

# Annual Report 2021/2022



**economic development  
& tourism**

MPUMALANGA PROVINCE  
REPUBLIC OF SOUTH AFRICA





DEPARTMENT OF ECONOMIC DEVELOPMENT AND TOURISM



# Annual Report 2021/2022

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## HUMAN RESOURCE MANAGEMENT

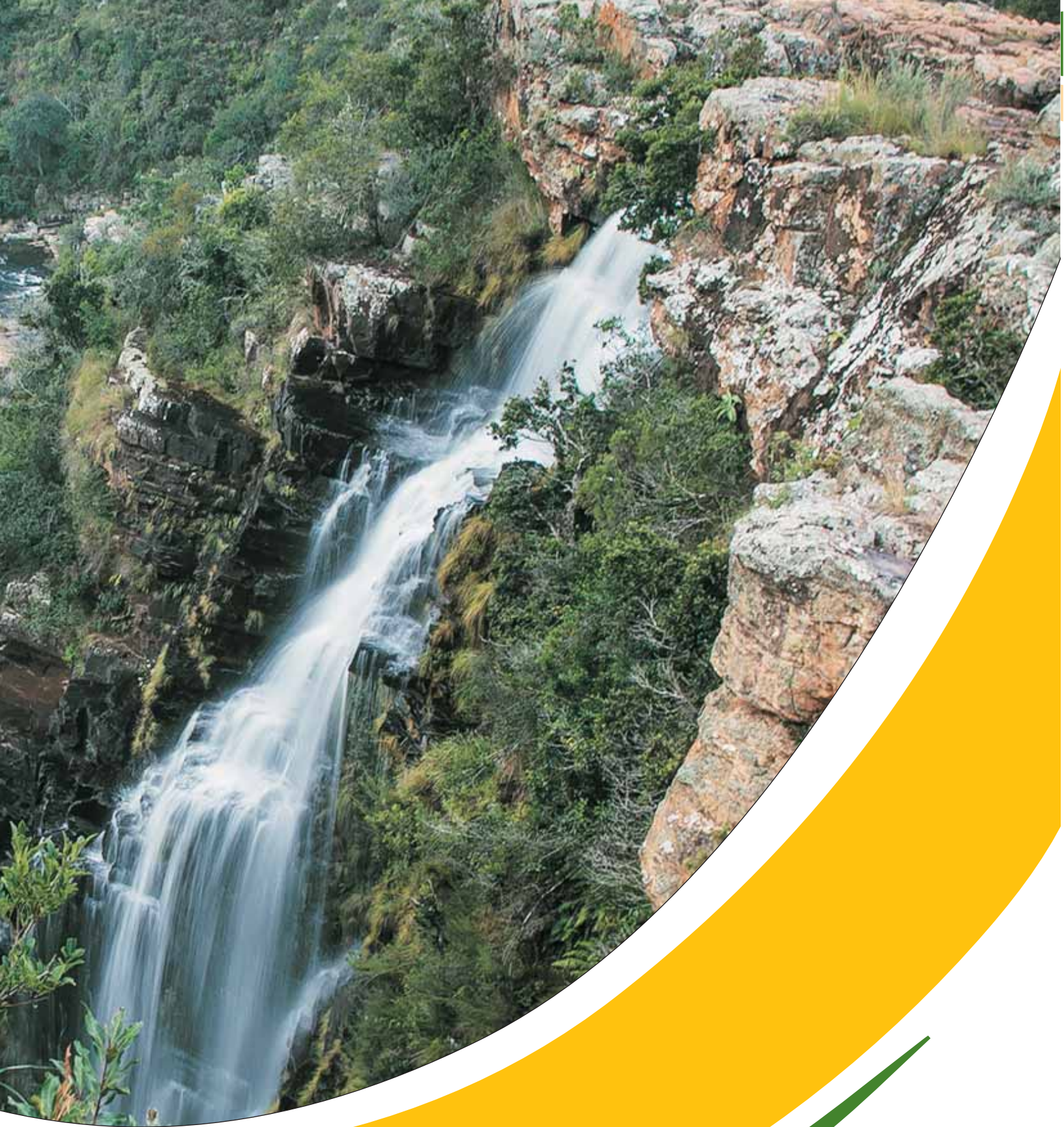
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## Part A

### General Information

# 1. DEPARTMENT GENERAL INFORMATION

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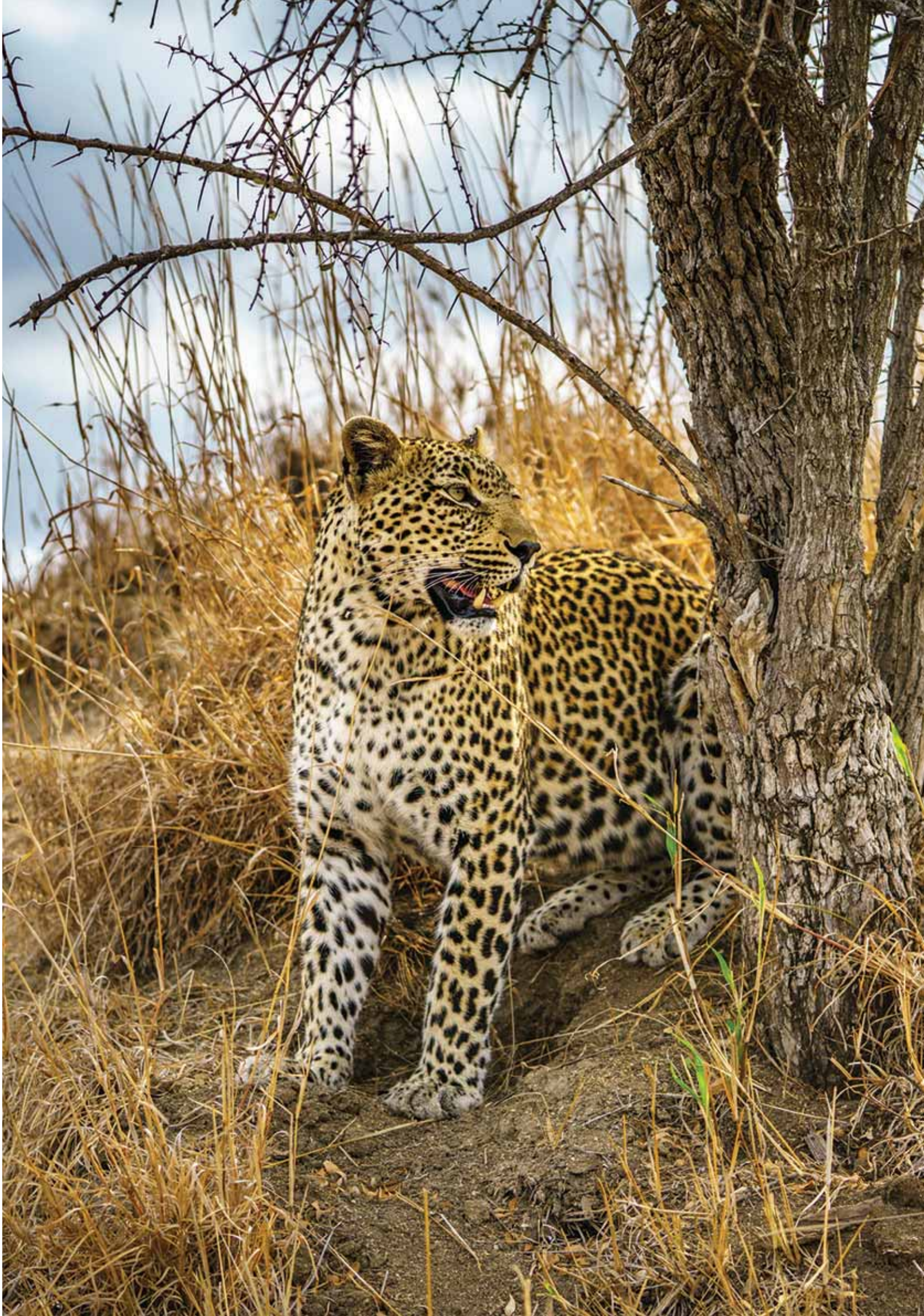
Twitter: @Dedtmp



## 2. LIST OF ABBREVIATIONS/ACRONYMS

AC	Audit Committee
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
CFO	Chief Financial Officer
CIPC	Companies and Intellectual Property Commission
CPA	Consumer Protection Act
CSI	Corporate Social Investment
DARDLEA	Department of Agriculture, Rural Development, Land and Environmental Affairs
DBSA	Development Bank of Southern Africa
DEDT	Department of Economic Development and Tourism
DESD	Decade of Education for Sustainable Development
DoEL	Department of Employment and 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
EPWP	Expanded Public Works Programme
EU	European Union
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
IA	Internal Audit
ICC	International Convention Centre
ICT	Information Communication Technology
IDC	Industrial Development Corporation
IDP	Integrated Development Plan
IGR	Intergovernmental Relations
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
MERRP	Mpumalanga Economic Reconstruction and Recovery Plan

MEBS	Mpumalanga Employment and Business Survey
MinMEC	Minister and Members of the Executive Council
MinTECH	Minister's Technical Team
MISS	Minimum Information Security Standards
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
NCPC	National Cleaner Production Centre
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
PPFA	Preferential Procurement Policy Framework Act
PSC	Public Service Commission
RMC	Risk Management Committee
RTO	Regional Tourism Organisation
RTP	Responsible Tourism Planning
SABS	South African Bureau of Standards
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. PV MKHATSHWA, MPL  
*MEC: FINANCE, ECONOMIC DEVELOPMENT AND TOURISM*

### 3. FOREWORD BY THE MEC

The period under review was characterised by our unrelentless efforts, to come up with economy recovery strategies and plans, following the devastating impact of the COVID-19 pandemic since March 2020. Sadly, quite a number of businesses crumbled owing to the national lockdown, and many of our people lost their jobs and livelihood. Consequently, it was unfortunate that our Province had recorded 95 617 net job losses in 2021, with the most affected sectors being trade (including tourism and the informal sector), finance, community services and manufacturing. However, all is not gloom and doom, as the Province recorded net job gains of almost 30 000 in quarter 1 of 2022 (according to Statistics South Africa's Quarterly Labour Force Survey).

Our main concern now; what gives us sleepless nights as the caring ANC government, is the alarming unemployment rate, which mostly affect our young people. As at quarter 1 of 2022, the unemployment rate (according to the strict definition) of the youth of working age (between the 15-34 years) in Mpumalanga was at 54.6% in quarter 1 of 2022, whilst that of the 18-24-year age cohort was very high at 67.3%. To this end, our target, as a Province, is to reduce the unemployment rate to at least 25% by 2024 and also to 6% by 2030. This, therefore, pushes us to work collaboratively and create approximately 800 000 jobs between 2021 and 2030, to reach the desired unemployment rate; in other words, we must create roughly 90 000 new and sustainable jobs per annum, leading up to 2030. The good news, however, is that the provincial economy is now on the growth trajectory, as it is forecast to grow at a rate of around 2% or so in 2022, as well as in 2023.

We are enjoined to put all our efforts to increase the economic growth rate, so that we can collaboratively with the private sector, create new jobs, lower unemployment and ultimately reduce poverty. We will, therefore, continue to employ various strategies and plans so as to gear the economy towards a sustainable growth trajectory. This will be done by implementing the following plans, amongst others:

The Mpumalanga Green Economy Development Plan (MGEDP) – a blue-print that maps out the road that we should traverse, if we are to increase our Provincial GDP and create more job opportunities for our people;

The Mpumalanga Industrial Development Plan (MIDP) – a policy framework whose primary purpose is to expand the industrial base of the Province, so as to contribute meaningfully toward inclusive growth and development;

The Mpumalanga Trade and Investment Promotion Strategy (MTIPS) – which is aimed at marketing the abundant investment opportunities that the Province could offer, to both foreign and domestic investors; and overall;

The recently adopted Mpumalanga Economic Reconstruction and Recovery Plan (MERRP) – the Provincial economic recovery blueprint, which seeks to respond to the negative effects of COVID-19, particularly on the provincial economy and people's livelihood.

In coming up with the MERRP, we have held numerous consultations with all provincial government Departments, all our municipalities, social partners, including the private, to craft our recovery plan. This culminated in roundtable discussions in the three (3) districts of our Province, during which the MERRP was adopted by all stakeholders. The MERRP inspires hope to our people; it is a document filled with massive infrastructure projects which will surely re-ignite our economy, and create jobs for our people, including for those who lost their jobs due to the catastrophic impact of the COVID-19 pandemic. The Plan prioritises the roll-out of infrastructure programmes; green economy initiatives; industrialisation through localisation; employment stimulus; tourism and agriculture/agro-processing, amongst others. Accordingly, we will continue to work closely with the private sector and other stakeholders, to implement the MERRP. During the year under review, we also hosted the Mpumalanga Energy Summit which pointed out all the opportunities of the Renewable Energy and Green Economy Sector in Mpumalanga, going forward.

Our work on establishing at least two (2) Industrial Technology Parks (one in the Petro-chemical in Secunda and other in Forestry in Sabie) and an SEZ (Special Economic Zone) in Nkomazi continues in earnest. We are also pleased that the Mpumalanga International Fresh Produce Market is anticipated to be completed by the end of 2022.

Our work which we have delegated to our Public Entities; namely MEGA, MTPA, MER and most recently, the new kid on the block – the Nkomazi SEZ – is being carried out to some degree of satisfaction. We continue to monitor and guide these Entities, as they are our implementing agents. Details of how they performed during the period under review, will be provided in their respective Annual Reports.

As the Executive Authority of the Department, I am, thus delighted to present the Annual Report for the financial year ended March 2022.

Let's grow Mpumalanga together!



Mr. PV MKHATSHWA, MPL

MEC: FINANCE, ECONOMIC DEVELOPMENT AND TOURISM



**Mr. N SEBITSO**  
*HEAD OF DEPARTMENT (ACTING)*

## 4. REPORT OF THE ACCOUNTING OFFICER

During the period under review, the Department executed its operations successfully. The phasing out and ending of all COVID-19 restrictions made it possible for the Department to achieve its mandate. The main objective of the Department is to grow the provincial economy, and it is guided by the NDP, MTSF, Industrial Development Plan, Mpumalanga Green Economy Development Plan and other key National and provincial priorities.

The Department, in partnership with stakeholders, have embarked on initiatives geared towards stimulating economic growth and job creation to contribute meaningfully towards Outcome 1. Through the Incubation Programme which forms part of the Industrialisation Programme, we developed small enterprises as a mechanism to drive inclusive growth and development. In addition, we are also pursuing new economies focusing on Green Economy to promote sustainable clean energy, including a healthy living environment.

The Department managed, through the partnership with Green Cape, to establish the Mpumalanga Green Economy Cluster Agency which would promote and coordinate the rollout of the Green Economy Development Plan. The Green Economy Cluster Agency would greatly contribute to initiatives in the “Just Transition Programme”, thus enabling the move to a cleaner energy producing environment within Mpumalanga. The Green Economy Cluster would ensure that deserving projects, in the green economy space, are executed in partnership with the industry.

The finalisation of the Interim Phase of the Nkomazi SEZ, is also progressing very well, with the PMU, consisting of 3 professionals, now being operational. An Interim Board is also in place and the SEZ Entity has been registered as Mpumalanga Nkomazi SEZ SOC LTD. We have further developed the 5 Year Strategic Plan and Annual Performance Plan for the SEZ Entity for approval by the Interim Board. However we could not finalise the statutory site requirements but the Environmental Authorisation and Township Establishment approvals are now in place.

With regards to the Petro-chemical Industrial Technology Park in Govan Mbeki, the General Plan was approved by the Surveyor General, and the Department will now proceed with the process of opening of the township register. Relating to the proposed Forestry Industrial Technology Park in Sabie, there were delays experienced in the completion of the Statutory Compliance requirement due to a number of these objections against the proposed development. The Department has addressed a number of these concerns by reworking the Environmental Report, and a new Tribunal Hearing will be conducted to conclude this matter.

**On addressing youth development, we continued to support the Incubation programme by focusing on the following:**

- **Mpumalanga Stainless Initiative (MSI):** Various young people were trained and supported on stainless steel fabrication in order to obtain contracts from the industry, to take advantage of opportunities presented by the stainless steel industry.
- **Furniture Technology Incubator (Furntech):** Young people were trained in small scale furniture manufacturing and upholstery at the Thaba Chweu Local Municipality, to increase the skills in this sector in anticipation of the planned Forestry Industrial Technology Park, in Sabie.

The Department further continued to promote and support an enabling business environment and ecosystem that enables small businesses to grow and develop, as this is critical for economic growth and job creation. The included access to markets, capacity building, inculcating a culture of entrepreneurship with the associated pipeline of potential entrants drawn from various initiatives, business development support and sustainable procurement. These initiatives contributed towards job creation and the expansion of businesses by enabling them to inter alia, move up the value chain within sectors such as construction. The Department also supported co-operatives in the waste sector of the Green Economy by providing them with safety wear and equipment.

In promoting inclusive and sustainable economic growth that incorporates the local sphere and the business community, the following were achieved:

- Co-ordinated the provision of business infrastructure for manufacturing enterprises at the local municipalities. Municipalities were assisted to provide support to SMME in the waste management by opening up their waste management sites.
- The Department assisted municipalities to implement the red tape reduction strategy so as to reduce the cost of doing business by SMMEs. The Department also assisted in the strengthening of the LED forums, in most municipalities in the Province.
- Coordinated the implementation of the Broad-Based Black Economic Empowerment through the activities of the provincial Broad Based Black Economic Empowerment Council, which assessed the level of B-BBEE compliance. Two (2) black empowered companies were assisted to participate in the Green Economy, through the Black Industrialist Programme. Three black empowered companies were assisted to participate in the mining value chain.
- In partnership with the South African Bureau of Standard (SABS) the Department supported SMME and Cooperatives to attain accreditation of their products and processes.

During the year under review, a total of 512 outreach activities were conducted, amongst them were Consumer Awareness by Education programmes.

A total of 815 consumer complaints were received and resolved within 60 working days, in the year under review. And according to the trend analysis, the complaints most received, involved over indebtedness (administration orders and summons), motor vehicles (challenges of second hand cars), breach of credit agreements, funeral services (contracts with unrepeatable tombstone service providers), cell phone and data contractual disagreements.

The Department also managed to appoint the MTPA as the management authority of the Barbeton Makhonjwa Mountain World Heritage Site. It further intervened by awarding tourism relief funds to distressed tourism businesses which were impacted negatively by the advent of the COVID-19 pandemic.

### Challenges:

The Department need to manage prospective investors to remain committed to the SEZ programme as they were threatening to pull out due to delays in finalising statutory requirements.

## Overview of the financial result of the Department:

### Departmental receipts

Departmental receipts	2020/2021			2021/2022		
	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	83,000	150,828	(67 828)	154 500	332 666	(178 166)
Casino taxes	47,718	51,807	(4 089)	51 840	70 836	(18 996)
Horse racing taxes	27,282	89,176	(61 894)	92 160	252 876	(160 716)
Liquor licences	8,000	9,845	(1 845)	10 500	8 954	1 546
Motor vehicle licences						
Sale of goods and services other than capital assets	178	123	55	188	105	83
Transfers received						
Fines, penalties and forfeits						
Interest, dividends and rent on land	1,190	1,685	(495)	1 255	1 659	(404)
Sale of capital assets	211	107	104	223	746	(523)
Financial transactions in assets and liabilities	581	8334	(7 753)	613	6	607
<b>Total</b>	<b>85,160</b>	<b>161,077</b>	<b>(75,917)</b>	<b>156 779</b>	<b>335 187</b>	<b>(178 403)</b>

Total revenue collected on behalf of the Department was R335 187 000 against a target of R156 779 000 which represents an over collection of 114%. Included in the prior year amount was an amount of R8 324 000 surrendered by MER through the Department to the Provincial Revenue Fund. During the reporting period, the main revenue collection sources for the Department were gambling levies, as well as liquor licence fees collected through the Mpumalanga Economic Regulator (MER). Licence fees and taxes are established through legislation. Despite the negative expectation due to the impact of the COVID-19 pandemic, revenue in total exceeded targets for the year under review. This is attributed to online gambling activities which are regulated by the MER. In future, these may be negatively affected by legal processes which are currently underway, and which are not within the control of the Department. Liquor licence revenue was under-collected as the operational restrictions of the COVID-19 pandemic continued to negatively impact licensees.

