



DEPARTMENT OF ECONOMIC DEVELOPMENT AND TOURISM

MPUMALANGA PROVINCE

VOTE NO. 6

ANNUAL REPORT

2018/2019





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1 GENERAL INFORMATION OF THE DEPARTMENT

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Part A

General Information

2 LIST OF ABBREVIATIONS/ACRONYMS

AGSA	Auditor General of South Africa
AMTS	Advanced Manufacturing Strategy
AO	Accounting Officer
APP	Annual Performance Plan
BBBEE	Broad Based Black Economic Empowerment
CC's	Close Corporations
CCTV	Closed Circuit Television
CFO	Chief Financial Officer
CIPC	Companies and Intellectual Property Commission
CPA	Consumer Protection Act
CSI	Corporate Social Investment
DBSA	Development Bank of South Africa
DEDT	Department of Economic Development and Tourism
DESD	Decade of Education for Sustainable Development
DoL	Department of Labour
DPSA	Department of Public Service and Administration
EEP	Employment Equity Plan
EHWP	Employee Health and Wellness Programme
EIA	Environment Impact Assessment
EIC	Enterprise Information Centre
EMC	Executive Management Committee
EU	European Union
FTC	Food Technology Centre
GDP	Growth Domestic Product
GIS	Geographical Information System
HDI	Historically Disadvantaged Individuals
HOD	Head of Department
HR PLAN	Human Resource Plan
HRPIPR	Human Resource Plan Implementation Progress Report
ICC	International Convention Centre
ICT	Information Communication and Technology
IDC	Industrial Development Corporation
IDP	Integrated Development Plan
IGR	Intergovernmental Relations
IWMP	Integrated Waste Management Plan
KMIA	Kruger Mpumalanga International Airport
LED	Local Economic Development
LRF	Local Regulatory Framework
LTO	Local Tourism Organisation
MDG	Millennium Development Goals
MEC	Member of the Executive Council
MEDGP	Mpumalanga Economic Growth and Development Path



MEGA	Mpumalanga Economic Growth Agency
MER	Mpumalanga Economic Regulator
MIFPM	Mpumalanga International Fresh Produce Market
MINMEC	Minister and Members of the Executive Council
MINTECH	Minister's and Technical Team
MISS	Minimum Information Security Standards
MLA	Mpumalanga Liquor Authority
MTEF	Medium Term Expenditure Framework
MTGS	Mpumalanga Tourism Growth Strategy
MTPA	Mpumalanga Tourism and Parks Agency
MUNMEC	Municipalities and Member of the Executive Council
NCC	National Consumer Commission
NDA	National Development Agency
NIPF	National Industrial Policy Framework
NSDP	National Spatial Development Perspective
NTSS	National Tourism Sector Strategy
OTP	Office of the Premier
PERSAL	Personnel and Salary Administration
PFMA	Public Finance Management Act
PGDS	Provincial Growth and Development Strategy
POA	Programme of Action
PPPFA	Preferential Procurement Policy Framework Act
PRIME	Programme for Industrial Manufacturing Excellence
PSC	Public Service Commission
RTO	Regional Tourism Organisations
RTP	Responsible Tourism Planning
SABS	South African Bureau of Standards
SAHC/OOAK	South African Handmade Collection / One of a kind exhibition
SCM	Supply Chain Management
SDF	Spatial Development Framework
SDIP	Service Delivery Improvement Plan
SEDA	Small Enterprise Development Agency
SERO	Socio-Economic Review and Outlook
SEZ	Special Economic Zone
SITA	State Information Technology Agency
SMME	Small Medium and Micro Enterprises
SMS	Senior Management Service
SONA	State of the Nation Address
SOPA	State of the Province Address
TOR	Terms of Reference
TR	Treasury Regulations



Mr PS NGOMANE, MPL
MEC for Finance,
Economic Development and Tourism



3 FOREWORD BY THE MEC

The Department continues to be entrusted with the critical mandate of leading economic growth activities in the Province. In this regard, the Department is responsible for the implementation of Outcome 4 which relates to 'Decent employment through inclusive economic growth'. Key amongst the Department's functions, are the provision of support and development of small businesses and co-operatives; investment promotion and attraction; business regulation and governance; consumer education and protection; economic planning; and tourism promotion and growth.

Accordingly, the Department has delegated some of its functions to its Public Entities, namely, the Mpumalanga Tourism and Parks Agency (MTPA); the Mpumalanga Economic Growth Agency (MEGA); and the Mpumalanga Economic Regulator (MER), which are its implementing agents.

This Annual Report, therefore, is intended to give a detailed account of the work of the Department – including how the allocated financial resources were utilised – during the financial year ended March 2019. Thus, the work of the Department, during the period under review, continued to be guided by the governing ANC's commitment of providing extensive support to small businesses and co-operatives, amongst others, given that they (small businesses and co-operatives) have been identified as significant contributors to economic growth and job creation.

This has led to the development of various enabling-policies and strategies, such as, the Comprehensive Integrated Small Medium Micro Enterprise Strategy; the Airlift Strategy; and review of the Mpumalanga Tourism Growth Strategy. Furthermore, the Department had to realise the governing party's commitment of "institutionalising long-term planning, integration and co-ordination capacity within the state to drive consolidated industrialisation and infrastructure development programmes for inclusive growth and job creation". This has led to the Department investing in the roll-out economic infrastructure projects, such as, the Nkomazi Special Economic Zone (SEZ).

The SEZ – which would be the first in the Province – was subsequently officially designated after approval was granted by the National Executive (Cabinet) on 05 December 2018. The SEZ is expected to contribute 8 275 jobs in construction; 9 505 in industries; and around 81 000 in the value chain, during its first ten (10) years of operation. Moving forward, the Department will continue to focus on setting up the management authority, which will assist in establishing the SEZ, and manage available and future Industrial Parks.

I am also pleased that our efforts of having the first World Heritage Site in the Province, were eventually successful, following the inscription of the Barberton Makhonjwa Mountains as South Africa's 10th World Heritage Site by UNESCO in July 2018. We undoubtedly believe that this will continue to put Mpumalanga on the world map, and eventually results in more tourists visiting our Province.



The Department also continued to oversee the regulation of the gambling and liquor industries in the Province by MER; and further protected consumers from unscrupulous business practices. These are some of the highlights of the Department's achievements which are detailed in the Annual Report, including many others.

I wish to thank my predecessor, Mr S.E Kholwane, for his political guidance to the Department during the period under review. Further appreciation goes to the management and entire staff of the Department for the sterling job they continue to perform, in fulfilling our mandate. I also extend my sincere gratitude to Members of the Portfolio Committee on Premier's Office; Finance; Economic Development and Tourism, for their continued guidance and oversight on the work of the Department.

Let's grow the economy of Mpumalanga together.

Mr PS NGOMANE, MPL

MEC: FINANCE, ECONOMIC DEVELOPMENT AND TOURISM





MR NM SEBITSO
Accounting Officer
Department of Economic Development and Tourism



4 REPORT OF THE ACCOUNTING OFFICER

4.1 Overview of the operations of the Department:

The budget which was appropriated for the Department was spent in line with the approved Annual Performance Plan. In this regard, the Department is able to account on the performance relating to the implementation of the planned targets for 2018/19 financial year. One of the critical programme of the Department was to coordinate the work concerning the Cooperatives Day Celebration. In this regard, district municipalities were supported in selecting cooperatives participating in the International Cooperatives Day which led to selection of the 9 planned cooperatives.

A Call for Interest to participate in the SMME Incentive Scheme and ensuring actual participation therein by beneficiaries was achieved in that 48 SMMEs were identified and supported although they did not get the incentive scheme. The Department was able to identify 16 SMMEs to participate in the SABS programme as well as assisting SMMEs already in the programme to sign supply agreements with contractors (Department of Human Settlements)

On the work of coordinating the activities of the BBBEE Advisory Council, the Department was able to coordinate such meetings. In supporting the review of municipalities' LED Strategies, the Department was able to achieve this target although not all municipalities had the functional Municipal LED forums. The Department has also produced the Provincial LED framework which will assist the municipalities to align their LED strategies

On the consumer issues, all cases, which were referred to the Department, were resolved and 100% were achieved. The Consumer Court Interpreters and the Consumer Protector were appointed which assisted in dealing with the consumer cases. One of the important role of the Department is to ensure the implementation of the Mpumalanga Business Act and as such, municipal capacity-building workshop on business regulatory legislation as well as municipal visits on street by-laws were conducted. The Department has also produced the research report on the informal economy that provides valuable information on the needs of the informal sector. The Department through its agency MTPA was able to put Mpumalanga Province on the map in that Barberton-Makhonjwa Mountain was inscribed as the World Heritage Site. The inscription will create many economic activities around Barberton thus ensuring that the SMMEs within tourism sector benefit and provide fertile ground for transforming the industry

4.1 Overview of the financial results of the Department:

Departmental receipts

During the reporting period, the main revenue collection sources for the Department was gambling levies, as well as liquor licence fees collected through the Mpumalanga Economic Regulator (MER).

The table below indicates a breakdown of sources of revenue, as well as actual against the target in revenue collection for the 2018/2019 and preceding financial year:

Departmental receipts	2018/2019			2017/2018		
	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	106,997	126,622	(19,625)	101,401	111,564	(10,163)
Casino taxes	88,192	84,485	3,707	83,357	77,727	5,630
Horse racing taxes	10,193	33,332	(23,139)	9,635	22,442	(12,807)
Liquor licences	8,612	8,805	(193)	8,409	11,395	(2,986)
Interest, dividends and rent on land	1,064	2,573	(1,509)	1,006	2,207	(1,201)
Financial transactions in assets and liabilities	520	18	502	491	9,060	(8,569)
Other income	160	211	(51)	151	283	(132)
TOTAL	108,741	129,424	(20,683)	103,049	123,114	(20,065)

Total revenue collected on behalf of the Department was R129,424,000 against a target of R108,741,000 which represents an over collection of 19%.

4.2 Programme Expenditure

The table below shows the Department's expenditure per Programme for the 2018/2019 financial year:

Per programme	2018/2019			2017/2018		
	Final Appropriation	Expenditure R'000	(Over)/Under Expenditure	Final Appropriation	Expenditure R'000	(Over)/Under Expenditure
Administration	94,085	92,919	1,166	91,795	88,915	2,880
Integrated Economic Development	532,652	532,652	-	537,012	528,725	8,287
Trade and Sector Development	16,731	16,654	77	17,387	15,423	1,964
Business Regulation and Governance	114,479	114,405	74	103,589	103,041	548
Economic Planning	18,857	18,610	247	16,987	15,435	1,552
Tourism	383,648	383,648	-	358,722	358,308	414
TOTAL	1,160,452	1,158,888	1,564	1,125,492	1,109,847	15,645

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

Per Economic Classification	2018/2019			2017/2018		
	Final Appropriation R'000	Expenditure R'000	(Over)/Under Expenditure	Final Appropriation R'000	Expenditure R'000	(Over)/Under Expenditure
Compensation of Employees	137,556	137,269	287	129,412	128,335	1,077
Goods and Services	78,528	78,008	520	72,465	58,163	14,302
Transfers	669,028	668,684	344	613,040	612,774	266
Payment of Capital Assets	275,336	274,923	413	310,575	310,575	-
Payment of Financial Assets	4	4	-	-	-	-
TOTAL	1,160,452	1,158,888	1,564	1,125,492	1,109,847	15,645

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

In Programme 1 (Administration) an amount of R657, 000 be shifted from goods and services to fund over spending on goods and services of other Programmes. R653,000 was used for payments and for financial assets in Programme 2, R4,000 was used. The effects are as follows:

Programme 2 (Goods and services) R337,000

Programme 3 (Goods and services) R126,000

Programme 4 (Goods and services) R45,000

Programme 6 (Goods and services) R145,000

An amount of R67,000 was shifted from leave gratuity to fund leave gratuity in Programme 2.

Programme 2: Integrated Economic Development

In Programme 2 (Integrated Economic Development), an amount of R974,000 was shifted from compensation of employees to fund compensation of employees in Programme 1. An amount of R341,000 was shifted from goods and services in Programme 1 to fund goods and services R337,000 and payment for financial assets R4,000. An amount of R 67,000 was shifted from leave gratuity in programme1 to fund leave gratuity.

Programme 3: Trade and Sector Development

In Programme 3 (Trade and Sector Development) an amount of R724,000 was shifted from compensation of employees to fund compensation of employees in Programme 1. An amount of R126,000 was further shifted from goods and services in Programme 1 to fund goods and services.



Programme 4: Business Regulation and Governance

In Programme 4 (Business Regulation and Governance) The budget was increased by R45,000 as a result of a virement received from Programme 1 to fund goods and services.

Programme 5: Economic Planning

In programme 5 (Economic Planning) an amount of R33,000 was shifted from compensation of employees to fund compensation of employees in programme 1 R29,000 and in programme 6, R4,000.

Programme 6: Tourism

In programme 6 (Tourism) an amount of R4,000 be shifted from compensation of employees in Programme 5 to fund compensation of employees. An amount of R145,000 be shifted form goods and services in programme 1 to fund goods and services.

A description of the reasons for unauthorised, fruitless and wasteful expenditure and the amounts involved as well as steps taken to address and prevent a recurrence.

Irregular expenditure was incurred during the year under review. These amounts were primarily due to ongoing contracts that were found to be irregular after they had been entered into, including property and equipment rental contracts. In addition irregular expenditure was incurred when local content requirements were not correctly complied with, and when staff were paid performance bonuses in excess of the approved budget.

Future plans of the Department

The Department will continue with the implementation of the Industrial Technology Parks, as these are multi-year projects. It will further continue to support MEGA in the implementation of the Nkomazi Special Economic Zone in line with the post designation plan, as well as in the construction of the Mpumalanga International Fresh Produce Market (MIFPM) . The operationalisation of the Barberton Makhonjwa Mountains World Heritage Site is also currently underway.

Public-Private Partnerships

The Department did not enter into any Public-Private Partnership (PPP) agreement during the year under review. Discontinued activities / activities to be discontinued No activities were discontinued during the period under review. However, this will be reviewed once the organisational re-design process has been concluded. It is only then that the Department will be able to determine which activities or functions will be transferred and received from its Public Entities.

New or proposed activities

As indicated above, no new activities are proposed owing to the impending organisational re-design process.



Supply Chain Management

All assets acquired during the period under review were recorded in the Assets Register, through 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. Accordingly, no major challenges were experienced on assets management reform.

Reconciliations were accordingly done between BAS and LOGIS in order to update the movements of assets in the Assets Register. The Department has complied with the Supply Chain Management Framework, as Bid Committees were duly appointed to facilitate the appointment of service providers for acquisition of Goods and Services.

Gifts and Donations received in kind from non-related parties

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

Exemptions and deviations received from the National Treasury

No exemptions and deviations were received from the National Treasury.

Events after the reporting date

No events warranting adjustment of the financial statements took place after the balance sheet was concluded.

Other

None

Acknowledgement/s or Appreciation

Conclusion

The Annual Financial Statements set out on pages 160 to 208 have been approved by the Accounting Officer.

Approval and sign off



Mr. NM SEBITSO

ACCOUNTING OFFICER:

Department of Economic Development and Tourism

Date: 31 May 2019



5 Statement Of Responsibility And Confirmation Of Accuracy For The Annual Report

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

- All information and amounts disclosed throughout the annual report are consistent;
- The Annual Report is complete, accurate and is free from any omissions;
- The Annual Report was 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 was responsible for the preparation of the Annual Financial Statements and for the judgements made in this information;
- The Accounting Officer was responsible for establishing, and implementing a system of internal control that was designed to provide reasonable assurance as to the integrity and reliability of the performance information, the human resources information and the Annual Financial Statements;
- The external auditors were engaged to express an independent opinion on the Annual Financial Statements.
- In my opinion, the Annual Report fairly reflects the operations, the performance information, the human resources information and the financial affairs of the Department for the financial year ended 31 March 2019.

Yours faithfully,



Mr. NM SEBITSO

ACCOUNTING OFFICER:

Department of Economic Development and Tourism

Date: 31 May 2019



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



7 Legislative And Other Mandates

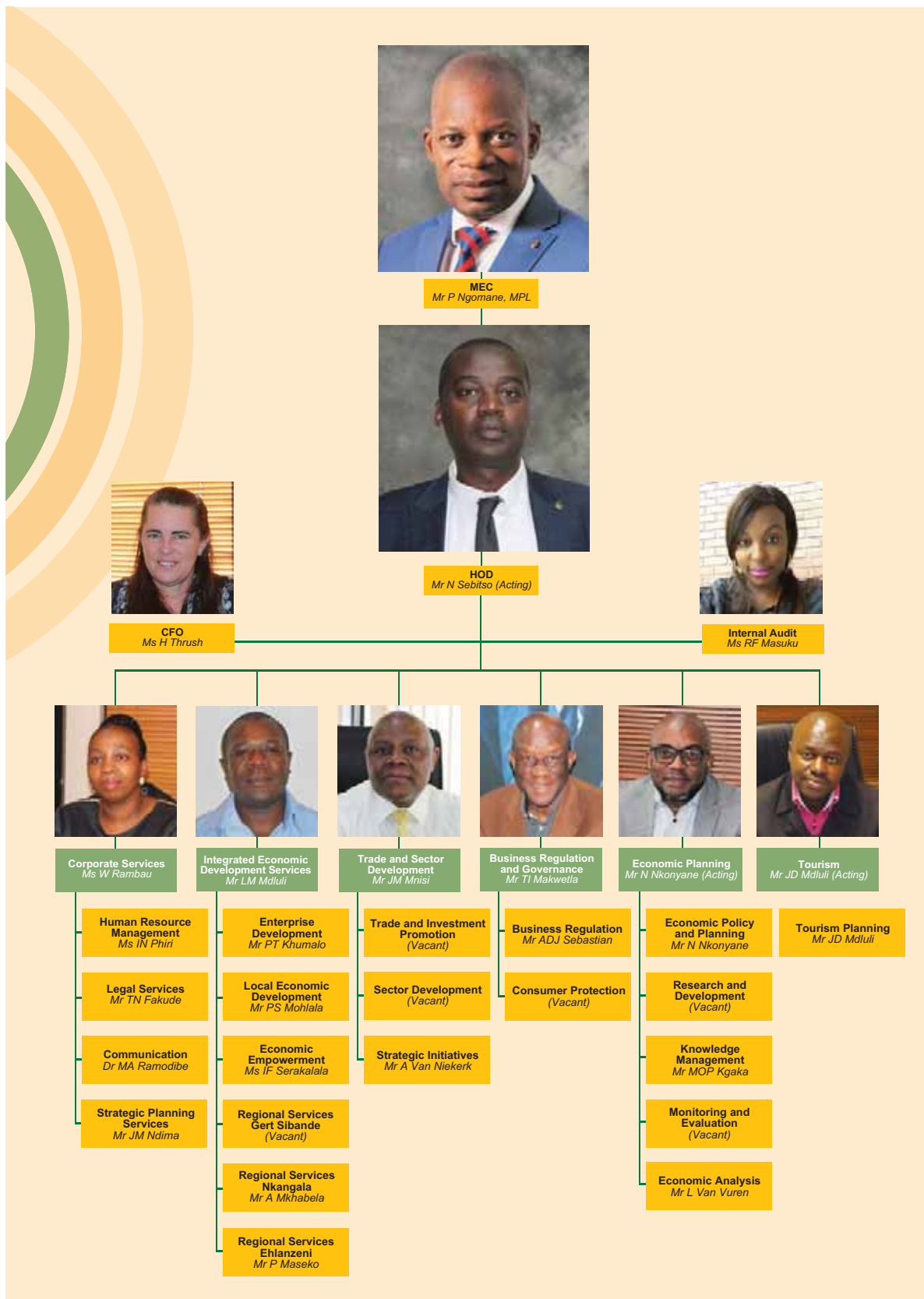
CONSTITUTIONAL MANDATES	PURPOSE
The Constitution of the Republic of South Africa, Act 108 of 1996 To protect citizens and afford them rights.	The Department's mandate includes regulatory functions that are meant to promote fair trade, protection of the consumer rights as envisaged in Sections 22 and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

LEGISLATIVE MANDATES	PURPOSE
Public Financial Management Act No.1 of 1999.	<ul style="list-style-type: none"> To promote sound financial management in the public sector. Every employee of the Department is enjoined to ensure that no fruitless/irregular expenditure occurs within their area of responsibility
Mpumalanga Gambling Act No.5 of 1999.	<ul style="list-style-type: none"> To provide for control over gaming; and to provide for matters connected therewith. The Department is, by virtue of being the shareholder representative, responsible for ensuring that the MGB effectively and efficiently executes its mandate which includes regulating gambling and sensitising the public against the dangers of excessive gambling. Overseeing Quarterly Reports, Annual Reports & 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 on 2003.	<ul style="list-style-type: none"> To provide for the co-ordination of concurrent national and provincial legislative competence over matters relating to casinos, racing, gambling and wagering and to provide for the continued regulation of those matter The Department has 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 market-place for consumer products and for that purpose to establish national norms and standards relating to consumer protection. DEDT is responsible for establishing and managing the Office of Investigation of Unfair Business Practices, whose function is to receive, investigate and resolve complaints of unfair business practices. To establish the Consumer Court which adjudicates on matters of alleged unfair business practices.
Mpumalanga Liquor Licensing Act 5 of 2007.	<ul style="list-style-type: none"> To provide for the regulation of the liquor industry in the Province; and for matter connected within.



LEGISLATIVE MANDATES	PURPOSE
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 business operations
National Small Business Enabling Act.	<ul style="list-style-type: none"> To provide for Small Businesses to enter the economic main-stream. 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.
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 economy. The Department is responsible for ensuring that black-owned companies access opportunities in the main-stream 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, including targeted groups (women, youth and people 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
Mpumalanga Economic Regulator Act No. 2 of 2017	<ul style="list-style-type: none"> To regulate the gambling industry in the Province in terms of the Mpumalanga Gambling Act; To regulate the payment of gambling levies in terms of the Mpumalanga Gambling Levies Act; and To regulate the liquor industry in the Province in terms of the Mpumalanga Liquor Licensing Act.

10. ORGANISATIONAL STRUCTURE



11. ENTITIES REPORTING TO THE MEC

Name of Entity	Legislative Mandate	Financial Relationship	Nature of Operations
<ul style="list-style-type: none"> Mpumalanga Economic Growth Agency 	<ul style="list-style-type: none"> To promote trade and investment in Mpumalanga; To provide funding in respect of approved enterprise development focusing primarily on the previously disadvantaged individuals in Mpumalanga; To develop property including the granting of housing loans in Mpumalanga; to deliver massive infrastructure in Mpumalanga 	<ul style="list-style-type: none"> Transfer payments in line with the shareholders compact 	<ul style="list-style-type: none"> To promote and facilitate Trade and Investment in the Province To provide financial and non-financial support to SMME's in the Province To provide financial support to emerging farmers in the Province To grant housing loans to the needy and previously advantaged
<ul style="list-style-type: none"> Mpumalanga Tourism and Parks Agency 	<ul style="list-style-type: none"> To provide for the sustainable development and improvement of the tourism industry in Mpumalanga 	<ul style="list-style-type: none"> Transfer payments in line with the shareholders compact 	<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.
<ul style="list-style-type: none"> Mpumalanga Economic Regulator 	<ul style="list-style-type: none"> Continue to regulate the Gambling Industry as per its founding Act; Promote responsible gambling in the Province Provide for the regulation of the micro-manufacturing and retail sale of liquor; Regulate own revenue generation (section 5, subsection 2); Reduce the socio-economic and other related cost of alcohol abuse; Provide for public participation in the consideration of applicants for registration; 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 ownership in the industry and an ethos of social responsibility in the industry. 	<ul style="list-style-type: none"> Transfer payments in line with the shareholders compact 	<ul style="list-style-type: none"> To ensure that the industry is regulated and functions within the parameter of the law; To promote responsible gambling in the Province; To improve organisational licensing, expand and standardise industry compliance and enforcement; To provide an enabling environment in human capital, finance and ICT; To engender a high governance ethos. To ensure effective and efficient administration and management of the Organisation.





Part B
Performance Information



1. Auditor General's Report: Predetermined Objectives

The AGSA performed audit procedures on the performance information to provide reasonable assurance in the form of an audit conclusion. The audit conclusion on the performance against predetermined objectives is included in the report to management, with no material findings being reported under the Predetermined Objectives heading in the Report on other legal and regulatory requirements section of the auditor's report.

Refer to page 155 of the Report of the Auditor General, published as Part E: Financial Information.

2. Overview Of Departmental Performance

2.1 Service Delivery Environment

The Department has during the period under review been confronted with the challenge of not being able to fulfil the objective of changing the approach in as far as service delivery is concerned. The new approach required that the Department provide the thought leadership.

Department managed to perform better in comparison with the previous financial years in as far as the advisory services is concerned. The services rendered directly to the public relate to the consumer cases. During the year under review, 1399 cases were received, advisory services provided thereon and investigated. The continued 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 still being faced due to the continued moratorium.

2.2 Service Delivery Improvement Plan

The Department has completed a Service Delivery Improvement Plan. The tables below highlight the Service Delivery Plan and the achievements to date.

Main services and standards

Main services	Beneficiaries	Current/actual standard of service	Desired standard of service	Actual achievement
Consumer Protection Services	Consumers in the Province	Advisory services conducted and 1419 consumer cases were resolved 98%.	Advisory services conducted and 80% consumer cases resolved	Advisory services conducted and 1399 consumer cases were resolved 100%.
		756 consumer education and awareness programmes conducted.	400 consumer education and awareness programmes conducted.	600 consumer education and awareness programmes conducted.
Enterprise Development Services	SMMEs in the Province.	Conducted 756 workshops/awareness sessions, radio interviews, road shows, and presentations on consumer protection matters.	9 Agro processing SMMEs supported to access agro-processing incentive	9 SMMEs supported to access the agro-processing incentive.
			16 SMMEs supported through SABS accreditation, enabling them to participate on the Social Enterprise Programme	16 SMMEs supported through SABS accreditation, enabling them to participate on the Social Enterprise Programme.



Batho Pele arrangements with beneficiaries (Consultation access etc.)

Current/actual arrangements	Desired arrangements	Actual achievements
<p>Members of the public and clients consulted through the following arrangements:</p> <ul style="list-style-type: none"> • Walk-in interfaces • Road shows • Radio and print media channels. 	<p>Conduct regular engagements in an endeavour to understand stakeholder needs and expectations from the following structures:</p> <ul style="list-style-type: none"> • Provincial Batho Pele Forum, • National Consumer Regulators; • National Consumer Protection Bodies; • Provincial Civil Organisations and NGOs • Trade unions, • Tribal Authorities, • Media Houses and • Members of the public. 	<p>Regular engagements were conducted in an endeavour to understand stakeholder needs and expectations from the following structures:</p> <ul style="list-style-type: none"> • Provincial Batho Pele Forum, • National Consumer Regulators; • National Consumer Protection Bodies; • Provincial Civil Organisations and NGOs • Trade unions, • Tribal Authorities, • Media Houses and • Members of the public.

Service Delivery Information Tool

Current/actual information tools (Base-line)	Desired information tools	Actual achievements
<p>Conducted 515 workshops/awareness sessions, radio interviews, road shows, and presentations on consumer protection matters.</p>	<p>400 consumer education and awareness programmes conducted</p>	<p>600 consumer education and awareness programmes conducted</p>

Complaints Mechanism

Current/actual complaints mechanism	Desired complaints mechanism	Actual achievements
<p>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.</p>	<p>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.</p>	<p>There were no complaints directed at the Department, except for the Consumer cases handled.</p>



2.3 Organisational Environment

The Department experienced organisational challenges which emanated from the fact that no new personnel appointments were made in the year under review. Both the posts of the Head of Department and the Chief Financial Officer were still vacant at the time of reporting. The supply chain unit in the CFO's Office was also put under strain due to one person having to deal with multiple tasks. Meantime, personnel from other areas have been identified to relieve the over-burdened personnel, whilst still waiting for the approval of the organisational structure. It should, however, be noted that those critical posts have not been approved by the Executive Council, and as such, cannot be filled.

For the critical posts of HOD and CFO, acting appointments were made whilst then recruitment process continues. For the post of HOD, Mr NM Sebitso and for the post of CFO, Ms H Thrush, who was seconded to the Department from the MTPA, were appointed in acting capacities. The Department was also working towards re-submitting the organisational structure to the Executive Council for consideration, and will also re-submit the identified critical posts for approval.

2.4 Key policy developments and legislative changes

Consumer Protection Bill 2018 was finalised after the State Law Advisers made their input during the year under review. The Bill is ready for submission to the Executive Council to approve the publication for public comment. In the meantime, the Department is busy drafting Regulations which will be implemented once the Bill is enacted.



