISES

NAME OF PUBLIC CORPORATION/PRIVATE ENTERPRISE	TRANSFER ALLOCATION			EXPENDITURE			2015/16
	Adjusted Appropriation Act	Roll Overs	Adjustments	Total Available	Actual Transfer	% of Available funds Transferred	
	R'000	R'000	R'000	R'000	R'000	%	R'000
Public Corporations							
Transfers							
Mpumalanga Economic Growth Agency (MEGA)	319,910			319,910	319,910	100	206,656
Total	319,910	-	-	319,910	319,910	100	206,656
Private Enterprises							
Transfers							
ZiThabiseni Resort & Conference Centre	-	-	-	-	-	-	21,000
Mpumalanga Steel Initiative	650			650	650	100	500
Mpumalanga Tooling Initiative	1,000			1,000	1,000	100	1,000
Furntech	500			500	500	100	557
SABS Initiative	1,000			1,000	1,000	100	930
SAB Kick Start Programme	3,000			3,000	3,000	100	
Total	6,150			6,150	6,150	100	23,987
TOTAL	326,060	-	-	326,060	326,060	100	230,643

ANNEXURE 4

STATEMENT OF TRANSFERS TO HOUSEHOLDS

HOUSEHOLDS	TRANSFER ALLOCATION			EXPENDITURE		2015/16
	Adjusted Appropriation Act	Roll Overs	Adjustments	Total Available	Actual Transfer	Appropriation Act
	R'000	R'000	R'000	R'000	R'000	% of Available funds Transferred
						%
Transfers						
Leave Gratuity	200		177	377	377	320
	200		177	377	377	320
Subsidies						
Total	200		177	377	377	320

ANNEXURE 5

STATEMENT OF CONTINGENT LIABILITIES AS AT 31 MARCH 2017

	Opening Balance 1 April 2016	R'000	R'000	R'000	Closing Balance 31 March 2017
					R'000
Claims against the department					
Makgathatho v/s dedet	1,217	-	-	-	1,217
Macbeth Attorneys / MEC dedet	380	-	-	-	380
BP Mhisi v/s MEC & MTPA	500	-	-	-	500
Dedt vs W Rambau	-	1,139	-	-	1,139
Faranani / Dedt	-	1,000	-	-	1,000
Subtotal	2,097	2,139			4,236
TOTAL	2,097	2,139			4,236

ANNEXURE 6

INTER-GOVERNMENT PAYABLES

GOVERNMENT ENTITY	Confirmed balance outstanding		Unconfirmed balance outstanding		TOTAL		Cash in transit at year end 2016/17	Amount
	31/03/2017	31/03/2016	31/03/2017	31/03/2016	31/03/2017	31/03/2016	Payment date up to six (6) working days before year end	
	R'000	R'000	R'000	R'000	R'000	R'000		R'000
DEPARTMENTS								
Current								
Department of Justice and Constitutional Development	2 665	38	-	-	2 665	38	-	-
Office of the Premier	181	48	-	48	181	96	-	-
Department of Public Works, Roads and Transport	60	-	-	151	60	151	-	-
Government Printing Works	-	8	-	-	-	8	-	-
Subtotal	2 906	94	-	199	2 906	293	-	-
Total Departments	2 906	94	-	199	2 906	293	-	-
OTHER GOVERNMENT ENTITY								
Current								
MPU, Economic Growth Agency- MEGA	2 938	-	-	-	2 938	-	-	-
Total Other Government Entities	2 938	-	-	-	2 938	-	-	-
TOTAL INTERGOVERNMENTAL	5 844	94	-	199	5 844	293	-	-

ANNEXURE 7

CLAIMS RECOVERABLE

GOVERNMENT ENTITY	Confirmed balance outstanding		Unconfirmed balance outstanding		TOTAL		Cash in transit at year end 2016/17	
	31/03/2017	31/03/2016	31/03/2017	31/03/2016	31/03/2017	31/03/2016	Receipt 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								
OTHER GOVERNMENT ENTITIES								
Mpumalanga Liquor Authority - MLA	-	-	206	-	206	-		
Subtotal	-	-	206	-	206	-		
Total	-	-	206	-	206	-		