## Programme Expenditure

Programme Name	2020/2021			2021/2022		
	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
Administration	86,082	82,625	3,457	93,993	90,273	3,720
Integrated Economic Development	470,069	466,735	3,334	831,232	825,113	6,119
Trade And Sector Development	19,102	17,938	1,164	22,950	19,583	3,367
Business Regulation And Governance	103,758	103,628	130	119,112	118,765	347
Economic Planning	17,008	16,234	774	17,280	16,837	443
Tourism	386,628	385,127	1 501	413,435	413,341	94
<b>Total</b>	<b>1,082,647</b>	<b>1,072,287</b>	<b>10 360</b>	<b>1,498,002</b>	<b>1,483,912</b>	<b>14,090</b>

### Virements/roll overs

- Post-adjustments were processed by the Department but these did not affect the budget allocation. The following Virements were processed (funds taken from underspend programmes) in order to fund minor over-expenditure in other programmes. R195 000, R496 000, R1 074 000 and R535 000 were taken from Programme 1 (Administration), Programme 3 (Trade and Sector Development), Programme 4 (Business Regulation) and Programme 6 (Tourism), respectively to fund Programme 2 (Integrated Economic Development).
- There was no unauthorised, fruitless and wasteful expenditure during the year under review. The historical balance of fruitless and wasteful has been cleared as per the information provided in the note to the financial statements. This was achieved through the activities of the Loss Control Committee.

### Strategic focus over the short to medium term period:

#### Public Private Partnerships

- During the period under review the Department did not enter into any Public Private Partnership (PPP) agreements.

#### Discontinued key activities / activities to be discontinued

- No activities were discontinued in the year under review

#### New or proposed key activities

- The Nkomazi SEZ will expand its impact on the operations of the Department as the project gears up.

## Supply Chain Management

There was irregular expenditure which was incurred during the year under review. These amounts were due to ongoing contracts which were found to be irregular after they had been entered into, or which have become irregular by the passing of time. These include property and equipment rental contracts. The continued efforts of the Departmental Loss Control Committee lead to the condonation, and transfer of irregular expenditure during the year under review, and that work will continue into the new financial year.

The Supply Chain Management unit continued to function with a reduced staff complement, owing to a number of vacant posts. The situation did however, improve during the year under review, with the appointment of the Assistant Director: Supply Chain Management, and the internal filling of the post of Deputy Director: Supply Chain Management.

No unsolicited bid proposals were considered for the year under review.

In order to eliminate irregular expenditure a comprehensive review of procurement policies and procedures were developed, including implementation of checklists relevant to the procurement of specific items. The SCM committee members were sent on intensive training relevant to their duties on the SCM committee.

### 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 happened after the balance sheet date which warranted adjustment of the Financial Statements.

### Other

- None

### Acknowledgement/s or Appreciation

- I would like to express my appreciation to the MEC for his guidance and leadership. In addition I would also like to appreciate the entire management team and staff for their contribution and dedication towards assisting the Department in executing its mandate.

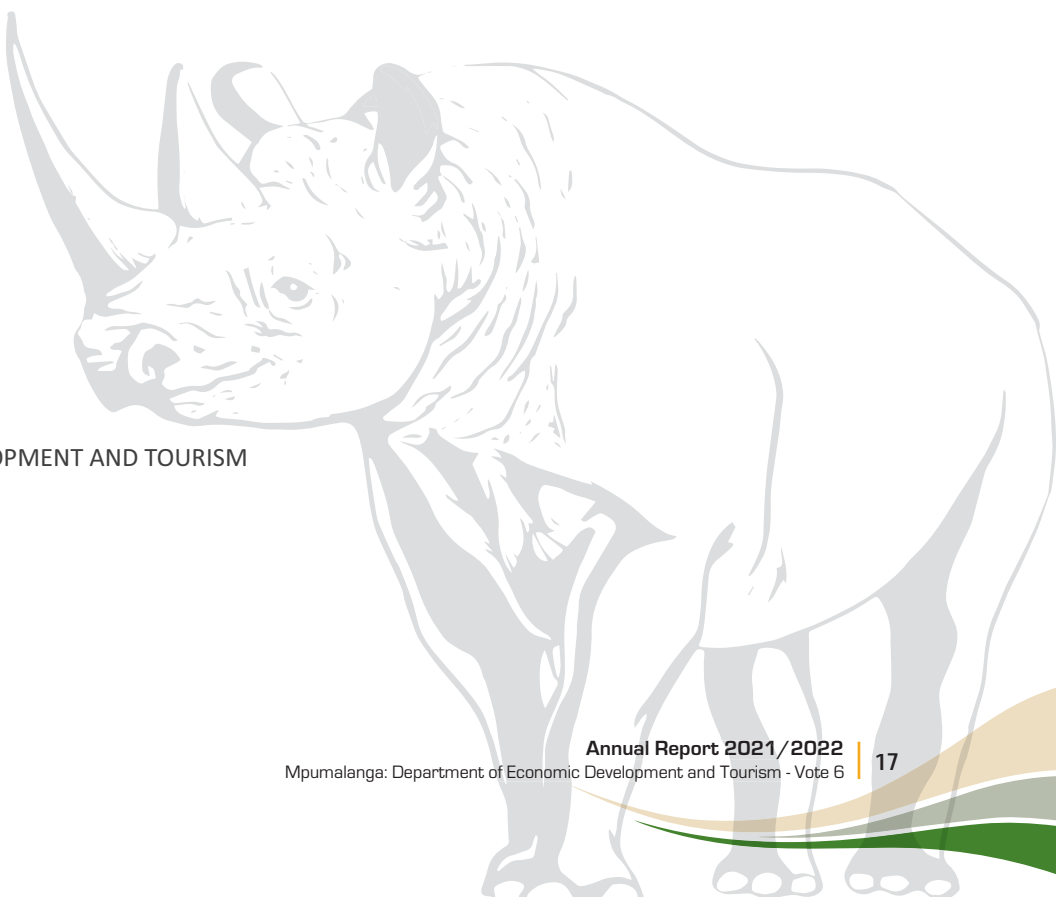
### Conclusion

- In my opinion the Annual Report fairly reflects the work of the Department for the financial year ended March 2022.

### Approval and sign off



**Mr. N SEBITSO**  
ACCOUNTING OFFICER  
DEPARTMENT OF ECONOMIC DEVELOPMENT AND TOURISM  
DATE: 31 MAY 2022



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

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

All information and amounts disclosed throughout the Annual Report are consistent.

The Annual Report is complete, accurate and is free from any omissions.

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

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

The Accounting Officer is responsible for the preparation of the Annual Financial Statements and for the judgements made in this information.

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

The External Auditors are engaged to express an independent opinion on the Annual Financial Statements.

In my opinion, the Annual Report fairly reflects the operations, the performance information, the human resources information and the financial affairs of the Department for the financial year ended 31 March 2022.

Yours faithfully



ACCOUNTING OFFICER  
Mr. N SEBITSO  
31 MAY 2022

## 6. STRATEGIC OVERVIEW

### Vision

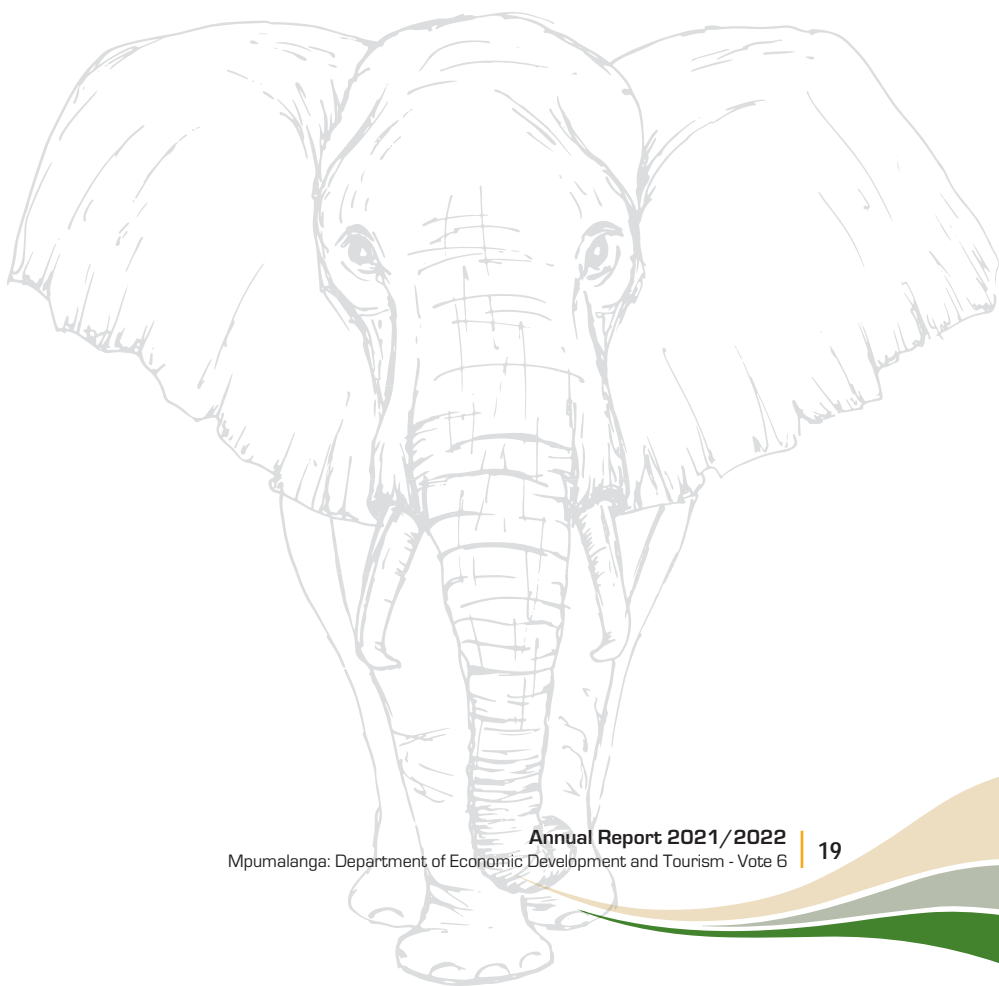
An Inclusive, Globally Competitive Economy

### Mission

Drive economic growth that creates decent employment and promotes sustainable development

### 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 individuals and builds up to top management.
Transparency	Officials will recognise the right to access to 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

The following Constitutional, legislative and related mandates regulate the environment within which the Department executes its operations:

### Constitutional Mandate

The following table highlights the main mandate of the Department:

Constitutional Mandate	Purpose
The Department derives its mandate from the Constitution of the Republic of South Africa, Act 108 of 1996.	<p>Schedule 4 and 5 of the Constitution make provisions for the following:</p> <ul style="list-style-type: none"> <li>• Trade and industry promotion</li> <li>• Consumer protection</li> <li>• Casino, racing, gambling, wagering and Liquor Licenses</li> <li>• Provincial Public Enterprises</li> <li>• Tourism Promotion and</li> <li>• Nature Conservation</li> </ul>

### Legislative and Policy Mandates

Departmental Mandate	Purpose
To stimulate economic growth and development towards creating sustainable and decent employment, economic transformation and alleviation of poverty	<ul style="list-style-type: none"> <li>• Influence the development growth patterns in the Province in order to build and accelerate a sustainable, equitable and inclusive economic growth path where people live;</li> <li>• Ensure a participatory economy where the youth, women, workers, rural masses, and the people with disabilities benefit from the natural wealth of the Province;</li> <li>• Enhance integrated regional growth and development through, among other things, fostering public private partnerships to increase trade and investment in the Province and within the region, and leveraging on Spatial Development Initiatives such as the Maputo Development Corridor;</li> <li>• Position infrastructure delivery programme in a manner that enhances the development of SMMEs, creates decent job opportunities and allows participation of the communities through the promotion of co-operatives;</li> <li>• Utilise the MOUs with both local and global strategic partners to consolidate existing markets; access new markets; and attract foreign direct investment into the provincial economy</li> </ul>

The Departmental mandate is provided in the table below:

The specific legislative and policy mandates that influence and affect operations of the Department are listed in the tables below:

## Relevant legislation to the Department

Legislative Mandate	Purpose
<ul style="list-style-type: none"> <li>Mpumalanga Economic Regulator Act, 2017 (Act 2 of 2017)</li> </ul>	<ul style="list-style-type: none"> <li>To regulate the gambling industry in the Province in terms of the Mpumalanga Gambling Act;</li> <li>To regulate the payment of gambling levies in terms of the Mpumalanga Gambling Levies Act;</li> <li>To regulate the liquor industry in the Province in terms of the Mpumalanga Liquor Licensing Act; and</li> <li>To monitor the performance of the MER in terms of executing its mandate (by virtue of being the shareholder representative);</li> </ul>
<ul style="list-style-type: none"> <li>National Tourism Act, 2014 (Act 3 of 2014)</li> </ul>	<ul style="list-style-type: none"> <li>To provide for the development and promotion of sustainable tourism for the benefit of the Republic, its citizens and visitors.</li> </ul>
<ul style="list-style-type: none"> <li>Mpumalanga Liquor Licensing Act, 2007 (Act 5 of 2007)</li> </ul>	<ul style="list-style-type: none"> <li>To provide for the regulation of the liquor industry in the Province; and for matters connected within;</li> </ul>
<ul style="list-style-type: none"> <li>National Gambling Act, 2004 (Act 59 of 2003)</li> </ul>	<ul style="list-style-type: none"> <li>To provide for the coordination of concurrent national and provincial legislative competencies over matters relating to casinos, racing, gambling and wagering, and to provide for the continued regulation of these matters; and</li> <li>To ensure that the Mpumalanga Gambling Act is aligned to national norms and standards established in terms of the National Gambling Act</li> </ul>
<ul style="list-style-type: none"> <li>Mpumalanga Consumer Affairs Act, 1998 (Act 6 of 1998)</li> </ul>	<ul style="list-style-type: none"> <li>To promote a fair, accessible and sustainable marketplace for consumer products;</li> <li>To establish national norms and standards relating to consumer protection;</li> <li>To establish and manage the Office of Investigation of Unfair Business Practices, whose function is to receive, investigate and resolve complaints of unfair business practices; and</li> <li>To establish the Consumer Court which adjudicates on matters of alleged unfair business practices</li> </ul>
<ul style="list-style-type: none"> <li>Mpumalanga Business Act, 1996 (Act 2 of 1996)</li> </ul>	<ul style="list-style-type: none"> <li>To consolidate and amend certain laws in force in the Province regarding the licensing and carrying on of business</li> </ul>
<ul style="list-style-type: none"> <li>National Small Business Enabling Act, 1996 (Act 102 of 1996)</li> </ul>	<ul style="list-style-type: none"> <li>To provide for small businesses to enter the economic frame;</li> <li>To create a conducive environment for the promotion, support and development of small businesses in the Province; and</li> <li>To ensure municipalities comply with prescripts of the Acts</li> </ul>

Legislative Mandate	Purpose
Broad-Based Black Economic Empowerment Act, 2003 (Act 53 of 2003)	To provide for the empowerment of the black-owned companies to enter the mainstream economy; To ensure black-owned companies have access to opportunities in the mainstream economy in an effort to transform the economy and reduce inequality; and To ensure that the necessary support is provided to black enterprises, including targeted groups (women, youth and people living with disabilities) to enable them to successfully compete for opportunities in the economy
National Credit Act, 2005 (Act 34 of 2005)	To promote a fair and non-discriminatory marketplace for access to consumer credit
Public Finance Management Act, 1999 (Act 1 of 1999)	To promote sound financial management in the public sector; To ensure every employee of the Department is enjoined that no fruitless/irregular expenditure occurs within the area of responsibility
Public Service Act, 1994 (Act 103 of 1994)	To regulate the public service in the country
Basic Conditions of Employment Act, 1997 (Act 75 of 1997)	To create a framework for employer-employee relations
Labour Relations Act, 1995 (Act 66 of 1995)	To protect the rights of the workers

## Institutional Policies and Strategies

Emanating from the Departmental strategic planning process, the following policies and strategies were identified as critical interventions that would assist the Department to realise the intended impact, in line with identified outcomes over the five-year period:

Outcomes	Identified Institutional Policies/Strategies/Priorities
Inclusive, diversified and growing economy	<ul style="list-style-type: none"> <li>Facilitate and coordinate the following Policies, Strategies and Plans:</li> <li>Mpumalanga Industrial Development Plan</li> <li>Provincial ICT Strategy</li> <li>SMME Provincial Strategy</li> <li>Mpumalanga Trade and Investment Promotion Strategy</li> <li>Mpumalanga Green Economy Development Plan</li> <li>Mpumalanga Forestry Development Plan</li> </ul>
Inclusive, competitive and sustainable tourism industry	<ul style="list-style-type: none"> <li>Provincial Tourism Growth Strategy</li> <li>Mpumalanga Integrated Air Transportation Strategy</li> </ul>
An ethical, well-coordinated, enabling and capable center of business excellence	<ul style="list-style-type: none"> <li>PFMA</li> <li>Departmental Human Resource Strategy</li> <li>Communication Plan</li> <li>Risk Management Strategy</li> </ul>

## 8. ORGANISATIONAL STRUCTURE



## 9. ENTITIES REPORTING TO THE MINISTER/MEC

The table below indicates the Public Entities reporting to the MEC:

Name of Entity	Legislative Mandate	Financial Relationship	Nature of Operations
<p>Mpumalanga Economic Growth Agency</p> 	<ul style="list-style-type: none"> <li>To promote trade and investment in Mpumalanga;</li> <li>To provide funding in respect of approved enterprise development focusing primarily on the previously disadvantaged individuals in Mpumalanga;</li> <li>To develop property, including the granting of housing loans in Mpumalanga;</li> <li>To deliver massive infrastructure in Mpumalanga</li> </ul>	Transfer payments in line with the shareholders compact	<ul style="list-style-type: none"> <li>To promote and facilitate Trade and Investment in the Province;</li> <li>To provide financial and non-financial support to SMMEs in the Province;</li> <li>To provide financial support to emerging farmers in the Province;</li> <li>To grant housing loans to the needy and previously advantaged</li> </ul>
<p>Mpumalanga Tourism and Parks Agency</p> 	<ul style="list-style-type: none"> <li>To provide for the sustainable development and improvement of the tourism industry in Mpumalanga</li> </ul>	Transfer payments in line with the shareholders compact	<ul style="list-style-type: none"> <li>To provide for effective management and conservation of biodiversity and ecosystems within the Province;</li> <li>To develop and ensure effective management of protected areas;</li> <li>To promote and create socio-economic growth and transformation within the tourism and conservation industry, thereby creating economic and employment opportunities for previously disadvantaged individuals and local communities in the Province</li> </ul>
<p>Mpumalanga Economic Regulator</p> 	<ul style="list-style-type: none"> <li>To regulate the gambling industry as per the Act;</li> <li>To promote responsible gambling within the Province;</li> <li>To award the 4th casino license (within the next 5 years);</li> <li>To provide for the regulation of the micro-manufacturing and retail sale of liquor;</li> <li>To regulate own revenue generation; (section 5, subsection 2);</li> <li>To reduce the socio-economic and other related cost of alcohol abuse;</li> <li>To provide for public participation in the consideration of applicants for registration;</li> <li>To promote the development of a responsible and sustainable retail and micro-manufacturing liquor industry in a manner that facilitates the entry of new participants into the industry; diversification of ownership in the industry and an ethos of social responsibility in the industry</li> </ul>	Transfer payments in line with the shareholders compact	<ul style="list-style-type: none"> <li>To ensure that the gambling industry is regulated and functions within the parameters of the law</li> <li>To promote responsible gambling within the Province;</li> <li>To improve organisational licensing, expand and standardise industry compliance and enforcement;</li> <li>To provide an enabling environment in human capital, finance and ICT;</li> <li>To engender a high governance ethos;</li> <li>To ensure effective and efficient administration and management of the Organisation</li> </ul>