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 2	Increased tourism in the Province
Goal statement	Flourishing domestic and foreign tourism and increased inclusivity of all stakeholders in the sector

The Department is responsible for the implementation of Outcome 4 – Decent employment through inclusive economic growth. The Outcome mandates the Department to guide the Province in as far as economic growth issues are concerned. The five year plan of the Department was developed and was informed by Outcome 4, Vision 2030, MEGDP, NGP, NDP. The number of job created indicates that the province surpassed the national figures. This explains that when South Africa experienced a technical recession, Mpumalanga Province did not but instead created 44 000 more jobs.

The decision to use state procurement, as a lever to bring on board SMMEs and Co-operatives are key interventions towards township economic development. This strategic decision will go a long way in uplifting the lives of the people of Mpumalanga and ultimately lead to poverty reduction.



4. PERFORMANCE INFORMATION BY PROGRAMME

4.1 Programme 1: Administration

Purpose of the Programme: To provide administrative support for the implementation of the Departmental mandate.

Programme 1 consists 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
 - * Communication
 - * 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;
- Implement risk management and anti-corruption campaigns in order to build an ethical organisational culture with a zero tolerance to fraud, corruption and maladministration;
- Enable the development and implementation of business strategies and solutions that would lead to the effective running of the Department.

Strategic objectives, performance indicators, planned targets and actual achievements

Strategic objectives:

Sub-Programme: MEC				
Strategic objectives	Actual Achievement 2017/2018	Planned Target 2018/2019	Actual Achievement 2018/2019	Deviation from planned target to Actual Achievement for 2018/2019
Set policy and political directives in order to achieve provincial objectives	5 Priorities and strategic directives to the Department provided	Provide priorities and political directives to the Department.	Priorities and political directives to the Department provided	None
				Comment on deviations

Performance indicators

Sub-programme: MEC				
Performance Indicator	Actual Achievement 2017/2018	Planned Target 2018/2019	Actual Achievement 2018/2019	Deviation from planned target to Actual Achievement for 2018/2019
Number of Policy & Budget Speech conducted	1 Policy & Budget Speech conducted	1 Policy & Budget Speech conducted	1 Policy & Budget Speech conducted	None
				Comment on deviations

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 Name	2017/2018				2018/2019		
	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 MEC	8,404	8,141	263		11,305	11,075	230

Strategic objectives:

Sub-Programme: HOD						
Strategic objectives	Actual Achievement 2017/2018	Planned Target 2018/2019	Actual Achievement 2018/2019	Deviation from planned target to Actual Achievement for 2018/2019	Comment on deviations	
Translate policies and priorities into strategies for effective service delivery	The implementation of 5 priorities sectors supported	Implementation of 5 priorities sectors supported	The implementation of 5 priorities sectors supported	None	None	

Performance indicators

Sub-programme: HOD					
Performance Indicator	Actual Achievement 2017/2018	Planned Target 2018/2019	Actual Achievement 2018/2019	Deviation from planned target to Actual Achievement for 2018/2019	Comment on deviations
Number of performance reports submitted	4 performance reports submitted	Submit 4 performance reports	4 performance reports submitted	None	None
Number of annual reports submitted	1 annual report submitted	Submit 1 annual report	1 annual report submitted	None	None
Number of Annual Performance plans submitted	1 Annual Performance plan submitted	Submit 1 Annual Performance plan	1 Annual Performance plan submitted	None	None
Number of priority sector supported and implemented	5 priority sectors implemented	5 priorities sectors supported and implemented	5 priority sectors supported and implemented	None	None

Reasons for all deviations

None

Strategy to overcome areas of under performance

None

Changes to planned targets

None

Strategic objectives:

Sub-Programme: Internal Audit					
Strategic objectives	Actual Achievement 2017/2018	Planned Target 2018/2019	Actual Achievement 2018/2019	Deviation from planned target to Actual Achievement for 2018/2019	Comment on deviations
Provide efficient and effective internal audit services in the department	1 Audit Plan implemented	Implement 1 approved internal audit plan	1 approved Internal audit plan implemented	None	None

Performance indicators

Sub-programme: Internal Audit					
Performance Indicator	Actual Achievement 2017/2018	Planned Target 2018/2019	Actual Achievement 2018/2019	Deviation from planned target to Actual Achievement for 2018/2019	Comment on deviations
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 reports on implementation of the annual audit plan 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

The Unit utilised the budget to execute the following risk based reviews as per the Internal Audit Operational Plan

Assurance Activities : Performance Information and Financial Statement Reviews; Assets Management, Internal Control, Human Resource Management; Interim Financial Statements, Midterm Performance Information, Transfer Payments, MPAT Review, Financial and Supply Chain Management, Follow up AG and Internal Audit Reports, Mpumalanga International Fresh Produce Market (MIFPM)- Adhoc.

Consulting report such as Internal Control Awareness. Four (4) Audit Committee Meetings were held. The expenditure contributed towards the improvement of the control environment since identified critical issues that could impact on the achievement of the Departmental objectives were brought to the attention of Management for corrective actions to be taken.

Sub-Programme expenditure

Sub-Programme	2017/18			2018/19		
	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)	10,464	8,251	2,213	7,397	7,360	37

Strategic objectives:

Sub-Programme: Financial Management					
Strategic objectives	Actual Achievement 2017/2018	Planned Target 2018/2019	Actual Achievement 2018/2019	Deviation from planned target to Actual Achievement for 2018/2019	Comment on deviations
Provide effective and efficient financial management	Effective and efficient financial management systems implemented	Implement effective and efficient financial management systems to achieve clean audit	Implemented effective and efficient financial management systems to achieve clean audit	None	None

Performance indicators

Sub-Programme: Financial Management					
Performance Indicator	Actual Achievement 2017/2018	Planned Target 2018/2019	Actual Achievement 2018/2019	Deviation from planned target to Actual Achievement for 2018/2019	Comment on deviations
Percentage expenditure in relation to the allocated budget	12 IYM reports submitted to Provincial Treasury	100 % expenditure in relation to the allocated budget and 12 reports produced	99.9% expenditure in relation to the allocated budget 12 reports produced	Target not achieved by 0.01 %	None
Percentage of invoices paid within 30 days	New Indicator	100 % of invoices paid within 30 days and 12 reports produced	99.8% of invoices paid within 30 days and 12 reports produced	Target not achieved by 0.2 %	None

Reasons for all deviations:

Delays in expenditure due to procurement processes

Suppliers not compliant on CSD

Strategy to overcome areas of under performance

Relevant Programme Manager will monitor contracts in relation to clearly defined deliverables

Changes to planned targets

None

Strategic objectives:

Sub-Programme: Risk Management					
Strategic objectives	Actual Achievement 2017/2018	Planned Target 2018/2019	Actual Achievement 2018/2019	Deviation from planned target to Actual Achievement for 2018/2019	Comment on deviations
Implementing risk management and anti-corruption processes in order to build an ethical organisational culture with a zero tolerance to fraud, corruption and mal-administration	Risk and fraud strategies implemented	Implement Risk and fraud strategies.	Risk and fraud strategies implemented	None	None

Performance indicators

Sub-Programme: Risk Management					
Performance Indicator	Actual Achievement 2017/2018	Planned Target 2018/2019	Actual Achievement 2018/2019	Deviation from planned target to Actual Achievement for 2018/2019	Comment on deviations
Number of risk treatment monitoring reports produced	4 Risk Assessment reports produced	4 risk monitoring reports produced	4 risk monitoring reports 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

The Risk Management sub-Programme achieved 100% of its planned targets. The risk analysis informed the development of the annual Internal Audit Plan and inculcated a control conscious organisational culture. Furthermore, management was advised on the high risk areas and the overall risk portfolio which is inclusive of progress on implementation of risk mitigating strategies.

Sub-Programme expenditure

Sub-Programme	2017/18		2018/19	
	Final Appropriation R'000	Actual Expenditure R'000	(Over)/Under Expenditure R'000	Actual Expenditure R'000
Financial Management (Risk Management)	36,900	36,762	138	39,665
				39,154
				511

Strategic objectives:

Sub-Programme: Corporate Services				
Strategic objectives	Actual Achievement 2017/2018	Planned Target 2018/2019	Actual Achievement 2018/2019	Deviation from planned target to Actual Achievement for 2018/2019
To enable the development and implementation of business strategies and solutions that lead to the effective running of the Department	HR oversight report produced	HR oversight report produced	HR oversight report produced	None
				None

Performance indicators

Sub-Programme: Corporate Services					
Performance Indicator	Actual Achievement 2017/2018	Planned Target 2018/2019	Actual Achievement 2018/2019	Deviation from planned target to Actual Achievement for 2018/2019	Comment on deviations
HR oversight report produced	HR oversight report produced	HR oversight report produced	HR oversight report produced.	None	None

Reasons for all deviations:

None

Strategy to overcome areas of under performance

None

Changes to planned targets

None

Sub-programme expenditure

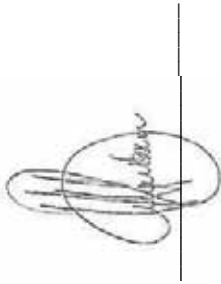
Sub-Programme	2017/18			2018/19		
	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
Corporate Services	36,027	35,761	266	35,718	35,330	388

DECLARATION OF INFORMATION (AR 2017/18 - PERFORMANCE INFORMATION)

Performance information responds to the approved indicators
Performance information is in accordance with the approved targets
Means of verification for reported outputs are available on request

YES	NO
<input checked="" type="checkbox"/>	<input type="checkbox"/>
<input checked="" type="checkbox"/>	<input type="checkbox"/>
<input checked="" type="checkbox"/>	<input type="checkbox"/>

I, Winnie N Rambau, Programme Manager, declares that the information provided is true and correct.

Signature: 



4.2 Programme 2: Integrated Economic Development Services

Purpose of the Programme: To stimulate economic growth in the Province through promotion of the Historically-Disadvantaged Individuals, and to further 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 were:

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

Strategic objectives, performance indicators, planned targets and actual achievements

The Programme has successfully supported co-operatives in the (3) Districts of the Province through a number of training workshops that were conducted to educate them about the principle of co-operatives and how to run a successful co-operative. These workshops were done in preparation for the participation of the Province at the International co-operatives Day in Polokwane, Limpopo. The Programme also supported 16 co-operatives to comply with the SABS requirements so that they can participate in the Government Nutrition Programme and the Social Enterprise Programme with accredited products. The Programme was able to establish the Provincial Broad Based Black Economic Empowerment (BBBEE) Advisory Council and supported the activities of the council. The Programme has also finalised the Provincial Local Economic Development Forums in most municipalities of the Province. The implementation of these targets has accordingly contributed towards achieving the Department's strategic goals towards Outcome 4 – Decent Employment through Inclusive Economic Growth.

Strategic objectives:

Sub-Programme: Enterprise Development					
Strategic objectives	Actual Achievement 2017/2018	Planned Target 2018/2019	Actual Achievement 2018/2019	Deviation from planned target to Actual Achievement for 2018/2019	Comment on deviations
To facilitate support and development of business enterprises	The implementation of the existing SMME and Cooperatives strategies coordinated & supported although the process of finalising the revised strategies was not completed.	Implementation of SMME and Cooperatives strategies coordinated	Implementation of SMME and Cooperatives strategies coordinated	None	None

Performance indicators

Sub-Programme: Enterprise Development					
Performance Indicator	Actual Achievement 2017/2018	Planned Target 2018/2019	Actual Achievement 2018/2019	Deviation from planned target to Actual Achievement for 2018/2019	Comment on deviations
Number of agro processors supported to access agro-processing incentive.	New Indicator	9 Agro processing SMMEs supported to access agro-processing incentive	9 Agro processing SMMEs were supported to access the agro-processing incentives as identified from the 30 SMMEs in the three districts. 3 District workshops were held to disseminate information on the requirements of the scheme and on how to apply for the incentive scheme	None	None
Number of Cooperatives supported to participate in the Awards of the International Cooperatives Day celebration	9 Cooperatives from the 3 Districts were supported to participate in the annual International Cooperatives Day celebrations Awards	9 Cooperatives supported to participate in the annual International Cooperatives Day celebration Awards	9 Cooperatives were selected from the three Districts to participate in the International Cooperative Day Awards.	None	None

Sub-Programme: Enterprise Development					
Performance Indicator	Actual Achievement 2017/2018	Planned Target 2018/2019	Actual Achievement 2018/2019	Deviation from planned target to Actual Achievement for 2018/2019	Comment on deviations
Number of SMMEs supported to participate in the social enterprise model	New Indicator	16 SMMEs supported to participate in the Social Enterprise model	16 SMMEs were supported towards accreditation for the SABS to enable them to participate on the social enterprise Programme	None	None
Number of CIPC self-service system and centres implemented.	New Indicator	5 CIPC Self Service system in the three districts rolled out	Not Achieved. However, the DEDT provided CIPC services to all districts in the Province and assisted 1500 SMMEs. The DTI was engaged to render services on wheels (mobile unit)	A mobile unit is proposed for rendering CIPC services to the out lying areas of the Province, and for CIPC to take over the servicing of all the Districts.	Adequate resources will be sourced to implement the mobile unit.
Fully functional database	Database of Cooperatives and SMMEs developed (used information on 7 prioritised municipalities)	Database of cooperatives and SMME's developed	Database of Cooperatives and SMMEs developed	None	None

Reasons for all deviations

- The Department was not able to roll-out the CIPC self-service system due to the financial challenges
- The Database for SMME and Co-operatives was only implemented in Mbombela due to the financial constraints.

Strategy to overcome areas of under performance

The Department will ensure that there are adequate financial resources to roll-out both the CIPC mobile unit and database for SMMEs and co-operatives in the new financial year.

Changes to planned targets

None

Linking performance with budgets

The allocated budget in the 2018/19 financial year has enabled the sub-programme to achieve three (3) of the planned targets, which included support to Co-operatives in the Province. The sub-programme was able to finalise the SMME strategy and the Database of Co-operatives and SMMEs. Workshops were held to take the SMMEs through the steps for complying to participate on the Agro-processing incentive scheme which is managed by the dti. Nine (9) SMMEs were given support to apply for the incentive scheme, however, none of them was placed on the scheme because they did not meet the requirements.

Sub-Programme expenditure

Sub-Programme	2017/18			2018/19		
	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
Enterprise Development (Transfer and subsidies)	492,085	487,841	4,244	487,184	487,184	-

Strategic objectives:

Sub-Programme: Economic Empowerment				
Strategic objectives	Actual Achievement 2017/2018	Planned Target 2018/2019	Actual Achievement 2018/2019	Deviation from planned target to Actual Achievement for 2018/2019
To promote economic transformation	Implementation of the BBBEE Plan coordinated	Implementation of the BBBEE plan coordinated	Implementation of the BBBEE Plan coordinated	None
				None

Performance indicators

Sub-Programme: Economic Empowerment				
Performance Indicator	Actual Achievement 2017/2018	Planned Target 2018/2019	Actual Achievement 2018/2019	Deviation from planned target to Actual Achievement for 2018/2019
Provincial BBBEE Advisory Council established and supported	Provincial BBBEE Advisory Council established	Activities of the Provincial BBBEE Council supported	Activities of the Provincial BBBEE Council supported	None
Framework developed and enterprises profiled	Framework on the implementation of warehousing and township retail shops initiative developed and enterprises profiled	Implementation of warehousing and township retail shops initiatives monitored and report produced	The implementation of warehousing and township retail shops initiatives monitored and report produced	None
Access to Black Industrialist Programme for potential beneficiaries facilitated and report produced	Access to Black Industrialist Programme for potential beneficiaries facilitated (Facilitation as follows: Identification of existing SMMEs and Cooperatives and support to be provided Development of MOU	Access to support offered under the Black Industrialist Programme to potential beneficiaries facilitated and report produced	Access to support offered under the Black Industrialist Programme to potential beneficiaries facilitated and a report produced	None

Reasons for all deviations:

None

Strategy to overcome areas of under performance

None

Finalise the signing of the MOU with the Department of Trade and Industry in the first quarter of the 2019/2020 and execute the Programme of Action in the new financial year.

Changes to planned targets

None

Linking performance with budgets

The budget enabled the sub-programme to achieve all its planned targets. The sub-programme successfully facilitated the establishment of the BBBEE Advisory Council and supported its activities. The framework on the implementation of warehousing and township shops initiative was developed and enterprises profiled. Identified enterprises were supported to access the Black Industrial Programme.

Sub-Programme expenditure

Sub-Programme	2017/18			2018/19		
	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	5,242	3,955	1,287	6,166	6,166	-

Strategic objectives:

Sub-Programme: Regional and Local Economic Development					
Strategic objectives	Actual Achievement 2017/2018	Planned Target 2018/19	Actual Achievement 2018/19	Deviation from planned target to Actual Achievement for 2018/19	Comment on deviations
To provide strategic economic development support to municipalities	LED to drive the economic growth and development in municipalities strengthened	LED in municipalities to drive the economic growth and development strengthened	LED to drive the economic growth and development in municipalities strengthened	None	None

Performance indicators

Sub-Programme: Regional and Local Economic Development					
Performance Indicator	Actual Achievement 2017/2018	Planned Target 2018/2019	Actual Achievement 2018/2019	Deviation from planned target to Actual Achievement for 2018/2019	Comment on deviations
Number of LED Strategies reviewed.	9 Municipalities provided with technical support in the review of LED strategies: Emalahleni, Thembisile, Dr JS Moroka, Thaba Chweu, Nkomazi, Bushbuckridge, Mkhondo, Msukaligwa and Dipaleseng	Coordinate and facilitate The review of the LED strategies for 3 District Municipalities coordinated and facilitated	The review of LED strategies for 3 District municipalities coordinated and facilitated	None	None
Number of LED forums supported	LED forums supported in 17 municipalities	LED forums supported in 17 municipalities and functional.	LED Forums supported in 17 municipalities and functional.	None	None
Number of support programmes coordinated and presented	Departmental and national economic support programmes coordinated and presented in the 3 districts to support LED.	3 National programmes to support LED in municipalities coordinated and presented in the 3 districts.	3 National programmes to support LED in municipalities coordinated and presented in the 3 districts.	None	None
Provincial LED Strategy framework	None	Provincial LED strategy framework developed	Provincial LED strategy framework developed	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 allocated budget for the 2018/19 financial year has assisted the sub-programme to achieve all its targets, which included the review of LED Strategy, support to LED Forums and the finalisation of the LED Strategy Framework.

Sub-Programme expenditure

Sub-Programme	2017/18			2018/19		
	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
Regional Directors	32,117	29,379	2,738	30,653	30,653	-
Local Economic Empowerment	5,946	5,928	18	6,824	8,824	-

DECLARATION OF INFORMATION (AR 2018/19 - PERFORMANCE INFORMATION)

Performance information responds to the approved indicators

Performance information is in accordance with the approved targets

Means of verification for reported outputs are available on request

YES NO

<input checked="" type="checkbox"/>	<input type="checkbox"/>
<input checked="" type="checkbox"/>	<input type="checkbox"/>
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I, LM Mdluli, Programme Manager, declares that the information provided is true and correct.

Signature: 



4.3 Programme 3: Trade and Sector Development

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

The Programme consists of the following sub-Programmes:

- Trade and Investment Promotion
- Strategic Initiatives
- Sector Development

Strategic objectives for the financial year under review:

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

Strategic objectives, performance indicators, planned targets and actual achievements

The economic policies, strategies and programmes of the Mpumalanga Provincial Government, have been, and continue to be geared towards the reduction of the high level of unemployment; the scourge of poverty and inequality pervasive in the Province since the inception of the new democratic dispensation. Mpumalanga Vision 2030 (MP V2030): The Implementation Framework and the 'Mpumalanga Economic Growth and Development Path (MEGDP) are frameworks that are guiding the comprehensive response of the Provincial Government to the triple challenges.

During the 2009 – 2014 Medium Term Strategic Framework (MTSF), government adopted the 'Outcome-based Approach' to drive the delivery of its policy imperatives. The Department was then charged with the responsibility of facilitating and coordinating the implementation of Outcome four (4) whose primary focus is on the creation of 'Decent Employment through Inclusive Economic Growth'. There are specific 'Outputs' that need to be achieved in order to realise Outcome four (4). For programme three (3) these include the following outputs:

Output 1: *The productive sectors account for a growing share of production and employment, exports are diversified, African regional development is accelerated, the carbon intensity of growth is reduced, knowledge and technology support increasingly inclusive and dynamic growth, and the organs of the state improve their alignment in support of employment-creating growth.*



Output 2: *Productive investment is effectively crowded in through the infrastructure build programme.*

Output 3: *Workers' education and skills increasingly meet economic needs*

During the 2014 – 2019 MTSF period, Programme 3 continued to focus on selected outputs reflected above. In 2015, the Provincial Government, adopted the Mpumalanga Industrial Development Plan (MIDP) as a framework aimed at stimulating robust economic growth and job creation opportunities through the expansion of the industrial base of the Province. Since the purpose of Programme Three (3) is to support the development of industry within the key economic sectors of the Province, and to create a conducive environment for trade and investment, undoubtedly, the facilitation and coordination of the implementation of the industrialisation programme became its core responsibility.

In the 2018/19 financial year, this Programme prioritised thirteen (13) Annual targets to drive the roll out of the MIDP Implementation Roadmap. These Annual Targets continued to be informed by the Outputs of Outcome 4.

Sub-Programme: Trade and Investment

With regards to the compilation of Monitoring and Evaluation reports, the Programme has done very well. However, the roll-out of the Implementation Road Map of Trade and Investment Promotion Strategy could not be initiated because the Strategy, though finalised, is not yet approved by the Executive Council. The delays have been caused by other restructuring processes that are currently unfolding both within the Department and MEGA, and unfortunately the roll-out of the Implementation Road Map is dependent on the finalisation of these processes.

As far as the Oman MoU is concerned, the Implementation of the Process Map is moving at a slow pace due to the complex trade issues that need to be resolved between Oman and Mpumalanga Province. Fortunately, both Parties are working very hard to resolve these sticky bottlenecks.

Sub-Programme: Strategic Initiative

The target of producing four (4) Monitoring and Evaluation Reports in this sub-programme have been achieved. However, the performance assessment of the statutory compliance processes of the two (2) Industrial Technology Parks are showing that only fifty percent of the planned targets were completed. The delay in the conclusion of the statutory processes, as planned, are due to unforeseen circumstances. Fortunately, the Programme is in constant engagement with the relevant stakeholders with a view of finding amicable solutions in this regard.

The M and E Report also show that the Mpumalanga International Fresh Produce Market has fallen behind schedule due to labour unrest and financial constraints. The Nkomazi Special Economic Zone has finally been designated and gazetted in March 2019. The Programme has already initiated the implementation of the Interim Phase, which in the main, covers the establishment of the SEZ Entity and the appointment of Board members as guided by the SEZ Act.



Sub-Programme: Sector Development

This sub-programme had seven (7) targets to achieve under the financial year under review. Four (4) key economic sectors identified by the MEDGP were pursued, namely, mining, energy, forestry and tourism. Under the circumstances of limited human capital, the programme has done very well. Various interactions were conducted with different strategic partners with a view of establishing Partnership Agreements on areas of mutual interests.

The Programme has coordinated and facilitated:

- A Partnership Agreement with Mining Water Coordinating Body on the reclamation of mining water, focusing on Upper Olifants Catchment;
- The establishment a structured relationship with the Mining Council and few projects were identified for collaboration going forward;
- A Partnership Agreement with SAFCOL to collaborate in the development of the Forestry Industrial Technology Park;
- The Bio-Energy Cluster which is looking at the implementation of the Provincial Green Economy Development Plan;
- The development of the Eskom Ash Strategy which is targeting the development of small enterprise in this industry;
- The Eskom Project Life Cycle Model was adopted for the Provincial priority projects where Project Charters and User Specific Requirements were developed;
- Service Level Agreement concluded with MEGA on the work required in terms of the Interim Phase of the Nkomazi SEZ.

The Programme was also involved in the coordination and facilitation of the incubation programme in three (3) different industries, namely the:

- Stainless steel industry
- Small scale furniture manufacturing, and
- Future technologies (fourth industrial revolution opportunities)

Strategic objectives:

Sub-Programme: Trade and Investment Promotion					
Strategic objectives	Actual Achievement 2017/2018	Planned Target 2018/2019	Actual Achievement 2018/2019	Deviation from planned target to Actual Achievement for 2018/2019	Comment on deviations
To ensure growth in exports and direct investment in the Province	Trade and Investment Promotion Strategy implementation Road Map facilitated and coordinated.	Trade and Investment Promotion Strategy implementation Road Map Facilitated and coordinated.	Trade and Investment Promotion Strategy implementation Road Map facilitated and coordinated.	None	None

Performance indicators

Sub-Programme: Trade and Investment Promotion					
Performance Indicator	Actual Achievement 2017/2018	Planned Target 2018/2019	Actual Achievement 2018/2019	Deviation from planned target to Actual Achievement for 2018/2019	Comment on deviations
Reports produced on the implementation of the Trade and Investment Promotion Strategy Road Map and MOU's for Russia and Oman produced	Trade and Investment Promotion Strategy Roadmap implemented and report produced	Trade and Investment Promotion Strategy Road Map implemented and report produced	Target not achieved.	The trade and Investment Promotion Strategy Road Map not implemented since the roll-out of the road map is dependent on its approval.	Non-finalisation of OD and MEGA special restructuring dispensation caused delays in the approval of the Final Draft of the Trade and Investment Promotion Strategy. Unfortunately, the roll out of the Implementation Road Map could only be effected after the finalisation of these two (2) restructuring processes
	Coordinated and facilitated the implementation of the MOU's for Russia on tractor manufacturing, dairy production and tourism promotion and report produced	Coordinate and facilitate the Implementation of the Oman Export Initiative coordinated, and report produced	Coordinated and facilitated the Implementation of the Oman Export Initiative coordinated, and report produced. The report indicates that the implementation process of the Oman Export Initiative is moving very slow due to the complex nature of issues that have to be navigated.	None	None

Reasons for all deviations:

Trade and Investment Promotion Strategy was not approved which would have allowed the roll out of Implementation Roadmap.