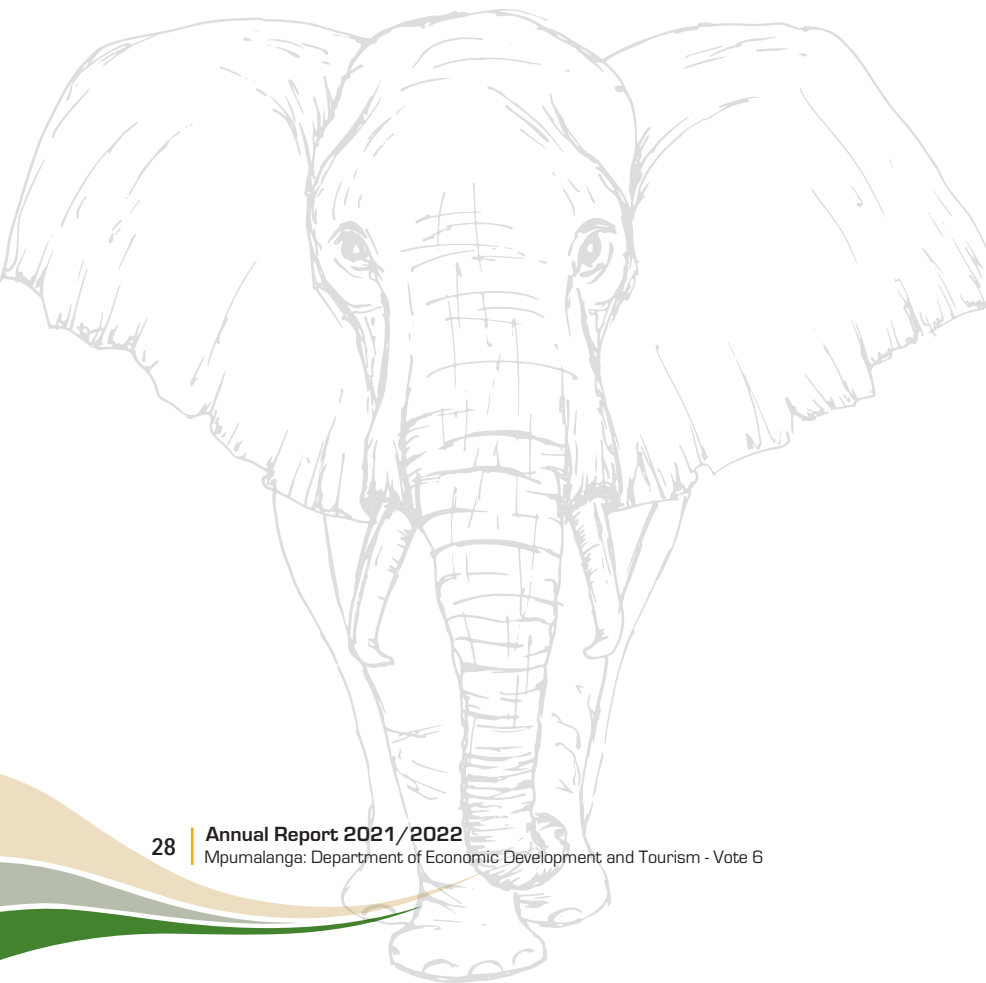


## **Part B** Performance Information

# 1. AUDITOR GENERAL'S REPORT: PREDETERMINED OBJECTIVES

The AGSA currently performs certain 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 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 146 of the Report of the Auditor General, published as Part E: Financial Information.



## 2. OVERVIEW OF DEPARTMENTAL PERFORMANCE

### 2.1 Service Delivery Environment

Our operating environment continued to test our resilience in ensuring uninterrupted service delivery that benefits our customers. Despite persisting negative effects of the ongoing COVID-19 pandemic and restrictions as well as emerging socio-economic factors, collaborative efforts by the six Programmes of the Department, our Entities and strategic partners ensured that the approved Annual Performance Plan is implemented successfully.

A hybrid service delivery model was operationalised in the execution of our Plans, wherein services were rendered with limited on-site engagements, and mostly through remote working by the majority of our workforce. These arrangements ensured minimal disruption of service delivery, whereas the health and wellness of both the workforce and our customers was prioritised.

The core services rendered by the Department included the Integrated Economic Development, Trade and Sector Development, Business Regulation and Governance, Economic Policy, Tourism Planning and Transformation. The Administration Programme supported these functional areas by strengthening our governance and accountability regime.

In addition to implementing the Annual Performance Plan, we continued to scale up contingency measures in support of distressed sectors of the Provincial economy, mostly focusing on the SMMEs and tourism establishment, to ensure economic recovery. Primary focus was also given to distressed consumers; hence the additional outreach programmes and consumer cases were resolved.

### 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 Service	Consumers in the Province	Advisory services conducted and 432 consumer cases were resolved 100%.	To conduct 400 consumer education & awareness programmes as well as investigate and resolve 80% consumer cases.	512 consumer education and awareness programmes conducted.
		16 consumer education and awareness programmes conducted.		Advisory service provided and 100% consumer cases resolved 100%.
Enterprise Development Service	Businesses in the Province	12 SMMEs were facilitated in the automotive sector to apply for funding through SEDA and SEFA.	10 Automotive Aftermarket SMMEs supported with infrastructure, lines of credit and operational skills.	10 Automotive aftermarket SMMEs supported with infrastructure lines of credit and operational skills from the DSBD.

Main services	Beneficiaries	Current/actual standard of service	Desired standard of service	Actual achievement
Enterprise Development Service	Businesses in the Province	21 women-owned SMMEs in the textile industry were supported to apply for funding with SEFA and skills development with SEDA.	10 women-owned SMMEs in the textile sector supported with business infrastructure and loans	10 women-owned SMMEs in the textile sector supported with business infrastructure and loans through the SMME economic relieve fund programme

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

Current/actual arrangements	Desired arrangements	Actual achievements
<ul style="list-style-type: none"> <li>Regular engagements were conducted in an endeavour to understand stakeholder needs &amp; expectations from the following structures:</li> <li>Provincial Batho Pele Forum,</li> <li>National Consumer Regulators;</li> <li>National Consumer Protection Bodies;</li> <li>Provincial Civil Organisations and NGOs</li> <li>Trade unions,</li> <li>Tribal Authorities,</li> <li>Media Houses and</li> <li>Members of the public.</li> </ul>	<ul style="list-style-type: none"> <li>To conduct regular engagements in an endeavour to understand stakeholder needs &amp; expectations from the following structures:</li> <li>Provincial Batho Pele Forum,</li> <li>National Consumer Regulators;</li> <li>National Consumer Protection Bodies;</li> <li>Provincial Civil Organisations and NGOs</li> <li>Trade unions,</li> <li>Tribal Authorities,</li> <li>Media Houses and</li> <li>Members of the public.</li> </ul>	<ul style="list-style-type: none"> <li>Regular engagements were conducted in an endeavour to understand stakeholder needs &amp; expectations from the following structures:</li> <li>Provincial Batho Pele Forum,</li> <li>National Consumer Regulators;</li> <li>National Consumer Protection Bodies;</li> <li>Provincial Civil Organisations and NGOs</li> <li>Trade unions,</li> <li>Tribal Authorities,</li> <li>Media Houses and</li> <li>Members of the public.</li> </ul>

### Service delivery information tool

Current/actual information tools	Desired information tools	Actual achievements
16 consumer awareness campaigns conducted – owing to COVID-19 induced restrictions.	Conduct 400 consumer education and awareness campaigns	512 consumer education and awareness campaigns conducted

### Complaints mechanism

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

## 2.3. Organisational environment

During the period under review, the Department was operating without the Head of Department, for the second financial year. The instability in leadership has a potential risk of breeding indecisiveness, leading to sustained decay of the fabric of the organisation. Processes are, however underway to appoint the Head of Department, through the Office of the Premier.

The organisational structure was reviewed but could not be processed further with relevant stakeholders, due to budgetary constraints. It should be noted that the existing organisational structure does not fully support the current strategic and operational requirements of the Department.

Business Regulation and Governance (Programme 4) has experienced a high staff turnover rate due to retirement and resignation of officials within Consumer Protection and the Consumer Court; and this created a void in the execution of some operations. The recruitment processes to fill the said vacancies are at an advanced stage of finalisation. During the period under review, the Department prioritised 32 critical posts; sixteen (16) were filled through advertisement and horizontal transfers. We appointed at least two (2) Senior Managers (Director: Gert Sibande Region and Chief Audit Executive), Deputy Director: Internal Audit (Middle Management) and Assistant Director: Risk Management (Junior Management). The other posts are at various stages of recruitment. In addition, various human resource offerings were utilised to enhance the organisational capacity and create a conducive environment, inclusive of Employee Health and Wellness Services.

In pursuit of a clean audit, a continuous commitment to improve internal controls, risk management and governance processes, as well as implementing corrective actions on all matters raised by assurance providers, were made.

The Department will continue to ensure compliance with applicable prescripts, as far as contract management is concerned, and will continue to render legal advisory services in support of Departmental activities. Insofar as it relates to the appointment of full term MTPA and MEGA Boards, recruitment processes were finalised around September 2021. The Shareholder Compacts, for the period under review, were strengthened to enhance oversight of the Entities' performance.

Information was disseminated on the mandate and services offered by the Department, through a range of communication platforms such as media advisories, media statements, interviews, website, and social media.

Through concerted efforts made by the Loss Control Committee, there was minimal reduction on the irregular expenditure, due to the complexity of the matter.

## 2.4. Key policy developments and legislative changes

The Department does not have any major changes to relevant policies or legislation that affected its operations during the period under review.



### 3. ACHIEVEMENT OF INSTITUTIONAL IMPACTS AND OUTCOMES

#### Departmental Impacts and Outcomes:

**Impact:** Thriving, Inclusive Economy and Reduced Poverty and Inequality

**Outcomes:**

- Inclusive, diversified and growing economy
- Inclusive, competitive and sustainable tourism industry
- An ethical, well-coordinated, enabling and capable centre of business excellence

**Highlights of significant achievements with regard to the contribution toward the 2019-24 Medium Term Strategic Framework and the Provincial Growth and Development:**

In line with the MTSF priority for economic transformation and job creation, the approved Strategic Plan (2019/2024) commits the Department to the impact of *a thriving, inclusive economy and reduced poverty and inequality*. The preconditions and outcomes for this impact are, firstly, an inclusive, diversified and growing economy. Secondly, an inclusive, competitive and sustainable tourism industry. Lastly, an ethical, well-coordinated, enabling and capable centre of business excellence. These ideals are realised through concerted efforts of policy and strategy formulation, thought leadership, stakeholder coordination, as well as project execution.

The cumulative work of the Department, to-date, shows performance levels above 80% on an annual basis, from the 2019/2020 to the 2021/2022 financial years of the MTSF period. At the forefront has been some sterling work in the provision of valid socio-economic policy and strategy insights. These provided critical guidance and thought leadership to the Provincial government and stakeholders, in the formulation and implementation of government's developmental programmes.

Central to the economic transformation agenda has been concerted efforts to empower businesses owned by youth, women and people with disabilities. To this end, non-financial and financial support was facilitated to benefit mostly township based and women-owned businesses in waste management, textile, bakeries, and automotive industries. Further empowerment measures directed to black-owned companies enabled them to participate in the green economy, mining value chain, tourism sector, as well as the Black Industrialist Programme.

There were continued engagements with the District and Local Municipalities, assisting them to have fully functional Local Economic Development Forums, in addition to supporting municipalities to create a conducive environment for small businesses to thrive. In addition, the Department assisted municipalities to provide business infrastructure and reduce the cost of doing business for small businesses.

Collaborative initiatives were embarked upon towards stimulating key economic sectors that have a huge potential for rapid economic growth, creation of more jobs and sustainable livelihoods. Key in this, was the development of small enterprises through the Incubation Programme, enabling them to actively participate in the mainstream economy. The youth also benefited from the Mpumalanga Stainless Steel Initiative and the Furniture Technology Incubator Programmes.

The Department has embarked on the Just Transition Programme for new economies in the Green Economy, through the establishment of the Mpumalanga Green Economy Cluster Agency, working in partnership with Green Cape, with the aim of contributing by mitigating the negative impact of Climate Change, by pushing for a cleaner energy-producing environment in the Province.

In ensuring that critical economical infrastructure is developed within the Province, the implementation of the Nkomazi SEZ and the industrial technology parks has significantly progressed. These projects seek to stimulate economic growth through diversification and specialisation of key economic sectors, amongst other objectives. Meeting of governance requirements was satisfactory in finalising the interim phase of the SEZ, considering the functional PMU and registration of the SEZ Entity. Although impacted by external dependencies, the industrial technology parks (Petro-Chemical, Mining, and Forestry) have satisfactorily progressed at varying levels.

Through these projects, the aim is to promote the competitiveness of businesses located within, by developing a knowledge economy generating growth based on the demand for high-value-added products and services that are intensive in knowledge and innovation.

Building an inclusive, competitive and sustainable tourism industry in the Province is critical to the mandate of the Department. As a means to expand new entrants in the tourism industry with the majority of black ownership, we continued to coordinate and support provincial tourism structures. These partnerships foster a coordinated and integrated planning driven development where all stakeholders influencing tourism effectively play their role.

Working towards tourism industry development that geared to self-sustaining enterprises contributing to economic growth, a number of strategic tourism projects were facilitated to enhance visitor experience. We are currently overseeing implementation of the Railway and Heritage Tourism project, and the Barberton Makhonjwa Mountain World Heritage Site. As far as transformation of the tourism sector is concerned, capacity building programmes are implemented to the benefit designated tourism SMMs, as well as career expo programmes.

It is also pivotal for the Department to build and interact with an economically informed and responsive client, in addition to creating an equitable, socially responsible business environment that allows fair trade and the protection of consumer rights. The Department continues to review Business Licensing, Gambling and Liquor policies and guidelines in order to ensure a well-regulated business environment in the Province.

Despite being able to conduct extensive consumer awareness and education sessions, as well as resolving all received consumer cases year on year, the increasing number of reported cases is a cause for concern. This is indicative of recurring unscrupulous business practices, and to-date, the prevalent consumer complaints range from second hand motor vehicles, cellular data, instalment agreements, financial services, and the quality of goods and services purchased. However, almost R2 746 244.26 was recovered on behalf of consumers in the financial year, ended March 2022.

It should be noted that the Department did not have any amendments to the Strategic Plan Document.



## 4. INSTITUTIONAL PROGRAMME PERFORMANCE INFORMATION

### Programme 1: Administration

The Purpose of Programme 1 (Administration) is to provide administrative support for the implementation of the mandate of the Department.

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

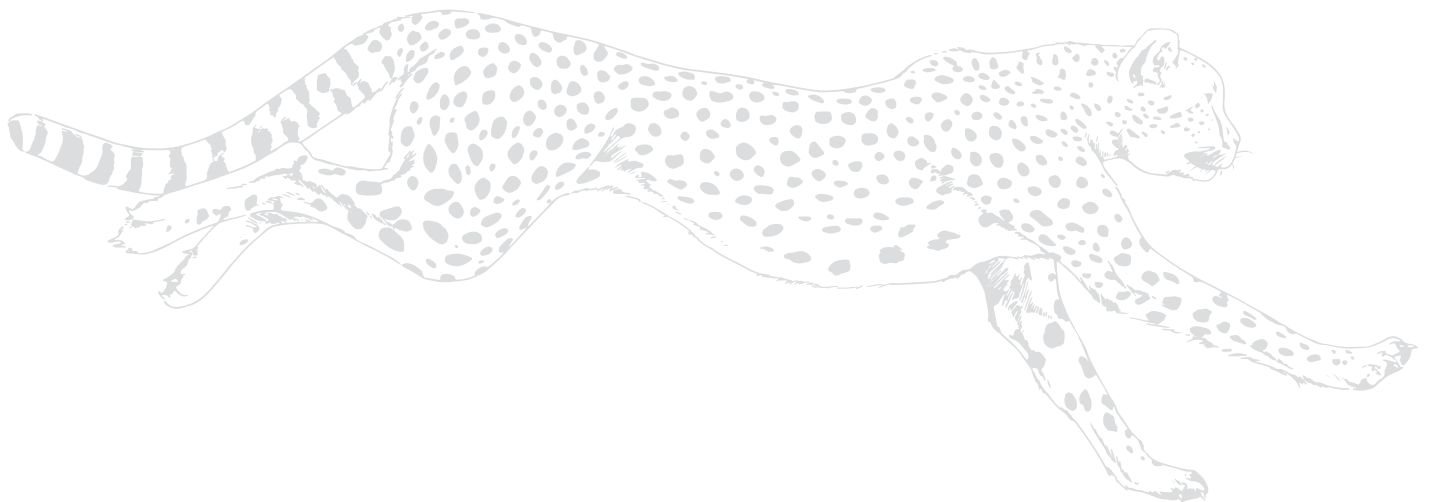
- Office of the MEC
- Office of the Head of Department
- Internal Audit
- Financial Management
- Risk Management
- Strategic Planning Services

Corporate Services with the following sub-programmes:

- Human Resource Management
- Legal Services
- Communication
- Security Services
- Transversal Services

The Programme contributes towards the following institutional outcome, as per the Annual Performance Plan.

- *An ethical, well-coordinated, enabling and capable centre of business excellence*



## Outcomes, Outputs, Output Indicators, Targets and Actual Achievements

Sub-programme: Office of the HOD		Purpose: To drive and regulate Economic Development and Planning						
Outcome	Output	Output Indicator	Audited Actual Performance 2019/2020	Audited Actual Performance 2020/2021	Planned Annual Target 2021/2022	Actual Achievement 2021/2022	Deviation from planned target to Actual Achievement 2021/2022	Reasons for deviations
An ethical, well-coordinated, enabling and capable centre of business excellence	Improved Departmental performance	% achievement of organisational planned performance targets	100%	86% Organisational Quarterly targets achieved	100% achievement of organisational planned performance targets	84 % Organisational planned performance targets achieved	16% organisational targets could not be achieved.	Achievement of targets was affected by non-compliance to HR policy, General Plan for the SEZ not yet approved, (MOA) with Sasol being developed but not yet finalised, etc.

### Linking performance with budgets

During the period under review the budget was utilised to achieve the mandate of the Department. The Department was able to hold its strategic planning session where all key relevant stakeholders were invited to form part of the session. Key deliverables were agreed upon to ensure that the mandate is carried out. As part of integration Strategic Planning presented the progress on the implementation of Departmental programmes and projects to various IDP meetings. It further facilitated and monitored the achievements of the programmes within the Department.

**Sub-programme expenditure**

Sub- Programme Office of the HOD	2020/2021			2021/2022		
	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
Total	6,998	5,715	1,283	5,320	5,080	240

**Strategy to overcome areas of under performance**

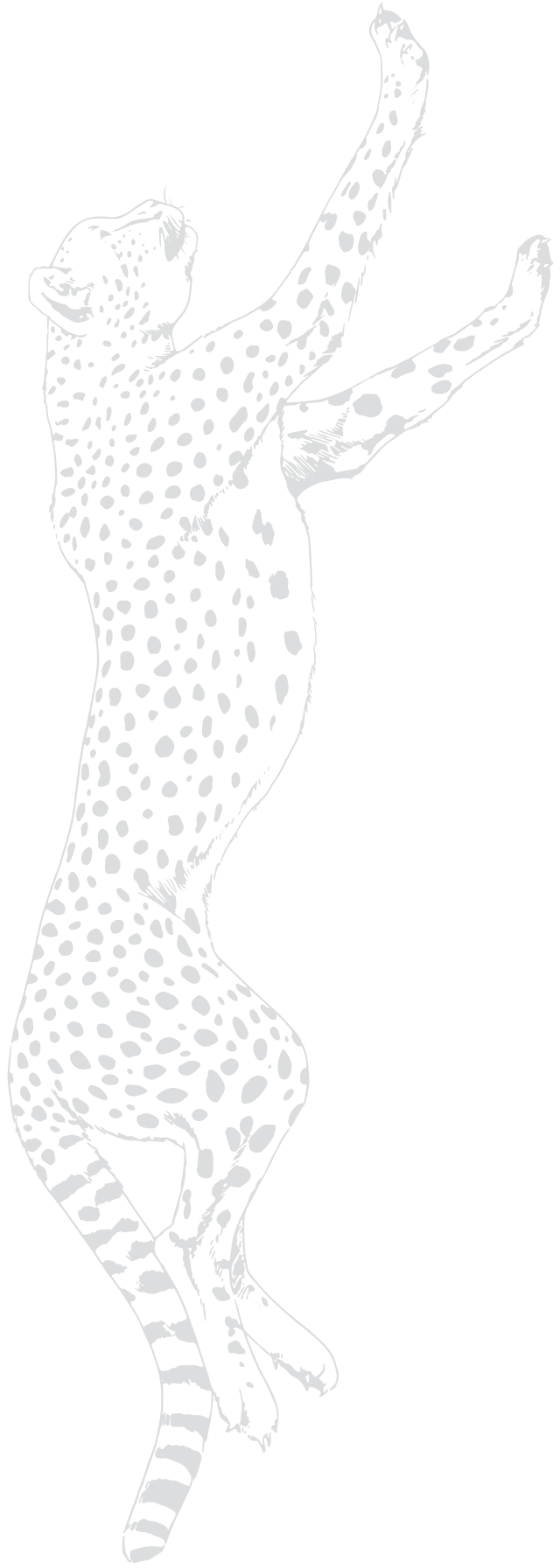
To implement the Acceleration Plan

**Performance in relation to Standardised Outputs and Output Indicators for Sectors with Concurrent Functions**

None

**Reporting on the Institutional Response to the COVID-19 Pandemic**

Not Applicable



Sub-programme: Corporate Services		Purpose: To render Corporate Services						
Outcome	Output	Output Indicator	Audited Actual Performance 2019/2020	Audited Actual Performance 2020/2021	Planned Annual Target 2021/2022	Actual Achievement 2021/2022	Deviation from planned target to Actual Achievement 2021/2022	Reasons for deviations
An ethical, well-coordinated, enabling and capable centre of business excellence	Improved staff performance levels	% compliance to PMDS framework	New Indicator	99 % compliance to PMDS framework	100%	92% compliance to PMDS framework	8% did not comply for the Department to be at 100%	No compliance to policy
	% disciplinary procedures completed within 90 days	% disciplinary procedures completed within 90 days	New Indicator	None, no disciplinary cases reported during the period under review	100%	Not achieved, however, two (2) cases reported viz: absenteeism and failure to report loss of state property (laptop)	The absenteeism case was outside the 90 days due to attempted interventions to assist the official. The loss of state property is still within the 90 days stipulated period.	Delays in receiving a report from the Chairperson. The loss of state property case is still within 90 days

### Linking performance with budgets

The budget allocated to the sub-programme assisted in achieving it's objectives.

### Sub-programme expenditure

Sub-programme: Corporate Services		2020/2021		2021/2022	
		Final Appropriation	(Over)/Under Expenditure	Final Appropriation	Actual Expenditure
		R'000	R'000	R'000	R'000
Total		31,789	31,411	34,798	33,182
					1,616

### Strategy to overcome areas of under performance

Compliance policy in place

### Performance in relation to Standardised Outputs and Output Indicators for Sectors with Concurrent Functions

None, all planned targets are reported

## Reporting on the Institutional Response to the COVID-19 Pandemic

Not applicable

Purpose: To manage financial matters of the Department								
Sub-programme: Financial Management		Output Indicator	Audited Actual Performance 2019/2020	Audited Actual Performance 2020/2021	Planned Annual Target 2021/2022	Actual Achievement 2021/2022	Deviation from planned target to Actual Achievement 2021/2022	Reasons for deviations
Outcome	Output	Auditor General audit outcome	Unqualified with emphasis	Unqualified with matters Audit report finalised	Unqualified (no matters)	Unqualified (with one emphasis of matter) Audit report finalised	The Department received unqualified with one emphasis of matter	Emphasis of matters; Restatement of prior year information following resolution of a dispute with implementing agent during the current year.
		% decline in irregular expenditure	New Indicator	A request has been submitted to Provincial Treasury for condonation. This was submitted during the month of March, and no response has been received yet.	75%	28%	47%	Request for condonation was rejected as incomplete or for referral to the Accounting Officer for removal from the register
		% of creditor payments within 30 days of receipt of compliant invoice	99%	98% of creditor payments within 30 days of receipt of compliant invoice	100%	100%	None	None
		% of the value of goods and services to be procured from designated groups as per PPP.	New Indicator	88% of the value of goods and services procured from designated groups as per PPP.	85%	88%	Target exceeded by 3%	None

Sub-programme: Financial Management		Purpose: To manage financial matters of the Department						
Outcome	Output	Output Indicator	Audited Actual Performance 2019/2020	Audited Actual Performance 2020/2021	Planned Annual Target 2021/2022	Actual Achievement 2021/2022	Deviation from planned target to Actual Achievement 2021/2022	Reasons for deviations
An ethical, well-coordinated, enabling and capable centre of business excellence	Implement effective and efficient financial management systems to achieve clean audit	% compliance with the ICT Governance System and Framework	New Indicator	50% compliance with the ICT Governance System and Framework	70%	58%	12%	The Department advertised posts of System Controllers (Persal and Logis) in an effort to address shortcomings identified on ICT during the audit process. The recruitment process is currently underway to fill the posts, and it is anticipated that the successful candidates will start work on 01 July 2022.

**Sub-programme expenditure**

Sub-programme: Financial Management	2020/2021			2021/2022		
	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
Total	36,442	34,695	1,747	41,724	40,304	1,420

**Strategy to overcome areas of under performance**

Training on Modified Cash Basis for officials involved in the preparation and review of financial statements.

**Resubmission with additional documentation for irregular expenditure**

IT Governance Committee meetings held in the quarter, complemented by the participation of officials originating from PT, having specialist IT skills.

**Performance in relation to Standardised Outputs and Output Indicators for Sectors with Concurrent Functions**

None, all planned targets are reported

**Reporting on the Institutional Response to the COVID-19 Pandemic**

Not applicable

## 4.2 Programme 2: Integrated Economic Development Services

The purpose of the programme is to stimulate economic growth through the promotion of HDIs in the Province

The Programme consists of the following sub-Programmes:

- Enterprise Development
- Economic Empowerment
- Local Economic Development

**The Programme contributes towards the following institutional outcome as per the Annual Performance Plan.**

- Inclusive, diversified and growing economy

### Outcomes, Outputs, Output Indicators, Targets and Actual Achievements

The Department continued to promote and support an enabling business environment and ecosystem that enables small businesses to grow and develop, which is critical for economic growth and job creation. The activities of the Enterprise Development Directorate included facilitation to access to markets, capacity building, inculcating a culture of entrepreneurship with the associated pipeline of potential entrants drawn from various initiatives, business development support and sustainable procurement. These initiatives contributed towards job creation and the expansion of businesses by enabling them to inter alia, move up the value chains within sectors, such as construction. The Department was also successful in supporting co-operatives in the waste sector of the Green Economy with safety wear and equipment.

In promoting inclusive and sustainable economic growth that incorporates the local sphere and the business community the following were achieved:

- Co-ordinated the provision of business infrastructure for manufacturing enterprises at the local municipalities. Municipalities were assisted to provide support to SMME in the waste management by opening up their waste management sites.
- Assisted municipalities to implement the red tape reduction strategy by reducing the costs of doing business by SMMEs.
- Assisted in the strengthening of the LED forums in most municipalities in the Province.

The sub-Programme Economic Empowerment coordinated the implementation of the Broad Based Black Economic Empowerment through the activities of the Provincial Broad Based Black Economic Empowerment Council, which assessed the level of B-BBEE compliance, and came up with possible interventions in the various sectors. Two (2) black empowered companies were assisted to participate in the Green Economy through the Black Industrialist Programme and three (3) black empowered companies were assisted to participate in the mining value chain.

The achievements of these targets contributed to the Department's Strategic Outcome Orientated Goals, which will invariably impact on strategic priorities of government. It is the policy of government and the Department, that in all the programmes that are implemented, priority is given to designated groups (women, youth and the people with disabilities).

Sub-programme: : Enterprise Development		Purpose: To Support and Develop Business Enterprises						
Outcome	Output	Output Indicator	Audited Actual Performance 2019/2020	Audited Actual Performance 2020/2021	Planned Annual Target 2021/2022	Actual Achievement 2021/2022	Deviation from planned target to Actual Achievement 2021/2022	Reasons for deviations
Inclusive, diversified and growing economy	Co-operatives in three District municipalities facilitated to formalise Waste Management.	Number of Cooperatives and SMMEs participating in Waste Management	New Indicator	6 cooperatives in 3 municipalities, namely: (Victor Khanye, Thembeisile Hani, and Bushbuckridge) were assisted with compliance. A submission was processed to acquire the necessary protective clothing, working tools. Department of environment was engaged to provide safety training to the cooperative members.	6 Cooperatives 6 SMME's	6 Cooperatives and 6 SMME's supported to participate in the Waste management Programme. The programme also assisted them with PPEs.	None	None
	Targeted support for SMMEs in the Textile Sector in Mpumalanga on Business infrastructure and access to markets	Number of women and Youth owned Textile SMMEs companies benefited	New Indicator	21 Women Owned SMMEs in the Textile industry were identified and supported to apply for funding from SEFA and skill development with SEDA	10 women supported with business infrastructure and loans; 10 youth supported with loans	10 women supported with business development training with SEDA and assisted to apply for infrastructure that is owned by MEGA and facilitated application for funding from SEFA; 10 youth enterprise assisted to apply for the Mpumalanga Youth Fund that is managed by the office of the Premier, 8 youth enterprises were supported by the DSBF Covid Relief Fund.	None	None.

Sub-programme: : Enterprise Development		Purpose: To Support and Develop Business Enterprises						
Outcome	Output	Output Indicator	Audited Actual Performance 2019/2020	Audited Actual Performance 2020/2021	Planned Annual Target 2021/2022	Actual Achievement 2021/2022	Deviation from planned target to Actual Achievement 2021/2022	Reasons for deviations
Inclusive, diversified and growing economy	Automotive aftermarket targeted support for Mechanics, exhaust installers and tyre installers.	Number of Automotive-aftermarket for Mechanics, exhaust installers and tyre installers supported.	New Indicator	New Indicator	10 Automotive aftermarket SMMEs supported with infrastructure, lines of credit and operational skills.	Not achieved, however 10 SMME's were identified	Automotive aftermarket SMMEs could not be supported with infrastructure lines of credit and operational skills	The budget for this target was only able to fund the skills development programme while more resources were being identified from other stakeholders.

### Linking performance with budgets

The budget allocated to the sub-programme has enabled the sub-programme to achieve some of its planned targets. The budget allocation was, however, not sufficient to enable the sub-programme to provide all the necessary intervention required in supporting the SMME's and Co-operatives with access to credit and adequate infrastructure. This has also affected the sub-programme to assist enterprises in other sectors, and this has put constraints in the service delivery environment. There is a need for this sub-programme to be prioritised, in terms of funding since, it is in the coalface of service delivery.

## Sub-programme expenditure

Sub- Programme: Enter- prise Development	2020/2021			2021/2022		
	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
Total	429,349	426,300	3,049	783,445	777,560	5,885

## Strategy to overcome areas of under performance

- The remaining equipment for Nkangala will be procured in the next financial year
- The Department is participating in the Youth Development Fund coordinated from the Office of the Premier and 10 women and 10 youth were encouraged to apply from this fund.
- Those who fall within the Youth category will be encouraged to apply to the Youth Development Fund.

## Performance in relation to Standardised Outputs and Output Indicators for Sectors with Concurrent Functions

- The standardised outputs and output indicators for sectors such as the Green Economy, Agriculture and Forestry, mining, tourism were prioritised and included in the Annual Performance Plan and reported on in the Annual Report.

## Reporting on the Institutional Response to the COVID-19 Pandemic

The Departments has provided information to the SMME's on the Relief Programme that was made available by the national Department of Small Business Development through SEDA and SEFA to assist the informal business. The Department also assisted SMME's to apply to apply for the Relief programme through the establishment of the provincial call centre where SMME were calling and being guided on how to fill the forms. The Department also made available an amount of R10 million that was transferred to MTPA, to assist SMMEs affected by COVID-19 pandemic through grants and payments of their staff, especially those in the hospitality sector.

**Table: Progress on Institutional Response to the COVID-19 Pandemic**

Budget Programme	Intervention	Geographic location (Province/District/local municipality) (Where Possible)	No. of beneficiaries (Where Possible)	Disaggregation of Beneficiaries (Where Possible)	Total budget allocation per intervention (R'000)	Budget spent per intervention	Contribution to the Outputs in the APP (where applicable)	Immediate outcomes
SMME Development	Inclusive, diversified and growing economy	Province	8	Women and Youth	R9,000,	9million	SMME Developments	Job security

Sub-programme: Economic Empowerment		Purpose: To facilitate the process of empowerment and creation of an enabling business environment for PDIs.						
Outcome	Output	Output Indicator	Audited Actual Performance 2019/2020	Audited Actual Performance 2020/2021	Planned Annual Target 2021/2022	Actual Achievement 2021/2022	Deviation from planned target to Actual Achievement 2021/2022	Reasons for deviations
Inclusive, diversified and growing economy	Black empowered companies participating in green economy	Number of black empowered companies participating in green economy	New Indicator	2	4	4	None	None
	Manufacturing companies participating in the Black Industrialist programme	Number of manufacturing companies participating in Black Industrialist programme	New Indicator	1	4	4	None	None
	Black existing companies funded to participate in the mining value chain	Number of black existing companies funded to participate in the mining value chain	New Indicator	3	4	4	None	None
	Black owned companies participating in the tourism sector	Number of black owned companies participating in the tourism sector	New Indicator	1	3	3	None	None

### Linking performance with budgets

The Sub-Programme Economic Empowerment's adjusted appropriated budget is R4 539 000, with the actual expenditure being R4 535 000. The budget allocated has enabled the sub-programme to achieve its planned targets. The budget allocation was, however not sufficient to enable the sub-programme to provide all the necessary interventions required in supporting the identified enterprises participating in the various sectors, and thus has put constraints in the service delivery environment.

**Sub-programme expenditure**

Sub-programme: Economic Empowerment	2020/2021			2021/2022		
	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
Total	4,153	4,185	(32)	4,539	4,535	4

**Strategy to overcome areas of under performance**

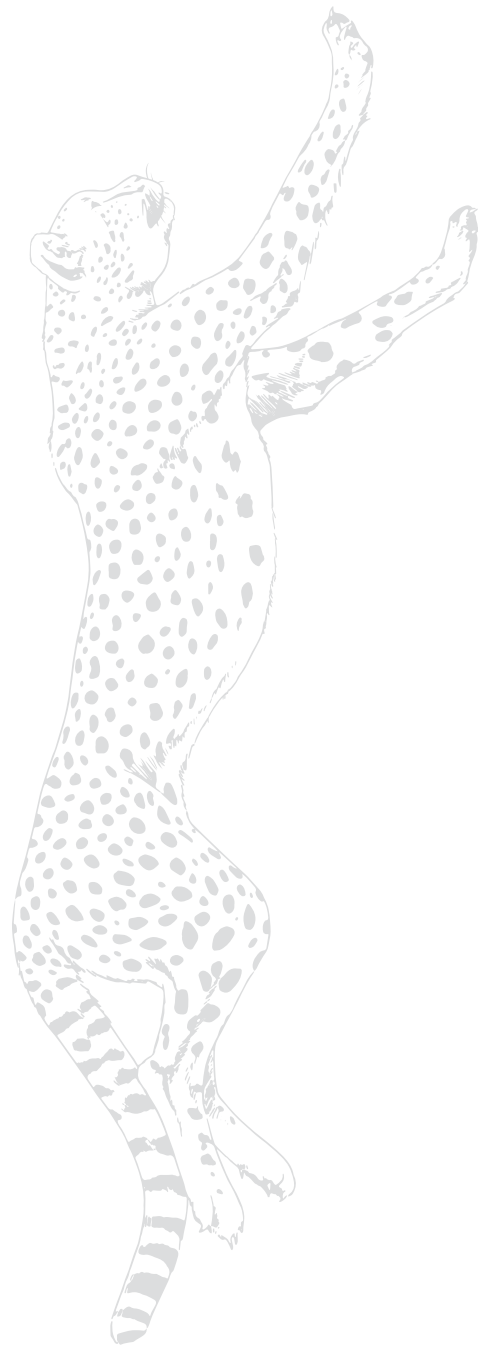
None

**Performance in relation to Standardised Outputs and Output Indicators for Sectors with Concurrent Functions**

None, all planned targets are reported

**Reporting on the Institutional Response to the COVID-19 Pandemic**

Not applicable



Purpose: To promote economic growth and development of local economies							
Sub-programme: Local Economic Development	Outcome	Output	Output Indicator	Audited Actual Performance 2019/2020	Audited Actual Performance 2020/2021	Planned Annual Target 2021/2022	Actual Achievement 2021/2022
Inclusive, diversified and growing economy	Municipalities supporting SMMEs to participate in the mainstream waste management industry (Green Economy)	Number of municipalities assisted to support SMMEs in the waste management industry	New Indicator	3 municipalities assisted to support SMMEs in the waste management industry <ul style="list-style-type: none"> <li>Msukaligwa LM</li> <li>Bophelo Recycling and Injanga Bied Recycling</li> <li>Govan Mbeki and Pixley ka Isaka Seme LMs were assisted through collaboration with Council for Geoscience to support them in identifying business opportunities on Carbon capture utilisation and storage for SMMEs.</li> </ul>	6 municipalities assisted to identify waste projects for SMMEs (Nkomazi, Mbombela, Mkhondo, Thembisile Hani, Msugalikwa and Govan Mbeki)	6	6 municipalities assisted to identify waste projects for SMMEs (Nkomazi, Mbombela, Mkhondo, Thembisile Hani, Msugalikwa and Govan Mbeki)
	Reduced cost of doing business by municipalities for SMMEs. (Manufacturing sector)	Number of municipalities supported to reduce the cost of doing by SMMEs	New Indicator	The Provincial Red Tape Reduction Strategy was disseminated to all municipalities through the 3 districts.	4	4	5 municipalities supported to incorporate Red Tape Reduction in their LED plans (City of Mbombela, Lekwa, Thembisile Hani, Thaba Chweu and Dipaleseng Local Municipalities).
						Deviation from planned target to Actual Achievement 2021/2022	Reasons for deviations
						None	None
						1 extra Municipality was supported due to demand.	None

Purpose: To promote economic growth and development of local economies									
Sub-programme: Local Economic Development		Output	Output Indicator	Audited Actual Performance 2019/2020	Audited Actual Performance 2020/2021	Planned Annual Target 2021/2022	Actual Achievement 2021/2022	Deviation from planned target to Actual Achievement 2021/2022	Reasons for deviations
Outcome		Business infrastructure provided (Factory space & Industrial Parks, electricity, water, land, road networks), (Manufacturing sector)	Number of business infrastructure provided.	New Indicator	1 municipality supported to provide business infrastructure for SMMEs. Steve Tshwete (40 SMME Industrial units launched in Mhluzi).	3	3 municipalities supported to compile data on available infrastructure to benefit SMMEs. (Immovable property like buildings) 1 Business infrastructure identified to be refurbished in support of SMMEs (Ferrobank Industrial park in Emalahleni)	None	None
	LED Forums supported in municipalities for the benefit of SMMEs/Co-ops in the mining sector value chains	Number of LED Forums supported.	New Indicator	1 Multi-stakeholder platform established to coordinate opportunities for SMMEs in mining within Nkangala District.	4	8 LED Forums supported (Thembisile Hani, Emakhazeni, Steve Tshwete, Dipaleseng, Bushbuckridge, Nkomazi, Thaba Chweu and eMalahleni Local Municipalities).	4 more Municipality supported due to demand.	None	

### Linking performance with budgets

The budget allocated enabled the sub-programme to achieve some of its planned targets. The budget allocation was, however, not sufficient to enable the sub-programme to provide support to local municipalities in the three district of the Province. The sub-programme could not assist all local municipalities to establish their Local Economic Development Forum that are fit for purpose, so that and they in turn assist SMME's and Co-operatives in various municipalities to be provided with proper services like water and electricity. This has affected the revenue of municipalities. The sub-programme could not assist all municipalities in the Province to review their bi-laws and this has affected service delivery. In future, more resources must be allocated to this sub-programme, since all activities of the Department are happening in a municipal space.