Strategy to overcome areas of under performance

Approval of the strategy will be fast-tracked in the 2019/20 financial year

Changes to planned targets

None

Linking performance with budgets

Sub-Programme expenditure

Sub-Programme	2017/18			2018/19		
	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	3,352	2,999	353	3,493	3,493	-

Strategic objectives:

Sub-Programme: Strategic Initiatives					
Strategic objectives	Actual Achievement 2017/2018	Planned Target 2018/2019	Actual Achievement 2018/2019	Deviation from planned target to Actual Achievement for 2018/2019	Comment on deviations
To facilitate the implementation of economic infrastructure projects in the Province	The Strategic Infrastructure Projects implemented	Strategic Infrastructure Projects implemented	Strategic Infrastructure Projects implemented	None	None

Performance indicators

Sub-Programme: Strategic Initiatives					
Performance Indicator	Actual Achievement 2017/2018	Planned Target 2018/2019	Actual Achievement 2018/2019	Deviation from planned target to Actual Achievement for 2018/2019	Comment on deviations
Facilitation of Statutory compliance processes towards the establishment of three (3) Industrial Technology Parks and reports produced	Facilitated the statutory compliance processes for Petro Chemical Industrial Technology Park and report produced	Facilitate the Roll-out of the Project Initiation Phase of the two (2) Industrial Technology Parks and report produced: Petro Chemical Industrial Technology Park	Facilitated the roll out of the Project Initiation Phase of the two industrial parks and a report produced as follows. Petro-Chemical Industrial Technology Park: The report indicates that the target was partially achieved in that three (3) of the six (6) phases of the Statutory Compliance Project Plan were achieved	Three (3) Phases of the Statutory Compliance Project Plan for the Petro-Chemical Industrial Parks not achieved	Petro-Chemical Industrial Technology Park Statutory Compliance processes not concluded due to engagements on access servitude to the Park are taking longer than expected.
	Facilitated the statutory compliance processes and a report produced	Forestry Industrial Park	Forestry Industrial Park; The report indicates that the target was partially achieved in that three (3) of the six (6) phases of the Statutory Compliance Project Plan were achieved	Three (3) Phases of the Statutory Compliance Project Plan for the Forestry Industrial Park not achieved	Forestry Industrial Technology Park Statutory Compliance processes were not concluded due to engagements with the private owner of the surface rights and the Department of Mineral Resources (DMR) are taking longer than expected

Sub-Programme: Strategic Initiatives				
Performance Indicator	Actual Achievement 2017/2018	Planned Target 2018/2019	Actual Achievement 2018/2019	Deviation from planned target to Actual Achievement for 2018/2019
Number of prioritised strategic projects co-ordinated and monitoring and evaluation and report produced	Coordinated and facilitated the implementation of the infrastructure project and report produced	Coordinate and facilitate the implementation of the following prioritised strategic projects and report produced <ul style="list-style-type: none"> Mpumalanga International Fresh Produce Market (MIFPM) as a prioritised strategic project, and report produced. 	Coordinate and facilitate the implementation of the following prioritised strategic projects and report produced on MIFMP.	None
				None

Performance indicators

Sub-Programme: Strategic Initiatives				
Performance Indicator	Actual Achievement 2017/2018	Planned Target 2018/2019	Actual Achievement 2018/2019	Deviation from planned target to Actual Achievement for 2018/2019
	Coordinated and monitored the implementation of the SEZ in Nkomazi Local Municipality and report produced	Coordinate and facilitate the implementation of the following prioritised strategic projects and report produced Nkomazi Special Economic Zone (SEZ)	Coordinate and facilitate the implementation of the following prioritised strategic projects and report produced Nkomazi SEZ is now designated through government gazette	None
				None

Reasons for all deviations:

Engagements with the private owner on the access servitude to the Petro-chemical Industrial Technology Park caused delays in the finalisation of the statutory compliance processes

Engagements with the private owner and DMR on the surface rights of the Forestry Industrial Technology Park caused delays in the finalisation of the statutory compliance processes

Strategy to overcome areas of under performance

Intensify engagements with the private owners with a view of finding amicable solutions as speedily as possible

Changes to planned targets

None

Linking performance with budgets

Sub-Programme expenditure

Sub-Programme	2017/18				2018/19	
	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
Strategic Initiatives	3,162	2,269	893	1,783	1,783	-

Strategic objectives:

Sub-Programme: Sector Development					
Strategic objectives	Actual Achievement 2017/2018	Planned Target 2018/2019	Actual Achievement 2018/2019	Deviation from planned target to Actual Achievement for 2018/2019	Comment on deviations
To ensure the development of growth sectors (Key job drivers) (Business Development)	Three (3) prioritised growth sectors supported on beneficiation through Industrial Technology Parks	Three (3) prioritised growth sectors supported on beneficiation through Industrial Technology Parks	Three (3) prioritised growth sectors supported on beneficiation through Industrial Technology Parks	None	None

Performance indicators

Sub-Programme: Sector Development					
Performance Indicator	Actual Achievement 2017/2018	Planned Target 2018/2019	Actual Achievement 2018/2019	Deviation from planned target to Actual Achievement for 2018/2019	Comment on deviations
Number of prioritised growth sectors facilitated and coordinated	New Indicator	3(Mining, Green Energy and Forestry sectors) Prioritised growth sectors supported on production and beneficiation through the implementation of the MIDP and report produced for:	3 Prioritised growth sectors supported on production and beneficiation through the implementation of the MIDP and report produced:	None	None
		<ul style="list-style-type: none"> Mining sector: supported on production and beneficiation through the implementation of the MIDP 	Mining Sector: supported on production and beneficiation through the implementation of the MIDP: DEDT/Mining Water Coordinating Body MoU signed to drive rehabilitation of derelict mines	None	
		Energy (Green Economy) sector supported on production and beneficiation through the implementation of the MIDP	Energy (Green Economy) sector supported on production and beneficiation through the implementation of the MIDP	None	None

Performance indicators

Sub-Programme: Sector Development					
Performance Indicator	Actual Achievement 2017/2018	Planned Target 2018/2019	Actual Achievement 2018/2019	Deviation from planned target to Actual Achievement for 2018/2019	Comment on deviations
Number of Integrated strategies developed	Facilitated and coordinated the project initiation phase of the Agriculture and Forestry Technology Park and produced the progress report on Anchor tenants.	Forestry sector supported on production and beneficiation through the implementation of the MIDP	Forestry sector supported on production and beneficiation through the implementation of the MIDP	None	None
	(Agreed with SAFCOL Board on the way forward regarding the Forestry Industrial Tech Park project. (Working on Pilot project to initiate the process of exporting to foreign markets by emphasising production and logistics and small farmer development.)		Memorandum of Agreement between DEDT and SAFCOL in place		
	The legislative framework for the establishment of the Creative Industry Commission developed	Integrated Airlift Strategy developed	Integrated Airlift Strategy developed	None	None

Performance indicators

Sub-Programme: Sector Development					
Performance Indicator	Actual Achievement 2017/2018	Planned Target 2018/2019	Actual Achievement 2018/2019	Deviation from planned target to Actual Achievement for 2018/2019	Comment on deviations
Number of capacity building programmes facilitated and coordinated	Capacity building programme for tooling initiative facilitated and coordinated (Service Level Agreement finalised. Awaiting resuscitation of National Programme)	Facilitate and Co-ordinate the Implementation of the MIDP Incubation Support and a report produced prioritising: <ul style="list-style-type: none"> • Infrastructure development • Post Incubation support • Institutional Arrangement for Mpumalanga Tooling Initiative (MTI)	Facilitated and coordinated the implementation of the MIDP Incubation Support and a report produced prioritising <ul style="list-style-type: none"> • Infrastructure development • Post Incubation support • Institutional Arrangement Mpumalanga Tooling Initiative (MTI) A Report on the implementation of the Memorandum of Agreement (MOA) with MTI produced.	None	None
	The Capacity building programme facilitated and coordinated (had the following results: 27 SMME's supported and 8 new SMME's created. 16 Entrepreneurs were supported 19 New jobs were created.)	Mpumalanga Stainless Steel Initiative (MSI)	MTI training program was phased out during Second Quarter and replaced by a new training programme called "Future Production Technologies Incubator Programme	None	None

Sub-Programme: Sector Development				
Performance Indicator	Actual Achievement 2017/2018	Planned Target 2018/2019	Actual Achievement 2018/2019	Deviation from planned target to Actual Achievement for 2018/2019
	Capacity building programme for FURNTECH facilitated and coordinated in that business expansion programme developed	Furniture technology (FURNTECH)	Furniture technology Centre (FURNTECH) Monitoring and Evaluation Report on the implementation of the Memorandum of Understanding with Furniture Technology Center produced. 16 learners received training on Furniture Making and Upholstery	None
				None

Reasons for all deviations:

Mining:

Change of leadership in the Forum (both from private sector and government) presented challenges for the effective functioning of the Forum.

Energy:

Resolving the challenges of Eskom Ash as hazardous waste is taking longer than expected, and this has affected some of the prioritised initiatives.

Strategy to overcome areas of under performance

With regards to the Mining Forum challenges, in the interim, the Department is working with the Mineral Council to resuscitate the activities of the Mining Forum

As far as the Eskom Ash is concerned, DEDT is working with national Departments in the economic cluster to find a speedy solution in this regard.

Changes to planned targets

None

Linking performance with budgets

Sub-programme expenditure

Sub-Programme	2017/18			2018/19		
	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
Sector Development	8,946	8,560	386	9,717	9,640	77

DECLARATION OF INFORMATION (AR 2018/19 - PERFORMANCE INFORMATION)

- Performance information responds to the approved indicators
- Performance information is in accordance with the approved targets
- Means of verification for reported outputs are available on request

YES	NO
<input checked="" type="checkbox"/>	<input type="checkbox"/>
<input checked="" type="checkbox"/>	<input type="checkbox"/>
<input checked="" type="checkbox"/>	<input type="checkbox"/>

I, JM Mnisi, Programme Manager, declares that the information provided is true and correct.



Signature:



4.4 Programme 4: Business Regulation and Governance

Purpose of the Programme: 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 were:

- 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 industries.

Strategic objectives, performance indicators, planned targets and actual achievements

Programme 4 was able to implement the Mpumalanga Consumer Protection Act during the year under review. The Act, in the main, seeks to protect the consumers by outlining and advocating for their rights; it also outlines the process that one should follow in registering or lodging consumer case/complaint. The Consumer Education and Awareness Programmes become very key in this instance as they empower and capacitate consumers about their rights.

The Programme managed to resolve 100% of the reported consumer cases during the year under review, and recovered R6 103 931.97 on behalf of consumers through the investigation and mediation process. The planned target of Consumer Court sittings could not be met due to the unavailability of the Consumer Court Interpreters, and the Consumer Protector, for a period of about nine (9) months. However, it must be noted that most reported consumer cases were resolved through the process of investigation and mediation.

In terms of empowering and capacitating consumers, 400 consumer education and awareness programmes were planned and 600 were conducted. This means the annual target was met and exceeded by 200. This also means more consumers were reached and capacitated, and this should translate into high levels of awareness among consumers. Informed consumers will make the right decision and correct choices.

In the Business Regulation Services, the sub directorate planned to review three (3) sets of legislations, that is the Mpumalanga Liquor Licensing; Gambling and Business Legislations and the targets were achieved. The seventeen (17) municipal visits and the four (4) Business Licensing Workshops planned for the year under review were conducted and the annual targets were achieved.

The Regulatory framework levels in the business environment seek to protect the vulnerable people. An environment where consumers know their rights traders shy away from unscrupulous business behaviour and that promotes fair trade and builds business confidence. When buyers have confidence in the business community in the long run it will translate into a sustainable business operations that will have a positive spin off to the growth of the economy and eventually job and business opportunities.

Strategic objectives:

Sub-Programme: Consumer Protection				
Strategic objectives	Actual Achievement 2017/2018	Planned Target 2018/2019	Actual Achievement 2018/2019	Deviation from planned target to Actual Achievement for 2018/2019
To implement Consumer protection and awareness programmes that create an environment conducive to fair trade	The Mpumalanga Consumer Protection Act implemented	The Mpumalanga Consumer Protection Act implemented	The Mpumalanga Consumer Protection Act implemented	None
				None

Performance indicators

Sub-Programme: Consumer Protection				
Performance Indicator	Actual Achievement 2017/2018	Planned Target 2018/2019	Actual Achievement 2018/2019	Deviation from planned target to Actual Achievement for 2018/2019
Percentage of resolved consumer cases received, advisory services provided and investigated.	98 % resolved consumers cases received and advisory services provided (1419 Consumer cases opened and 1401 closed included cases carried - over)	80% resolved consumers cases received and advisory services provided	100% resolved consumer cases received and advisory services provided. (1379 received cases and 1399 resolved)	Target exceeded by 20%
				More consumer cases were recorded and as a result, the target was exceeded.
Number of education awareness campaigns conducted	756 consumer education and awareness programmes conducted	400 consumer education and awareness programmes conducted	600 consumer education and awareness programmes conducted	Target exceeded by 200
				Additional awareness campaigns conducted through SABC Ligwalagwala and Ikwewezi FM in celebration of Consumer International Rights month

Sub-Programme: Consumer Protection					
Performance Indicator	Actual Achievement 2017/2018	Planned Target 2018/2019	Actual Achievement 2018/2019	Deviation from planned target to Actual Achievement for 2018/2019	Comment on deviations
Number of Consumer hearings conducted in terms of the Mpumalanga Consumer Affairs Act.	Twelve (12) consumer court hearings conducted in terms of the Mpumalanga Consumer Affairs Act.	Twenty (20) Consumer hearings conducted in terms of the Mpumalanga Consumer Affairs Act.	Two (2) Consumer court hearing conducted in terms of the Mpumalanga Consumer Affairs Act	Target was not met by 18	None availability of court interpreters and the Consumer Protector as required by the legislation

The only negative deviation that was experienced during the year under review was when the Consumer Court hearings could not sit or take place due to the unavailability of the Consumer Protector and the court Interpreters because they are appointed by the MEC and the HOD respectively as provided for in the Mpumalanga Consumer Protection Act. The process of appointing them took longer than anticipated, however, they were appointed in the last months of the second quarter of the year in review.

Strategy to overcome areas of under performance

None

Changes to planned targets

None

Linking performance with budgets

Sub-programme expenditure

Sub-Programme	2017/18			2018/19		
	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
Consumer Protection	11,393	11,287	106	12,031	11,875	156

Strategic objectives:

Sub-Programme: Business Regulations					
Strategic objectives	Actual Achievement 2017/2018	Planned Target 2018/2019	Actual Achievement 2018/2019	Deviation from planned target to Actual Achievement for 2018/2019	Comment on deviations
To promote and maintain an effective and efficient regulatory system for the liquor, gambling and betting industry	The Mpumalanga Liquor and Gambling Act reviewed	The Mpumalanga Liquor and Gambling Act, and the Mpumalanga Business Act reviewed	The Mpumalanga Liquor and Gambling Act reviewed	None	None

Performance indicators

Sub-Programme: Business Regulations					
Performance Indicator	Actual Achievement 2017/2018	Planned Target 2018/2019	Actual Achievement 2018/2019	Deviation from planned target to Actual Achievement for 2018/2019	Comment on deviations
Review the Mpumalanga Liquor and Gambling Acts	Mpumalanga Liquor and Gambling Acts reviewed	Mpumalanga Liquor and Gambling Acts amended in terms of National and Provincial Policies The Mpumalanga Business Act reviewed	Mpumalanga Liquor and Gambling Acts amended in terms of National and Provincial Policies Mpumalanga Business Act reviewed	None	None
Number of capacity building workshops conducted to capacitate municipalities	Seven (7) Capacity Building Workshops conducted to capacitate Local municipalities to review and implement business regulatory legislation.	Four (4) Capacity Building Workshops conducted to capacitate Local municipalities to review and implement business regulatory legislation.	Four (4) Capacity Building Workshop conducted in Govan Mbeki, Lekwa, Chief Albert Luthuli and Thembeisile Hani Local Municipality	None	None

Sub-programme expenditure

Sub-Programme: Business Regulations					
Performance Indicator	Actual Achievement 2017/2018	Planned Target 2018/2019	Actual Achievement 2018/2019	Deviation from planned target to Actual Achievement for 2018/2019	Comment on deviations
Number of Municipalities assisted in developing street trading By-Laws	17 local Municipalities and 3 District municipalities assisted in finalising street trading by-laws i.r.o Mpumalanga Business Act	17 local Municipalities and 3 District municipalities assisted in finalising street trading by-laws i.r.o Mpumalanga Business Act	17 Municipal Visits conducted with various Local Municipalities: <ul style="list-style-type: none"> • Thaba Chweu • Lekwa • Dr JS Moroka (x2) • Dipaleseng (x3) • Mkhondo • Thembisile • eMalahleni (x2) • Pixley Ka Seme • Msukaligwa • Emakhazeni • Victor Khanye • Nkomazi • Mbombela Local municipalities 	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 budget was almost adequate to support all planned activities within the Sub-Directorate. The slight overspending that occurred was linked to the extra Departmental activities in the form monthly security meetings that took place where two officials from the same sub-directorate (Business Regulation) participated.

Sub-programme expenditure

Sub-Programme	2017/18			2018/19		
	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	90,595	90,226	369	100,870	100,826	44

DECLARATION OF INFORMATION (AR 2018/19 - PERFORMANCE INFORMATION)

- Performance information responds to the approved indicators
- Performance information is in accordance with the approved targets
- Means of verification for reported outputs are available on request

YES	NO
<input checked="" type="checkbox"/>	<input type="checkbox"/>
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I, TI Makwetla, Programme Manager, declares that the information provided is true and correct.

Signature: 



4.5 Programme 5: Economic Planning

Purpose of the Programme: To provide economic policy direction and strategies, as well as conducting economic intelligence and research on the Provincial economy, to inform strategy development. The programme also assess the impact of key economic programmes in the Province.

The Programme consists of the following sub-programmes:

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

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;
- To conduct socio-economic research to inform the Provincial and municipal planning, policy and budget processes.

Strategic objectives, performance indicators, planned targets and actual achievements

In the period under review the programme partnered with The National Cleaner Production Centre and launched a pilot of the Mpumalanga Industrial Symbiosis Programme (MISP), with great success. The project was launched in August 2018, the programme builds networks of businesses aimed at identifying mutually profitable links or “synergies” between businesses so that under-utilised and under-valued resources from one business (materials, energy and water) are recovered and reused elsewhere by another business. The MISP approach helps to improve the economic competitiveness of a wide range of companies operating in different value chains and across all aspects of processing, manufacturing and retail. The project will help identify particular new business opportunities to support individual synergies – and this is where new employment opportunities will come from.

The Department successfully piloted three Biogas projects in the three districts, which are operational and the schools are reaping the benefit of the intervention in electricity saving and a healthy food garden.

A detailed plan to assist in the bolstering of the Forestry sector in the province was developed; this plan seeks to will unearth all the opportunities that can be exploited to improve the socio-economic conditions of people of the province. To achieve this end, a Stakeholder Engagement session was held with all the critical role players in the sectors to gather valuable insights on key areas of focus proposed in the plan. This provided an opportunity to engage stakeholders on their plans for the sector to achieve holistic planning as well as assist in the finalisation of the Forestry Sector Development Plan.



The Department also conducted a survey on the role and impact of the informal economy in Mpumalanga and compiled a comprehensive research report in this regard for decision-making purposes. This was the first of its kind in the province and the findings were/are shared at several decision making forums on departmental, provincial and municipal level. It will also form the basis for developing a provincial informal economy strategy during the new financial year. This achievement contributed to the strategic objective to conduct research on the provincial economy to inform economic policy analysis process and strategy development. Another major achievement in this regard was the e-based red tape survey among die business sector in Mpumalanga, which was also the first of its kind in the province. A research report was compiled in this regard and the research findings will also be communicated for economic planning and policy purposes in the province.

The sub-programme for Knowledge Management continued with the implementation of the Mpumalanga Employment and Business Survey, commonly known as MEBS. Working with Statistics South Africa the MEBS gathers detailed information on employment and businesses operating in the province. This survey, has three main objectives namely;

- To establish a credible output base system that will give a detailed account of businesses and employment within the province
- Build economic and business intelligence capacity in the provincial government to track employment activity
- Build a foundation for scientific based turnaround strategy development.

The survey targeted the local municipalities of Steve Tshwete and eMalahleni for the 2018-19 through to 2019-20 period. The survey was launched in eMalahleni at the end of February and is expected to be completed and report coming out in the third quarter of 2019-20.

The Monitoring and Evaluation sub-Programme assessed the impact on provincial priority projects such as the International Fresh Produce Market and the Furniture Technology Centre. This unit also performed the entity oversight function and to this effect, four (4) quarterly oversight reports were produced during the reporting period. The oversight reports were on the three entities that report to the department namely, Mpumalanga Economic Growth Agency (MEGA), Mpumalanga Tourism and Parks Agency (MTPA) and Mpumalanga Economic Regulator (MER).

The Department through its Economic Analysis Sub-Programme continued to conduct socio-economic research to inform the departmental, provincial and municipal planning, policy and budget processes. The research reports and findings were communicated at high level decision making forums such as Lekgotlas, the Economic Cluster, PMC, strategic planning sessions of Departments, Municipalities and Public Entities, IDP & LED Forums/Summits and many more. This Unit became the central point for credible socio-economic data/information in the province which is widely utilized for economic decision making purposes. Reports such as the annual PERO, SERO bi-annually and Socio-Economic Profiles for all the Municipalities, can be highlighted in this regard. Specialized economic research reports included reports on provincial growth estimates, economic contribution of tourism in Mpumalanga, foreign direct investment, education aspects and manufacturing and township economy.

Strategic objectives:

Sub-Programme: Policy and Planning				
Strategic objectives	Actual Achievement 2017/2018	Planned Target 2018/2019	Actual Achievement 2018/2019	Deviation from planned target to Actual Achievement for 2018/2019
To provide economic policy direction and strategies.	Economic development policies and strategies developed, coordinated and integrated	Economic development policies and strategies developed, coordinated and integrated	Economic development policies and strategies developed, coordinated and integrated	None
				None

Performance indicators

Sub-Programme: Policy and Planning				
Performance Indicator	Actual Achievement 2017/2018	Planned Target 2018/2019	Actual Achievement 2018/2019	Deviation from planned target to Actual Achievement for 2018/2019
Coordinate the implementation of the green economy plan a report produced	Three (3) project plans on Green economy initiatives developed and coordinated Biogas pilot projects implemented	Co-ordinate the Implementation of Green economy plan (Industrial Symbiosis Programme) and a report produced	Implementation of Green economy plan (Industrial Symbiosis Programme) in the province was co-ordinated and a report produced <ul style="list-style-type: none"> Mpumalanga Industrial Symbiosis Program concept developed Report on the Implementation of the of Mpumalanga Industrial Symbiosis Programme produced 	None

Sub-Programme: Policy and Planning				
Number of sector strategies and plans developed	State of Tourism report produced as input towards developing the provincial integrated sector strategy (Tourism)	1 provincial integrated sector strategy and plans developed	1 provincial integrated sector strategy and plan developed: (Forestry Sector development strategy)	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 of the unit was well spent as it matched the performance of the sub-Programme. There was however, an insignificant underspending of R9 000 which was attributed to a cancelled workshop. The sub-Programme achieved all its targets and the budget contributed towards achieving the targets.

Sub-programme expenditure

Sub-Programme	2017/18				2018/19		
	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure		Final Appropriation	Actual Expenditure	(Over)/Under Expenditure
	R'000	R'000	R'000		R'000	R'000	R'000
Policy Planning	3,512	2,901	611		3,410	3,401	9

Strategic objectives:

Sub-Programme: Research and Development					
Strategic objectives	Actual Achievement 2017/2018	Planned Target 2018/2019	Actual Achievement 2018/2019	Deviation from planned target to Actual Achievement for 2018/2019	Comment on deviations
To conduct/commission research on the provincial economy to inform economic policy analysis process and strategy development	Two (2) research reports produced to inform economic policy analysis process and strategy development	Two (2) research reports produced to inform economic policy analysis process and strategy development	Two (2) research reports produced to inform economic policy analysis process and strategy development	None	None

Performance indicators

Sub-Programme: Research and Development					
Performance Indicator	Actual Achievement 2017/2018	Planned Target 2018/2019	Actual Achievement 2018/2019	Deviation from planned target to Actual Achievement for 22018/2019	Comment on deviations
Number of research reports conducted	Data on the informal economy collected	Two (2) research reports produced to inform economic policy analysis process and strategy development	Two (2) research reports produced to inform economic policy analysis process and strategy development	None	None
	Literature review and case studies on the informal economy completed by the service provider. An e-based business confidence report for Mpumalanga developed	One (1) research report compiled on the informal economy of Mpumalanga 1 report compiled on Mpumalanga e-business red tape survey conducted	One (1) final research report compiled on the informal economy of Mpumalanga An e-based business red tape survey for Mpumalanga conducted and a report compiled	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 allocated budget for 2018/19 has assisted the sub-Programme to achieve all its targets in the relevant financial year

Sub-Programme	2017/18			2018/19		
	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
Research and Development	1,351	1,041	310	1,220	1,220	-

Strategic objectives:

Sub-Programme: Knowledge Management					
Strategic objectives	Actual Achievement 2017/2018	Planned Target 2018/2019	Actual Achievement 2018/2019	Deviation from planned target to Actual Achievement for 2018/2019	Comment on deviations
To provide data, information and intelligence on the economy for effective decision making	A reliable system for economic information through the databases, GIS and statistics developed and maintained	Developed and maintained a reliable system for economic information through the databases, GIS and statistics.	A reliable system for economic information through the databases, GIS and statistics developed and maintained	None	None

Performance indicators

Sub-Programme: Knowledge Management					
Performance Indicator	Actual Achievement 2017/2018	Planned Target 2018/2019	Actual Achievement 2018/2019	Deviation from planned target to Actual Achievement for 2018/2019	Comment on deviations
Number of updated shared statistical database and GIS information on MEGDP priority initiatives produced	Information on projects and their spatial locations available as input to an updated statistical database and GIS information for MEGDP priority initiatives	Updated statistical database and GIS information for MEGDP priority initiatives produced	Statistical database and GIS information for MEGDP priority initiatives produced and updated	None	None
Number Employment and business surveys conducted	Project plan was amended to source data directly from the national Dept. of Labour as similar database is available to avoid duplication of effort	Employment and business surveys for 2 Local Municipalities conducted	Employment and business survey for 1 local Municipality conducted	Data collection incomplete in 1 local municipality (eMalahleni)	Project to follow through in the following financial year in order to complete target
Number of series labour reports produced based on QLFS, Public sector, EPWP	1 series labour report produced based on QLFS, Public sector, EPWP	1 series labour reports produced based on QLFS, Public sector, EPWP	1 series labour reports produced based on QLFS, Public sector, EPWP	None	None

Reasons for all deviations

Data collection could not be completed due to insufficient funds to cover the full extent of the second local municipality by means of ground survey.

Potential clash with ongoing national survey on agriculture by StatsSA, as national priority, required the shift in the starting time for data collection to a later date.

Strategy to overcome areas of under performance

- Further funding options to be explored to cover the shortfall.
- Alternative methods of data collection through telephonic interaction to supplement data in second municipality.

Changes to planned targets

None



Linking performance with budgets

The budget for goods and services was insufficient to cover the cost of implementing the project - the Mpumalanga Employment and Business Survey (MEBS) in the 2018/19 financial year, and one of the two municipalities (eMalahleni), was only partially surveyed. No funds were allocated for the project in the 2018/19 financial year. It will be critical that in future, adequate funding made available to the MEBS Project to ensure proper coverage for the Province of Mpumalanga.

Sub-programme expenditure

Sub-Programme	2017/18			2018/19		
	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
Knowledge Management	3,741	3,421	320	4,706	4,706	-

Strategic objectives:

Sub-Programme: Monitoring and Evaluation					
Strategic objectives	Actual Achievement 2017/2018	Planned Target 2018/2019	Actual Achievement 2018/2019	Deviation from planned target to Actual Achievement for 2018/2019	Comment on deviations
To determine the effectiveness and impact of provincial policy, programmes, objectives and strategies	Performance monitoring & evaluation reports on implementation of priority projects and public entity oversight produced	Performance monitoring & evaluation reports on implementation of priority projects and public entity oversight produced	Performance monitoring & evaluation reports on implementation of priority projects and public entity oversight produced	None	None

Performance indicators

Sub-Programme: Monitoring and Evaluation					
Performance Indicator	Actual Achievement 2017/2018	Planned Target 2018/2019	Actual Achievement 2018/2019	Deviation from planned target to Actual Achievement for 2018/2019	Comment on deviations
Number of monitoring and evaluation reports produced	Four (4) performance monitoring and one (1) evaluation report produced on implementation of priority projects	Four (4) performance monitoring and one (1) evaluation report produced on implementation of priority projects	4 performance monitoring reports of public entities and 1 evaluation report on the implementation of a priority project (Furniture Technology) were produced.	None	None
Number of public entity oversight reports produced	Four (4) oversight reports on public entities compiled in line with their strategic plans produced (MEGA, MTPA, MLA, and MGB)	Four (4) oversight reports on public entities compiled in line with their strategic plans produced (MEGA, MTPA, MLA, and MGB)	Four (4) oversight reports on public entities compiled in line with their strategic plans produced (MEGA, MTPA, MLA, and MGB)	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 sub-programme achieved its targets and the budget was spent accordingly, in line with what was appropriated. The budget made it possible to achieve all targets as set.

Sub-programme expenditure

Sub-Programme	2017/18			2018/19		
	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
Monitoring and evaluation	2,284	2,229	55	2,803	2,803	-

Strategic objectives:

Sub-Programme: Economic Analysis					
Strategic objectives	Actual Achievement 2017/2018	Planned Target 2018/2019	Actual Achievement 2018/2019	Deviation from planned target to Actual Achievement for 2018/2019	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 (28)	Improved provincial planning and budgeting through provision of quality and accurate socio-economic documents (28)	None	None

Performance indicators

Sub-Programme: Economic Analysis					
Performance Indicator	Actual Achievement 2017/2018	Planned Target 2018/2019	Actual Achievement 2018/2019	Deviation from planned target to Actual Achievement for 2018/2019	Comment on deviations
Number of Provincial Economic Review and Outlook (PERO) reports compiled and published	1 Provincial Economic Review and Outlook (PERO) reports compiled and published	1 Provincial Economic Review and Outlook (PERO) reports compiled and published	1 Provincial Economic Review and Outlook (PERO) compiled and published	None	None
Number of updated Socio-Economic Review and Outlook (SERO) reports completed and communicated	2 updated Socio-Economic Review and Outlook (SERO) reports completed and communicated	2 updated Socio-Economic Review and Outlook (SERO) reports completed and communicated	2 updated Socio-Economic Review and Outlook (SERO) reports completed and communicated	None	None
Number of updated Provincial Inflation/Labour Bulletins completed	16 updated Provincial Inflation/Labour Bulletins completed	16 Provincial inflation/Labour Bulletins completed	16 Provincial 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 Socio-Economic Outlook reports for Estimates of Provincial Revenue and Expenditure (EPRE) document compiled and tabled	1 Socio-Economic Outlook report for Estimates of Provincial Revenue and Expenditure (EPRE) document compiled and tabled	1 Socio-Economic Outlook report for Estimates of Provincial Revenue and Expenditure (EPRE) document compiled and tabled	None	None
Number of economic research reports completed (in line with Government priorities)	7 economic research reports completed (in line with Government priorities)	7 economic research reports completed (in line with Government priorities)	7 economic research reports completed (in line with Government priorities)	None	None

Sub-Programme: Economic Analysis					
Performance Indicator	Actual Achievement 2017/2018	Planned Target 2018/2019	Actual Achievement 2018/2019	Deviation from planned target to Actual Achievement for 2018/2019	Comment on deviations
Number of updated Socio-Economic Profiles of Municipalities completed	20 updated Socio-Economic Profiles of Municipalities completed	20 updated Socio-Economic Profiles of Municipalities completed	20 updated Socio-Economic Profiles of Municipalities 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

The allocated budget and expenditure of Economic Analysis for 2018/19 contributed to achieve all its targets for the relevant financial year.