### Sub-programme expenditure

Sub-programme: Local Economic Development	2020/2021			2021/2022		
	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
Total	6,166	5,950	216	7,826	7,817	9

### Strategy to overcome areas of under performance

None

### Performance in relation to Standardised Outputs and Output Indicators for Sectors with Concurrent Functions

None, all planned targets are reported

### Reporting on the Institutional Response to the COVID-19 Pandemic

Not applicable

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

The purpose of the Programme is to support the development of industries 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:**

- Green Economy
- Manufacturing and Agro-processing sector
- Mining Sector

**The Programme contributes towards the following institutional outcome as per the Annual Performance Plan.**

- Inclusive, diversified and growing economy

#### Outcomes, Outputs, Output Indicators, Targets and Actual Achievements

The three (3) sectors that the Programme is pursuing are aimed at growing the provincial economy. Guided by the Industrial Development Plan, Mpumalanga Green Economy Development Plan and the Mining Lekgotla Pledge, the programme in partnership with stakeholders from the three (3) sectors have embarked on initiatives geared towards stimulating economic growth and job creation which are contributing meaningfully towards Outcome 1. Through the Incubation Programme which forms part of the Industrialisation Programme, the Department is developing small enterprises, as a mechanism to drive inclusive growth and development. In addition, we are also pursuing the new economies focusing on Green Economy to promote sustainable clean energy, including a healthy living environment.

The Programme managed, through the partnership with Green Cape, to establish the Mpumalanga Green Economy Cluster Agency which would promote, coordinate the rollout of the Green Economy Development Plan. The Green Economy Cluster Agency would greatly contribute to initiatives in the “Just Transition Programme”, enabling the move to a cleaner energy producing environment within Mpumalanga. The Green Economy Cluster would ensure that deserving projects, in the green economy space, are executed in partnership with industry.

The finalisation of the Interim Phase of the Nkomazi SEZ is progressing well and the PMU, consisting of 3 professionals, being operational. The Interim Board for the Entity is also in place, and the SEZ Entity has also been registered as Mpumalanga Nkomazi SEZ SOC LTD. Furthermore the 5 Year Strategic Plan and Annual Performance Plan for the SEZ Entity was developed for approval by the Interim Board. The finalisation of the statutory site requirements is also nearing completion, since the required Environmental Authorisation and Township Establishment approvals are already in place. The Development Phase of the SEZ is expected to commence within the next financial year, with the erection of a barrier fence on the proposed site.

With regards to the Petro-chemical Industrial Technology Park in Govan Mbeki, the General Plan was approved by the Surveyor General. The Department is now busy with the process of opening the township register. In addition the proposed Forestry Industrial Technology Park in Sabie, has experienced some delays in the completion of the Statutory Compliance requirements, due to a number of objections against the proposed development. The Department has however addressed a number of concerns by reworking the Environmental Report and a new Tribunal Hearing will be conducted to conclude this matter.

Two (2) pilot projects on reusing mine impacted water to irrigate mine rehabilitated land for agriculture use, are already underway, namely: the Mafube Colliery Irrigation with Mine Water Project and the Brugspruit Pollution Control Works Project. The irrigation project, in particular, is showing great potential since it can be expanded and replicated to other mines. In terms of alternative uses of mining land, the Kromdraai mine site has been selected for the scalable, life-size demonstration model of a sustainable mine closure project, and the Sustainable Regional Closure Model was developed for implementation. The Green Engine Project is aimed at developing a regional economic model where mine owned land, renewable energy and treated mined water can be used to develop business opportunities for local communities.

Project plans for the following identified projects were developed

- Mafube/Winter Grains
- Tyre and Plastic Pyrolysis
- Alien Vegetation
- Brugspruit Water works

In addition, a Memorandum of Agreement with Impact Catalyst was developed as the new host of MWCB, where the projects would be implemented.

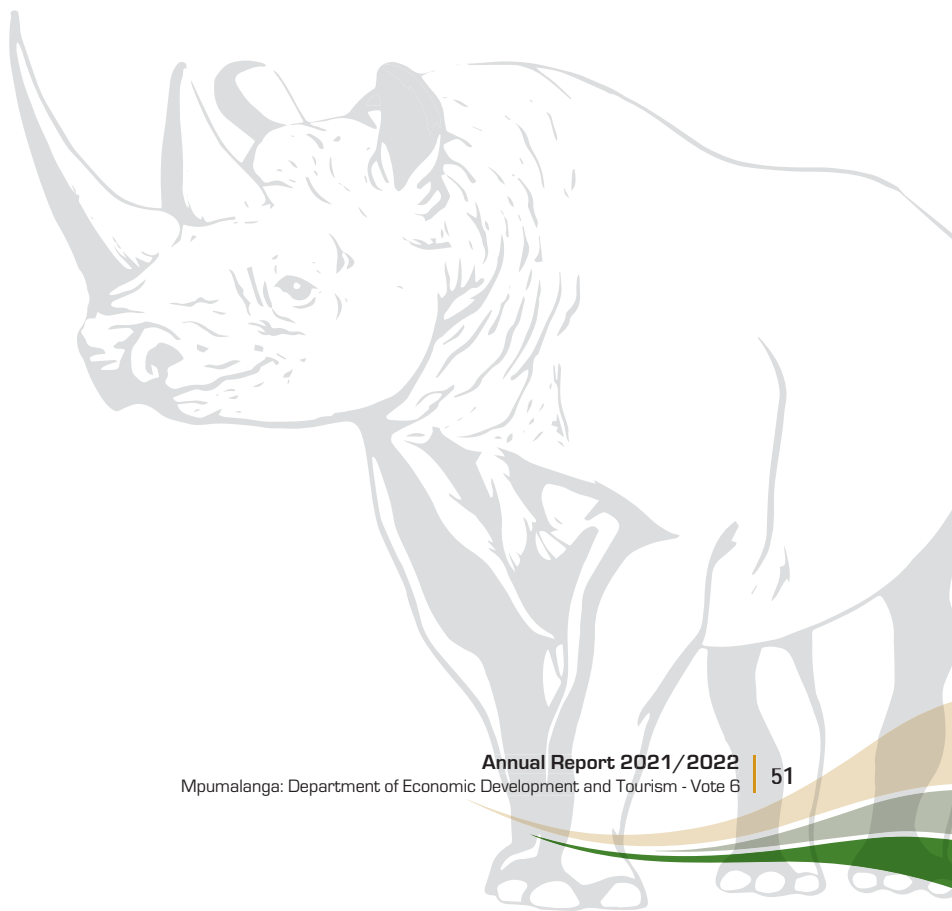
In addressing youth development, the Programme drove the Incubation programme that focuses on the following:

**Mpumalanga Stainless Initiative (MSI):**

- Various young people were trained and supported on stainless steel in order to obtain contracts from industry to take advantage of opportunities presented by the stainless steel industry.

**Furniture Technology Incubator (Furntech):**

- Young people were trained in small scale furniture manufacturing and upholstery at Thaba Chweu Local Municipality, to increase the skills in this sector, to support the planned Forestry Industrial Technology Park in Sabie.



Sub-programme: Green Economy		Purpose: To Facilitate Trade, Export Promotion and Attract Investment						
Outcome	Output	Output Indicator	Audited Actual Performance 2019/2020	Audited Actual Performance 2020/2021	Planned Annual Target 2021/2022	Actual Achievement 2021/2022	Deviation from planned target to Actual Achievement 2021/2022	Reasons for deviations
Inclusive, diversified and growing economy	Renewable energy projects implemented within the industry	% of green economy cluster resolutions and action plans implemented	New Indicator	87,7%	85%	90% Pillar 1: Establishment of Cluster (25% achieved as planned) The Green Economy Cluster Agency has been registered, Board appointed and project manager seconded to finalise the governance related issues.  Pillar 2: Partnerships (25% of which 20% of 25% achieved) 4 planned MOA's finalised. (SAPPI, Eskom, Sasol and Council of Geoscience)  Pillar 3: Bio Energy Cluster Activities (25%) Bio-Energy Cluster assessment of privately owned projects conducted.  Pillar 4: Cluster Subsector Development (20% of 25% achieved ) Water, circular economy and smart agriculture sub sectors establishment process at an advanced stage. Market intelligence reports on each sector produced. Training on required skills in Green Economy conducted	Target exceeded by 5%	More activities were implemented

### Linking performance with budgets

The sub-programme managed to spend R 3,547,000 of its total final budget of R 4,006,000. This represents a under expenditure of R 459,000. The sub-Programme managed, through the partnership with Green Cape to establish the Mpumalanga Green Economy Cluster Agency which would promote, coordinate the rollout of the Green Economy Development Plan. The Green Economy Cluster Agency would greatly contribute to initiatives in the “Just Transition Programme” by enabling a move to a cleaner energy producing environment within Mpumalanga. The Green Economy Cluster would ensure that deserving projects in the green economy space and executed in partnership with industry. The sub-programme managed to finalise 3 of the 4 planned Memorandums of Agreement (MOA's) with industry partners.

### Sub-programme expenditure

Sub-programme: Green Economy	2020/2021			2021/2022		
	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
Total	3,664	3,289	375	4,006	3,547	459

### Strategy to overcome areas of under performance

None

### Performance in relation to Standardised Outputs and Output Indicators for Sectors with Concurrent Functions

None, all planned targets are reported

### Reporting on the Institutional Response to the COVID-19 Pandemic

Not applicable

Purpose: To position the industrial sector as a key contributor to economic growth and development								
Sub-programme: Manufacturing and Agro-processing sector	Outcome	Output	Audited Actual Performance 2019/2020	Audited Actual Performance 2020/2021	Planned Annual Target 2021/2022	Actual Achievement 2021/2022	Deviation from planned target to Actual Achievement 2021/2022	Reasons for deviations
Inclusive, diversified and growing economy	Establishment of the Nkomazi SEZ	Interim Phase of the Nkomazi SEZ implemented	Interim Phase	Interim Phase of the Nkomazi SEZ implemented as follows: <ul style="list-style-type: none"> <li>PMU established and operational (4 Professionals already appointed)</li> <li>Interim Board is in place and the SEZ Entity has been registered as Mpumalanga Nkomazi SEZ SOC LTD</li> <li>Appointment of Service Provider was finalised and work commenced (such data collection and status quo and literature analysis).</li> </ul>	Interim Phase of the Nkomazi SEZ implemented	Interim Phase of the Nkomazi SEZ implemented as follows: <ul style="list-style-type: none"> <li>Township Establishment was concluded</li> <li>General Plan was surveyed and submitted to the Office of the Surveyor General for approval</li> <li>The SEZ Strategy &amp; APP documents approved</li> <li>SEZ Entity Organisational Structure approved</li> </ul>	General Plan not yet approved.	Finalise approval of servitude road to obtain approval of General Plan
	Establishment of 2 Industrial Technology Parks	Project Initiation Phase of 2 Industrial Technology Parks implemented	Project Initiation Phase	Project Initiation Phase of 3 Industrial Technology Parks implemented (started) as follows: Land Availability Agreements for Govan Mbeki Local Municipality (Petrochemical Industrial Technology Park) and Thaba Chweu	Project Initiation Phase (Petrochemical Industrial Technology)	Project Initiation Phase for Petrochemical Industrial Technology Park implemented as follows: <ul style="list-style-type: none"> <li>General Plan was submitted and approved by the Surveyor General</li> <li>The land was transferred into the name of the Govan Mbeki Local Municipality</li> <li>Process to resuscitate the Special Purpose Vehicle (SPV) with Sasol initiated</li> </ul>	Project specific Memorandum of Agreement (MOA) with Sasol being developed but not yet finalised.	Fast-track finalisation of the MOA with Sasol

Purpose: To position the industrial sector as a key contributor to economic growth and development									
Sub-programme: Manufacturing and Agro-processing sector		Output	Output Indicator	Audited Actual Performance 2019/2020	Audited Actual Performance 2020/2021	Planned Annual Target 2021/2022	Actual Achievement 2021/2022	Deviation from planned target to Actual Achievement 2021/2022	Reasons for deviations
Outcome					(Forestry Industry Technology Park) Local Municipality developed. Request for funding from Treasury concluded for equity in the Highveld Steel Industrial Park (Mining & Metals Industrial Technology Park) The municipal planning approval for the Petrochemical Industrial Technology Park has been obtained and that of the Forestry Industrial Technology Park not obtained as yet	Project Initiation Phase (Forestry Industrial Technology Park)	Target not achieved as planned, however DMRE was engage on the surface rights issues.	Town Planning approval and Environmental Authorisation not yet obtained.	Additional studies required by DARDLEA on Storm water Management Plan/ Hydrological Plan and Detailed Report on Waste Water Treatment Works, as well as the matter of the unresolved surface rights

### Linking performance with budgets

The sub-programme managed to spend R 3,628,000 of its total final budget of R 4, 993,000. This represents a under expenditure of R1, 369,000. The envisaged Municipal Planning Tribunal Hearing for the Sabie Industrial Technology Park has not yet been conducted due to some outstanding work that still needs to be finalised, as directed by DARDLEA on the Environmental Authorisation and the Municipal Planning Tribunal will now only be concluded in the 2022/2023 financial year. The Petrochemical Industrial Technology Park is also expected to be finalised within the new financial year, and as such, the required payment milestones were not achieved, hence the underspending. The projects for the Industrial Technology Parks are managed in terms of payment milestones and the necessary acceleration plan, was put in place, to ensure the projects are concluded within the new reworked timeframes. In terms of the incubation programme, there were no under expenditure since the required funds were transferred to the respective Incubators supported by the Department (MSI and Furntech). Funds to assist with the set-up of the Nkomazi SEZ Entity, in terms of the Service Level Agreement with MEGA, were also processed.

### Sub-programme expenditure

Sub-programme: Manufacturing and Agro-processing sector	2020/2021			2021/2022		
	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
Total	2,068	1,943	125	4,993	3,628	1,365

### Strategy to overcome areas of under performance

- Get approval of General Plan from Surveyor General
- Project specific Memorandum of Agreement with Sasol finalised

### Performance in relation to Standardised Outputs and Output Indicators for Sectors with Concurrent Functions

None, all planned targets are reported

### Progress on Institutional Response to the COVID-19 Pandemic:

Not applicable

Sub-programme: Mining Sector		Purpose: To facilitate the implementation of strategic programmes that will stimulate the competitiveness of the priority sectors.						
Outcome	Output	Output Indicator	Audited Actual Performance 2019/2020	Audited Actual Performance 2020/2021	Planned Annual Target 2021/2022	Actual Achievement 2021/2022	Deviation from planned target to Actual Achievement 2021/2022	Reasons for deviations
Inclusive, diversified and growing economy	Increase in reusable mining water for agricultural Purpose	MOU with Mine Water Coordinating Body implemented	New Indicator	Two pilot projects on reusing mine impacted water to irrigate mine rehabilitated land for agriculture use already underway, namely: Mafube Colliery Irrigation with Mine Water Project; Brugspruit Pollution Control Works Project.	Implementation of the MOU with the Mine Water Coordinating Body (MWCB)	Project plans for the following identified projects developed: <ul style="list-style-type: none"><li>• Mafube/Winter Grains</li><li>• Tyre and Plastic Pyrolysis</li><li>• Alien Vegetation</li><li>• Brugspruit Water works</li></ul> Memorandum of Agreement with Impact Catalyst was developed as new host of MWCB.	None	None

Sub-programme: Mining Sector		Purpose: To facilitate the implementation of strategic programmes that will stimulate the competitiveness of the priority sectors.						
Outcome	Output	Output Indicator	Audited Actual Performance 2019/2020	Audited Actual Performance 2020/2021	Planned Annual Target 2021/2022	Actual Achievement 2021/2022	Deviation from planned target to Actual Achievement 2021/2022	Reasons for deviations
	Increase in mining land rehabilitated for other purposes	MOU with Minerals Council implemented	New Indicator	2 pilot projects on mine land utilisation implemented and evaluated as follows: Kromdraai Project <ul style="list-style-type: none"><li>The Kromdraai mine site has been selected for the scalable, life-size demonstration model of a sustainable mine closure project.</li><li>Progress to date:</li><li>Sustainable Regional Closure Model developed</li><li>Green Engine Project:</li><li>This Project is aimed at developing a regional economic model where mine owned land, renewable energy and treated mined water will be used to develop business opportunities for local communities.</li><li>Progress to date:</li><li>Socio-economic opportunities identified with mine water as enabler</li></ul>	Implementation of the MOU with the Minerals Council	Draft MOU and Programme of Action developed but not yet concluded	Signing of the MOU with Mineral Council	Suggested amendments to MOA not yet adopted by the parties

### Linking performance with budgets

The sub-programme managed to spend R 10 747,000 of its total final budget of R 12, 061,000. This represents a under expenditure of R 1, 314 ,000. Two (2) pilot projects on reusing mine impacted water to irrigate mine rehabilitated land for agriculture use are already underway, namely: the Mafube Colliery Irrigation with Mine Water Project and the Brugspruit Pollution Control Works Project.

Further to this, the Green Engine Project is aimed at developing a regional economic model where mine owned land, renewable energy and treated mined water will be used to develop business opportunities for local communities. Project plans for the identified projects were developed for Mafube Winter Grains, Tyre and Plastic Pyrolysis, Alien Vegetation and the Brugspruit Water works as mentioned earlier. The Draft MOU and Programme of Action was developed but not yet concluded between the Department and Minerals Council since consensus has not yet been reached on areas of cooperation between the parties.