Sub-programme expenditure

Sub-Programme	2017/18			2018/19		
	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	4,407	4,281	126	4,906	4,668	238

DECLARATION OF INFORMATION (AR 2018/19 - PERFORMANCE INFORMATION)

- Performance information responds to the approved indicators
- Performance information is in accordance with the approved targets
- Means of verification for reported outputs are available on request

YES	NO
<input checked="" type="checkbox"/>	<input type="checkbox"/>
<input checked="" type="checkbox"/>	<input type="checkbox"/>
<input checked="" type="checkbox"/>	<input type="checkbox"/>

I, SN Nkonyane, Programme Manager, declares that the information provided is true and correct.

Signature: 



4.6 Programme 6: Tourism

Purpose of the Programme: 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 objective for the financial year under review was:

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

Strategic objectives, performance indicators, planned targets and actual achievements

The Programme has achieved most of its targets for the year 2018/19 financial, which included the development of the Tourism Policy Frameworks and review of the Mpumalanga Tourism Growth Strategy. This improvement will impact positively on the tourist numbers coming to Destination Mpumalanga. The year under review has generally seen a historic achievement as Mpumalanga Province has received an inscription for the long waited Barberton Makhonjwa Mountain World Heritage Site, which is the 10th in the country (South Africa).

According to the latest tourism statistics from South African Tourism, for the year 2018, the Province received a total of 1.6 million international tourists, which represents the growth of 1% from the 2017 tourism statistics. This growth – which contributed 10.1 Billion Rands to the economy of the Province – can be directly attributed to core markets, namely, Eswatini, Mozambique, the USA, Germany and the United Kingdom.

Regarding domestic tourism, the Province recorded 2.9 million trips in 2018, when compared to 2.2 million trips in 2017. This represents a growth of 27% in the domestic market. The domestic tourism spend in 2018 was recorded at six (6) Billion Rands.

Unfortunately, in the first quarter of 2019, the Province experienced a huge decline in domestic trips due to economic reasons and other factors. During the same period, the Province registered an increase of 12% in international tourist arrivals, that grew from 395 000 in the first quarter of 2018, to 443 000 in the first quarter of 2019. There is a huge potential for Niche Rural Tourism Development to sustain the growth of the sector. This includes developments like Agro-tourism; Community based township tourism; Culture and heritage tourism to provide a great opportunity for the rural tourism economy in the Province.

Strategic objectives:

Sub-Programme: Tourism Planning				
Strategic objectives	Actual Achievement 2017/2018	Planned Target 2018/2019	Actual Achievement 2018/2019	Deviation from planned target to Actual Achievement for 2018/2019
To create an enabling environment through policy and strategy development and improve intergovernmental coordination.	Tourism Policy framework developed	Tourism Policy framework developed/reviewed	Tourism Policy framework developed	None
				None

Performance indicators

Sub-Programme: Tourism Planning				
Performance Indicator	Actual Achievement 2017/2018	Planned Target 2018/2019	Actual Achievement 2018/2019	Deviation from planned target to Actual Achievement for 2018/2019
Number of tourism assessment reports produced	New Indicator	1 report produced on the comprehensive assessment of Tourism sector in the Province	Draft Economic Impact Assessment of the tourism sector produced	None
Number of Strategic Tourism Policy Frameworks and Legislations developed	Tourism Policy Frameworks developed/reviewed (Tourism Strategy reviewed, Policy Framework and New Tourism Bill)	Tourism Policy and Bill developed and MTGS reviewed	Tourism Policy and Bill developed and MTGS reviewed	None
Number of Tourism Summits facilitated and a report produced	New Indicator	1 X Mpumalanga Tourism Summit facilitated and a report produced	Not achieved	Hosting of the tourism summit coincided with other policy imperatives such as the National Investment Summit, as a result the tourism summit was reviewed for March 2019
				Hosting of the tourism summit coincided with other policy imperatives such as the National Investment Summit, as a result the tourism summit was reviewed for March 2019

Sub-Programme: Tourism Planning					
Performance Indicator	Actual Achievement 2017/2018	Planned Target 2018/2019	Actual Achievement 2018/2019	Deviation from planned target to Actual Achievement for 2018/2019	Comment on deviations
Number of monitoring and evaluation reports on strategic tourism projects developed	New Indicator	2 monitoring and evaluation reports on strategic tourism projects produced	2 monitoring and evaluation reports on strategic tourism projects produced, namely: <ul style="list-style-type: none"> Gert Sibande Heritage Route BBR Marula Route 	None	None
Number of research initiatives conducted and a report produced	State of Tourism report produced	1 research initiative conducted (events impacts evaluation) and a report produced	One (1) research initiative conducted (events impacts evaluation) and a report produced	None	None

Reasons for all deviations:

Other critical government policy imperatives has affected the hosting of the Tourism Summit in October. As a result the Department shifted the Tourism Summit to March 2019. However, during the second budget adjustment period of February, funds were taken from the Department, which resulted in the Summit not as planned.

Strategy to overcome areas of under performance

The Department will strengthen institutional arrangement to allow continuous deliberation on the tourism issues.

Changes to planned targets

None

Linking performance with budgets

The allocated budget and expenditure of Tourism for 2018/19 contributed to achieving its targets for the relevant financial year. From a Goods and Services expenditure point of view, there was relatively good financial/budget performance. There was however, the re-allocation of the Department's budget during the budget adjustment period which had affected payments of the service provider for the Economic Impact Assessment Study for tourism. The total budget for tourism included transfers to the MTPA, which was adequately monitored to account on the implementation of its priorities.

Sub-programme expenditure

Sub-Programme	2017/18			2018/19		
	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
Tourism Planning	358,722	358,308	414	383,648	383,648	-

DECLARATION OF INFORMATION (AR 2018/19 - PERFORMANCE INFORMATION)

- Performance information responds to the approved indicators
- Performance information is in accordance with the approved targets
- Means of verification for reported outputs are available on request


YES	NO
<input checked="" type="checkbox"/>	<input type="checkbox"/>
<input checked="" type="checkbox"/>	<input type="checkbox"/>
<input checked="" type="checkbox"/>	<input type="checkbox"/>


I, JD Mdluli, Programme Manager, declares that the information provided is true and correct.


Signature: 


5 Transfer Payments


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 R'000	Amount spent by the public entity R'000	Achievements of the public entity
Mpumalanga Economic Growth Agency 	<ul style="list-style-type: none"> Promote and facilitate Trade and Investment in the Province; Provide financial and non-financial support to SMME's in the Province; Provide financial support to emerging farmers in the Province; Grant housing loans to the needy and previously advantaged . 	191,457	191,457	<ul style="list-style-type: none"> Implementation of the Mpumalanga International Fresh Produce Market project. The Nkomazi Special Economic Zone (SEZ) officially designated as one of the country's SEZs. Plans to revitalise MEGA's industrial and commercial assets is well underway. Trade and investment opportunities and activities in the facilitation and establishment of a particle board manufacturing plant.



Name of Public Entity	Services rendered by the public entity	Amount transferred to the public entity R'000	Amount spent by the public entity R'000	Achievements of the public entity
<p>Mpumalanga Tourism and Parks Agency</p> 	<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. 	378 933	378 933	<ul style="list-style-type: none"> • Increased number of foreign arrivals from 1.5 million in 2017 to 1.6 million in 2018. Growth of tourists from the Russian Federation since participation in the LETO exhibition in Yekaterinburg in 2016 and the tour operator's workshop conducted in Moscow in 2017. • Domestic Tourism increased by 27% pushing the Province to number 4 when compared to number 6 in the provincial ranking for destination trips. • Promoted tourism and management of biodiversity conservation in the Province. • Mbombela Jazz Festival • The Nkangala Resistance and Liberation Heritage Route launched.



Name of Public Entity	Services rendered by the public entity	Amount transferred to the public entity R'000	Amount spent by the public entity R'000	Achievements of the public entity
<p>Mpumalanga Economic Regulator</p> 	<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 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. 	96,310	96,310	<ul style="list-style-type: none"> The MER continued to regulate the gambling and liquor industries relating to economic growth and the social costs and benefits. Enabling and operating environment for the gambling and liquor industries. Gambling and liquor industries continue to generate revenue in the Province, with total revenue collected for the year amounting R128, 729 million.



5.1. Transfer payments to all organisations other than Public Entities

The Department have formal agreements with 3 incubators it created to stimulate priority sectors within the Provincial Economy. The three incubators are:

- Mpumalanga Tooling Initiative (MTI)
- Mpumalanga Stainless Steel Initiative (MSI)
- Furniture Technology Incubator (Furntech)

The Department did comply with the requirements of Section 38 1(j) where the required plans and systems were in place to ensure the delivery of the projects delivered within the Incubators.

Although there is no formal monthly monitoring system, staff members within the Programme has regular meetings with the respective incubators to track progress and unlock any problems that may be experienced. The Incubators also deliver a report at the end of the year on the areas on which the money has been spend.

The table below reflects the transfer payments made for the period 1 April 2018 to 31 March 2019

The Department has supported three (3) capacity building initiatives targeting young people, through the Mpumalanga Tooling Initiative (MTI), Mpumalanga Stainless Steel Initiative (MSI), and the Furntech. An amount of R 1 775 000 was transferred by the Department to MSI and R650 000 to Furntech under goods and services to fund these initiatives. During the year the MTI programme came to an end and was replaced with the Future Production Technologies Incubator and the Department is in the process to conclude an Memorandum of Agreement with this Entity as soon as the required funding can be secured.

The table below reflects the transfer payments made for the period 1 April 2018 to 31 March 2019

Name of transferee	Type of organisation	Purpose for which the funds were used	Did the dept. comply with s 38 (1) (j) of the PFMA	Amount transferred R'000	Amount spent by the entity R'000	Reasons for the funds unspent by the entity
Mpumalanga Tooling Initiative (MTI)	Incubator training artisans	Training	N/a	-	-	No funds were transferred due to the fact that the Tooling Initiative programme was replaced with the Future Production Technologies Incubator.
Mpumalanga Stainless Steel Initiative (MSI)	Incubator in Stainless Steel Industry	Rental of suitable building and Training & capacity building	Yes	1,775	1,775	N/a
Furntech	Incubator in wood and wood products industry	Training and capacity building	Yes	650	650	N/a



6. CONDITIONAL GRANTS

Conditional grants and earmarked funds paid

The Department of Economic Development and Tourism (DEDT) was identified as an important organisation to implement the Extended Public Works Programme (EPWP) through its agencies, Mpumalanga Tourism and Parks Agency (MTPA) and Mpumalanga Economic Growth Agency (MEGA). Therefore an allocation of R3,259 000 grant was allocated by National Department of Public Works to assist with alleviation of poverty. The allocated incentive was divided between the two entities of the department, MTPA and MEGA. These two entities managed to create thirty three (33) EPWP funded projects, twenty Seven (27) by MTPA and Seven (7) by MEGA. These two entities created a total number of 136 job opportunities.

Key summary of achievements

- Maintenance and cleaning of industrial areas
- Increased fruits yield because of better spraying and maintenance of farms
- Safe and patrolled environments
- Saved jobs that were to be lost
- Controlled veld fires
- Alien plants removed
- Clean day visitor centre
- Safe and patrolled environments
- Controlled soil erosion
- De-bushing

All targets were implemented as planned. Monthly and quarterly evaluation reports are submitted to National Public Works. The slow process of getting approval for employment of EPWP participants has delayed the start of the projects. Supply chain management process for purchase of protective clothing has delayed the procurement. Limited resources is limiting the increase in the number of EPWP employees and their effectiveness.

The table below describes each of the conditional grants and earmarked funds paid by the Department.

Department to whom the grant has been transferred	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	136 job were created for 2018/19 financial year
Amount per amended DORA (R'000)	3,259
Amount transferred (R'000)	3,259
Reasons if amount as per DORA not transferred	None
Amount spent by the department (R'000)	3,259
Reasons for the funds unspent by the entity	None , all funds spent
Monitoring mechanism by the transferring Department	Monthly reports, Quarterly report



Conditional grants and earmarked funds received

The table below details the conditional grants and ear marked funds received during for the period 1 April 2018 to 31 March 2019

Conditional Grant 1: Expanded Public Works Programme (EPWP)

Department who transferred the grant	National Public Works
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	Jobs were created within the Environmental and Culture Sector
Amount per amended DORA (R'000)	3,259
Amount received (R'000)	3,259
Reasons if amount as per DORA was not received	None
Amount spent by the department (R'000)	3,259
Reasons for the funds unspent by the entity	None , all funds spent
Reasons for deviations on performance	None
Measures taken to improve performance	Attendance Register, Salary Register, Physical head count are conducted.
Monitoring mechanism by the receiving Department	IYM Monthly reports, Monthly report and Quarterly Report

7. Donor Funds

7.1. Donor Funds Received

None

8. Capital Investment

8.1. Capital investment, maintenance and asset management plan

- The only infrastructure project currently in progress is the Mpumalanga International Fresh Produce Market (MIFPM)
- Capital infrastructure payments of R271,488 million were made towards the development of the MIFPM during the year under review. The site development costs and installation of underground reticulation, which has been underway since
- Scrapped vehicles were disposed during the year under review, and minimal losses due to theft were investigated by the Security Committee.
- The bulk of the departmental assets were in fair condition.
- There was no maintenance backlog to report on.

Infrastructure projects	2018/2019		(Over)/Under Expenditure R'000	2017/2018		(Over)/ Under Expenditure R'000
	Final Appropriation R'000	Actual Expenditure R'000		Final Appropriation R'000	Actual Expenditure R'000	
New and replacement assets	271,488	271,488	-	307,000	307,000	-
Existing infrastructure assets - Maintenance and repairs	525	18	507	500	-	500
Infrastructure transfer - Capital	14,413	11,158	3,255	12,472	11,858	614
Total	286,426	282,664	3,762	319,972	318,858	1,114





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 were conducted regularly to identify new and emerging risks. The risk profile was 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 advised the management on systems of risk management and internal control improvements.


The Risk Management unit has provided reports on risk management processes to the Audit Committee and in discharging its oversight responsibilities relating to risk management, the audit committee has:

- Added value to the risk management process by making recommendations to improve the process;
- Reviewed and critiqued the risk appetite and risk tolerance
- Reviewed the completeness of the risk assessment process implemented by management and ensured that all possible categories of risks, both internal and external to the Department, have been identified during the risk assessment process,
- Reviewed the risk profile and management action plans to address the risks quarterly;
- Reviewed the adequacy of adopted risk responses;
- Reviewed the progress made with regards to the implementation of the risk management strategy of the Department;
- Provided regular feedback to the Accounting Authority / Officer on the effectiveness of the risk management process implemented by the Department;
- Reviewed and ensured that the Internal Audit Plans were 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 were urged to report suspected corrupt activities to the Risk Management unit or alternatively to the National Anti-Corruption Hotline (NACH) on 0800 701 701.



Progress on cases reported to the National Anti-Corruption Hotline was requested from the Office of the Premier's Integrity Management Unit as the investigating arm for all NACH cases in the Province.

4. Minimising Conflict of Interest

The Risk and Fraud Prevention Committee reviewed cases of employee's conflicts of interest, misconduct or fraud, or any other unethical activity by employees or companies. In an endeavour to promote an ethical culture a gift register was in place and employees were educated on the Ethics.

5. Code of Conduct

The Department did not have any cases wherein employees did not conduct themselves in a manner that is outside the Code of Conduct


6. Health Safety and Environmental Issues

The OHS representatives that were appointed were trained on First Aid Level 2 and Hazard Identification in order for them to effectively fulfil their responsibilities in terms of the OHS Act. The Department has procured first aid kits and evacuation chairs for emergency purposes.

7. Portfolio Committees

The dates of the Portfolio committee meetings are as follows:.

- 15 May 2018 – APP 2018/19 adoption
- 28 August 2018 – 1st quarter review
- 13 November 2018 – 2nd quarter review
- 26 February 2019 – 3rd quarter review



Matters raised by the Portfolio committee	How the Department addressed matters
The Department must have an implementation plan with clear timelines concerning the Nkomazi SEZ and submit this plan to the Committee after the final stages with the National Treasury have been concluded.	The high level implementation plan was developed as part of the bidding process for the SEZ
The Department must provide an update on developments taking place at the Mpumalanga International Fresh Produce Market (MIFPM) on a quarterly basis.	An update report has been provided to the Portfolio Committee as part of the quarterly reports
The Department must ensure that the Government Nutrition Programme (GNP) commences as planned on 01 June 2018.	The Portfolio Committee has been given the progress report in as far as the GNP is concerned and the reasons for the delays thereof
The Department must clearly indicate why the number of schools will not increase at the commencement of Phase 2 of the Government Nutrition Programme (GNP) and clarify what will happen to the remaining 63% of the schools.	The reason were based on the number of schools which have been provided by the Department of Education
The Department must provide quarterly, the progress on the collaboration with the Office of the Premier in looking at utilising the infrastructure at Highveld Steel for job creation and the development of the Mining and Metals Industrial Technology Park	The Portfolio Committee was given the report on the Highveld steel
The Department must ensure that interim Board members are appointed into the Board for MEGA before the end of the first quarter of the 2018/19 financial year, whilst the process of appointing permanent Board members unfolds.	The Department appointed the permanent board in the 2018/19 financial year
The appointment of the CFO and Head of department	Interviews were made for the CFO post, and submitted to executive council, still awaiting for the approval. Interviews were made for the HOD's post, no suitable candidate was found. The post needs to be re-advertised

8. SCOPA Resolutions

- The Accounting Officer must submit a progress report on all the investigations of irregularities in the department.
- The Accounting Officer must ensure that investigations are done and implement disciplinary actions against officials who caused the department irregular; fruitless and wasteful expenditure amounting to R9,317 000 and R3,936 000 respectively.
- The Accounting Officer must expedite all pending investigations and provide the Committee with a report.
- The Accounting Officer must take disciplinary actions against official(s) who contravened Treasury Regulation 16A6.1 for failing to secure that goods and services with a transaction value below R500 000 were procured without obtaining the required price quotations.
- The Accounting Officer must take disciplinary actions against official(s) who contravened preferential procurement regulation 9(1) for failing to ensure that bid documentation for the procurement of commodities designated for local content and production stipulate the minimum threshold.
- The Accounting Officer must ensure that financial statements are prepared in accordance with the prescribed financial reporting framework and supported by full and proper records, as required by Section 40(1) (a) and (b) of the PFMA.

9. Prior Modifications to Audit Reports

Nature of qualification, disclaimer, adverse opinion and matters of non-compliance	Financial year in which it first arose	Progress made in clearing / resolving the matter
Goods and services with a transaction value below R500 000 were procured without obtaining the required price quotations, as required by Treasury Regulation 16A6.1, and bid documentation for procurement of commodities designated for local content and production, did not stipulate the minimum threshold for local production and content as required by Preferential Procurement Regulation 9(1).	2017/18	Various officials have attended training presented by Provincial Treasury and other service providers from Supply Chain. Various officials attended specific training provided by the Department of Trade and Industry in connection with local content requirements from the Department.
The financial statement submitted for auditing were not prepared in accordance with the prescribed reporting framework and supported by full and proper records as required by section 40(1) (a) and (b) of the PFMA.	2017/18	AGSA and Provincial Treasury were consulted prior to finalisation of the 2018/2019 financial statements in connection with complex disclosure matters identified during the 2017/18 audit
External assessment on the internal audit function was not performed	2015/16	<ul style="list-style-type: none"> Provincial Treasury is currently conducting a follow up on the internal assessment to determine progress made on the implementation of action plans An external quality assessment review will be conducted and approval has been granted by the Accounting officer



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 2017/2018 financial year as per the Annual Internal Audit Plan:

- Asset Management
- Financial Statements Audits (Annual and Interim)
- Performance Information (Annual and Interim)
- Internal Controls
- Fleet Management
- Risk Management
- Business Regulations and Governance
- Ethics and Culture
- Transfer Payments
- Public Entities Performance Oversight
- MPAT Review
- Financial and Supply Chain Management
- Extended Public Works Programme
- Mpumalanga International Fresh Produce Market (MIFPM)- Adhoc
- Follow Up Reviews: Internal Audit Reports and Auditor General South Africa (AGSA)

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

The Audit Committee fulfils a vital role in corporate governance to ensure the integrity of integrated reporting and internal controls and the identification and management of risks. The Audit Committee assists management in carrying out its responsibilities relating to financial management and other reporting practices; internal controls and management of risks as well as compliance with laws, regulations and ethics.

Attendance of Audit Committee meetings by Audit Committee members

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

The Department had two (2) Audit Committees which served during the year under review. The new committee members were appointed due to expiry of members' term of contracts on 31 May 2018. The chairperson was co-opted to the new Committee for continuity reasons. The old committee formed part of the first two meetings held. The old 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 was an ex officio employed by Statistics South Africa. The new committee consists of five (5) independent members. Four (4) of the five (5) members were appointed from outside the Public Service and one (1) member is an ex officio employed by the Provincial Office of the Premier. Details of the members and their attendance of scheduled audit committee meetings during the 2018/2019 financial year are as follows:

Old Committee

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

Name of member	Qualifications	Internal or external	If internal, position in the department	Date appointed	Expiry of term	No of meetings attended
Ms TI Ranape	<ul style="list-style-type: none"> BTech Public Management Higher Dipl: Management ND: State Finance 	External	External	01/06/2014	31/05/ 2020	2/5
Mr. SP Simelane	<ul style="list-style-type: none"> Chartered Accountant BCom Honours BCom Accounting MDP on BBBEE 	External	External	01/06/2014	31/05/ 2017	2/5
Mr. IP Du Plessis	<ul style="list-style-type: none"> BCom Honours BCom Accounting 	External	External	13/05/2013	31/05/ 2017	2/5
Adv. G Khoza	<ul style="list-style-type: none"> LLB B Juris Dipl in Tax Law 	External	External	01/06/2014	31/05/ 2017	2/5



Current serving committee

Name	Qualifications	Internal or external	If internal, position in the department	Date appointed	Expiry of term	No. of Meetings attended
Ms Thabsile Idah Ranape Chairperson	BTech Public Management Higher Dipl: Management Diploma in State Finance	External	External	01/06/2014	31/05/ 2020	3/5
Mr Sam Mthembu	FAP(IAC)SA B Com Accounting MBL	External	External	01/09/2017	31/08/2019	3/5
Mr Hangalakani Hlomane	BSc: Maths Sciences Masters: IT	External	External	01/09/2017	31/08/2019	3/5
Ms Nonyaniso Brenda Mzuzu	B Proc Degree Certificate in Business Rescue	External	External	01/09/2017	31/08/2019	3/5
Mr Sibusiso Khululekani Mavundla	B Com Accounting	Internal:	Office of the Premier IT Audit Section	01/09/2017	31/08/2019	3/5



Report of the Audit Committee

The Audit Committee hereby presents its report for the financial year ended 31 March 2019.

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 per its Audit Committee Charter, has regulated its affairs in compliance with this charter and has discharged all its responsibilities as contained therein, except that we have not reviewed changes in accounting policies and practices.

The Effectiveness of Internal Control

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

Summary of Internal Audit Work Done

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

- Performance Information
- Financial Statement Reviews;
- Assets Management;
- Internal Control;
- Human Resource Management;
- Interim Financial Statements
- Midterm Performance Information;
- Transfer Payments;
- Financial and Supply Chain Management;
- Follow up AG & Internal Audit Reports;
- Follow Up Reviews: Internal Audit Reports
- Follow Up Reviews: Auditor General
- Public Entities oversight.



The following were areas of concern:

- Non finalisation of the organisational design process.
- Timeline to review departmental policies and procedures.
- Inadequate monitoring of public entities.
- Inadequate management of performance information.
- Late submission of Annual Financial Statement to the Internal Audit section for review.
- Lack of implementation of action plans from the Internal Audit and Risk Management Units.

In-Year Management and Monthly/Quarterly Report

The department is reporting monthly and quarterly to the Treasury as is required by the PFMA.

Evaluation of Financial Statements

The Audit Committee reviewed the Annual Financial Statements prepared by the Department of Economic Development and Tourism safe to say that the department must improve on submission timeframes of the Annual Financial Statements

Auditor General's Report

The Audit Committee reviewed the Department of Economic Development and Tourism's implementation plan for audit issues raised in the previous year and is not satisfied with the progress made in the implementation of the action plans for both Internal Audit and Auditor's General.

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

Independence of the Audit Committee

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

Internal Audit

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



Appreciation

The Audit Committee appreciates the effort of the Department in achieving most of its set targets even when confronted with the moratorium on the filling of critical vacant positions. The Audit Committee appreciates the efforts and dedication from the Acting Head of Department and his entire management team, which has enabled the audit committee to discharge its responsibilities effectively.



MS. TI RANAPE

Chairperson of the Audit Committee

Economic Development and Tourism

Date: 31 July 2019





Part D
*Human Resource
Management*



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.

Overview Of Human Resources

The status of human resources in the Department

The placement of the moratorium on vacant posts has put a dire strain in the execution of certain responsibilities across the Department. With the termination of employment at a strategic executive level during the period under review, the Department was been operating with acting appointments for the posts of Head of Department and Chief Financial Officer. The two strategic executive level posts were at an advanced stage of recruitment as at the end of the Financial year, and the process is anticipated to be concluded in this current financial year. Skills development initiatives were implemented to bridge identified skills gap and sensitising employees on the developmental trends in respect of Human Resources Management.

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

World economics, technology, demography and changing social attitudes are constantly influencing how we resource our organisations and/or departments. The need for the right people, with the right skills, in the right roles, at the right time and at the right cost rings true now more than ever. With concerns over skills shortages, and increasing competition to attract 'talent' to our organisations, considered workforce planning is an imperative that will keep Department ahead of the curve. We have thus far, developed the Human Resources Plan (HRP) to avert weak planning, reactivity to organisational demands but serves as a guiding tool to Departmental Human Resource needs.

During the year under review, twenty (20) employees exited the system due to various reasons. In adherence to the objectives National Skills Development Strategy as an overarching strategic instrument for skills development that guides sector planning, the Department managed to recruit fourteen (14) interns, one hundred and fifty three (153) employees were capacitated with two hundred and seventy (270) recorded interventions in their various fields, and twenty-two (22) individuals were recommended for Bursary approval by the Department of Education. Out of the Forty-Nine (49) posts subjected to job evaluation processes, twenty-six (26) posts were subsequently upgraded as part of the retention strategy. However, it should be noted that the reviewed organisational structure was still in a draft form.

Employee performance management

The sole purpose of performance management and development system is to assess and ensure that employees are effectively carrying out their duties and consequently contributing to the overall departmental objectives. The Department has significantly improved its compliance level, in this regard, compared to the previous years and measures for non-compliance were invoked. Both pay progression and incentive bonuses to deserving employees were implemented.



Employee wellness programmes

The Department embarked on an integrated approach to employee health and wellness, where in it recognised the importance of linking individual health, safety and wellness, organisational wellness, environmental sustainability, quality management to productivity and improved service delivery outcomes. In its quest to ensure that integrated employee health and wellness was realised, it focused on the following critical strategic priority areas viz: HIV and AIDS, STI and TB Management, Health and Productivity Management, Safety, Health, Environment, Risk and Quality Management (SHERQ), Wellness Management.

Human Resources Oversight Statistics

The Department must provide the following key information on its human resources. All the financial amounts must agree with the amounts disclosed in the Annual Financial Statements. Provide reasons for any variances.

Please note that it is very important to follow the format and standards prescribed, to enable collation and comparison of information. If sub headings/tables are not applicable to the Department, it should be stated that there is nothing to report on. Numbering of tables must not be changed and should be maintained as in the guidelines.

Include any other tables for HR if considered necessary by the department and required by any specific government oversight body. These additional tables must be included at the end of the standardised HR information.