## Sub-programme expenditure

Sub-programme: Mining Sector	2020/2021			2021/2022		
	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
Total	11,614	11,151	453	12,061	10,747	1,314

### Strategy to overcome areas of under performance

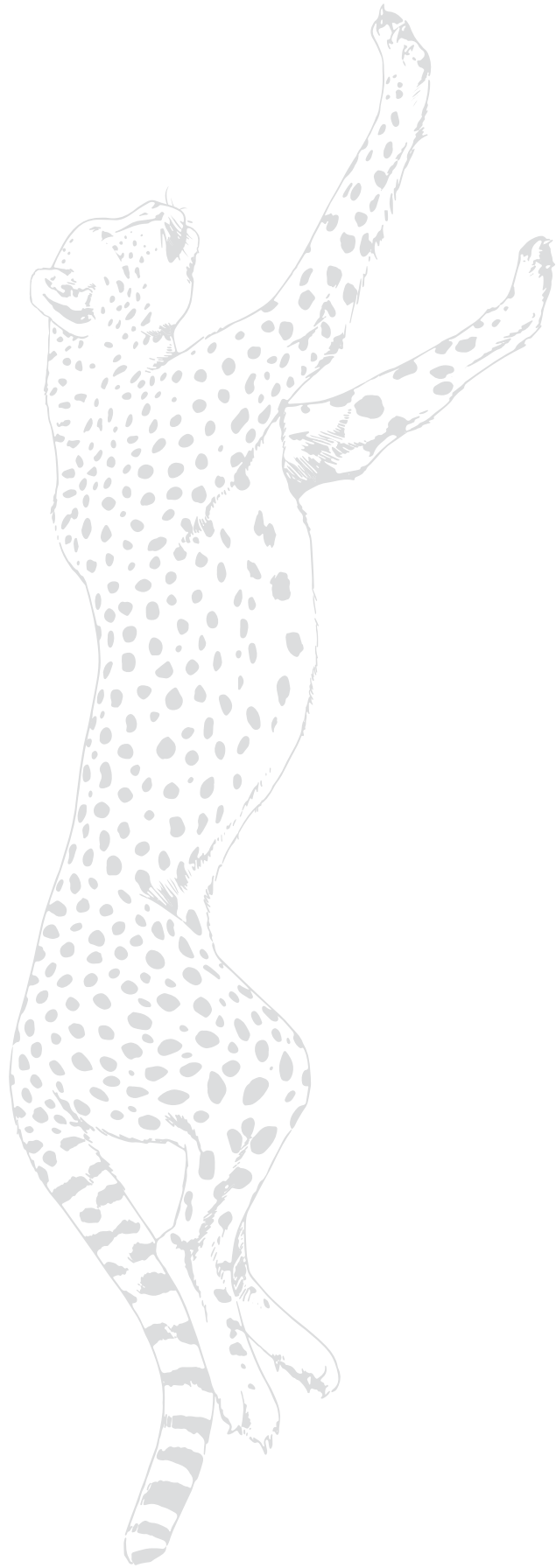
Finalise areas of cooperation and conclude agreement

### Performance in relation to Standardised Outputs and Output Indicators for Sectors with Concurrent Functions

None, all planned targets are reported

### Reporting on the Institutional Response to the COVID-19 Pandemic

None



#### 4.4. Programme 4: Business Regulation and Governance

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

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

- Consumer Protection
- Business Regulation

**The Programme contributes towards the following institutional outcome as per the Annual Performance Plan.**

- Inclusive, diversified and growing economy

#### Outcomes, Outputs, Output Indicators, Targets and Actual Achievements

During the year under review, a total of 512 outreach activities were conducted, exceeding the target of 400. Various activities took place in partnership with different stakeholders. The main consumer education campaigns included the World Consumer Rights Month (WCRM), festive season Spend Wisely Campaign, annual savings campaign held in July and the People Living with Disability seminars. Furthermore, the Department has also conducted consumer education media campaigns with various national and community radio stations on issues involving consumers.

A total of 815 consumer complaints were received and resolved within 60 working days, in the year under review, thus exceeding the set annual target of 80% by 20%. As a result, an amount of R2 746 244.26 was recovered on behalf of consumers. According to the trend analysis, the complaints most received by the office involved over indebtedness (administration orders and summons), motor vehicles (challenges of second hand cars), breach of credit agreements, funeral services (contracts with unrepeatable tombstone service providers), cell phone and data contractual disagreements.

Two (2) legislations, namely, Business Licensing, Gambling and Liquor policies were reviewed.

The planned informal Sector Indaba was deferred to allow for extensive engagement with informal sector traders across the Province. Subsequently, capacity building workshops and bilateral engagements with Municipalities and Informal Traders affected were conducted.

Three (3) Business Licensing Workshops were conducted during the period of review at Nkangala District Municipality (virtual); Nkomazi Local Municipality and Mkhondo Local Municipality. Over and above, an analysis on the implementation of the business licensing regulations and implementation of By-laws by the respective Municipalities was done, assisting to identify where capacity building is required.

Out of seventeen (17) Municipalities, only eight (8) were assisted to develop or review their Street Trading By-laws. The following eight (8) Municipalities were assisted to develop and review their Street Trading Bylaws, namely; Dipaleseng, Mkhondo, Chief Albert Luthuli, Emakhazeni, Lekwa, Victor Khanye, Thembisile Hani, Dr JS Moroka. A total of four (4) MER Reports were received and analysed to assess performance and achievements of planned target.

Sub-programme: Consumer Protection		Purpose: To promote and regulate matters related to consumers						
Outcome	Output	Output Indicator	Audited Actual Performance 2019/2020	Audited Actual Performance 2020/2021	Planned Annual Target 2021/2022	Actual Achievement 2021/2022	Deviation from planned target to Actual Achievement 2021/2022	Reasons for deviations
Inclusive, diversified and growing economy	Consumer cases reduced	% of consumer cases resolved within specified timeframes	90% resolved consumer cases received and advisory services provided  Received cases: 1130 Resolved cases: 1121	100% cases received and resolved (421 Cases received and 432 cases resolved)	80%	100% resolved consumers cases received and advisory services provided.	20% more achieved	More cases resolved than anticipated
		Number of Consumer Awareness and Education programs	574	16	400	512 consumer education and awareness programmes conducted	112 More Consumer education and awareness programmes conducted.	More requests received that anticipated

### Linking performance with budgets

During the period under review, the Department purchased radio slots from SABC's Ligwalagwala fm, Ikwekwezi fm, Rise fm and 12 community radio stations in the Province for consumer awareness programmes. Special Capacity building workshops were conducted to a total of 350 people with disabilities during the November disability month, in commemoration of their human rights, in Gert Sibande and Ehlanzeni Districts. Consumer education branding material (role up banners and gazeboes) were also purchased for use by officials during workshops and roadshows.

### Sub-programme expenditure

Sub-programme: Consumer Protection	2020/2021			2021/2022		
	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
Total	12,205	12,171	34	12,652	12,586	66

### Strategy to overcome areas of under performance

The targets are demand driven.

### Performance in relation to Standardised Outputs and Output Indicators for Sectors with Concurrent Functions

None

### Reporting on the Institutional Response to the COVID-19 Pandemic

Unlike in previous years, education and awareness campaigns were negatively affected by the COVID-19 pandemic, and the associated regulations that put a halt on gatherings, (face to face workshops and roadshows), hence the sub-directorate could not conduct workshops and roadshows as planned. The sub-directorate had to rely on radio and other social media platforms to reach out to consumers. Consumer complaints during the period under review were professionally handled by the dedicated team of Investigators, who worked on rotational bases, in-line with COVID 19 regulations given the need to receive, investigate and resolve the cases from consumer complainants.

Sub-programme: Business Regulation		Purpose: To promote and maintain a business regulatory system						
Outcome	Output	Output Indicator	Audited Actual Performance 2019/2020	Audited Actual Performance 2020/2021	Planned Annual Target 2021/2022	Actual Achievement 2021/2022	Deviation from planned target to Actual Achievement 2021/2022	Reasons for deviations
Inclusive, diversified and growing economy	Regulated business environment	Number of reviewed Business Licensing, Gambling and Liquor policies and guidelines	1	1	2	2	None	None

Linking performance with budgets

Sub-programme expenditure

Sub-programme: Business Regulation	2020/2021		2021/2022		(Over)/Under Expenditure R'000
	Final Appropriation R'000	Actual Expenditure R'000	Final Appropriation R'000	Actual Expenditure R'000	
	89,917	89,821	104,784	104,511	273
Total					

Strategy to overcome areas of under performance

None

Performance in relation to Standardised Outputs and Output Indicators for Sectors with Concurrent Functions

None

Reporting on the Institutional Response to the COVID-19 Pandemic

Not applicable

## 4.5 Programme 5: Economic Planning

The Programme is responsible for the provision of economic policy direction and strategies, in addition to conducting research on the provincial economy, to inform strategy development.

**The Programme consist of the following sub-Programmes:**

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

**The Programme contributes towards the following institutional outcome as per the Annual Performance Plan.**

- Inclusive, diversified and growing economy

### Outcomes, Outputs, Output Indicators, Targets and Actual Achievements

The Department has conducted, coordinated and commissioned socio-economic related research to inform economic planning and policy of the Department and Province. It analysed statistical data of relevant socio-economic indicators and disseminated socio-economic related data and research findings, rendered economic advisory service to relevant stakeholders on provincial and even municipal level. A Departmental/provincial economic research agenda was also developed through liaison with relevant institutions on economic research related matters.

On-line business surveys, like the economic impact of COVID-19 to inform the economic planning process and the MER-RP (Mpumalanga Economic Reconstruction and Recovery Plan), as well as research reports on key sectors/industries such as mining and tourism, were conducted. The Economic Analysis sub programme is the central point in Mpumalanga regarding credible, accurate and quality socio-economic data and information for evidence-based decision making and for planning, policy and budget purposes. The comprehensive annual PERO (Provincial Economic Review and Outlook) and SERO (Socio-Economic Review and Outlook) reports which are produced bi-annually, are a great source of information for planning purposes.

The Programme further coordinated the development of the Mpumalanga Economic Reconstruction and Recovery Plan (MERRP) which will be a very important vehicle to get our economy on track again, so that the much needed jobs can be created for the residents thus impacting positively on poverty and inequality. The Department has also planned a Provincial Economic Summit to focus on energy, the 2022 – 2023 financial year. The aim of the Summit is to ensure that the Province moves to a new economic development trajectory that is competitive, fast-growing and inclusive.

In developing the Green Economy Development Plan, the Department has entered into a Service Level Agreement with the Green Cape Sector Development Agency (GreenCape) in 2021, to come up with a set of interventions that would assist the Province in tapping on the green economy. The results of this collaboration have seen the establishment of the Mpumalanga Green Cluster Agency NPC which was registered with CIPC, and its directors (representing government, business and Academia) were appointed. The Cluster has been accepted into the International Cleantech Network as the only second member in Africa, and this opens doors to international collaboration.

The performance and achievements are directly linked with the Department's mandate and outcome of promoting and achieving an inclusive, diversified and growing economy in Mpumalanga.

An Investor landing Deck which outlines opportunities in the Province for potential investors has been developed. Market Intelligence Reports on Water, Energy, and Sustainable Agriculture, were also drafted. Several workshops were held in order to up-skill government officials and role players in the Green Economy. A Circular Economy Cluster has also been established, in order to drive the Industrial Symbiosis programme of the Province.

Purpose: To manage economic policy and planning									
Sub-programme: Policy & Planning									
Outcome	Output	Output Indicator	Audited Actual Performance 2019/2020	Audited Actual Performance 2020/2021	Planned Annual Target 2021/2022	Actual Achievement 2021/2022	Deviation from planned target to Actual Achievement 2021/2022	Reasons for deviations	
An economically informed and responsive client	Integrated economic development policy directives	Number of reports on policy directives produced	Assessment of the 3 Biogas pilot projects conducted: MOU signed with Green Cape to deal with all forms of renewables. A closing out event hosted and an assessment report done in collaboration with USAID-LED	3 Report produced	4 reports on identified and implemented initiatives on Green Economy and policy briefs	4 report on Green Economy steering committee on identified and implemented initiatives and policy briefs	None	None	
	Integrated economic development strategies/ plans	Number of reports on economic development strategies/ plans produced	1 provincial integrated sector strategy developed	1 provincial integrated sector strategy developed	1 updated Green Economy Plan to include “Just Transition”	Just Transition Framework consultations and Co-Benefit report for Mpumalanga produced	The Co-benefits and just transition reports will be presented at the Energy Summit planned in the first quarter of the new financial year	More focus was given to operationalising the Entity so that the Energy Summit can deliberate on Just Transition reports planned for first quarter of the new financial year	

### Linking performance with budgets

The budget allocated to the sub-programme was R 3,470,000 for their 2021-2022 financial year; to deliver on its service and outputs. The sub-programme delivered on all its planned targets for the financial year. However, there was an over expenditure of 23% (R761 000) as the compensation of employees expenditure increased due to the filling a Deputy Director position. This will be rectified in the new financial year.

The sub-directorate undertook urgent work in the establishment of the Mpumalanga Green Cluster Agency, which is the vehicle aimed at driving the green economy sector and produce economic activities and opportunities in the Province.

### Sub-programme expenditure

Sub-programme: Policy & Planning	2020/2021			2021/2022		
	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
Total	2,898	2,626	272	3,953	3,951	2

### Strategy to overcome areas of under performance

The Just Transition reports will be presented at the Energy Summit which will take place in the new financial year.

### Performance in relation to Standardised Outputs and Output Indicators for Sectors with Concurrent Functions

None

### Reporting on the Institutional Response to the COVID-19 Pandemic

Not applicable

Sub-programme: Knowledge Management		Purpose: To render knowledge management services						
Outcome	Output	Output Indicator	Audited Actual Performance 2019/2020	Audited Actual Performance 2020/2021	Planned Annual Target 2021/2022	Actual Achievement 2021/2022	Deviation from planned target to Actual Achievement 2021/2022	Reasons for deviations
Inclusive, diversified and growing economy	Updated geo-database of MEGDP priority projects	Updated geo-database of MEGDP priority projects in Mpumalanga	Updated statistical database and GIS information for MEGDP priority initiatives produced	Updated geo-database of MEGDP priority projects in Mpumalanga on MEGDP priority projects in Mpumalanga	Updated geo-database of MEGDP priority projects in Mpumalanga	Geo-Database not updated. However information collected	Target not met	Server ICT hardware damaged due to load-shedding.

## Linking performance with budgets

Sub-programme expenditure

Sub-programme: Knowledge Management	2020/2021		2021/2022		
	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000
Total	3,924	3,682	242	3,972	3,792
					180

## Strategy to overcome areas of under performance

Server ICT hardware to be procured in next financial year

## Performance in relation to Standardised Outputs and Output Indicators for Sectors with Concurrent Functions

None

## Reporting on the Institutional Response to the COVID-19 Pandemic

Not applicable

Sub-programme: Economic Analysis								
Outcome	Output	Output Indicator	Audited Actual Performance 2019/2020	Audited Actual Performance 2020/2021	Planned Annual Target 2021/2022	Actual Achievement 2021/2022	Deviation from planned target to Actual Achievement 2021/2022	Reasons for deviations
Inclusive, diversified and growing economy	Socio-economic research reports to inform the Departmental, provincial and municipal planning, policy, strategy and budget processes	Number of Provincial Economic Review and Outlook (PERO) reports compiled	1 PERO report compiled	1 PERO report compiled	1 PERO report compiled	1 PERO report compiled	None	None
		Number of updated Socio-economic Review and Outlook (SERO) reports completed and communicated	2 updated SERO reports completed and communicated	2 updated SERO reports completed and communicated	2 updated SERO reports completed and communicated	2 updated SERO reports completed and communicated	None	None

### Linking performance with budgets

The Economic Analysis Unit achieved all its targets in the 2021/22 financial year and contributed in executing the mandate of the Department and in line with the vision and mission, as well as to the outcome of achieving an inclusive, diversified and growing economy in Mpumalanga. There was however, some underspending related to especially COE due to the Deputy Director vacancy. With regards to the underspending on goods and services, COVID-19 and the lockdown regulations contributed to some activities and events not taking place as usual, like the physical attendance and participation in relevant workshops, strategic planning sessions, conferences, and so forth.

The Unit played a leading and instrumental role in providing credible data and information on the provincial economy for planning purposes, and informing the MERRP (Mpumalanga Economic Reconstruction and Recovery Plan), to mitigate the negative economic impact of COVID-19 and the lockdown, and to identify new economic opportunities for Mpumalanga to increase economic growth. It was also instrumental in providing credible socio-economic data/information on municipal level through its Socio-Economic Profiles of all Districts and Local Municipalities for planning, IDP, LED and especially DDM purposes.

### Sub-programme expenditure

Sub-programme: Economic Analysis	2020/2021			2021/2022		
	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
Total	4,652	4,610	42	3,695	3,574	121

### Strategy to overcome areas of under performance

None

### Performance in relation to Standardised Outputs and Output Indicators for Sectors with Concurrent Functions

All indicators in the Annual Performance Plan are reported on in the Annual Report. The standardised outputs and output indicators for relevant sectors were prioritised, included in the Annual Performance Plan and reported on in the Annual Report.

### Reporting on the Institutional Response to the COVID-19 Pandemic

Not Applicable

## 4.6 Programme 6: Tourism

### **Purpose of the Programme:**

The Purpose of the Programme is to ensure tourism sector policy development, regulation and compliance and to promote sector transformation in the Province.

The Programme consist of the following sub-Programmes:

#### **Tourism Planning**

The Programme contributes towards the following institutional outcome as per the Annual Performance Plan.

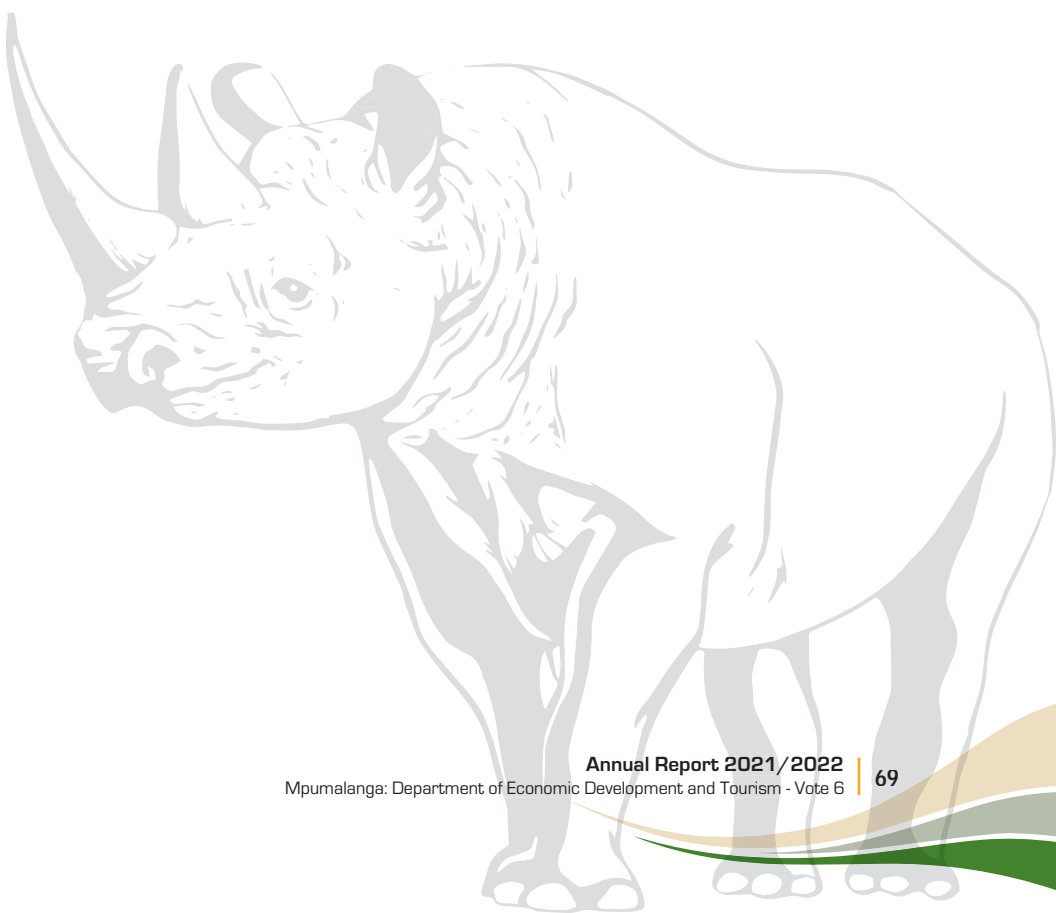
- Inclusive, competitive and sustainable tourism industry

### **Outcomes, Outputs, Output Indicators, Targets and Actual Achievements**

The Programme was able to implement the tourism structures, facilitation of the appointment of the Management Authority for the Barberton Makhonjwa Mountain World Heritage Site, Tourism Careers Expo, as well as providing strategic intervention to tourism businesses impacted negatively by the COVID-19 pandemic through the disbursement of Mpumalanga Tourism Relief Fund to the tourism businesses in distress.

The achieved activities of the Programme responded to the designated groups, such as women, youth and people with disabilities. This was done through the Tourism Relief Fund whose beneficiaries included formal and informal tourism related businesses in the Province.

These achievements contribute towards achieving the Departmental outputs and impact positively to the strategic priorities of government.



Purpose: To ensure enhanced and sustainable tourism growth									
Sub-programme: Tourism Planning		Output	Output Indicator	Audited Actual Performance 2019/2020	Audited Actual Performance 2020/2021	Planned Annual Target 2021/2022	Actual Achievement 2021/2022	Deviation from planned target to Actual Achievement 2021/2022	Reasons for deviations
Inclusive, competitive and sustainable tourism industry	Expand new entrants in the tourism industry with majority of black ownership	Number of Tourism Structures coordinated	New Indicator		27 Tourism Structures coordinated and supported, (11 supported through virtual platform (Zoom) namely:  Supported National Tourism Sector Forum  Coordinated a meeting with the MMCs for LED and Tourism  Coordinated meeting with the Tourism RTOs  Supported Nkalanga LED and Tourism Forum  Supported Pixley Ka Isaka Seme LM and LTO	10 Tourism Structures coordinated and supported,	12 x structures coordinated and supported: <ul style="list-style-type: none"><li>• Pilgrims Rest</li><li>• NTSS</li><li>• Tourism Careers Expo</li><li>• Manyeleti Incubation project committee</li><li>• Tourism Think Tank Committees</li><li>• Botshabelo Cultural Village</li><li>• Pilgrims Rest structure</li><li>• Pilgrims Rest</li><li>• East3Route Initiatives</li><li>• 2 engagements with Songimvelo Nature Reserves.</li></ul>	More structures were coordinated due to demand necessitated by the impact of Covid -19.	None

Sub-programme: Tourism Planning		Purpose: To ensure enhanced and sustainable tourism growth						
Outcome	Output	Output Indicator	Audited Actual Performance 2019/2020	Audited Actual Performance 2020/2021	Planned Annual Target 2021/2022	Actual Achievement 2021/2022	Deviation from planned target to Actual Achievement 2021/2022	Reasons for deviations
Inclusive, competitive and sustainable tourism industry				<ul style="list-style-type: none"><li>• 3 District LED and Tourism presentations on Tourism Blueprint</li><li>• 1 Tourism MIPTECH engagement meeting</li><li>• 1 NTSF engagement meeting</li><li>• 1 MEC Tourism Stakeholders meeting on Tourism Relief funding</li><li>• 1 x Tourism Visitor Information Stakeholder's meeting</li><li>• 1 MEC meeting with Gert Sibande District Mayors and the RTO</li><li>• NTSF, MIPTECH and MinMeC)</li></ul>		<ul style="list-style-type: none"><li>• 2 MEC engagement with Traditional Leaders (Bukhosi baka Dantjie) and Mthethomusha nature reserve stakeholder engagements.</li></ul>		

Sub-programme: Tourism Planning		Purpose: To ensure enhanced and sustainable tourism growth						
Outcome	Output	Output Indicator	Audited Actual Performance 2019/2020	Audited Actual Performance 2020/2021	Planned Annual Target 2021/2022	Actual Achievement 2021/2022	Deviation from planned target to Actual Achievement 2021/2022	Reasons for deviations
Inclusive, competitive and sustainable tourism industry	Destination enhancement and route development to diversify product offering and enhance visitor experience	Number of new strategic tourism projects facilitated to enhance visitor experience	New Indicator	1 Tourism Train project facilitated to enhance visitor experience	1 x Railway and Heritage Tourism project implemented	Not achieved	The project could not be implemented	Railway and Heritage Tourism project not implemented because the MoU with Transnet could not be finalised
		Barberton Makhonjwa Mountain WHS implemented	4 x Barberton Makhonjwa Mountain WHS M & E Reports produced	4 Monitoring and Evaluation Reports on Strategic Tourism Projects and Initiatives Developed. M&E report on Barberton Makhonjwa Mountain World Heritage Site M&E report on Pilgrim's Rest	Barberton Makhonjwa Mountain WHS operationalised	The BMM WHS is being operationalised with the activation of the stakeholder engagements to start the process of development of the Integrated Management Plan	None	None
		Number of Tourism Policies and plans developed to grow the tourism sector in the Province	New Indicator	COVID-19 Tourism Sector Impact Assessment and final Tourism Recovery Plan developed.	Mpumalanga Tourism Bill finalised and submitted to EXCO for further processing and approval	The Tourism Bill has been tabled to State Law Advisors for final endorsement and submission to EXCO and Legislature	None	None

### Linking performance with budgets

In summary the budget allocated to the Programme, though inadequate, was able to cover at least 80% of the 2021/2022 tourism targets. The activities that were not achieved, such as the Railway Tourism project, were prioritised for the Public Private Partnership (PPP) arrangement and will now be explored in the 2022/2023 financial year.

### Sub-programme expenditure

Sub-programme: Tourism Planning	2020/2021			2021/2022		
	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
Total	386,628	385,127	1,501	413,435	413,341	94

### Strategy to overcome areas of under performance

The Bill will finally be tabled to Legislature before the end of the first quarter of 2022/2023

### Performance in relation to Standardised Outputs and Output Indicators for Sectors with Concurrent Functions

None

### Reporting on the Institutional Response to the COVID-19 Pandemic

The Department, through the MTPA, allocated a total of R10 million (which benefited 606 tourism businesses) as part of the response to the COVID-19 affected tourism businesses in the Province. The Mpumalanga Tourism Relief Fund augmented the National Tourism Relief Fund which benefited 238 Mpumalanga businesses, to the value of R11,9 million. The beneficiaries of the Relief Funds range from both the formal and informal tourism businesses.

Table: Progress on Institutional Response to the COVID-19 Pandemic

Budget Programme	Intervention	Geographic location (Province/District/local municipality) (Where Possible)	No. of beneficiaries (Where Possible)	Disaggregation of Beneficiaries (Where Possible)	Total budget allocation per intervention (R'000)	Budget spent per intervention	Contribution to the Outputs in the APP (where applicable)	Immediate outcomes
Tourism	Tourism Relief Funds	Province (MP)	844	Formal and Informal tourism businesses	R21,9 mil	21,9 million	Destination enhancement and route development to diversify product offering and enhance visitor experience	

Sub-programme: Tourism Sector Transformation								
Outcome	Output	Output Indicator	Audited Actual Performance 2019/2020	Audited Actual Performance 2020/2021	Planned Annual Target 2021/2022	Actual Achievement 2021/2022	Deviation from planned target to Actual Achievement 2021/2022	Reasons for deviations
Inclusive, competitive and sustainable tourism industry	Transformation of the Tourism Sector	Number of Tourism Capacity Building programmes implemented	New Indicator	New Indicator	2 x Tourism Capacity Building programme implemented:  Tourism SMMEs training programme Tourism Careers programme	2 x Tourism Capacity Building programme implemented:  Tourism SMMEs training on tourism sector professionalization  Tourism Careers Expo programme conducted in Nasrec Centre, Gauteng Province	None	None
		Number of Local Government Tourism Support programme implemented	New Indicator	New Indicator	2 x Local Government Tourism support programmes implemented: • Implementation of the activities of the Tourism Blueprint document (coordination of the Local Government Tourism Summit) • Development of Tourism Plans/strategies for prioritised municipalities (Gert Sibande & Nkangala Local Municipalities)	Not achieved	Municipal Tourism Plan not developed as planned	The colleagues in programme 5 were over committed as a result they could assist programme 6 to develop the plan internally

### **Strategy to overcome areas of under performance**

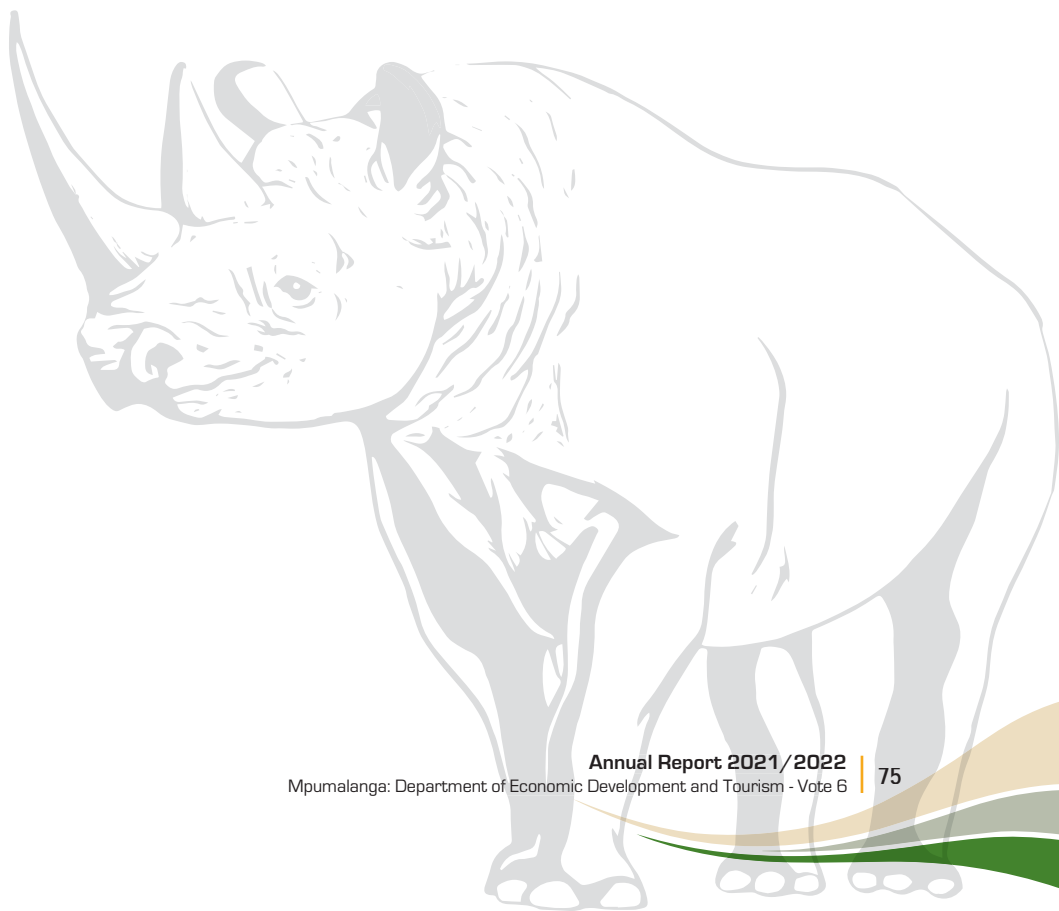
The project needs to be allocated a budget and co-funded by both the municipalities and the Department in the future

### **Performance in relation to Standardised Outputs and Output Indicators for Sectors with Concurrent Functions**

None

### **Reporting on the Institutional Response to the COVID-19 Pandemic**

Not applicable



## 5. TRANSFER PAYMENTS

### 5.1. Transfer payments to public entities



The Department has signed a shareholder compact with the three (3) Public Entities reporting to it, and the performance of these Entities was monitored on a quarterly basis, based on the shareholder compact.

Name of Public Entity	Key Outputs of the public entity	Amount transferred to the public entity	Amount spent by the public entity	Achievements of the public entity
<p>Mpumalanga Economic Growth Agency (MEGA)</p> 	<ul style="list-style-type: none"> <li>Promote and facilitate Trade and Investment in the Province</li> <li>Provide financial and non-financial support to SMMEs in the Province</li> <li>Provide financial support to emerging farmers in the Province</li> <li>Grant housing loans to the needy and previously advantaged</li> </ul>	220 253	220 253	<ul style="list-style-type: none"> <li>a) For the 2021/22 financial year, MEGA planned 35 annual targets, achieved 19 and failed to achieve 16 of its planned targets. This translates to 54% achievement and 46% non-achievement.</li> <li>b) The merger has been completed and the OD process was finalised with all employees placed into the new structure.</li> <li>c) A full-term Board and CEO were appointed.</li> <li>d) The consolidated document on the MEGA's Repurposing was developed for approval by relevant governance structures and consist of the following: DEDT's Framework on the re-engineering of MEGA; MEGA's turn-around strategy &amp; implementation plan, Concept Document on the unbundling of MEGA.</li> <li>e) The Entity commenced with the implementation of the MYDF as of 2021.</li> <li>f) The Entity appointed a Transactional Advisor to provide guidance on how to proceed and incorporate the envisaged operating company for the MIFPM.</li> <li>g) The Entity embarked on a fundraising drive, engaging various institutions to support the funding activities and discussions are at an advanced stage.</li> <li>h) Business Plans were finalised for Tekwane Farm, SMMEs and Home Loans to be used to raise funds.</li> </ul>


Name of Public Entity	Key Outputs of the public entity	Amount transferred to the public entity	Amount spent by the public entity	Achievements of the public entity
<p>Mpumalanga Economic Growth Agency (MEGA)</p> 				<p>This section provides a high level overview on progress made in key strategic initiatives while also reflecting on challenges requiring interventions:</p> <p><b>MIFPM</b></p> <p><b>Operationalisation:</b></p> <ul style="list-style-type: none"> <li>• Construction of the market buildings and associated facilities is nearing completion. Current estimates are for practical completion by mid November 2022, and final completion in February/March 2023</li> <li>• Actions to operationalise the MIFPM were delayed by the inability of the Unincorporated Joint Venture involving MEGA, the IDC and Thebe to conclude a bankable feasibility study.</li> <li>• Market operator appointments tend to be long term appointments (10 – 30 years), also involving long term leases and careful structuring of financial arrangements. The appointment of the operator is generally seen as a Public Private Partnership (PPP) transaction. There is no sufficient time to undertake this process before March 2022.</li> </ul>

Name of Public Entity	Key Outputs of the public entity	Amount transferred to the public entity	Amount spent by the public entity	Achievements of the public entity
<p>Mpumalanga Economic Growth Agency (MEGA)</p> 				<ul style="list-style-type: none"> <li>MEGA is also seeking to secure an investor/s with who the operationalisation will be co-funded and co-owned through an SPV still to be incorporated. MEGA will also urgently apply for deviation from PPP process in order to expedite the process of securing equity investment and appointing the permanent market operator.</li> </ul> <p><b>Property Re-Development::</b></p> <ul style="list-style-type: none"> <li>MEGA has prioritised the 3 largest industrial parks and 2 shopping centers for revitalisation. Ekandustria is currently MEGA's largest industrial park by far and thus sits at the top in terms of priority for revitalisation.</li> <li>MEGA has submitted a R50 million grant funding application to the dtic for Ekandustria's revitalisation. Funds are to be utilised for fencing, roofs repairs and refurbishment of some factories.</li> <li>MEGA is in discussion with the Gauteng provincial government, the City of Tshwane, and the DEDT to form a partnership together with the private sector in the management and revitalisation of the Park.</li> </ul>



Name of Public Entity	Key Outputs of the public entity	Amount transferred to the public entity	Amount spent by the public entity	Achievements of the public entity
<p>Mpumalanga Economic Growth Agency (MEGA)</p> 				<ul style="list-style-type: none"> <li>• MEGA has further requested developers who are in its list of strategic development partners to submit proposals for the comprehensive revitalisation, funding and management of the Park. The preferred development partner has been appointed.</li> <li>• The other two large industrial parks are Kabokweni and Siyabuswa. MEGA has applied for a combined total of R 100 million funding under the dtic critical infrastructure programme to be used in upgrading these parks.</li> <li>• According to the feedback received from the dtic, the two parks did not form part of the prioritised parks, and as a result the application was not successful. MEGA will explore other opportunities to continue with the revitalisation projects.</li> </ul>


Name of Public Entity	Key Outputs of the public entity	Amount transferred to the public entity	Amount spent by the public entity	Achievements of the public entity
<p>Mpumalanga Economic Growth Agency (MEGA)</p> 				<p><b>Investment in New Properties</b></p> <ul style="list-style-type: none"> <li>A major new industrial Park is proposed at the MIFPM precinct. The MIFPM is meant to be a catalyst for the development of the envisaged industrial park on the 259 Hectares of land transferred to MEGA by the provincial government. The MIFPM currently sits on 41 Hectares, i.e. 15.8 %, of the 259 Ha. MEGA intends partnering with the private sector in developing, co-owning and managing the new park. To this that end, the Entity will request suitably qualified developers to submit proposals for the development, funding and management of the Park.</li> </ul>
<p>Mpumalanga Tourism and Parks Agency (MTPA)</p> 	<ul style="list-style-type: none"> <li>Provide for effective management and conservation of biodiversity and ecosystems within the Province.</li> <li>Develop and ensure effective management of protected areas.</li> <li>Promote and create socioeconomic growth and transformation within the tourism and conservation industry, thereby creating economic and employment opportunities for the previously disadvantaged individuals and local communities in the Province</li> </ul>	409 297	409 297	<ul style="list-style-type: none"> <li>The 2021/22 financial year has been a fairly good year, although the COVID 19 pandemic was still prevalent in the first and second quarter of the 2021/22 financial year.</li> <li>The Entity continued to execute its legislative mandate during the reporting period, in spite of the prevailing resource constraints due to reduced collection of revenue throughout the country owing to the impact of the COVID-19 pandemic. The MTPA has continued to work together with the private sector to ensure that the industry recovers from the devastating effects of COVID- 19.</li> </ul>


Name of Public Entity	Key Outputs of the public entity	Amount transferred to the public entity	Amount spent by the public entity	Achievements of the public entity
<p>Mpumalanga Tourism and Parks Agency (MTPA)</p>  <p><b>Mpumalanga</b> TOURISM AND PARKS AGENCY <small>An Entity of the Department of Economic Development and Tourism</small></p>				<ul style="list-style-type: none"> <li>• The Entity embarked on a number of marketing initiatives, aimed at positioning the destination as one of the preferred tourism destinations. There was an increase in frequency of flights to the KMIA and Skukuza Airports, which has also contributed to the increase of tourist arrivals to the destination. We further saw the fulfilment of the dream of the landing the first direct overseas flight from Europe, Frankfurt in Germany.</li> <li>• The Entity embarked on various marketing campaigns such as the Winter Campaign, Festive Season Campaign and Tourism Month Activations in order to highlight the product offerings in the Province. Tourism destination marketing campaigns were conducted in collaboration with the Department of Health in a programme called Jab4Tourism campaign to encourage people within the tourism sector to be vaccinated against COVID-19.</li> <li>• The Entity has taken deliberate decision to empower and develop new entrants in the industry and support small medium micro enterprises (SMME) to grow within the industry. The HDI's and SMME owned products were afforded opportunities to market their products in international and local tourism trade platforms, such as the Arabian Travel Market, World Travel Market Africa, Mpumalanga Tourism Expo and Meetings Africa</li> </ul>