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 2018 and 31 March 2019

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	92 956	63 347	0	0	68.14	857	108
Integrated Econ Development	532 652	27 895	0	0	14.36	1 116	122(81)
Trade and Sector Development	16 654	11 560	0	0	69.41	680	17
Business Regulation & Governance	114 405	16 438	0	0	14.36	567	29
Economic Planning	18 610	14 487	0	0	77.8	762	19
Tourism	383 648	3 542	0	0	0.92	708	5
TOTAL	1 158 926	137 269	0	0	11.8	458	314

Table 3.1.2 Personnel costs by salary band for the period 1 April 2018 and 31 March 2019

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)
01 Lower skilled (Levels 1-2)	333	0,20	2	166 500	146 955
02 Skilled (Levels 3-5)	9 251	6,30	33	280 333	146 955
03 Highly skilled production (Levels 6-8)	36 565	24,90	83	440 540	146 955
04 Highly skilled supervision (Levels 9-12)	59 588	40,50	76	784 050	146 955
05 Senior management (Levels 13-16)	27 652	18,80	22	1 256 909	146 955
Contract (Levels 1-2)	724	0,50	(14 interns)	0	146 955
Contract (Levels 9-12)	1 765	1,20	2	882 500	146 955
Contract (Levels 13-16)	1 229	0,80	1	1 229 000	146 955
19 Periodical Remuneration	162	0,10	81	2 000	146 955
TOTAL	137 269	93,40	314	504 183	146 955

Table 3.1.3 Salaries, Overtime, Home Owners Allowance and Medical Aid by programme for the period 1 April 2018 and 31 March 2019

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	51 523	76,90	975	1,50	1 311	2,00	2 852	4,30	56 661
Business regulation & governance	12 364	80,90	9	0,10	440	2,90	752	4,90	13 565
Economic planning	11 449	80,90	0	0,00	271	1,90	452	3,20	12 172
Integrated econ develop	22 205	79,00	31	0,10	444	1,60	1 122	4,00	23 802
Management services	5 521	77,10	0	0,00	283	4,00	163	2,20	5 967
Trade and sector development	11 782	77,00	0	0,00	215	1,40	654	4,30	12 652
Total	114 844	78,10	1 015	0.70	2 965	2.00	5 995	4.10	124 819

Table 3.1.4 Salaries, Overtime, Home Owners Allowance and Medical Aid by salary band for the period 1 April 2018 and 31 March 2019

Salary band	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	
01 Lower skilled (Levels 1-2)	252	75,70	0,	0,00	25	7,50	27	8,10	304
02 Skilled (Levels 3-5)	6 979	75,00	151	1,60	535	5,80	813	8,70	8 478
03 Highly skilled production (Levels 6-8)	28 824	75,10	630	1,60	1 266	3,30	2 380	6,20	33 100
04 Highly skilled supervision (Levels 9-12)	50 885	79,50	233	0,40	739	1,20	2 251	3,50	54 108
05 Senior management (Levels 13-16)	24 485	81,00	0	0,00	400	1,30	482	1,60	25 367
10 Contract (Levels 1-2)	723	98,50	1	0,10	0	0,00	0	0,00	724
13 Contract (Levels 9-12)	1 579	61,70	0	0,00	0	0,00	42	1,60	1 621
14 Contract (Levels 13-16)	1 117	87,60	0	0,00	0	0,00	0	0,00	1 117
19 Periodical Remuneration	0	0,00	0	0,00	0	0,00	0	0,00	0
TOTAL	114 844	78,10	1 015	0,70	2 965	2,00	5 995	4,10	124 819

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 were any staff that were 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 2019

Programme	Number of posts on approved establishment	Number of posts filled	Vacancy Rate	Number of employees additional to the establishment
Administration	113	108	4.40	0
Integrated Economic Development Services	40	40	0	0
Trade and Sector Development	17	17	0	0
Business Regulations & Governance	29	29	0	0
Economic Planning	19	17	0	0
Tourism	5	5	0	0
TOTAL	224	219	2.23	0

Table 3.2.2 Employment and vacancies by salary band as on 31 March 2019

Salary band	Number of posts on approved establishment	Number of posts filled	Vacancy Rate	Number of employees additional to the establishment
01 Lower Skilled (Levels 1-2), Permanent	2	2	0	0
02 Skilled (Levels 3-5), Permanent	33	33	0	0
03 Highly Skilled Production (Levels 6-8), Permanent	83	83	0	0
04 Highly Skilled Supervision (Levels 9-12), Permanent	78	76	2.60	0
05 Senior Management (Levels 13)	25	22	12	0
13 Contract (Levels 9-12)	2	2	0	0
14 Contract (Levels 13)	1	1	0	0
TOTAL	224	219	2.23	0



Table 3.2.3 Employment and vacancies by critical occupations as on 31 March 2019

Critical occupation	Number of posts on approved establishment	Number of posts filled	Vacancy Rate	Number of employees additional to the establishment
Administrative Related, Permanent	31	31	0	0
Cleaners In Offices Workshops Hospitals Etc., Permanent	12	12	0	0
Communication And Information Related, Permanent	8	8	0	0
Economists, Permanent	54	54	0	0
Finance And Economics Related, Permanent	16	16	0	0
Financial And Related Professionals, Permanent	6	6	0	0
Financial Clerks And Credit Controllers, Permanent	6	6	0	0
Food Services Aids And Waiters, Permanent	0	0	0	0
General Legal Administration & Rel. Professionals, Permanent	1	1	0	0
Head Of Department/Chief Executive Officer, Permanent	1	0	100	0
Human Resources & Organisational Development & Relate Prof, Permanent	1	1	0	0
Human Resources Clerks, Permanent	1	1	0	0
Human Resources Related, Permanent	17	16	5.90	0
Information Technology Related, Permanent	1	1	0	0
Legal Related, Permanent	2	2	0	0
Light Vehicle Drivers, Permanent	2	2	0	0
Logistical Support Personnel, Permanent	3	3	0	0
Messengers Porters And Deliverers, Permanent	2	2	0	0
Other Administrative & Related Clerks And Organisers, Permanent	3	2	33.30	0
Regulatory Inspectors, Permanent	3	3	0	0
Risk Management And Security Services, Permanent	1	1	0	0
Secretaries & Other Keyboard Operating Clerks, Permanent	19	19	0	0
Senior Managers, Permanent	16	14	12.50	0
Statisticians And Related Professionals, Permanent	2	2	0	0
Trade/Industry Advisers & Other Related Profession, Permanent	16	16	0	0
TOTAL	224	219	2.23	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.

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 2019

SMS Level	Total number of funded SMS posts	Total number of SMS posts filled	% of SMS posts filled	Total number of SMS posts vacant	% of SMS posts vacant
Director-General/ Head of Department	1	0	0	1	100
Salary Level 16	1	1	100	0	0
Salary Level 15	0	0	0	0	0
Salary Level 14	6	5	83.33	1	16.66
Salary Level 13	17	17	100	0	0
Total	25	23	92	2	8



Table 3.3.2 SMS post information as on 30 September 2018

SMS Level	Total number of funded SMS posts	Total number of SMS posts filled	% of SMS posts filled	Total number of SMS posts vacant	% of SMS posts vacant
Director-General/ Head of Department	1	0	0	1	100
Salary Level 16	1	1	100	0	0
Salary Level 15	0	0	0	0	0
Salary Level 14	6	5	83.33	1	16.66
Salary Level 13	17	17	100	0	0
Total	25	23	92	2	8

Table 3.3.3 Advertising and filling of SMS posts for the period 1 April 2018 and 31 March 2019

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	1	0	1
Salary Level 16	0	0	0
Salary Level 15	0	0	0
Salary Level 14	1	0	1
Salary Level 13	0	0	0
Total	2	0	2

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 2018 and 31 March 2019

Reasons for vacancies not advertised within six months
The moratorium placed on the filling of vacant posts delayed the process of advertising some of the posts. However, the advertisement of the Head of Department's Post is the prerogative of the Provincial Premier's Office. The post of the CFO was advertised.
Reasons for vacancies not filled within twelve months
The moratorium placed on the filling of vacant posts delayed the filling of the posts within the stipulated timeframes. However, it should be noted that the filling of the Head of Department's (HoD) Post is the prerogative of the Provincial Premier's Office. The filling of the HoD was at an advanced stage and it is anticipated that the process will be concluded in 2019/2020 financial year. The filling of the CFO's Post was at an advanced stage as at the end of the financial year,

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 2018 and 31 March 2019

Reasons for vacancies not advertised within six months
No disciplinary action taken because the non-adherence to the stipulated timeframes i.r.o. the filling of posts was outside the control of responsible officials.
Reasons for vacancies not filled within six months
Provincial Moratorium placed on the filling of posts.



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.

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 2018 and 31 March 2019

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
01 Lower Skilled (Levels 1-2)	2	0	0	0	0	0	0
02 Skilled (Levels 3-5)	33	4	12.1	4	100	0	0
03 Highly Skilled Production (Levels 6-8)	83	28	33.7	9	32.1	0	0
04 Highly Skilled Supervision (Levels 9-12)	78	16	20.5	12	75	0	0
05 Senior Management Service Band A	17	0	0	0	0	0	0
06 Senior Management Service Band B	6	1	16.6	1	100	0	0
07 Senior Management Service Band C	1	0	0	0	0	0	0
08 Senior Management Service Band D	1	0	0	0	0	0	0
13 Contract (Levels 9-12)	2	0	0	0	0	0	0
14 Contract Band A	1	0	0	0	0	0	0
TOTAL	224	49	21.8	26	53.06	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 be vacant. One position was evaluated during 2017/2018. Three positions were upgraded as a result of 2009/2010 job evaluation results.

Table 3.4.2 Profile of employees whose positions were upgraded due to their posts being upgraded for the period 1 April 2018 and 31 March 2019

Gender	African	Asian	Coloured	White	Total
Female	6	0	0	0	6
Male	12	0	0	0	12
Total	18	0	0	0	18
Employees with a disability					0

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

Table 3.4.3 Employees with salary levels higher than those determined by job evaluation by occupation for the period 1 April 2018 and 31 March 2019

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 2018 and 31 March 2019

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	None	None	None	None	None
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Notes

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

Total number of Employees whose salaries exceeded the grades determine by job evaluation	None
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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 2018 and 31 March 2019

Salary band	Number of employees at beginning of period-1 April 2018	Appointments and transfers into the department	Terminations and transfers out of the department	Turnover rate
01 Lower Skilled (Levels 1-2) Permanent	2	0	0	0
02 Skilled (Levels 3-5) Permanent	35	0	2	5.71
03 Highly Skilled Production (Levels 6-8) Permanent	85	0	1	2.35
04 Highly Skilled Supervision (Levels 9-12) Permanent	79	0	3	3.79
05 Senior Management Service Band A Permanent	16	0	0	0
06 Senior Management Service Band B Permanent	5	0	0	0
08 Senior Management Service Band D Permanent	1	0	0	0
10 Contract (Levels 1-2) Permanent	14	0	0	0
13 Contract (Levels 9-12) Permanent	2	14	14	100
14 Contract Band A Permanent	1	0	0	0
TOTAL	240	14	20	8.33



Table 3.5.2 Annual turnover rates by critical occupation for the period 1 April 2017 and 31 March 2018

Critical occupation	Number of employees at beginning of period-April 2018	Appointments and transfers into the department	Terminations and transfers out of the department	Turnover rate
Administrative related Permanent	32	0	1	3.12
Cleaners in offices Workshops hospitals ETC. Permanent	10	0	0	0
Communication and Information related Permanent	9	0	1	11.1
Economists Permanent	56	0	0	0
Finance and Economics related Permanent	17	0	0	0
Financial and related Professionals Permanent	6	0	1	16.6
Financial Clerks and Credit Controllers Permanent	6	0	0	0
Food Services aids and waiters Permanent	0	0	0	0
General Legal Administration & REL. Professionals Permanent	1	0	0	0
Human Resources & Organisat developm & relate prof Permanent	1	0	0	0
Human Resources Clerks Permanent	15	0	14	93.3
Human Resources related Permanent	16	0	0	0
Information Technology related Permanent	1	0	0	0
Legal related Permanent	2	0	0	0
Light vehicle Drivers Permanent	3	0	1	33.3
Logistical Support Personnel Permanent	3	0	0	0
Messengers Porters and Deliverers Permanent	2	0	0	0
Natural Sciences related Permanent	2	0	0	0
Administrat & related Clerks and organisers Permanent	1	0	0	0
Regulatory Inspectors Permanent	3	0	0	0
Risk Management and Security Services Permanent	1	0	0	0
Secretaries & other keyboard Operating Clerks Permanent	20	0	1	5
Senior Managers Permanent	14	0	0	0
Head of Department/Chief Executive Officer Permanent	1	0	0	0



Critical occupation	Number of employees at beginning of period-April 2018	Appointments and transfers into the department	Terminations and transfers out of the department	Turnover rate
Statisticians and related Professionals Permanent	2	0	0	0
Trade/Industry Advisers & other related Profession Permanent	16	0	1	6.25
TOTAL	240	0	20	8.33

Notes

The CORE classification, as prescribed by the DPSA, should be used for completion of this table.

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

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


Table 3.5.3 Reasons why staff left the department for the period 1 April 2018 and 31 March 2019

Termination Type	Number	% of Total Resignations
Death	1	5
Resignation	2	10
Expiry of contract (Interns)	14	70
Dismissal – operational changes	0	0
Dismissal – misconduct	0	0
Dismissal – inefficiency	0	0
Discharged due to ill-health	0	0
Retirement	1	5
Transfer to other Public Service Departments	2	10
Total	20	9.13
Total number of employees who left as a % of total employment	20	9.13



Table 3.5.4 Promotions by critical occupation for the period 1 April 2018 and 31 March 2019

Occupation	Employees 1 April 2018	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	32	1	3.12	18	56.25
Cleaners in offices Workshops hospitals ETC. Permanent	10	0	0	9	90
Communication and Information related Permanent	9	3	33.3	5	55.55
Economists Permanent	56	0	0	51	91.07
Finance and Economics related Permanent	17	0	0	14	82.35
Financial and related Professionals Permanent	6	5	83.33	3	50
Financial Clerks and Credit Controllers Permanent	6	0	0	2	33.33
Food Services aids and waiters Permanent	0	0	0	0	0
General Legal Administration & REL. Professionals Permanent	1	0	0	1	100
Human Resources & Organisational development & relate prof Permanent	1	0	0	1	100
Human Resources Clerks Permanent	15	0	0	2	13.33
Human Resources related Permanent	16	2	12.5	14	87.50
Information Technology related Permanent	1	1	100	1	100
Legal related Permanent	2	0	0	2	100
Light vehicle Drivers Permanent	3	0	0	2	66.66
Logistical Support Personnel Permanent	3	0	0	2	66.66
Messengers Porters and Deliverers Permanent	2	0	0	2	100



Occupation	Employees 1 April 2018	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
Natural Sciences related Permanent	2	0	0	2	100
Administrat & related Clerks and organisers Permanent	1	0	0	0	0
Regulatory Inspectors Permanent	3	0	0	3	100
Risk Management and Security Services Permanent	1	0	0	1	100
Secretaries & other keyboard Operating Clerks Permanent	20	3	15	17	85
Senior Managers Permanent	14	0	0	11	78.57
Head of Department/Chief Executive Officer Permanent	1	0	0	0	0
Statisticians and related Professionals Permanent	2	0	0	2	100
Trade/Industry Advisers & other related Profession Permanent	16	3	18.75	14	87.50
TOTAL	240	18	7.5	179	74.58



Table 3.5.5 Promotions by salary band for the period 1 April 2018 and 31 March 2019

Salary Band	Employees 1 April 2018	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
01 Lower Skilled (Levels 1-2) Permanent	2	0	0	1	50
02 Skilled (Levels 3-5) Permanent	35	3	8.57	31	88.57
03 Highly Skilled Production (Levels 6-8) Permanent	85	7	8.23	63	74.11
04 Highly Skilled Supervision (Levels 9-12) Permanent	79	8	10.12	65	82.27
05 Senior Management Service Band A Permanent	16	0	0	13	81.25
06 Senior Management Service Band B Permanent	5	0	0	4	80
08 Senior Management Service Band D Permanent	1	0	0	0	0
10 Contract (Levels 1-2)	14	0	0	0	0
13 Contract (Levels 9-12)	2	0	0	1	50
14 Contract Band A	1	0	0	1	100
TOTAL	240	18	7.5	179	74.58

3.5. Employment Equity

Table 3.5.1 Total number of employees (including employees with disabilities) in each of the following occupational categories as on 31 March 2019

Occupational category	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Legislators, senior officials and managers	16	1	0	2	4	0	0	0	23
Professionally qualified & experienced specialists & mid management	22	1	0	1	13	1	0	2	40
Skilled technical & academically qualified workers, supervisors, foremen & superintendents(9-10)	22	0	0	0	16	0	0	0	38
Semi-skilled discretionary decision making (4-8)	27	0	0	0	73	1	0	2	103
Elementary occupations	0	0	0	0	15	0	0	0	15
Temporary/contract/interns	0	0	0	0	0	0	0	0	0
Total	87	2	0	3	121	2	0	4	2
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 2019

Occupational category	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top Management	1	0	0	0	0	0	0	0	1
Senior Management	14	1	0	2	4	0	0	0	21
Professionally qualified and experienced specialists and mid-management	42	1	0	1	29	0	1	2	76
Skilled technical and academically qualified workers, junior management, supervisors, foreman and superintendents	25	0	0	0	57	0	0	1	83
Semi-skilled and discretionary decision making	2	0	0	0	29	1	0	1	33
Unskilled and defined decision making	0	0	0	0	2	0	0	2	2
Contract (Senior Management),	1	0	0	0	0	0	0	0	1
Contract (Professionally Qualified),	2	0	0	0	0	0	0	0	2
Total	87	2	0	3	121	1	1	4	219



Table 3.6.3 Recruitment for the period 1 April 2018 to 31 March 2019

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



Table 3.6.4 Promotions for the period 1 April 2018 to 31 March 2019

Occupational category	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top Management	0	0	0	0	0	0	0	0	0
Senior Management	11	1	0	2	3	0	0	0	17
Professionally qualified and experienced specialists and mid-management	32	1	0	1	29	0	1	1	65
Skilled technical and academically qualified workers, junior management, supervisors, foreman and superintendents	16	0	0	0	46	0	0	1	63
Semi-skilled and discretionary decision making	3	0	0	0	26	1	0	1	31
Unskilled and defined decision making	0	0	0	0	1	0	0	0	1
09 Contract (Senior Management),	1	0	0	0	0	0	0	0	1
10 Contract (Professionally qualified),	1	0	0	0	0	0	0	0	1
Total	64	2	0	3	105	1	1	0	179
Employees with disabilities	3	0	0	0	0	0	0	0	3



Table 3.6.5 Terminations for the period 1 April 2018 to 31 March 2019

Occupational category	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top Management	0	0	0	0	0	0	0	0	0
Senior Management	0	0	0	0	0	0	0	0	0
Professionally qualified and experienced specialists and mid-management	0	0	0	0	2	0	0	0	2
Skilled technical and academically qualified workers, junior management, supervisors, foreman and superintendents	0	0	0	0	2	0	0	0	2
Semi-skilled and discretionary decision making	1	0	0	0	0	0	0	0	1
Unskilled and defined decision making (Contract)	7	0	0	0	8	0	0	0	15
Total	8	0	0	0	12	0	0	0	20
Employees with Disabilities	0	0	0	0	0	0	0	0	0



Table 3.6.6 Disciplinary action for the period 1 April 2018 to 31 March 2019

Occupational category	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Altering with Medical Certificate	0	0	0	0	1	0	0	0	1
Usage of Government vehicle without authorisation	1	0	0	0	0	0	0	0	1
Total	1	0	0	0	1	0	0	0	2

Table 3.6.7 Skills development for the period 1 April 2018 to 31 March 2019

Occupational category	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Legislators, senior officials and managers	11	0	0	1	4	0	0	1	17
Professionals	14	0	0	0	0	0	0	0	0
Technicians and associate professionals	28	0	0	0	36	0	0	1	65
Clerks	2	0	0	0	2	0	0	0	2
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	2	0	0	0	11	0	0	0	0
Employees with disabilities	2	0	0	0	0	0	0	0	2
Total	57	1	0	2	86	1	1	5	153

NB: The total number of employees trained were one hundred and fifty three (153) as depicted in the above table. However, it should be noted that there were two hundred and seventy (270) training interventions during the year under review, one hundred and fifty three (153) employees attended, and some more than once. Out of the one hundred and fifty three employees (153) who attended 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 2018

SMS Level	Total number of funded SMS posts	Total number of SMS members	Total number of signed performance agreements	Signed performance agreements as % of total number of SMS members
Director-General/ Head of Department	1	0	0	0
Salary Level 16	0	0	0	0
Salary Level 15	0	0	0	0
Salary Level 14	6	5	5	100%
Salary Level 13	17	17	16	94%
TOTAL	24	22	21	95%



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 2018.

Table 3.7.2 Reasons for not having concluded Performance agreements for all SMS members as on 31 March 2019

Reasons
Employee's non- compliance to PMD&S Policy

Notes

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

Table 3.7.3 Disciplinary steps taken against SMS members for not having concluded Performance agreements as on 31 March 2019

Reasons
Disciplinary measures were invoked to address non-compliance.



Table 3.8.1 Performance Rewards by race, gender and disability for the period 1 April 2018 to 31 March 2019

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	57	121		901,12	15 809
Female	41	84	47.61	1 132,82	27 629
Asian					
Male	1	1	100	44,83	44 830
Female	0	0	0	0	
Coloured					
Male	0	1	0		0
Female	1	2	50	39,55	39 555
White					
Male	3	3	100	131,30	47 766
Female	1	4	33,30	102,17	102 165
Employees with disability	1	3	33,30%	61,10	61 104
Total	105	219	47.94	2412.89	22 979

Table 3.8.2 Performance Rewards by salary band for personnel below Senior Management Service for the period 1 April 2018 to 31 March 2019

	Beneficiary Profile			Cost		Total cost as a % of the total personnel expenditure
	Salary band	Beneficiary Profile	Cost	Total cost as a % of the total personnel expenditure	Average cost per employee	
	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	2	50	5,6	5 676	17.60
Skilled (level 3-5)	16	33	48,48	139,83	8 739	10.72
Highly skilled production (level 6-8)	4	83	55.42	742,03	16 131	8.68
Highly skilled supervision (level 9-12)	41	76	53.94	1 483,12	36 173	2.42
13 Contract (Levels 9-12)	1	2	50	42,24	42 238	2.36
Total	105	219	47.9	2 412,89	22 979	3.89

The total number of beneficiaries includes payment of performance bonuses for the 2017/18 performance cycle and the carried over 2016/17 PMDS grievances resolved.



Table 3.8.3 Performance Rewards by critical occupation for the period 1 April 2018 to 31 March 2019

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	14	31	45.16	278,14	19 867
Cleaners in Offices Workshops Hospitals ETC., Permanent	8	10	80.00	62,16	7 770
Communication and Information related, Permanent	3	8	37,50	99,43	33 144
Economists, Permanent	19	54	31.18	516,74	27 196
Finance and Economics related, Permanent	8	16	50	268,08	33 509
Financial and related Professionals, Permanent	3	6	50,00	131,39	43 797,00
Financial Clerks and Credit Controllers, Permanent	6	6	100	103,15	17 191
Food Services aids and Waiters, Permanent	1	1	100	7,79	7 789
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	0	1	0	0	0
Human Resources Clerks, Permanent	1	1	100	14,04	14 043
Human Resources related, Permanen	9	16	56,30	259,52	28 835
Information Technology related, Permanent	0	1	0	0	0
Legal Related, Permanent	1	2	50	17,70	17 702
Light Vehicle Drivers, Permanent	2	2	99,50	46,01	23 120
Logistical Support Personnel, Permanent	2	3	66,70	67,80	33 902
Messengers Porters and Deliverers, Permanent	0	2	0	0	0
Other Administrative & related Clerks and Organisers, Permanent	2	2	100	30,03	15 013
Other Occupations, Permanent	0	1	0	0	0
Regulatory Inspectors, Permanent	3	3	100	59,60	19 868



Critical occupation	Beneficiary Profile			Cost	
	Number of beneficiaries	Number of employees	% of total within occupation	Total Cost (R'000)	Average cost per employee
Risk Management and Security Services, Permanent	0	1	0	0	0
Secretaries & other keyboard Operating Clerks, Permanent	8	19	42,10	77,26	9 658
Senior Managers, Permanent	0	14	0,00	0,00	0
Statisticians and related Professionals, Permanent	2	2	100,00	53,18	26 592
Trade/Industry Advisers & Other related Profession, Permanent	13	16	81.25	320,87	24 682
Total	105	219	47.94	2 412,89	22 979

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;**

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	17	0	0	0	0
Band B	0	5	0	0	0	0
Band D	0	1	0	0	0	0
Total	0	23	0	0	0	0

3.1 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 2018 and 31 March 2019

Salary band	01 April 2017		31 March 2019		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 2018 and 31 March 2019

Major occupation	01 April 2017		31 March 2018		Change	
	Number	% of total	Number	% of total	Number	% Change
None	0	0	0	0	0	0
None	0	0	0	0	0	0

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 2018 to 31 December 2018

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)	Total number of days with medical certification
Contract (Levels 1-2)	17	88.20	4	3.20	4	8	15
Contract (Levels 13-16)	5	100	1	0.80	5	20	5
Highly skilled production (Levels 6-8)	288	72.60	49	39.20	6	455	209
Highly skilled supervision (Levels 9-12)	223	74.90	36	28.80	6	610	167
Lower skilled (Levels 1-2)	6	100	1	0.80	6	3	6
Senior management (Levels 13-16)	48	87.50	9	7.20	5	189	42
Skilled (Levels 3-5)	137	90.50	25	20	5	117	124
TOTAL	724	78.50	125	100	6.00	1 402	568



Table 3.10.2 Disability leave (temporary and permanent) for the period 1 January 2018 to 31 December 2018

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)
Highly skilled production (Levels 6-8)	19	100	1	20	19	25
Senior management (Levels 13-16)	50	100	1	20	50	193
Skilled (Levels 3-5)	45	100	3	60	15	34
	114	100	5	100	23	253

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 2018 to 31 December 2018

Salary band	Total days taken	Average Days per Employee	Number of Employees who took leave
Contract (Levels 1-2)	93	8	11
Contract (Levels 13-16)	17	1	1
Highly skilled production (Levels 6-8)	2 160	26	83
Highly skilled supervision (Levels 9-12)	2 024	26	77
Lower skilled (Levels 1-2)	53	27	2
Senior management (Levels 13-16)	478	23	21
Skilled (Levels 3-5)	797	24	33
TOTAL	5 622	25	228



Table 3.10.4 - Capped leave for the period 1 January 2018 to 31 December 2018

Salary band	Total days of capped leave available as on 31 December 2018	Number of Employees using capped leave	Average number of days taken per employee	Average capped leave per employee as on 31 March 2018
Contract (Levels 13-16)	0	0	0	0
Contract (Levels 9-12)	0	0	0	0
Highly skilled production (Levels 6-8)	1 283,12	3	9	51
Highly skilled supervision (Levels 9-12)	1 800,67	3	6	60
Lower skilled (Levels 1-2)	0	0	0	0
Senior management (Levels 13-16)	644,07	0	0	50
Skilled (Levels 3-5)	1 071,07	1	5	107
TOTAL	4 798,93	7	7	62

Table 3.10.5 Leave payouts for the period 1 April 2018 and 31 March 2019

The following table summarise payments made to employees because of leave that was not taken.

Reason	Total amount (R'000)	Number of employees	Average per employee (R'000)
Annual - Discounting with resignation (work days)	56	1	56 000
Annual - Discounting: unused vacation Credits (work days)	383	12	31 917
Annual - Gratuity: Death/Retirement/Medical Retirement(work)	83	2	41 500
Annual - Head of Departments (Gratuity) (work days)	14	1	14 000
Capped - Gratuity: Death/Retirement/Medical Retirement(work)	48	1	48 000
TOTAL	584	16	

Table 3.11.1 Steps taken to reduce the risk of occupational exposure

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



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 Chapter 4 Part 3 of regulation 55 of the Public Service Regulations, 2016? If so, provide her/his name and position.	Yes		Ms N.I 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 four (4), and the budget allocated is R2 924 000 for compensation and goods and services, R 2444 577 was for compensation and R 479 423 was for goods and services. The Department does not incur direct costs for the implementation of the HIV and AIDS, STI and T.B management programmes.
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 Programmes Workplace HIV/AIDS Programme Occupational Health and Safety.
4. Has the Department established (a) committee(s) as contemplated in Chapter 4 Part 3 (d) of regulation 55 of the Public Service Regulations, 2016? 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 Sibiya, 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 based on their HIV status? If so, list the employment policies/ practices so reviewed.	Yes		All Departmental employment policies has been reviewed and 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. Implementation of Education and Awareness Programmes, provision of counselling and support services 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 04 onsite Health Screening sessions including HIV Counselling and testing .40 employees tested for HIV / AIDS, which constitute of 18.2% of the staff complement. Employees are 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 monitor and evaluate the impact of the implemented health promotion programmes through the analysis of health screening reports generated by GEMS and outcomes reports of the incapacity leave applications from the Health Risk management.(SOMA)

Labour Relations

Table 3.12.1 Collective agreements for the period 1 April 2018 and 31 March 2019

Subject matter	Date
None	

Notes

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

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 2018 and 31 March 2019

Outcomes of disciplinary hearings	Number	% of total
Correctional counselling	0	0
Verbal warning	0	0
Written warning	0	0
Final written warning	2	100
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 2018 and 31 March 2019

Type of misconduct	Number	% of total
Altering medical certificate	1	50
Usage of government vehicle without authorisation		50
TOTAL	2	100

Grievances	Number	% of Total
Number of grievances resolved	1	12.5
Number of grievances not resolved	7	87.5
Total number of grievances lodged	8	100

Table 3.12.5 Disputes logged with Councils for the period 1 April 2018 and 31 March 2019

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

Table 3.12.6 Strike actions for the period 1 April 2018 and 31 March 2019

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)	

Table 3.12.7 Precautionary suspensions for the period 1 April 2018 and 31 March 2019

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



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 2018 and 31 March 2019

Occupational category	Gender	Number of employees as at 1 April 2018	Training needs identified at start of the reporting period			
			Learnerships	Skills Programmes & other short courses	Other forms of training	Total
Legislators, senior officials and managers	Female	4	0	20	0	20
	Male	19	0	44	0	44
Professionals	Female	17	0	33	0	33
	Male	24	1	42	0	43
Skilled technical & academically qualified workers, supervisors, foremen & superintendents Levels 9-10	Female	17	0	38	0	38
	Male	23	0	52	0	52
Semi-skilled discretionary decision making Levels 4-8	Female	79	0	29	0	29
	Male	28	0	0	0	0
Service and sales worker	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
Unskilled & defined decision making Levels 2-3	Female	15		0	0	6
	Male	0	0	0	0	0
Elementary occupations	Female	0	6	11	0	17
	Male	0	0	0	0	0
Interns	Female	7	0	0	0	7
	Male	7	0	0	7	7
Sub Total	Female	139	6	131	7	144
	Male	101	1	138	7	146
Total		240	7	269	14	290

Table 3.13.2 Training provided for the period 1 April 2018 and 31 March 2019

Occupational category	Gender	Number of employees as at 1 April 2018	Training provided within the reporting period			
			Learnerships	Skills Programmes & other short courses	Other forms of training	Total
Legislators, senior officials and managers	Female		0		0	21
	Male	19	0	19	0	19
Professionals	Female	17	0	75	0	75
		24	1	63	0	64
Skilled technical & academically qualified workers, supervisors, foremen & superintendents Levels 9-10	Female	17	0	24	0	24
	Male	23	0	8	0	8
Semi-skilled discretionary decision making Levels 4-8	Female	79	0	40	0	40
	Male	28	0	8	0	8
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						
Unskilled & defined decision making Levels 2-3						
						0
Elementary occupations						0
						0
Interns						0
						0
Sub Total	Female					171
	Male					99
Total						270

Note: The total number of employees in the table above is more than the actual number of employees who are in the departmental establishment, because training interventions are counted per employee, per intervention. In this instance it is because some employees attended more than one training intervention, hence the 270 of the 135 total trained employees.



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 2018 and 31 March 2019

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

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:

- The rendering of expert advice;
- The drafting of proposals for the execution of specific tasks; and
- 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 2018 and 31 March 2019

Project title	Total number of consultants that worked on project	Duration (work days)	Contract value in Rand
Conducting of a Comprehensive Impact Assessment Study for the Tourism Sector in Mpumalanga Province	1	110	R 564 363
Development and Review of the Mpumalanga SMME Development Strategy and Its Implementation Plan	1	132	R 985 850
Development of Mpumalanga Integrated Airlift Strategy	1	132	R 632 500
Development of the Local Economic Development Strategy Framework	1	110	R1 564 920
Review of the Forestry Development Sector Plan	1	132	R 482 550
Total			R4 230 183

Total number of projects	Total individual consultants	Total duration Work days	Total contract value in Rand
5	5	616	R4 230 183



Table 3.15.2 Analysis of consultant appointments using appropriated funds, in terms of Historically Disadvantaged Individuals (HDIs) for the period 1 April 2018 and 31 March 2019

Project title	Percentage ownership by HDI groups	Percentage management by HDI groups	Number of consultants from HDI groups that work on the project
Conducting of a Comprehensive Impact Assessment Study for the Tourism Sector in Mpumalanga Province	43	43	1
Development and Review of the Mpumalanga SMME Development Strategy and Its Implementation Plan	100	100	1
Development of Mpumalanga Integrated Airlift Strategy	43	43	1
Development of the Local Economic Development Strategy Framework	100	100	1
Review of the Forestry Development Sector Plan	100	100	1

Table 3.15.3 Report on consultant appointments using Donor funds for the period 1 April 2018 and 31 March 2019

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

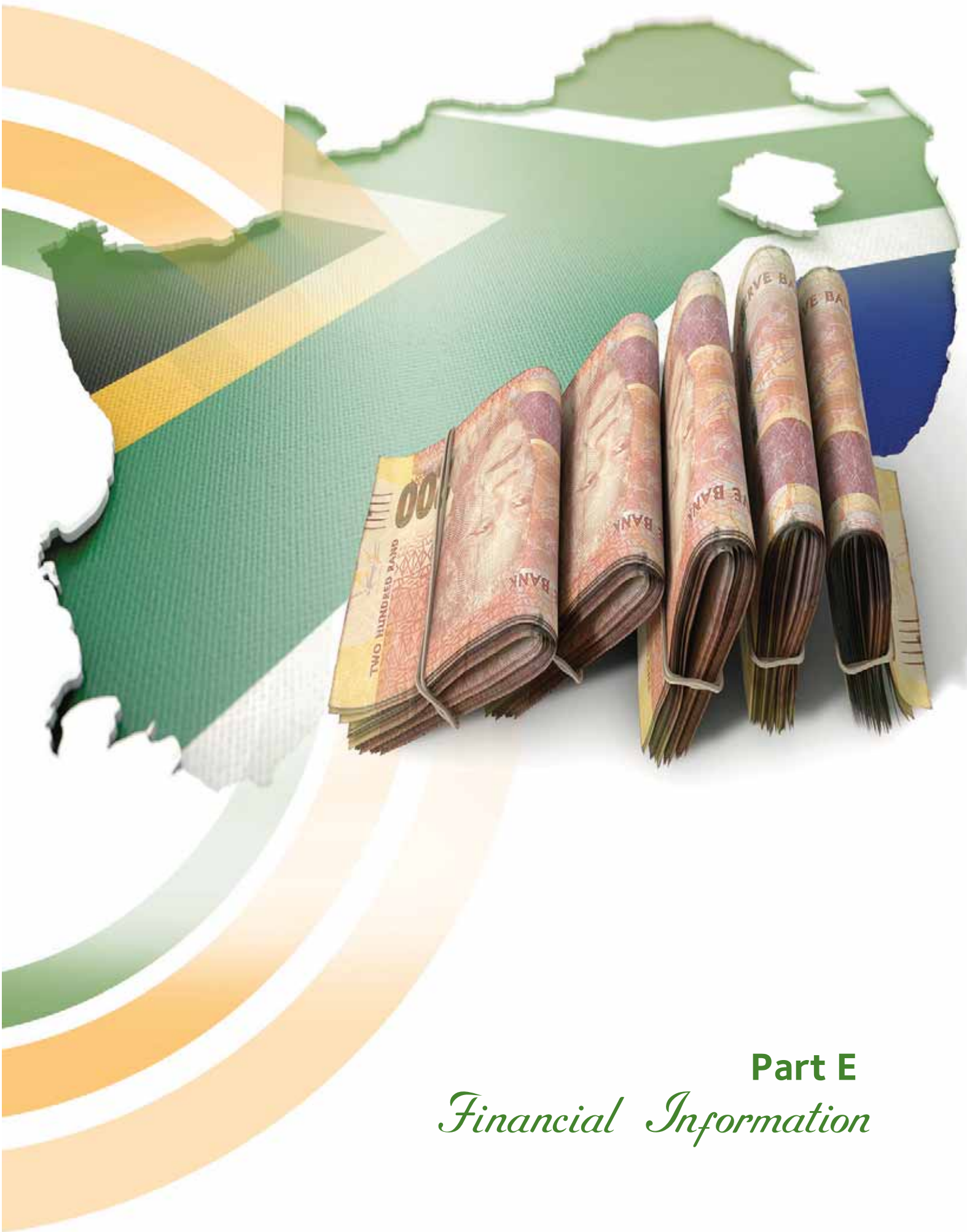
Table 3.15.4 Analysis of consultant appointments using Donor funds, in terms of Historically Disadvantaged Individuals (HDIs) for the period 1 April 2018 and 31 March 2019

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

Severance Packages

Table 3.16.1 Granting of employee initiated severance packages for the period 1 April 2018 and 31 March 2019

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 160 to 208, which comprise the appropriation statement, the statement of financial position as at 31 March 2019, the statement of financial performance, statement of changes in net assets and cash flow statement for the year then ended, as well as the notes to the financial statements, including a summary of significant accounting policies.
2. In my opinion, the financial statements present fairly, in all material respects, the financial position of the Department of Economic Development and Tourism as at 31 March 2019, and its financial performance and cash flows for the year then ended in accordance with the Modified Cash Standard (MCS) prescribed by the National Treasury and the requirements of the Public Finance Management Act of South Africa, 1999 (Act No. 1 of 1999) (PFMA) and the Division of Revenue Act of South Africa, 2018 (Act No. 1 of 2018) (Dora).

Basis for opinion

3. I conducted my audit in accordance with the International Standards on Auditing (ISAs). My responsibilities under those standards are further described in the auditor-general's responsibilities for the audit of the financial statements section of this auditor's report.
4. I am independent of the department in accordance with sections 290 and 291 of the International Ethics Standards Board for Accountants' Code of ethics for professional accountants and parts 1 and 3 of the International Ethics Standards Board for Accountants' International code of ethics for professional accountants (including International Independence Standards) (IESBA codes) as well as 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 codes.
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 not modified in respect of these matters.

Restatement of corresponding figures

7. As disclosed in note 28 to the financial statements, the corresponding figures for 2018 have been restated as a result of an error in the financial statements of the department at, and for the year ended, 31 March 2019.

Irregular expenditure

8. As disclosed in note 21 to the financial statements, the department incurred irregular expenditure of R40 668 000, as it did not follow a proper tender process.



9. As disclosed in note 21 to the financial statements, irregular expenditure of R49 545 000 incurred in previous years was still under investigation.

Fruitless and wasteful expenditure

10. As disclosed in note 22 to the financial statements, fruitless and wasteful expenditure of R3 936 000 incurred in previous years was still under investigation.

Responsibilities of the accounting officer for the financial statements

11. 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 PMFA 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.
12. 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 appropriate governance structure either intends to liquidate the department or to cease operations, or has no realistic alternative but to do so.

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

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

Report on the audit of the annual performance report

Introduction and scope

15. 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.
16. 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.
17. 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 2019:



Programmes	Pages in the annual performance report
Programme 2 – integrated economic development services	42 – 49
Programme 3 – trade and sector development	50 – 63
Programme 6 – tourism	85 – 88

18. I performed procedures to determine whether the reported performance information was properly presented and whether 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.
19. I did not raise any material findings on the usefulness and reliability of the reported performance information for the following programmes:
- Programme 2 – integrated economic development services
 - Programme 3 – trade and sector development
 - Programme 6 – tourism

Other matter

20. I draw attention to the matter below.

Achievement of planned targets

21. Refer to the annual performance report on pages 31 to 88 for information on the achievement of planned targets for the year and explanations provided for the under- or over achievement of a number of targets.

Report on the audit of compliance with legislation

Introduction and scope

22. 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.
23. The material findings on compliance with specific matters in key legislation are as follows:

Procurement and contract management

24. The bid documentation for the procurement of commodities designated for local content and production did not stipulate the minimum threshold for local production and content, as required by preferential procurement regulation 8(2) of 2017. Similar non-compliance was also reported in the prior year.

Expenditure management

25. Effective and appropriate steps were not taken to prevent irregular expenditure amounting to R40 668 000, as disclosed in note 21 to the financial statements, as required by section 38(1)(c)(ii) of the PFMA and treasury regulation 9.1.1.



Other information

26. The accounting officer 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 and those selected programmes presented in the annual performance report that have been specifically reported in this auditor's report.
27. 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.
28. 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 report, or my knowledge obtained in the audit, or otherwise appears to be materially misstated.
29. If, based on the work I have performed, I conclude that there is a material misstatement in this other information, I am required to report that fact.
30. I have nothing to report in this regard.

Internal control deficiencies

31. 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 on it. The matters reported below are limited to the significant internal control deficiencies that resulted in the findings on compliance with legislation included in this report.
32. Management did not regularly review non-compliance with laws and regulations.

Auditor - General

Mbombela

31 July 2019





Annexure – Auditor-general’s responsibility for the audit

1. As part of an audit in accordance with the ISAs, I exercise professional judgement and maintain professional scepticism throughout my audit of the financial statements, and the procedures performed on reported performance information for selected programmes and on the 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 as described in this auditor’s report, I also:
 - identify and assess the risks of material misstatement of the financial statements whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control
 - obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the 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 department’s ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor’s report to the related disclosures in the financial statements about the material uncertainty or, if such disclosures are inadequate, to modify the opinion on the financial statements. My conclusions are based on the information available to me at the date of this auditor’s report. However, future events or conditions may cause a department to cease continuing 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

Communication with those charged with governance

3. I communicate with the accounting officer regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.
4. I also 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 2019

Appropriation per programme									
2018/19								2017/18	
Programme	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	93,082	-	1,003	94,085	92,919	1,166	98.8	91,795	88,915
2. Integrated Economic Development	533,218	-	(566)	532,652	532,652	-	100	537,012	528,725
3. Trade and Sector Development	17,329	-	(598)	16,731	16,654	77	99.5	17,387	15,423
4. Business Regulation and Governance	114,434	-	45	114,479	114,405	74	99.9	103,589	103,041
5. Economic Planning	18,890	-	(33)	18,857	18,610	247	98.7	16,987	15,435
6. Tourism	383,499	-	149	383,648	383,648	-	100	358,722	358,308
Subtotal	1,160,452	-	-	1,160,452	1,158,888	1,564	99.9	1,125,492	1,109,847
Statutory Appropriation	-	-	-	-	-	-	-	-	-
TOTAL	1,160,452	-	-	1,160,452	1,158,888	1,564	99.9	1,125,492	1,109,847
TOTAL (brought forward)									
Reconciliation with statement of financial performance									
ADD									
Departmental receipts				129,424				123,114	
Actual amounts per statement of financial performance (total revenue)				1,289,876				1,248,606	
ADD									
Prior year unauthorised expenditure approved without funding									
Actual amounts per statement of financial performance (total expenditure)					1,158,888				1,109,847

APPROPRIATION STATEMENT

For the year ended 31 March 2019

Appropriation per economic classification									
2018/19								2017/18	
	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	216,088	-	(4)	216,084	215,277	807	99.6	201,877	186,498
Compensation of employees	137,556	-	-	137,556	137,269	287	99.8	129,412	128,335
Salaries and wages	115,769	-	604	116,373	118,865	(2,492)	102.1	110,870	111,474
Social contributions	21,787	-	(604)	21,183	18,404	2,779	86.9	18,542	16,861
Goods and services	78,532	-	(4)	78,528	78,008	520	99.3	72,465	58,163
Administrative fees	925	-	154	1,079	1,065	14	98.7	1,038	831
Advertising	825	-	480	1,305	1,234	71	94.6	1,602	1,455
Minor assets	597	-	(318)	279	152	127	54.5	423	356
Audit costs:									
External	4,981	-	(575)	4,406	4,406	-	100	3,935	3,935
Catering:									
Departmental activities	407	-	1,615	2,022	1,948	74	96.3	1,803	477
Communication	3,788	-	(1,027)	2,761	2,761	-	100	3,173	3,173
Computer services	675	-	(176)	499	488	11	97.8	654	614
Consultants:									
Business and advisory services	2,845	-	(424)	2,421	2,412	9	99.6	2,288	551
Legal services	-	-	390	390	390	-	100	2,427	2,427
Contractors	665	-	(624)	41	19	22	46.3	681	505
Agency and support / outsourced services	17,278	-	(2,534)	14,744	14,734	10	99.9	9,528	2,695
Fleet services	1,206	-	(200)	1,006	1,002	4	99.6	1,200	1,112
Inventory: Food and food supplies	229	-	(229)	-	-	-	-	66	-
Consumable supplies	834	-	559	1,393	1,422	(29)	102.1	790	856
Consumable:									
Stationery, printing and office supplies	1,650	-	(66)	1,584	1,521	63	96	1,499	1,508
Operating leases	20,688	-	71	20,759	20,759	-	100	20,562	20,101
Property payments	3,569	-	(60)	3,509	3,509	-	100	3,878	2,948
Travel and subsistence	14,090	-	2,918	17,008	16,986	22	99.9	13,486	12,339
Training and development	2,452	-	(239)	2,213	2,161	52	97.7	1,591	1,534
Operating payments	220	-	115	335	297	38	88.7	591	333
Venues and facilities	608	-	166	774	742	32	95.9	1,250	413
Transfers and subsidies	669,028	-	-	669,028	668,684	344	99.9	613,040	612,774
Provinces and municipalities	-	-	7	7	7	-	100	-	-
Departmental agencies and accounts	475,243	-	-	475,243	475,243	-	100	440,331	440,331
Public corporations and private enterprises	193,309	-	-	193,309	193,232	77	100	172,259	172,259
Public corporations	191,457	-	-	191,457	191,457	-	100	169,980	169,980
Private enterprises	1,852	-	-	1,852	1,775	77	95.8	2,279	2,279
Households	476	-	(7)	469	202	267	43.1	450	184
Payments for capital assets	275,336	-	-	275,336	274,923	413	99.9	310,575	310,575
Buildings and other fixed structures	271,488	-	-	271,488	271,488	-	100	307,000	307,000
Machinery and equipment	3,848	-	-	3,848	3,435	413	89.3	3,575	3,575
Transport equipment	1,390	-	(336)	1,054	653	401	62	1,330	1,330
Other machinery and equipment	2,458	-	336	2,794	2,782	12	99.6	2,245	2,245
Payment for financial assets			4	4	4	-	100	-	-
Total	1,160,452	-	-	1,160,452	1,158,888	1,564	99.9	1,125,492	1,109,847

APPROPRIATION STATEMENT

For the year ended 31 March 2019

PROGRAMME 1: ADMINISTRATION									
2018/19								2017/18	
	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	10,783	-	522	11,305	11,075	230	98	8,404	8,141
2. Senior Management (HOD)	7,943	-	(546)	7,397	7,360	37	99.5	10,464	8,251
3. Financial Management	39,294	-	371	39,665	39,154	511	98.7	36,900	36,762
4. Corporate Services	35,062	-	656	35,718	35,330	388	98.9	36,027	35,761
Total for sub programmes	93,082	-	1,003	94,085	92,919	1,166	98.8	91,795	88,915
Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments	88,758	-	1,070	89,828	89,342	486	99.5	87,770	85,156
Compensation of employees	61,620	-	1,727	63,347	63,347	-	100	60,635	60,635
Salaries and wages	53,698	-	1,033	54,731	54,731	-	100	53,144	52,851
Social contributions	7,922	-	694	8,616	8,616	-	100	7,491	7,784
Goods and services	27,138	-	(657)	26,481	25,995	486	98.2	27,135	24,521
Administrative fees	390	-	379	769	769	-	100	639	599
Advertising	655	-	23	678	607	71	89.5	813	666
Minor assets	586	-	(307)	279	152	127	54.5	400	356
Audit costs:									
External	4,981	-	(575)	4,406	4,406	-	100	3,935	3,935
Catering:									
Departmental activities	276	-	31	307	233	74	75.9	148	148
Communication	3,788	-	(1,029)	2,759	2,759	-	100	3,165	3,165
Computer services	244	-	(100)	144	133	11	92.4	152	147
Consultants:									
Business and advisory services	270	-	(29)	241	241	-	100	1,959	222
Legal fees	-	-	390	390	390	-	100	2,427	2,427
Contractors	431	-	(390)	41	19	22	46.3	589	505
Agency and support / outsourced services	905	-	(756)	149	139	10	93.3	334	134
Fleet services	1,206	-	(200)	1,006	1,002	4	99.6	1,200	1,112
Inventory: Food and food supplies	229	-	(229)	-	-	-	-	66	-
Consumable supplies	834	-	557	1,391	1,420	(29)	102.1	785	851
Consumable: Stationery, printing and office supplies	1,587	-	(30)	1,557	1,494	63	96	1,469	1,469
Property payments	-	-	37	37	37	-	100	20	20
Travel and subsistence	8,363	-	1,548	9,911	9,889	22	99.8	6,746	6,600
Training and development	1,802	-	(239)	1,563	1,511	52	96.7	1,534	1,534
Operating payments	168	-	117	285	247	38	86.7	263	253
Venues and facilities	423	-	145	568	547	21	96.3	491	378
Transfers and subsidies	476	-	(67)	409	142	267	34.7	450	184
Provinces and municipalities	-	-	7	7	7	-	100	-	-
Households	476	-	(74)	402	135	267	33.6	450	184
Payments for capital assets	3,848	-	-	3,848	3,435	413	89.3	3,575	3,575
Machinery and equipment	3,848	-	-	3,848	3,435	413	89.3	3,575	3,575
Total	93,082	-	1,003	94,085	92,919	1,166	98.8	91,795	88,915

APPROPRIATION STATEMENT

For the year ended 31 March 2019

1.1 Office of the MEC									
2018/19								2017/18	
	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	10,783	-	522	11,305	11,075	230	98	8,404	8,141
Compensation of employees	5,752	-	522	6,274	6,274	-	100	5,315	5,315
Salaries and wages	4,312	-	1,257	5,569	5,569	-	100	4,694	4,694
Social contributions	1,440	-	(735)	705	705	-	100	621	621
Goods and services	5,031	-	-	5,031	4,801	230	95.4	3,089	2,826
Total	10,783	-	522	11,305	11,075	230	98	8,404	8,141

1.2 Senior Management (HOD)									
2018/19								2017/18	
	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	7,943	-	(603)	7,340	7,303	37	99.5	10,352	8,139
Compensation of employees	6,152	-	(496)	5,656	5,656	-	100	6,657	6,657
Goods and services	1,791	-	(107)	1,684	1,647	37	97.8	3,695	1,482
Transfers and subsidies	-	-	57	57	57	-	100	112	112
Households	-	-	-	-	57	(57)	-	112	112
Total	7,943	-	(546)	7,397	7,360	37	99.5	10,464	8,251

1.3 Financial Management									
2018/19								2017/18	
	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	35,446	-	286	35,732	35,634	98	99.7	33,267	33,129
Compensation of employees	21,432	-	686	22,118	22,118	-	100	19,709	19,709
Goods and services	14,014	-	(400)	13,614	13,516	98	99.3	13,558	13,420
Transfers and subsidies	-	-	85	85	85	-	100	58	58
Provinces and municipalities	-	-	7	7	7	-	100	-	-
Households	-	-	78	78	78	-	100	58	58
Payments for capital assets	3,848	-	-	3,848	3,435	413	89.3	3,575	3,575
Machinery and equipment	3,848	-	-	3,848	3,435	413	89.3	3,575	3,575
Payments for financial assets	-	-	-	-	-	-	-	-	-
Total	39,294	-	371	39,665	39,154	511	98.7	36,900	36,762

APPROPRIATION STATEMENT

For the year ended 31 March 2019

1.4 Corporate Services									
2018/19								2017/18	
Economic classification	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
Current payments	34,586	-	865	35,451	35,330	121	99.7	35,747	35,747
Compensation of employees	28,284	-	1,015	29,299	29,299	-	100	28,954	28,954
Goods and services	6,302	-	(150)	6,152	6,031	121	98	6,793	6,793
Transfers and subsidies	476	-	(209)	267	-	267	-	280	14
Households	476	-	(209)	267	-	267	-	280	14
Total	35,062	-	656	35,718	35,330	388	98.9	36,027	35,761

APPROPRIATION STATEMENT

For the year ended 31 March 2019

PROGRAMME 2: INTEGRATED ECONOMIC DEVELOPMENT									
2018/19								2017/18	
	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	1,646	-	179	1,825	1,825	-	100.0%	1,622	1,622
2. Enterprise Development	487,839	-	(655)	487,184	487,184	-	100.0%	492,085	487,841
3. Local Econ. Empowerment	6,578	-	246	6,824	6,824	-	100.0%	5,946	5,928
4. Economic Empowerment	6,282	-	(116)	6,166	6,166	-	100.0%	5,242	3,955
5. Regional Director	30,873	-	(220)	30,653	30,653	-	100.0%	32,117	29,379
Total for sub programmes	533,218	-	(566)	532,652	532,652	-	100.0%	537,012	528,725
Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments	70,273	-	(637)	69,636	69,636	-	100.0%	60,032	51,745
Compensation of employees	28,869	-	(974)	27,895	27,895	-	100.0%	25,832	25,832
Salaries and wages	24,976	-	(765)	24,211	24,211	-	100.0%	22,230	22,374
Social contributions	3,893	-	(209)	3,684	3,684	-	100.0%	3,602	3,458
Goods and services	41,404	-	337	41,741	41,740	-	100.0%	34,200	25,913
Administrative fees	104	-	(16)	88	88	-	100.0%	58	58
Advertising	-	-	-	44	44	44	-	100.0%	-
Minor assets	-	-	-	-	-	-	100.0%	8	-
Catering: Dept. activities	107	-	1,564	1,671	1,671	-	100.0%	1,627	310
Communication (G&S)	-	-	-	-	-	-	100.0%	3	3
Consultants, Business and advisory services	-	-	175	175	175	-	100.0%	-	-
Agency and support / outsourced services	14,897	-	(1,964)	12,933	12,933	12,933	100.0%	4,682	246
Operating leases	20,688	-	71	20,759	20,759	-	100	20,562	20,101
Property payments	3,569	-	(97)	3,472	3,472	-	100	3,858	2,928
Travel and subsistence	1,962	-	524	2,486	2,485	-	100	2,614	2,196
Operating payments	52	-	(14)	38	38	-	100	310	62
Venues and facilities	25	-	50	75	75	-	100	478	9
Transfers and subsidies	191,457	-	67	191,524	191,524	-	100	169,980	169,980
Public corp. private enterprises	191,457	-	-	191,457	191,457	-	100	169,980	169,980
Public corporations	191,457	-	-	191,457	191,457	-	100	169,980	169,980
Households	-	-	67	67	67	-	-	-	-
Payments for capital assets	271,488	-	271,488	271,488	271,488	-	100	307,000	307,000
Buildings and other fixed structures	271,488	-	(271,488)	271,488	271,488	-	100	307,000	307,000
Payments for financial assets	-	-	4	4	4	-	-	-	-
Total	533,218	-	(566)	532,652	532,652	-	100	537,012	528,725

APPROPRIATION STATEMENT

For the year ended 31 March 2019

2.1 CD: Office Support									
2018/19								2017/18	
	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	1,646	-	179	1,825	1,825	-	100	1,622	1,622
Compensation of Employees	1,525	-	122	1,647	1,647	-	100	1,498	1,498
Goods and services	121	-	57	178	178	-	100	124	124
Total	1,646	-	179	1,825	1,825	-	100	1,622	1,622

2.2 Enterprise Development									
2018/19								2017/18	
	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	24,894	-	(669)	24,225	24,225	-	100	15,105	10,861
Compensation of Employees	10,861	-	(789)	10,072	10,072	-	100	9,503	9,503
Goods and services	14,033	-	120	14,153	14,153	-	100	5,602	1,358
Transfers and subsidies	191,457	-	14	191,471	191,471	-	100	169,980	169,980
Public corporations and private enterprises	191,457	-	-	191,457	191,457	-	100	169,980	169,980
Public corporations	191,457	-	-	191,457	191,457	-	100	169,980	169,980
Households	-	-	14	14	14	-	100	-	-
Payments for capital assets	271,488	-	-	271,488	271,488	-	100	307,000	307,000
Buildings and other fixed structures	271,488	-	-	271,488	271,488	-	100	307,000	307,000
Total	487,839	-	(655)	487,184	487,184	-	100	492,085	487,841

2.3 Local Economic Development									
2018/19								2017/18	
	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	6,578	-	193	6,771	6,771	-	100	5,946	5,928
Compensation of employees	6,215	-	156	6,371	6,371	-	100	5,580	5,580
Goods and services	363	-	37	400	400	-	100	366	348
Transfers and subsidies	-	-	53	53	53	-	-	-	-
Households	-	-	53	53	53	-	-	-	-
Total	6,578	-	246	6,824	6,824	-	100	5,946	5,928

2.4 Economic Empowerment									
2018/19								2017/18	
	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	6,282	-	(116)	6,166	6,166	-	100	5,242	3,955
Compensation of employees	3,951	-	(104)	3,847	3,847	-	100	3,516	3,516
Goods and services	2,331	-	(12)	2,319	2,319	-	100	1,726	439
Total	6,282	-	(116)	6,166	6,166	-	100	5,242	3,955

APPROPRIATION STATEMENT

For the year ended 31 March 2019

2.5 Regional Directors									
2018/19								2017/18	
Economic classification	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
Current payments	30,873	-	(224)	30,649	30,649	-	100	32,117	29,379
Compensation of employees	6,317	-	(359)	5,958	5,958	-	100	5,735	5,735
Goods and services	24,556	-	135	24,691	24,691	-	100	26,382	23,644
Payment for financial assets	-	-	4	4	4	-	100	-	-
Total	30,873	-	(220)	30,653	30,653	-	100	32,117	29,379

APPROPRIATION STATEMENT

For the year ended 31 March 2019

PROGRAMME 3: TRADE AND SECTOR DEVELOPMENT									
2018/19								2017/18	
	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	1,708	-	30	1,738	1,738	-	100	1,927	1,595
2. Trade and Investment Promotion	3,496	-	(3)	3,493	3,493	-	100	3,352	2,999
3. Sector Development	10,353	-	(636)	9,717	9,640	77	99.2	8,946	8,560
4. Strategic Initiatives	1,772	-	11	1,783	1,783	-	100	3,162	2,269
Total for sub programmes	17,329	-	(598)	16,731	16,654	77	99.5	17,387	15,423
Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments	15,477	-	(598)	14,879	14,879	-	100	15,108	13,144
Compensation of employees	12,284	-	(724)	11,560	11,560	-	100	10,788	10,788
Salaries and wages	10,720	-	(737)	9,983	9,983	-	100	9,540	9,316
Social contributions	1,564	-	13	1,577	1,577	-	100	1,248	1,472
Goods and services	3,193	-	126	3,319	3,319	-	100	4,320	2,356
Administrative fees	75	-	(22)	53	53	-	100	77	38
Advertising			2	2	2	-	100		
Minor assets	-	-	-	-	-	-	-	5	-
Catering: Departmental activities	-	-	5	5	5		100	13	13
Agency and support / outsourced services	846	-	115	961	961	-	100	2,358	1,019
Travel and subsistence	1,583	-	12	1,595	1,595	-	100	1,795	1,264
Training and development	650	-	-	650	650	-	100	-	-
Operating payments			12	12	12	-	100		
Venues and facilities	39	-	2	41	41	-	100	72	22
Transfers and subsidies	1,852			1,852	1,775	77	95.8	2,279	2,279
Municipalities		-	-		-	-	-	-	-
Public corporations and private enterprises	1,852	-	-	1,852	1,775	77	95.8	2,279	2,279
Total	17,329	-	(598)	16,731	16,654	77	99.5	17,387	15,423

3.1 CD: Office Support									
2018/19								2017/18	
	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	1,708	-	30	1,738	1,738	-	100	1,927	1,595
Compensation of employees	1,386	-	47	1,433	1,433	-	100	1,348	1,348
Goods and services	322	-	(17)	305	305	-	100	579	247
Total	1,708	-	30	1,738	1,738	-	100	1,927	1,595

APPROPRIATION STATEMENT

For the year ended 31 March 2019

3.2 Trade and Investment Promotion									
2018/19								2017/18	
	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	3,496	-	(3)	3,493	3,493	-	100	3,352	2,999
Compensation of employees	3,072	-	(107)	2,965	2,965	-	100	2,750	2,750
Goods and services	424	-	104	528	528	-	100	602	249
Total	3,496	-	(3)	3,493	3,493	-	100	3,352	2,999

3.3 Sector Development									
2018/19								2017/18	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments	8,501	-	(636)	7,865	7,865	-	100	6,667	6,281
Compensation of employees	6,631	-	(669)	5,962	5,962	-	100	5,606	5,606
Goods and services	1,870	-	33	1,903	1,903	-	100	1,061	675
Transfers and subsidies	1,852	-	-	1,852	1,775	77	95.8	2,279	2,279
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Private enterprises	1,852	-	-	1,852	1,775	77	95.8	2,279	2,279
Total	10,353	-	(636)	9,717	9,640	77	99.2	8,946	8,560

3.4 Strategic Initiatives									
2018/19								2017/18	
	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	1,772	-	11	1,783	1,783	-	100	3,162	2,269
Compensation of employees	1,195	-	5	1,200	1,200	-	100	1,084	1,084
Goods and services	577	-	6	583	583	-	101	2,078	1,185
Total	1,772	-	11	1,783	1,783	-	100	3,162	2,269

APPROPRIATION STATEMENT

For the year ended 31 March 2019

PROGRAMME 4: BUSINESS REGULATION AND GOVERNANCE									
2018/19								2017/18	
	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	1,578	-	-	1,578	1,704	(126)	108	1,601	1,528
2. Consumer Protection	12,103	-	(72)	12,031	11,875	156	98.7	11,393	11,287
3. Regulation Services	100,753	-	117	100,870	100,826	44	100	90,595	90,226
Total for sub programmes	114,434	-	45	114,479	114,405	74	99.9	103,589	103,041
Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments	18,124	-	45	18,169	18,095	74	99.6	17,403	16,855
Compensation of employees	16,513	-	-	16,513	16,439	74	99.6	15,227	14,858
Salaries and wages	11,261	-	-	11,261	14,176	(2,915)	125.9	11,981	12,768
Social contributions	5,252	-	(365)	4,887	2,263	2,624	46.3	3,246	2,090
Goods and services	1,611	-	45	1,656	1,656	-	100	2,176	1,997
Administrative fees	120	-	(55)	65	65	-	100	67	62
Advertising	170	-	411	581	581	-	100	789	789
Catering: Departmental activities	24	-	(22)	2	2	-	100	-	-
Consultants: Business and advisory services	350	-	(287)	63	63	-	100	329	329
Consumable supplies	-	-	2	2	2	-	100	5	5
Travel and subsistence	922	-	(6)	916	916	-	100	848	794
Operating payments	-	-	-	-	-	-	-	18	18
Venues and facilities	25	-	2	27	27	-	100	120	-
Transfers and subsidies	96,310	-	-	96,310	96,310	-	100	86,186	86,186
Departmental agencies and accounts	96,310	-	-	96,310	96,310	-	100	86,186	86,186
Total	114,434	-	45	114,479	114,405	74	99.9	103,589	103,041

APPROPRIATION STATEMENT

For the year ended 31 March 2019

4.1 CD: Office Support									
2018/19								2017/18	
	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	1,578	-	-	1,578	1,704	(126)	108	1,601	1,528
Compensation of employees	1,385	-	-	1,385	1,511	(126)	109.1	1,364	1,364
Goods and services	193	-	-	193	193	-	100	237	164
Total	1,578	-	-	1,578	1,704	(126)	108	1,601	1,528

4.2 Consumer Protection									
2018/19								2017/18	
	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	12,103	-	(72)	12,031	11,875	156	98.7	11,393	11,287
Compensation of employees	10,916	-	-	10,916	10,760	156	98.6	9,749	9,749
Goods and services	1,187	-	(72)	1,115	1,115	-	100	1,644	1,538
Total	12,103	-	(72)	12,031	11,875	156	98.7	11,393	11,287

4.3 Regulation Services									
2018/19								2017/18	
	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	4,443	-	117	4,560	4,516	44	99	4,409	4,040
Compensation of employees	4,212	-	-	4,212	4,168	44	99	4,114	3,745
Goods and services	231	-	117	348	348	-	100	295	295
Transfers and subsidies	96,310	-	-	96,310	96,310	-	100	86,186	86,186
Departmental agencies and accounts	96,310	-	-	96,310	96,310	-	100	86,186	86,186
Total	100,753	-	117	100,870	100,826	44	100	90,595	90,226



PROGRAMME 5: ECONOMIC PLANNING									
2018/19								2017/18	
	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	1,687	-	125	1,812	1,812	-	100	1,692	1,562
2. Economic Policy and Planning	3,722	-	(312)	3,410	3,401	9	99.7	3,512	2,901
3. Research & Development	1,210	-	10	1,220	1,220	-	100	1,351	1,041
4. Knowledge Management	4,514	-	192	4,706	4,706	-	100	3,741	3,421
5. Monitoring and Evaluation	2,698	-	105	2,803	2,803	-	100	2,284	2,229
6. Economic Analysis	5,059	-	(153)	4,906	4,668	238	95.1	4,407	4,281
Total for sub programmes	18,890	-	(33)	18,857	18,610	247	98.7	16,987	15,435
Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments	18,890	-	(33)	18,857	18,610	247	98.7	16,987	15,435
Compensation of employees	14,732	-	(33)	14,699	14,486	213	98.6	13,613	13,041
Salaries and wages	12,249	-	487	12,736	12,678	58	99.5	11,150	11,400
Social contributions	2,483	-	(520)	1,963	1,808	155	92.1	2,463	1,641
Goods and services	4,158	-	-	4,158	4,124	34	99.2	3,374	2,394
Administrative fees	236	-	(169)	67	53	14	79.1	197	52
Minor assets	11	-	(11)	-	-	-	-	10	-
Catering: Departmental activities	-	-	17	17	17	-	100	15	6
Communication	-	-	2	2	2	-	100	5	5
Computer services	431	-	(76)	355	355	-	100	502	467
Consultants : Business and advisory services	2,169	-	(283)	1,886	1,877	9	99.5	-	-
Contractors	234	-	(234)	-	-	-	-	92	-
Agency and support / outsourced services	-	-	354	354	354	-	100	1,154	710
Consumables; Stationery, printing and office supplies	63	-	(36)	27	27	-	100	30	39
Travel and subsistence	985	-	402	1,387	1,387	-	100	1,223	1,111
Training and development	-	-	-	-	-	-	-	57	-
Venues and facilities	29	-	34	63	52	11	82.5	-	-
Total	18,890	-	(33)	18,857	18,610	247	98.7	16,987	15,435

APPROPRIATION STATEMENT

For the year ended 31 March 2019

5.1 CD: Office Support									
2018/19								2017/18	
	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	1,687	-	125	1,812	1,812	-	100	1,692	1,562
Compensation of employees	1,471	-	82	1,553	1,553	-	100	1,511	1,418
Goods and services	216	-	43	259	259	-	100	181	144
Total	1,687	-	125	1,812	1,812	-	100	1,692	1,562

5.2 Economic Policy and Planning									
2018/19								2017/18	
	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	3,722	-	(312)	3,410	3,401	9	99.7	3,512	2,901
Compensation of employees	2,526	-	(219)	2,307	2,307	-	100	2,397	2,191
Goods and services	1,196	-	(93)	1,103	1,094	9	99.2	1,115	710
Total	3,722	-	(312)	3,410	3,401	9	99.7	3,512	2,901

5.3 Research and Development									
2018/19								2017/18	
	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	1,210	-	10	1,220	1,220	-	100	1,351	1,041
Compensation of employees	748	-	34	782	782	-	100	727	727
Goods and services	462	-	(24)	438	438	-	100	624	314
Total	1,210	-	10	1,220	1,220	-	100	1,351	1,041

5.4 Knowledge Management									
2018/19								2017/18	
	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	4,514	-	192	4,706	4,706	-	100	3,741	3,421
Compensation of employees	3,005	-	163	3,168	3,168	-	100	3,121	2,848
Goods and services	1,509	-	29	1,538	1,538	-	100	620	573
Total	4,514	-	192	4,706	4,706	-	100	3,741	3,421

APPROPRIATION STATEMENT

For the year ended 31 March 2019

5.5 Monitoring and Evaluation									
2018/19								2017/18	
	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	2,698	-	105	2,803	2,803	-	100	2,284	2,229
Compensation of employees	2,382	-	60	2,442	2,442	-	100	2,009	2,009
Goods and services	316	-	45	361	361	-	100	275	220
Total	2,698	-	105	2,803	2,803	-	100	2,284	2,229

5.6 Economic Analysis									
2018/19								2017/18	
	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	5,059	-	(153)	4,906	4,668	238	95.1	4,407	4,281
Compensation of employees	4,600	-	(153)	4,447	4,234	213	95.2	3,848	3,848
Goods and services	459	-	-	459	434	25	94.6	559	433
Total	5,059	-	(153)	4,906	4,668	238	95.1	4,407	4,281

APPROPRIATION STATEMENT

For the year ended 31 March 2019

PROGRAMME 6: TOURISM									
2018/19								2017/18	
	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	383,499	-	149	383,648	383,648	-	100	358,722	358,308
Total for sub programmes	383,499	-	149	383,648	383,648	-	100	358,722	358,308
Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments	4,566	-	149	4,715	4,715	-	100	4,577	4,163
Compensation of employees	3,538	-	4	3,542	3,542	-	100	3,317	3,181
Salaries and wages	2,865	-	221	3,086	3,086	-	100	2,825	2,765
Social contributions	673	-	(217)	456	456	-	100	492	416
Goods and services	1,028	-	145	1,173	1,173	-	100	1,260	982
Administrative fees	-	-	37	37	37	-	100	-	22
Catering; Departmental activities	-	-	20	20	20	-	100	-	-
Consultants: Business and advisory services	56	-	-	56	56	-	100	-	-
Agency and support / outsourced services	630	-	(283)	347	347	-	100	1,000	586
Travel and subsistence	275	-	438	713	713	-	100	260	374
Transfers and subsidies	378,933	-	-	378,933	378,933	-	100	354,145	354,145
Departmental agencies and accounts	378,933	-	-	378,933	378,933	-	100	354,145	354,145
Total	383,499	-	149	383,648	383,648	-	100	358,722	358,308

6.1 Tourism									
2018/19								2017/18	
	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	4,566	-	149	4,715	4,715	-	100	4,577	4,163
Compensation of employees	3,538	-	4	3,542	3,542	-	100	3,317	3,181
Goods and services	1,028	-	145	1,173	1,173	-	100	1,260	982
Transfers and subsidies	378,933	-	-	378,933	378,933	-	100	354,145	354,145
Departmental agencies and accounts	378,933	-	-	378,933	378,933	-	100	354,145	354,145
Total	383,499	-	149	383,648	383,648	-	100	358,722	358,308

NOTES TO THE APPROPRIATION STATEMENT

For the year ended 31 March 2019

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

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

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

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

3. Detail on payments for financial assets

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

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

4.1 Per programme	Final Appropriation	Actual Expenditure	Variance	Variance as a % of Final Appropriation
	R'000	R'000	R'000	%
Administration	94,085	92,919	1,166	1.2
Integrated Economic Development	532,652	532,652	-	-
Trade and Sector Development	16,731	16,654	77	0.5
Business Regulation and Governance	114,479	114,405	74	0.1
Economic Planning	18,857	18,610	247	1.3
Tourism	383,648	383,648	-	-

4.2 Per economic classification	Final Appropriation	Actual Expenditure	Variance	Variance as a % of Final Appropriation
	R'000	R'000	R'000	%
Current payments				
Compensation of employees	137,556	137,269	287	0.2
Goods and services	78,528	78,008	520	0.7
Transfers and subsidies				
Provincial and municipalities	7	7	-	-
Departmental agencies and accounts	475,243	475,243	-	-
Public corporations and private enterprises	193,309	193,232	77	-
Households	469	202	267	56.9
Payments for capital assets				
Buildings and other fixed structures	271,488	271,488	-	-
Machinery and equipment	3,848	3,435	413	10.7
Payment for financial assets	4	4	-	-



NOTES TO THE APPROPRIATION STATEMENT

For the year ended 31 March 2019

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)	3,259	3,259	-	-

TRANSFERS AND SUBSIDIES

- The underspending under transfers and subsidies is a result of budgeted funds linked to Programme 1 for leave gratuities which is needs based since it is payable on resignation or if an official is deceased.

PAYMENTS FOR CAPITAL ASSETS

- The underspending under capital assets, also in Programme 1 is as a result of a payment that was rejected by system on the last day and could not be accounted as expenditure at year end. However the payment is accounted for under accruals and was subsequently paid in April 2019.

STATEMENT OF FINANCIAL PERFORMANCE

For the year ended 31 March 2019

	Note	2018/19 R'000	2017/18 R'000
REVENUE			
Annual appropriation	1	1,160,452	1,125,492
Departmental revenue	2	129,424	123,114
TOTAL REVENUE		1,289,876	1,248,606
EXPENDITURE			
Current expenditure			
Compensation of employees	3	137,269	128,335
Goods and services	4	78,008	58,163
Total current expenditure		215,277	186,498
Transfers and subsidies			
Transfers and subsidies	6	668,684	612,774
Total transfers and subsidies		668,684	612,774
Expenditure for capital assets			
Tangible assets	7	274,923	310,575
Total expenditure for capital assets		274,923	310,575
Payments for financial assets	5	4	-
TOTAL EXPENDITURE		1,158,888	1,109,847
SURPLUS/(DEFICIT) FOR THE YEAR		130,988	138,759
Reconciliation of Net Surplus/(Deficit) for the year			
Voted funds		1,564	15,645
Annual appropriation		1,564	15,645
Departmental revenue and NRF Receipts	11	129,424	123,114
SURPLUS/(DEFICIT) FOR THE YEAR		130,988	138,759

STATEMENT OF FINANCIAL POSITION

For the year ended 31 March 2019

	Note	2018/19 R'000	2017/18 R'000
ASSETS			
Current assets		2,732	24,667
Cash and cash equivalents	8	2,721	24,652
Receivables	9	11	15
Non- Current assets		122	143
Receivables	9	122	143
TOTAL ASSETS		2,854	24,810
LIABILITIES			
Current liabilities		2,849	24,790
Voted funds to be surrendered to the Revenue Fund	10	1,564	15,645
Departmental revenue and NRF Receipts to be surrendered to the Revenue Fund	11	1,201	7,637
Payables	12	84	1,508
TOTAL LIABILITIES		2,849	24,790
NET ASSETS		5	20
Represented by:			
Recoverable revenue		5	20
TOTAL		5	20



STATEMENT OF CHANGES IN NET ASSETS

For the year ended 31 March 2019

	Note	2018/19 R'000	2017/18 R'000
Recoverable revenue			
Opening balance		20	21
Transfers:		(15)	(1)
Irrecoverable amounts written off			-
Debts recovered (included in departmental receipts)		(15)	(15)
Debts raised		-	14
Closing balance		5	20
TOTAL		5	20

CASH FLOW STATEMENT

For the period ended 31 March 2019

	Note	2018/19 R'000	2017/18 R'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts		1,289,779	1,248,432
Annual appropriated funds received	1.1	1,160,452	1,125,492
Departmental revenue received	2	126,754	120,733
Interest received	2.2	2,573	2,207
Net (increase)/decrease in working capital		(1,399)	1,791
Surrendered to Revenue Fund		(151,505)	(119,288)
Current payments		(215,277)	(186,498)
Payments for financial assets		(4)	-
Transfers and subsidies paid		(668,684)	(612,774)
Net cash flow available from operating activities	13	252,910	331,663
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for capital assets	7	(274,923)	(310,575)
Proceeds from sale of capital assets	2.3	97	174
Net cash flows from investing activities		(274,826)	(310,401)
CASH FLOWS FROM FINANCING ACTIVITIES			
Increase/(decrease) in net assets		(15)	(1)
Net cash flows from financing activities		(15)	(1)
Net increase/(decrease) in cash and cash equivalents		(21,931)	21,261
Cash and cash equivalents at beginning of period		24,652	3,391
Cash and cash equivalents at end of period	14	2,721	24,652

PART A: ACCOUNTING POLICIES

Summary of significant accounting policies

The financial statements have been prepared in accordance with the following policies, which have been applied consistently in all material aspects, unless otherwise indicated. Management has concluded that the financial statements present fairly the department's primary and secondary information.

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

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

1. Basis of preparation

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

2. Going concern

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

3. Presentation currency

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

4. Rounding

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

5. Foreign currency translation

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

6. Comparative information

6.1 Prior period comparative information

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

6.2 Current year comparison with budget

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

7. Revenue

7.1 Appropriated funds

Appropriated funds comprises of departmental allocations as well as direct charges against the revenue fund (i.e. statutory appropriation). Appropriated funds are recognised in the statement of financial performance on the date the appropriation becomes effective. Adjustments made in terms of the adjustments budget process are recognised in the statement of financial performance on the date the adjustments become effective.

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.



NOTES TO THE ANNUAL FINANCIAL STATEMENTS

For the year ended 31 March 2019

7.3 Accrued departmental revenue

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

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

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

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

Write-offs are made according to the department's debt write-off policy

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 Accruals and payables not recognised

Accruals and payables not recognised are recorded in the notes to the financial statements at cost at the reporting date.

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 asset.

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

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



NOTES TO THE ANNUAL FINANCIAL STATEMENTS

For the year ended 31 March 2019

16. Capital Assets

16.1 Immovable capital assets

Immovable assets reflected in the asset register of the department are recorded in the notes to the financial statements at cost or fair value where the cost cannot be determined reliably. Immovable assets acquired in a non-exchange transaction are recorded at fair value at the date of acquisition. Immovable assets are subsequently carried in the asset register at cost and are not currently subject to depreciation or impairment.

Subsequent expenditure of a capital nature forms part of the cost of the existing asset when ready for use.

Additional information on immovable assets not reflected in the assets register is provided in the notes to financial statements.

16.2 Movable capital assets

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

Where the cost of movable capital assets cannot be determined 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 forms part of the cost of the existing asset when ready for use.

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 of a capital nature forms part of the cost of the existing asset when ready for use.

16.4 Project Costs: Work-in-progress

Expenditure of a capital nature is initially recognised in the statement of financial performance at cost when paid.

Amounts paid towards capital projects are separated from the amounts recognised and accumulated in work-in-progress until the underlying asset is ready for use. Once ready for use, the total accumulated payments are recorded in an asset register. Subsequent payments to complete the project are added to the capital asset in the asset register.

Where the department is not the custodian of the completed project asset, the asset is transferred to the custodian subsequent to completion.

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 (other than for transfers and subsidies) 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 the Provincial Legislature with funding and the related funds are received; or
- approved by 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.



NOTES TO THE ANNUAL FINANCIAL STATEMENTS

For the year ended 31 March 2019

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

The department is party to a principal-agent arrangement for [include details here]. In terms of the arrangement the department is the [principal / agent] and is responsible for [include details here]. All related revenues, expenditures, assets and liabilities have been recognised or recorded in terms of the relevant policies listed herein. Additional disclosures have been provided in the notes to the financial statements where appropriate.

24. Departures from the MCS requirements

Management has concluded that the financial statements present fairly the department's primary and secondary information; that 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 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 Minister/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. Inventories

At the date of acquisition, inventories are recognised at cost in the statement of financial performance.

Where inventories are acquired as part of a non-exchange transaction, the inventories are measured at fair value as at the date of acquisition.

Inventories are subsequently measured at the lower of cost and net realisable value or where intended for distribution (or consumed in the production of goods for distribution) at no or a nominal charge, the lower of cost and current replacement value.

The cost of inventories is assigned by using the weighted average cost basis.

29. 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.

30. Employee benefits

The value of each major class of employee benefit obligation (accruals, payables not recognised and provisions) is disclosed in the Employee benefits note.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

For the year ended 31 March 2019

PART B: EXPLANATORY NOTES

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:

	2018/19			2017/18	
	Final Appropriation R'000	Actual Funds Received R'000	Funds not requested/not received R'000	Final Appropriation R'000	Appropriation received R'000
Administration	94,085	94,085	-	91,795	91,795
Integrated Economic Development	532,652	532,652	-	537,012	537,012
Trade and Sector Development	16,731	16,731	-	17,387	17,387
Business Regulation	114,479	114,479	-	103,589	103,589
Economic Planning	18,857	18,857	-	16,987	16,987
Tourism	383,648	383,648	-	358,722	358,722
Total	1,160,452	1,160,452	-	1,125,492	1,125,492

1.2 Conditional grants

	Note	2018/19 R'000	2017/18 R'000
Total grants received	29	3,259	3,505

The amount of R3 259 000 relates to Extended Public Works Programme (EPWP) of which R1 000 000 was appropriated under MEGA and R2 259 000 under MTPA respectively. An amount of R1 000 000 has been transferred to MEGA and R2 259 000 to MTPA respectively during the year under review.

2. Departmental revenue

	Note	2018/19 R'000	2017/18 R'000
Tax revenue		126,622	111,564
Sales of goods and services other than capital assets	2.1	114	108
Interest, dividends and rent on land	2.2	2,573	2,207
Sales of capital assets	2.3	97	174
Transactions in financial assets and liabilities	2.4	18	9,061
Total revenue collected		129,424	123,114
Departmental revenue collected		129,424	123,114

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

For the year ended 31 March 2019

2.1 Sales of goods and services other than capital assets

	Note	2018/19	2017/18
	2	R'000	R'000
Sales of goods and services produced by the department		114	108
Sales by market establishment		114	108
Total		114	108

2.2 Interest, dividends and rent on land

	Note	2018/19	2017/18
	2	R'000	R'000
Interest (PMG Account)		2,573	2,207
Total		2,573	2,207

2.3 Sale of capital assets

	Note	2018/19	2017/18
	2	R'000	R'000
Tangible assets		97	174
Proceed from Sale of Machinery and equipment		97	174
Total		97	174

2.4 Transactions in financial assets and liabilities

	Note	2018/19	2017/18
	2	R'000	R'000
Other Receipts including Recoverable Revenue		18	9,061
Total		18	9,061

Other receipts are amounts related to previous financial year expenditure as well as Dept. debt amounts recovered through Persal deductions.

3. Compensation of employees

3.1 Salaries and Wages

	Note	2018/19	2017/18
		R'000	R'000
Basic salary		93,007	88,837
Performance award		2,429	1,002
Service Based		217	117
Compensative/circumstantial		3,022	1,992
Other non-pensionable allowances		20,189	19,524
Total		118,864	111,472

Other non-pensionable allowances include among others subsidized vehicles, service bonuses and housing allowances.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

For the year ended 31 March 2019

3.2 Social contributions

Employer contributions

Pension

Medical

Bargaining council

Total

Total compensation of employees

Average number of employees

Note	2018/19	2017/18
	R'000	R'000
	12,391	11,317
	5,994	5,527
	20	19
	18,405	16,863
	137,269	128,335
	219	240

4. Goods and services

Administrative fees

Advertising

Minor assets

Catering

Communication

Computer services

Legal services

Contractors

Consultants: Business and advisory services

Agency and support / outsourced services

Audit cost – external

Fleet services

Consumables

Operating leases

Property payments

Travel and subsistence

Venues and facilities

Training and development

Other operating expenditure

Total

Note	2018/19	2017/18
	R'000	R'000
	1,065	832
	1,233	1,455
4.1	152	356
	1,947	479
	2,761	3,173
4.2	488	615
	390	2,427
	18	505
	2,413	551
	14,735	2,695
4.3	4,406	3,935
	1,002	1,113
4.4	2,943	2,363
	20,760	20,101
4.5	3,509	2,947
4.6	16,987	12,336
	741	413
	2,161	1,534
4.7	297	333
	78,008	58,163

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

For the year ended 31 March 2019

4.1 Minor assets

	Note	2018/19	2017/18
	4	R'000	R'000
Tangible assets		152	356
Machinery and equipment		152	356
Total		152	356

The difference between total minor assets above and the total additions under note 25.4 is because of minor assets amounting to R104 000 which were received at year end of 2018/19 but the payment was made in the next financial year (2019/20).

4.2 Computer services

	Note	2018/19	2017/18
	4	R'000	R'000
SITA computer services		133	148
External computer service providers		355	467
Total		488	615

4.3 Audit cost – External

	Note	2018/19	2017/18
	4	R'000	R'000
Regularity audits		4,406	3,935
Total		4,406	3,935

4.4 Consumables

	Note	2018/19	2017/18
	4	R'000	R'000
Consumable supplies		1,503	856
Uniform and clothing		183	161
Household supplies		1,144	678
IT consumables		95	17
Other consumables		81	-
Stationery, printing and office supplies		1,440	1,507
Total		2,943	2,363

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

For the year ended 31 March 2019

4.5 Property payments

	Note	2018/19	2017/18
		R'000	R'000
Municipal services	4	2,316	2,457
Property management fees		19	20
Other		1,174	470
Total		3,509	2,947

Other property payments above relates to cleaning services in buildings utilized by the Department for the Regional offices.

4.6 Travel and subsistence

	Note	2018/19	2017/18
		R'000	R'000
Local	4	16,707	12,297
Foreign		280	39
Total		16,987	12,336

4.7 Other operating expenditure

	Note	2018/19	2017/18
		R'000	R'000
Professional bodies, membership and subscription fees	4	2	2
Other		295	331
Total		297	333

Other operating expenditure includes insurance payment for subsidized motor vehicles and Executive motor vehicle amounting to R264 000 and R31 000 for the printing of publications.

5. Payments for financial assets

	Note	2018/19	2017/18
		R'000	R'000
Debts written off	5.1	4	-
Total		4	-

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

For the year ended 31 March 2019

5.1 Debts written off

	Note	2018/19	2017/18
	5	R'000	R'000
Nature of debts written off			
Recoverable revenue written off			
Staff debt		4	-
Total		4	-
Total debt written off		4	-

6. Transfers and subsidies

	Note	2018/19	2017/18
		R'000	R'000
Provinces and municipalities	Annex 1	7	-
Departmental agencies and accounts	Annex 2	475,243	440,331
Public corporations and private enterprises	Annex 3	193,232	172,259
Households	Annex 4	202	184
Total		668,684	612,774

7. Expenditure for capital assets

	Note	2018/19	2017/18
		R'000	R'000
Tangible assets		274,923	310,575
Buildings and other fixed structures	27	271,488	307,000
Machinery and equipment	25	3,435	3,575
Total		274,923	310,575

7.1 Analysis of funds utilised to acquire capital assets – 2018/19

	Voted funds	Aid assistance	Total
	R'000	R'000	R'000
Tangible assets	274,923	-	274,923
Buildings and other fixed structures	271,488	-	271,488
Machinery and equipment	3,435	-	3,435
Total	274,923	-	274,923

7.2 Analysis of funds utilised to acquire capital assets – 2017/18

	Voted funds	Aid assistance	Total
	R'000	R'000	R'000
Tangible assets	310,575	-	310,575
Buildings and other fixed structures	307,000	-	307,000
Machinery and equipment	3,575	-	3,575
Total	310,575	-	310,575

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

For the year ended 31 March 2019

8. Cash and cash equivalents

	Note	2018/19	2017/18
		R'000	R'000
Consolidated Paymaster General Account		2,721	24,652
Total		2,721	24,652

9. Receivables

		2018/19			2017/18		
		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	11	122	133	15	143	158
Total		11	122	133	15	143	158

9.1 Staff debt

	Note	2018/19	2017/18
	9	R'000	R'000
Water and Rent		16	22
Tax debt		-	4
Salary reversal control		9	9
Sal deduction acc.		1	1
Scopa Resolution		51	51
Salary reversal		51	51
Departmental debt		-	9
Salary overpayment		5	11
Total		133	158

10. Voted funds to be surrendered to the Revenue Fund

	Note	2018/19	2017/18
		R'000	R'000
Opening balance		15,645	3,573
Prior period error			
As restated		15,645	3,573
Transfer from statement of financial performance (as restated)		1,564	15,645
Paid during the year		(15,645)	(3,573)
Closing balance		1,564	15,645

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

For the year ended 31 March 2019

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

	Note	2018/19	2017/18
		R'000	R'000
Opening balance		7,637	238
Prior period error			
As restated		7,637	238
Transfer from Statement of Financial Performance (as restated)		129,424	123,114
Paid during the year		(135,860)	(115,715)
Closing balance		1,201	7,637

12. Payables – current

	Note	2018/19	2017/18
		R'000	R'000
Other payables	12.1	84	1,508
Total		84	1,508

12.1 Other payables

	Note	2018/19	2017/18
		R'000	R'000
Sal: Income Tax : CL		84	1,343
Sal: Pension Fund : CL		-	165
Total		84	1,508

13. Net cash flow available from operating activities

	Note	2018/19	2017/18
		R'000	R'000
Net surplus/(deficit) as per Statement of Financial Performance		130,988	138,759
Add back non cash/cash movements not deemed operating activities		121,922	192,904
(Increase)/decrease in receivables – current		25	284
Increase/(decrease) in payables – current		(1,424)	1,507
Proceeds from sale of capital assets		(97)	(174)
Expenditure on capital assets		274,923	310,575
Surrenders to Revenue Fund		(151,505)	(119,288)
Net cash flow generated by operating activities		252,910	331,663

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

	Note	2018/19	2017/18
		R'000	R'000
Consolidated Paymaster General account		2,721	24,652
Total		2,721	24,652

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

For the year ended 31 March 2019

15. Contingent liabilities and contingent assets

15.1 Contingent liabilities

	Note	2018/19	2017/18
		R'000	R'000
Liable to	Nature		
Housing loan guarantees	Employees	Annex 6	84
Claims against the department		Annex 5	3,066
Intergovernmental payables (unconfirmed balances)		Annex 7	107
Total		3,257	3,642

The timing and the extent of payments in respect of Claims against the department are dependent on legal processes currently underway, and beyond the control of the department.

16. Commitments

	Note	2018/19	2017/18
		R'000	R'000
Current expenditure			
Approved and contracted		771	4,501
		771	4,501
Total Commitments		771	4,501

None of the commitments are for longer than a year.

17. Accruals and payables not recognised

17.1 Accruals

	30 Days	30+ Days	2018/19	2017/18
			R'000	R'000
Listed by economic classification			Total	Total
Goods and services	2,856	1,705	4,561	1,290
Total	2,856	1,705	4,561	1,290

	Note	2018/19	2017/18
		R'000	R'000
Listed by programme level			
Programme 1: Administration		1,860	1,039
Programme 2: Integrated Economic Development		2,575	59
Programme 3: Trade and Sector Development		39	114
Programme 4: Business Regulation		48	26
Programme 5: Economic Planning		30	35
Programme 6: Tourism		9	17
Total		4,561	1,290

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

For the year ended 31 March 2019

17.2 Payables not recognized

			2018/19	2017/18
			R'000	R'000
Listed by economic classification				
	30 Days	30+ Days	Total	Total
Goods and services	11,270	915	12,185	324
Capital assets	346	-	346	-
Total	11,616	915	12,531	324

		2018/19	2017/18
		R'000	R'000
Listed by programme level			
Programme 1: Administration		12,531	324
Total		12,531	324

		2018/19	2017/18
		R'000	R'000
Included in the above totals are the following:			
Confirmed balances with other departments	Annex 7	116	218
Confirmed balances with other government entities	Annex 7	103	-
Total		219	218

18. Employee benefits

Accruals

		2018/19	2017/18
		R'000	R'000
Leave entitlement		7,071	6,325
Service bonus (Thirteenth cheque)		3,813	3,608
Provisions			
Performance awards		2,284	1,941
Capped leave commitments		7,692	7,292
Long service awards		115	208
Total		20,975	19,374

At this stage the department is not able to reliably measure the long term portion of the long service awards.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

For the year ended 31 March 2019

19. Lease commitments

19.1 Operating leases expenditure

2018/19	Buildings and other fixed structures	Machinery and equipment	Total
Not later than 1 year	8,473	1,618	10,091
Later than 1 year and not later than 5 years	15,217	347	15,564
Total lease commitments	23,690	1,965	25,655

2017/18	Buildings and other fixed structures	Machinery and equipment	Total
Not later than 1 year	1,879	3,082	4,961
Later than 1 year and not later than 5 years	-	1,965	1,965
Total lease commitments	1,879	5,047	6,926

20. Accrued departmental revenue

	Note	2018/19	2017/18
		R'000	R'000
Tax revenue		11,313	8,460
Total		11,313	8,460

Analysis of accrued departmental revenue

	Note	2018/19	2017/18
		R'000	R'000
Opening balance		8,460	14,106
Less: amounts received		(8,460)	(14,106)
Add: amounts recognised		11,313	8,460
Closing balance		11,313	8,460

The closing balance of R11 313 000 relates to Gambling levies, Gambling applications, penalties and license fees as well as Liquor applications, penalties and license fees which was paid in April 2019 after the reporting date.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

For the year ended 31 March 2019

21. Irregular expenditure

21.1 Reconciliation of irregular expenditure

	Note	2018/19	2017/18
		R'000	R'000
Opening balance		49,545	37,492
Prior period error			
As restated		49,545	37,492
Add: Irregular expenditure – relating to prior year		330	817
Add: Irregular expenditure – relating to current year		40,338	11,433
Less: Current year amounts condoned		-	(197)
Closing balance		90,213	49,545

Analysis of awaiting condonation per age classification

Current year	40,338	12,053
Prior years	49,875	37,492
Total	90,213	49,545

Investigations have been concluded in respect of the Irregular Expenditure brought forward from prior years. Processes to condone or remove items from the irregular expenditure register are currently under way. Where applicable, cases have been handed over to the relevant law enforcement agencies for action, and to Civil Courts for recovery. Investigations in respect of the rest of the Irregular expenditure brought forward from prior periods are still underway, along with the investigations into Irregular expenditure that has been recognized during the current year.

21.2 Details of irregular expenditure – added current year (relating to current and prior years)

Incident	Disciplinary steps taken/criminal proceedings	2018/19
		R'000
Property leases concluded by Department of Public Works, Roads and Transport for the Department (Dedt) allowed to continue month to month basis without advertising.	None	9,679
Non-compliance with SCM procedures such as Local content requirements.	None	1,476
Performance awards granted in excess to the prescribed budget	None	365
Incorrect SCM procedure followed for the total value of the procurement – Rental of Office equipment	None	8,834
Payment of Acting allowances in contravention of the Public Service Act and Regulations	None	866
Uneven use of travel agents on transversal contracts	None	7,136
Failure by implementing agent to obtain approval for variation order on MIFPM	None	12,312
Total		40,668

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

For the year ended 31 March 2019

22. Fruitless and wasteful expenditure

22.1 Reconciliation of fruitless and wasteful expenditure

	Note	2018/19	2017/18
		R'000	R'000
Opening balance		3,936	3,936
Prior period error			-
As restated		3,936	3,936
Fruitless and wasteful expenditure – relating to current year		3,841	-
Closing balance		7,777	3,936

Investigations have been concluded in respect of the Fruitless and Wasteful Expenditure brought forward from prior years. Processes to condone or remove items from the Fruitless and Wasteful Expenditure register are currently under way. Investigations in respect of the Fruitless and Wasteful Expenditure recognized in the current year are still under way.

22.2 Analysis of awaiting resolution per economic classification

	2018/19	2017/18
	R'000	R'000
Current	3,936	3,936
Capital	3,841	-
Total	7,777	3,936

22.3 Analysis of Current year's (relating to current and prior years) fruitless and wasteful expenditure

Incident	Disciplinary steps taken/ criminal proceedings	2017/18
		R'000
Late payment of certificates by implementing agent	None	3,841
Total		3,841

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.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

For the year ended 31 March 2019

23.3 Departmental Agencies

The Department has three 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 Economic Regulator – MER

Mpumalanga Economic Growth Agency – MEGA

Mpumalanga Tourism and Parks Agency – MTPA

23.4 Key Management Personnel – refer to note 24

Revenue received	Note	2018/19	2017/18
		R'000	R'000
Tax revenue		126,622	111,564
Total		126,622	111,564

The above relates to revenue collected by the Mpumalanga Economic Regulator (MER) through its regulation of the gambling and liquor industries. This includes casinos taxes, gambling in the Province that is related to horse racing and other sports betting. Also included are liquor license application fees, annual renewals collected during the year under review.

Payments made	Note	2018/19	2017/18
		R'000	R'000
Transfers		668,684	612,744
Total		668,684	612,744

Year end balances arising from revenue/payments

	Note	2018/19	2017/18
		R'000	R'000
Receivables from related parties		140,225	31,763
Payables to related parties		(39,471)	(45,395)
Total		100,754	(13,632)

The receivable amount of R140 225 000 above relates to amount of R11 313 000 due to the Department from MER for revenue collected for March 2019 which gets transferred to the Department in April 2019 after the financial year end, and unspent amount of R128 912 000 transferred to MEGA for the development of MIFPM.

The payable amount of R39 471 000 relates to costs incurred by MEGA in respect of MIFPM.

24. Key management personnel

	No. of Individuals	2018/19	2017/18
		R'000	R'000
Member of the Executive Council	1	1,978	1,979
Officials:			
Deputy Director-General (HOD)	1	1,816	1,330
Chief Directors (incl. CFO) and Planner	5	7,580	6,253
Total		11,374	9,562

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

For the year ended 31 March 2019

25. Movable Tangible Capital Assets

MOVEMENT IN MOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2019

	Opening balance	Value adjustments	Additions	Disposals	Closing Balance
	R'000	R'000	R'000	R'000	R'000
MACHINERY AND EQUIPMENT	19,974	-	3,781	(1,569)	22,186
Transport assets	5,321	-	653	(351)	5,623
Computer equipment	5,673	-	1,292	(850)	6,115
Furniture and office equipment	8,397	-	1,784	(331)	9,850
Other machinery and equipment	583	-	52	(37)	598
TOTAL MOVABLE TANGIBLE CAPITAL ASSETS	19,974	-	3,781	(1,569)	22,186

25.1 Additions

ADDITIONS TO MOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2019

	Cash	Non-cash	(Capital Work in Progress current costs and finance lease payments)	Received current, not paid (Paid current year, received prior year)	Total
	R'000	R'000	R'000	R'000	R'000
MACHINERY AND EQUIPMENT	3,435	-	-	346	3,781
Transport assets	653	-	-	-	653
Computer equipment	1,292	-	-	-	1,292
Furniture and office equipment	1,438	-	-	346	1,784
Other machinery and equipment	52	-	-	-	52
TOTAL ADDITIONS TO MOVABLE TANGIBLE CAPITAL ASSETS	3,435	-	-	346	3,781

The difference in cash additions under note 7 and the amount above is that R346 000 worth of capital assets was received in 2018/19 but paid in the next financial year (2019/20).

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

For the year ended 31 March 2019

25.2 Disposals

DISPOSALS OF MOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2019

	Sold for cash	Non-cash disposal	Total disposals	Cash Received Actual
	R'000	R'000	R'000	R'000
MACHINERY AND EQUIPMENT	351	1,218	1,569	97
Transport assets	351	-	351	97
Computer equipment	-	850	850	-
Furniture and office equipment	-	331	331	-
Other machinery and equipment	-	37	37	-
TOTAL DISPOSAL OF MOVABLE TANGIBLE CAPITAL ASSETS	351	1,218	1,569	97

Three vehicles were sold for cash through an auction conducted by the Department of Public Works, Roads and Transport. Two stolen laptops and a projector were written off. Furniture and computers were donated to Cooperatives.

25.3 Movement for 2017/18

MOVEMENT IN TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2018

	Opening balance	Prior period error	Additions	Disposals	Closing Balance
	R'000	R'000	R'000	R'000	R'000
MACHINERY AND EQUIPMENT	17,127	-	3,575	728	19,974
Transport assets	4,701	-	1,330	710	5,321
Computer equipment	4,627	-	1,064	18	5,673
Furniture and office equipment	7,216	-	1,181	-	8,397
Other machinery and equipment	583	-	-	-	583
TOTAL MOVABLE TANGIBLE CAPITAL ASSETS	17,127	-	3,575	728	19,974

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

For the year ended 31 March 2019

25.4 Minor assets

MOVEMENT IN MINOR ASSETS PER THE ASSET REGISTER FOR THE YEAR ENDED AS AT 31 MARCH 2019

	Machinery and equipment	Total
	R'000	R'000
Opening balance	4,003	4,003
Value adjustments	-	-
Additions	256	256
Disposals	(406)	(406)
TOTAL MINOR ASSETS	3,853	3,853

	Machinery and equipment	Total
	R'000	R'000
Number of R1 minor assets	24	24
Number of minor assets at cost	1,963	1,963
TOTAL NUMBER OF MINOR ASSETS	1,987	1,987

Minor assets

MOVEMENT IN MINOR ASSETS PER THE ASSET REGISTER FOR THE YEAR ENDED AS AT 31 MARCH 2018

	Machinery and equipment	Total
	R'000	R'000
Opening balance	3,648	3,648
Additions	356	356
Disposals	(1)	(1)
TOTAL MINOR ASSETS	4,003	4,003

	Machinery and equipment	Total
	R'000	R'000
Number of R1 minor assets	27	27
Number of minor assets at cost	2,096	2,096
TOTAL NUMBER OF MINOR ASSETS	2,123	2,123

25.5 Movable assets written off

MOVABLE ASSETS WRITTEN OFF FOR THE YEAR ENDED AS AT 31 MARCH 2018

	Specialised military assets	Intangible assets	Heritage assets	Machinery and equipment	Biological assets	Total
	R'000	R'000	R'000	R'000	R'000	R'000
Assets written off	-	-	-	18	-	18
TOTAL MOVABLE ASSETS WRITTEN OFF	-	-	-	18	-	18

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

For the year ended 31 March 2019

26. Immovable Tangible Capital Assets

MOVEMENT IN IMMOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2019

	Opening balance	Value adjustments	Additions	Disposals	Closing Balance
	R'000		R'000	R'000	R'000
BUILDINGS AND OTHER FIXED STRUCTURES	27	-	-	(27)	-
Other fixed structures	27	-	-	(27)	-
TOTAL IMMOVABLE TANGIBLE CAPITAL ASSETS	27	-	-	(27)	-

26.1 Additions

ADDITIONS TO IMMOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2019

	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
BUILDING AND OTHER FIXED STRUCTURES	271,488	23,303	(165,879)	(128,912)	-
Other fixed structures	271,488	23,303	(165,879)	(128,912)	-
TOTAL ADDITIONS TO IMMOVABLE TANGIBLE CAPITAL ASSETS	271,488	23,303	(165,879)	(128,912)	-

The cash above comprises of an addition of R271 488 000 transferred during the year under review and R23 302 847 brought forward from previous financial year.

26.2 Disposals

DISPOSALS OF MOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2019

	Sold for cash	Non-cash disposal	Total disposals	Cash Received Actual
	R'000	R'000	R'000	R'000
BUILDINGS AND OTHER FIXED STRUCTURES	-	27	27	-
Other fixed structures	-	27	27	-
TOTAL DISPOSAL OF MOVABLE TANGIBLE CAPITAL ASSETS	-	27	27	-

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

For the year ended 31 March 2019

26.3 Movement for 2017/18

MOVEMENT IN IMMOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2018

	Opening balance	Prior period error	Additions	Disposals	Closing Balance
	R'000	R'000	R'000	R'000	R'000
BUILDINGS AND OTHER FIXED STRUCTURES	27	-	-	-	27
Other fixed structures	27	-	-	-	27
TOTAL IMMOVABLE TANGIBLE CAPITAL ASSETS	27	-	-	-	27

27. Capital Work-in-progress

CAPITAL WORK-IN-PROGRESS AS AT 31 March 2019

	Note	Opening balance 1 April 2018	Current Year WIP	Ready for use (Assets to the AR) / Contracts terminated	Closing balance 31 March 2019
	Annexure 7	R'000	R'000	R'000	R'000
Buildings and other fixed structures		401,008	165,879	-	566,887
TOTAL		401,008	165,879	-	566,887

	Number of projects		2018/19
	Planned, Construction not started	Planned, Construction started	Total R'000
Age analysis on ongoing projects			
0 to 1 Year	-	-	-
1 to 3 Years	-	-	-
3 to 5 Years	-	1	566,887
Longer than 5 Years	-	-	-
Total	-	1	566,887

Accruals and payables not recognized relating to Capital WIP

	Note	2018/19	2017/18
		R'000	R'000
Retentions		1,335	1,335
Total		1,335	1,335

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

For the year ended 31 March 2019

CAPITAL WORK-IN-PROGRESS AS AT 31 MARCH 2018

Note	Opening balance 1 April 2017	Prior period error	Current Year WIP	Ready for use (Assets to the AR) / Contracts terminated	Closing balance 31 March 2018
Annexure 8	R'000	R'000	R'000	R'000	R'000
Buildings and other fixed structures	102,245	14,150	312,913	-	401,008
TOTAL	102,245	14,150	312,913	-	401,008

	Number of projects		2017/18
	Planned, Construction not started	Planned, Construction started	Total R'000
Age analysis on ongoing projects			
0 to 1 Year	-	-	-
1 to 3 Years	-	1	401,008
3 to 5 Years	-	-	-
Longer than 5 Years	-	-	-
Total	-	1	401,008

28. Prior period errors

28.1 Correction of prior period errors

Note	Amount bef error correction	Prior period error	Restated Amount
	2017/18	2017/18	2018/19
	R'000	R'000	R'000
Liabilities:			
Year end balances arising from revenue/payments	77,158	(90,790)	(13,632)
WIP	312,913	(14,150)	298,763
Net effect	312,913	(14,150)	285,131

Year end balances arising from revenue/payments

Prior year adjustment of (R90 790 000) to the previously recorded balance of R77 155 000 serves to restate the combined value of year-end balance arising from related party revenue/payments (Note 23) to correct an error of additions in the financial statements as audited. The restated balance for the prior year is (R13 632 000)

WIP

The prior year adjustment to reduce the balance of Work In Progress (WIP) by an amount of (R14 150 000) serves to restate the value of Work In Progress at the end of March 2018 from R415 158 000 to R401 008 000. This adjustment removes non-cash transactions from the closing balance of Work In Progress at the end of March 2018.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

For the year ended 31 March 2019

29. STATEMENT OF CONDITIONAL GRANTS RECEIVED

NAME OF GRANT	GRANT ALLOCATION					SPENT				2017/18	
	Division of Revenue Act/ Provincial Grants	Roll Overs	DORA Adjustments	Other Adjustments	Total Available	Amount received by department	Amount spent by department	Under / (Over-spending)	% 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)	3,259	-	-	-	3,259	3,259	3,259	-	-	3,505	3,505
TOTAL	3,259	-	-	-	3,259	3,259	3,259	-	-	3,505	3,505

UNAUDITED SUPPLEMENTARY ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

For the year ended 31 March 2019

ANNEXURE 1

STATEMENT OF CONDITIONAL GRANTS PAID TO MUNICIPALITIES

NAME OF MUNICIPALITY	GRANT ALLOCATION			TRANSFER			SPENT		2017/18		
	Division of Revenue Act R'000	Roll Overs R'000	Adjustments R'000	Total Available	Actual Transfer R'000	Funds Withheld R'000	Re-allocations by National Treasury or National Department %	Amount received by municipality R'000	Amount spent by municipality R'000	% of available funds spent by municipality %	Division of Revenue Act R'000
Mbombela Local Municipality	-	-	7	7	7	-	-	-	-	-	-
TOTAL	-	-	7	7	7	-	-	-	-	-	-

UNAUDITED SUPPLEMENTARY ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

For the year ended 31 March 2019

ANNEXURE 2

STATEMENT OF TRANSFERS TO DEPARTMENTAL AGENCIES AND ACCOUNTS

AGENCY	TRANSFER ALLOCATION				TRANSFER		2017/18
	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	-	-	-	-	-	-	64,507
Mpumalanga Liquor Authority – MLA	-	-	-	-	-	-	21,679
Mpumalanga Tourism and Parks Agency – MTPA	378,933	-	-	378,933	378,933	100	354,145
Mpumalanga Economic Regulator – MER	96,310	-	-	96,310	96,310	100	-
TOTAL	475,243	-	-	475,243	475,243	100	440,331

UNAUDITED SUPPLEMENTARY ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

For the year ended 31 March 2019

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ANNEXURE 3

STATEMENT OF TRANSFERS TO PUBLIC CORPORATIONS AND PRIVATE ENTERPRISES

NAME OF PUBLIC CORPORATION/PRIVATE ENTERPRISE	TRANSFER ALLOCATION				EXPENDITURE				2017/18	
	Adjusted Appropriation Act R'000	Roll Overs R'000	Adjustments R'000	Total Available R'000	Actual Transfer R'000	% of Available funds Transferred	Capital R'000	Current R'000		
										Appropriation Act R'000
Public Corporations										
Transfers	193,232			193,232	193,232	100				169,980
Mpumalanga Economic Growth Agency (MEGA)	191,457			191,457	191,457	100				169,980
Sub Total: Public corporations	191,457			191,457	191,457	100	-	-		169,980
Private Enterprises										
Transfers										
Mpumalanga Steel Initiative	1,775			1,775	1,775	100				600
Mpumalanga Tooling Initiative	-			-	-	-				1,000
Furntech	-			-	-	-				679
Sub Total: Private Enterprises	1,775			1,775	1,775	100	-	-		2,279
TOTAL										
	193,232	-	-	193,232	193,232	100	-	-		172,259

UNAUDITED SUPPLEMENTARY ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

For the year ended 31 March 2019

ANNEXURE 4

STATEMENT OF TRANSFERS TO HOUSEHOLDS

	TRANSFER ALLOCATION			EXPENDITURE		2015/16
	Adjusted Appropriation Act R'000	Roll Overs R'000	Adjustments R'000	Total Available R'000	Actual Transfer R'000	Appropriation Act R'000
HOUSEHOLDS						
Transfers						
Leave Gratuity	476			476	202	184
Sub Total	476			476	202	184
Total	476			476	202	184

UNAUDITED SUPPLEMENTARY ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

For the year ended 31 March 2019

ANNEXURE 5

STATEMENT OF CONTINGENT LIABILITIES AS AT 31 March 2019

NATURE OF LIABILITY	Liabilities incurred during the year			Liabilities paid/ cancelled/ reduced during the year		Liabilities recoverable (Provide details hereunder)		Closing Balance 31 March 2019	
	Opening Balance 1 April 2018	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000
Claims against the department									
Makgamatha v/s DEDET	1,217	-	-	-	-	-	-	1,217	-
Macbeth Attorneys /MEC DEDET	380	-	(380)	-	-	-	-	-	500
BP Mnisi v/s MEC & MTPA	500	-	-	-	-	-	-	349	1,000
Msiza / DEDT	349	-	-	-	-	-	-	-	-
Faranani / DEDT	1,000	-	-	-	-	-	-	-	-
Subtotal	3,446	-	(380)	-	-	-	-	3,066	-
TOTAL	3,446	-	(380)	-	-	-	-	3,066	-

UNAUDITED SUPPLEMENTARY ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

For the year ended 31 March 2019

ANNEXURE 6

STATEMENT OF FINANCIAL GUARANTEES ISSUED AS AT 31 March 2019 – LOCAL

GUARANTOR INSTITUTION	GUARANTEE IN RESPECT OF	Original guaranteed capital amount	Opening balance 1 April 2018	Guarantees draw downs during the year	Guarantees repayments/ cancelled/ reduced/ released during the year	Revaluations	Closing balance 31 March 2019	Guaranteed interest for year ended 31 March 2019	Realised losses not recoverable i.e. claims paid out
		R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000
ABSA Bank	Housing		84	-	-	-	84		
	Subtotal		84				84		
	TOTAL		84	-	-	-	84		

UNAUDITED SUPPLEMENTARY ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

For the year ended 31 March 2019

ANNEXURE 7

INTER-GOVERNMENT PAYABLES

	Confirmed balance outstanding	31/03/2018 R'000	31/03/2019 R'000	Unconfirmed balance outstanding	31/03/2018 R'000	31/03/2019 R'000	TOTAL	Cash in transit at year end 2018/19
	31/03/2019 R'000	31/03/2018 R'000	31/03/2019 R'000	31/03/2018 R'000	31/03/2019 R'000	31/03/2018 R'000	Payment date up to six (6) working days before year end Amount	R'000
GOVERNMENT ENTITY DEPARTMENTS								
Current								
Department of Agricultural Development, Land and Environmental Affairs	-	-	107	-	107	-	-	-
South African Police Services	75	-	-	-	-	75	-	-
Office of the Premier	-	94	-	-	-	94	94	-
Department of Public Works, Roads and Transport	41	124	-	-	41	124	124	-
Subtotal	116	218	107	-	223	218	-	-
Total Departments	116	218	107	-	223	218	-	-
OTHER GOVERNMENT ENTITY								
Current								
MPU, Tourism and Parks Agency – MTPA	103	-	-	112	103	112	-	-
Total Other Government Entities	103	-	-	112	103	112	-	-
TOTAL INTER-GOVERNMENTAL	219	218	107	112	326	330	-	-

UNAUDITED SUPPLEMENTARY ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

For the year ended 31 March 2019

ANNEXURE 8

MOVEMENT IN CAPITAL WORK IN PROGRESS

MOVEMENT IN CAPITAL WORK IN PROGRESS FOR THE YEAR ENDED 31 March 2019

	Opening balance	Current Year Capital WIP	Ready for use (Asset register) / Contract terminated	Closing balance
	R'000	R'000	R'000	R'000
BUILDINGS AND OTHER FIXED STRUCTURES	401,008	165,879	-	566,887
Other fixed structures	401,008	165,879	-	566,887
TOTAL	401,008	165,879	-	566,887

The above amount of R165 879 000 relates to the ongoing development of the MIFPM (Mpumalanga International Fresh Produce Market) as undertaken by the implementing agent MEGA.

UNAUDITED SUPPLEMENTARY ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

For the year ended 31 March 2019

ANNEXURE 8 (continued)

MOVEMENT IN CAPITAL WORK IN PROGRESS FOR THE YEAR ENDED 31 MARCH 2018

	Opening balance	Prior period error	Current Year Capital WIP	Ready for use (Asset register) / Contract terminated	Closing balance
	R'000	R'000	R'000	R'000	R'000
BUILDINGS AND OTHER FIXED STRUCTURES	102,245	(14,150)	312,913	-	401,008
Other fixed structures	102,245	(14,150)	312,913	-	401,008
TOTAL	102,245	(14,150)	312,913	-	401,008

The above amount of R312 913 000 relates to the ongoing development of the MIFPM (Mpumalanga International Fresh Produce Market) as undertaken by the implementing agent MEGA.

The prior year adjustment to reduce the balance of Work In Progress (WIP) by an amount of (R14 150 000) serves to restate the value of Work In Progress at the end of March 2018 from R415 158 000 to R401 008 000. This adjustment removes non-cash transactions from the closing balance of Work In Progress at the end of March 2018.