Name of Public Entity	Key Outputs of the public entity	Amount transferred to the public entity	Amount spent by the public entity	Achievements of the public entity
<p>Mpumalanga Tourism and Parks Agency (MTPA)</p>  <p><b>Mpumalanga</b> TOURISM AND PARKS AGENCY <small>An entity of the Department of Economic Development and Tourism</small></p>				<ul style="list-style-type: none"> <li>• Crime against tourists and tourism businesses remain a major problem which negatively affect the image of the destination. However, through the continued collaboration with the SAPS and the Department of Community Safety, Security and Liaison, Tourism Safety campaigns were conducted in order to create awareness on the importance of tourism and ensuring that tourists are safe in the Province.</li> <li>• The destination is endowed with wildlife experience. The Entity worked with the CPAs to effectively manage the protected areas. Settlement agreements for Manyeleti, Loskop Dam and Bushbuckridge Nature Reserves were finalised. The title deeds for properties of Andover and Bushbuckridge were transferred to the respective CPA's.</li> <li>• Since the declaration of the Barberton Makhonjwa Mountains as a World Heritage Site, the Entity has been in a continuous engagements and consultations with the landowners, CPAs and other interested structures in order to drive a sustainable biodiversity conservation and tourism growth opportunities.</li> </ul>

Name of Public Entity	Key Outputs of the public entity	Amount transferred to the public entity	Amount spent by the public entity	Achievements of the public entity
<p>Mpumalanga Tourism and Parks Agency (MTPA)</p>  <p><b>Mpumalanga</b> TOURISM AND PARKS AGENCY <small>As Entity of the Department of Economic Development and Tourism</small></p>				<ul style="list-style-type: none"> <li>• The Entity has a mandate to increase the hectares of land under conservation thereby engaging private and public land owners to amend their land use to a protected area. During the year under review, the MTPA proposed to the MEC for DARDLEA to declare 23 327 hectares of land as protected areas. The portions of land were successfully gazetted and declared as protected areas as follows:</li> <li>• Expansion of Blyde River Canyon Nature Reserve (20 157 hectares)</li> <li>• Bezuidenhoutshoek Nature Reserve (1 813 hectares); and Afrikan Farms Protected Environment (1 357 hectares)</li> <li>• There has been activities of wildlife crime which also threaten the wildlife economy of the Province. There has been extensive collaborative efforts with the state and private law enforcement agencies to address this challenge.</li> <li>• The mandate to develop tourism through the diversification of the product base is gaining momentum. The agreement with the investors of the Skywalk PPP Project was signed and a sod-turning ceremony held, giving passage to the pre-construction and construction phase.</li> </ul>

Name of Public Entity	Key Outputs of the public entity	Amount transferred to the public entity	Amount spent by the public entity	Achievements of the public entity
<p>Mpumalanga Tourism and Parks Agency (MTPA)</p> 				<ul style="list-style-type: none"> <li>The Entity continues with its efforts to ensure that the condition of the tourism facilities and infrastructure within the nature reserves is improved. The Manyeleti tourism hospitality facilities were upgraded and awarded a two-star grading by the Tourism Grading Council of South Africa (TGCSA). The operations agreement for the Zithabiseni Resort and Conference centre was signed with the private operator and the site handover letter was handed to them to prepare operations.</li> <li>The MTPA has received the first unqualified audit opinion without findings (clean audit) since its inception. This outcome is attributed to the existing leadership stability, dedicated human resources, adequate internal control and compliance to legislation.</li> </ul>
<p>Mpumalanga Economic Regulator (MER)</p> 	<ul style="list-style-type: none"> <li>Regulate the gambling and liquor industries in the Province in line applicable laws.</li> <li>Promote responsible gambling within the Province.</li> <li>Improve organisational licensing; expand and standardise industry compliance and enforcement.</li> <li>Provide an enabling environment in human capital, finance and ICT.</li> <li>Engender high governance ethos.</li> <li>Ensure effective and efficient administration and management of the Organisation</li> </ul>	100 801	100 801	<ul style="list-style-type: none"> <li>In respect of licensing, the Board considered and granted 788 applications for licences, during the period under review, consisting of both liquor and gambling.</li> <li>In a bid to sustain the effective regulation of the gambling and liquor industry in the Province, the Entity have strengthened control systems to ensure that regulatory mechanisms remain consistent with national legislation and global trends within the industry. The Entity has conducted compliance inspections and audits at relevant licensed establishments and appropriate actions were taken where non-compliance was detected.</li> </ul>

Name of Public Entity	Key Outputs of the public entity	Amount transferred to the public entity	Amount spent by the public entity	Achievements of the public entity
<p>Mpumalanga Economic Regulator (MER)</p>  <p>MPUMALANGA ECONOMIC REGULATOR <small>an Entity of the Department of Economic Development and Tourism</small></p>				<ul style="list-style-type: none"> <li>• With regards to licensed liquor outlets, heightened enforcement of compliance with liquor licence conditions were conducted in a bid to promote responsible trading within the liquor retail sector and to reflect on societal expectations for consumer safety and protection.</li> <li>• In terms of revenue verification, all relevant gambling data was collected and reconciled with the monitoring systems for all the gambling establishments to ensure completeness and accuracy of gambling levies, reliability monitoring compliance Mpumalanga legislation.</li> <li>• New gambling equipment was evaluated in order to ensure that only equipment certified as suitable for use by the public and compliant with legislation was approved for use in the Province.</li> <li>• In keeping with the objective of promoting responsible gambling, liquor trade and consumption in the Province, the MER continued to roll out responsible gambling awareness campaigns to ensure that local communities are sufficiently informed about the risks of irresponsible gambling and drinking as well as the uncontrollable gambling habits, mainly focusing on the vulnerable members of the society. The Entity has conducted 130 awareness campaigns across the Province.</li> <li>• The Entity also sustained the partnership with Miss Mpumalanga, an initiative that continues to create a pool of societal role models to drive our social mobilisation campaigns against the unintended consequences of gambling and liquor in the province.</li> <li>• Our regulatory environment is a complex one. Our operations are subject to increasing community expectations, media scrutiny and ever-constrained resources.</li> <li>• Notwithstanding complexities, this demonstrates the enforcement action we continue to take in the gambling and liquor sectors, in order to meet the primary legislative objective of minimising harm.</li> <li>• In maintaining its strategic partnerships with stakeholders and industry role-players, the MER participated in fruitful engagements with the Provincial Executive, the Treasury, the Standing Committee on Public Accounts, the Portfolio Committee, the National Gambling Policy Council, the National Liquor Regulators Forum, the National Responsible Gambling Programme, the Aware.org, and all licensed operators in the Province</li> </ul>

Name of Public Entity	Key Outputs of the public entity	Amount transferred to the public entity	Amount spent by the public entity	Achievements of the public entity
<p>Mpumalanga Economic Regulator (MER)</p>  <p>MPUMALANGA ECONOMIC REGULATOR <small>As Entity of the Department of Economic Development and Tourism</small></p>				<ul style="list-style-type: none"> <li>The MER also serves on the National Liquor Regulators Forum and the National CEO Forum. The Regulator is a voting member of the International Association of Gaming Regulators and subscribes to the Gambling Regulators Africa Forum. These affiliations and memberships assisted the Regulator in understanding the industry and ensuring that its processes and procedures for regulating the industry meet the international and national best practices.</li> <li>The MER continues to collaborate with various stakeholders in the Province, with the view to minimise harm and ensure compliance with all applicable legal prescripts pertaining to the gambling and liquor industries in Mpumalanga.</li> </ul> <p><b>CHALLENGES FACED BY THE BOARD</b></p> <ul style="list-style-type: none"> <li>The COVID-19 global pandemic has created an unprecedented challenge for the global economy, and the Board was appraised of the considerations and actions taken by Management to protect the health and safety of our people, whilst we continue to provide critical services to licensees and consumers.</li> <li>Faced with the sudden and unprecedented short- and long- term impacts of the COVID-19 pandemic, both social and economic, it is important for the Board to demonstrate the strength of its leadership through fair and balanced decision making. As the interests of key stakeholder groups continue to evolve, the Board will maintain its engagement to ensure their interests continue to be well understood in order to be appropriately considered and balanced in Board decision making.</li> <li>The impact of technology remains a challenge like in any other sector, but for regulators the challenge is exacerbated by the lead time in implementing changes to legislation that would enable proactive regulation. We will continue to build expertise and devote more resources to this area, so that we can regulate effectively and provide advice to Government on the implications of technological change and innovation.</li> <li>It is imperative to clamp down on illegal activities in the future to ensure that illegal forms of gambling and liquor trade do not negate the positive contribution that the formal, regulated sectors make to the Province, in the form of employment, tax revenue and local economic activity. We will continue to foster closer working relations with other law enforcement agencies to curb this challenge.</li> </ul>

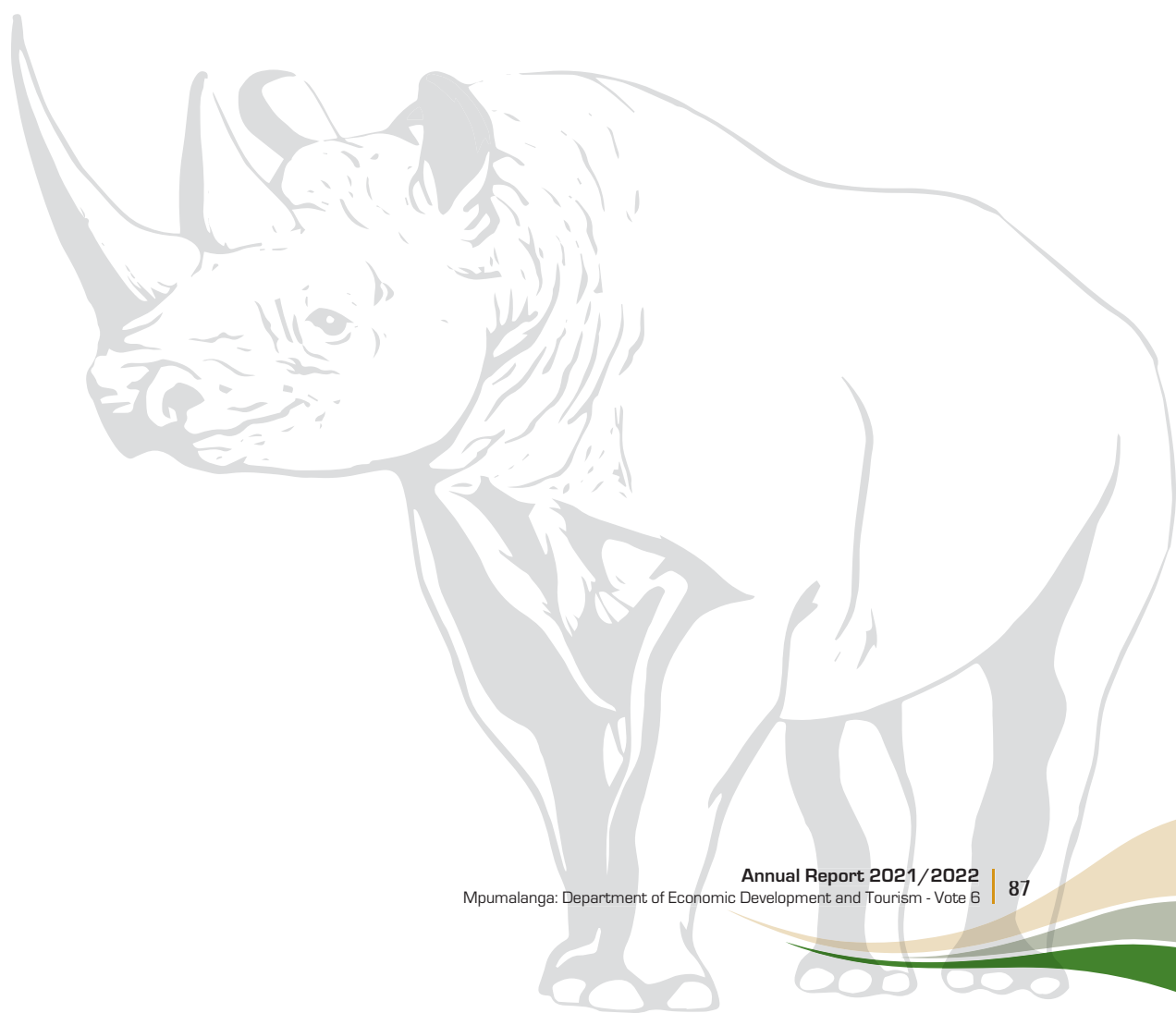
## 5.2. Transfer payments to all organisations other than public entities

The table below reflects the transfer payments made for the period 1 April 2021 to 31 March 2022

Name of transferee	Type of organisation	Purpose for which the funds were used	Did the dept. comply with s 38 (1) (j) of the PFMA	Amount transferred (R'000)	Amount spent by the entity	Reasons for the funds unspent by the entity
Mpumalanga Stainless Steel initiative	Incubator in Stainless Steel Industry	Incubator to stimulate priority sector	Yes	2,009	2,009	N/A

The table below reflects the transfer payments which were budgeted for in the period 1 April 2021 to 31 March 2022, but no transfer payments were made.

Name of transferee	Purpose for which the funds were to be used	Amount budgeted for (R'000)	Amount transferred for (R'000)	Reasons why funds were not transferred
N/A	N/A	N/A	N/A	N/A



## 6. CONDITIONAL GRANTS

### 6.1. Conditional grants and earmarked funds paid

The table below detail/s the conditional grants and earmarked funds paid by the Department.

#### Conditional Grant 1: Expanded Public Works Programme (EPWP)

<b>Entities to whom the grant has been transferred</b>	Mpumalanga Economic Growth Agency Mpumalanga Tourism and Parks Agency
<b>Purpose of the grant</b>	To create jobs within the Environment and Cultural Centre
<b>Expected outputs of the grant</b>	Job Creation and Poverty Reduction
<b>Actual outputs achieved</b>	139 job were created for 2021/22 financial year
<b>Amount per amended DORA</b>	R4 034 000
<b>Amount transferred (R'000)</b>	R4 034 000
<b>Reasons if amount as per DORA not transferred</b>	None
<b>Amount spent by the Department/ municipality (R'000)</b>	R4 034 000
<b>Reasons for the funds unspent by the entity</b>	None , all funds spent
<b>Monitoring mechanism by the transferring Department</b>	Monthly reports, Quarterly report and Annual Evaluation Report

### 6.2. Conditional grants and earmarked funds received

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 amount of R4 034 000 grant was allocated by National Department of Public Works and Infrastructure (DPWI) 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 twenty seven (27) EPWP funded projects; twenty (20) by MTPA and Seven (7) by MEGA. These two entities created a total number of 123 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 were submitted to National DPWI. The slow process of getting approval for employment of EPWP participants has delayed the start of the projects, and the COVID-19 pandemic impacted very bad to participants work opportunities. Limited resources affected the increase in the number of EPWP participants and their effectiveness.

The table/s below details the conditional grants and earmarked funds received during for the period 1 April 2021 to 31 March 2022

#### Conditional Grant 1: Expanded Public Works Programme (EPWP)

<b>Department who transferred the grant</b>	National Department of Public Works and Infrastructure
<b>Purpose of the grant</b>	To create jobs within the Environment and Cultural Centre
<b>Expected outputs of the grant</b>	Job Creation and Poverty Reduction
<b>Actual outputs achieved</b>	Jobs were created within the Environmental and Culture Sector
<b>Amount per amended DORA</b>	R4 034 000
<b>Amount received (R'000)</b>	R4 034 000
<b>Reasons if amount as per DORA was not received</b>	None
<b>Amount spent by the Department (R'000)</b>	R4 034 000
<b>Reasons for the funds unspent by the entity</b>	None , all funds spent
<b>Reasons for deviations on performance</b>	None
<b>Measures taken to improve performance</b>	Attendance Register, Salary Register, Physical head count are conducted and Site visit to check on the work progress.
<b>Monitoring mechanism by the receiving Department</b>	IYM Monthly reports, Monthly report, Quarterly Report and Annual Evaluation 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) which is at an advanced stage. Capital infrastructure payments of R 537,668 000 were made towards the development of the MIFPM during the year under review. The initial phase of the project, including the site development costs and underground reticulation, was concluded in prior periods. The second phase of the project, the development of the top structure commenced in 2019/2020, and is currently projected to be finalised during the 2022/2023 financial period. Processes are underway to operationalise the market, post the development stage.

The bulk of the Department's assets are in reasonable condition, with no backlog or maintenance to report on.

Infrastructure projects	2020/2021			2021/2022		
	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
New and replacement assets	223 460	223 108	352	840 871	537 668	3 208
Existing infrastructure assets						
Upgrades and additions						
Rehabilitation, renovations and refurbishments						
Maintenance and repairs						
Infrastructure transfer						
Current						
Capital						
<b>Total</b>	<b>223 460</b>	<b>223 108</b>	<b>352</b>	<b>840 871</b>	<b>537 668</b>	<b>3 208</b>







## 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. The pervasiveness of risk in the public sector means that management considers risk management as an integral part of its strategy. The Accounting Officer, with the support of the Risk Management Committee, monitors the reduction of risk exposures by implementing the risk management strategy and policy. The risk management strategy focuses on the continuous identification of risks, threats and opportunities in a radically changing environment. The latter has elevated the Department to a position where opportunities are sighted and pursued. Consequently, the risk universe covered by the Department has matured exponentially which now includes ICT, ethics management, business continuity and COVID-19 risks, in addition to the ever-important traditional risks.

## 2. RISK MANAGEMENT

A number of governance structures which includes the Risk Management Committee were established by the Department, and were functional during the year under review. The Department conducted its strategic and operational risk assessment workshops, furthermore the identification of emerging risks was conducted on a quarterly basis. Existing and emerging risks were discussed during quarterly risk management committee meetings in which the Accounting Officer, programme managers and heads of sections were required to provide feedback on the progress made to implement mitigating strategies to reduce the likelihood of risks should they materialise. The Chairperson interacted with the Audit Committee in sharing information related to material risks and quarterly reports were tabled with recommendations to address any deficiencies identified by the Committee. The Audit Committee provided oversight over governance, risk management and internal control in order to promote the effective, efficient and economic utilisation of resources.

In addition, a facilitated process of embedding risk management into the day to day activities and management processes within the Department was followed, such as the appointment of risk champions per directorate and the management of risks has been included as a performance indicator for all senior managers to ensure risk ownership. The comprehensive reduction of risks was impeded by the high vacancy rate and reprioritisation of available budget. The filling of critical posts and adequate resourcing will enhance the Department's ability to manage risks to acceptable levels. The following key strategic risks for the Department were considered during the year:

- Inability to promote economic transformation and contribution towards job creation.
- Ineffective Governance.
- Decline in Tourism growth.
- There is progress in the mitigation of identified risks and the latest progress was reported during the fourth quarter risk management committee meeting held on 25 April 2022.

## 3. FRAUD AND CORRUPTION

The Mpumalanga Provincial Government adopted an Anti-Corruption Strategy which confirms the Province's zero-tolerance stance towards fraud, theft and corruption. In line with this strategy, the Department is committed to zero-tolerance with regard to fraudulent, corrupt and all criminal activities both internal and external. The Department has adopted a fraud prevention strategy and policy which give effect to the processes being implemented.

Fraud and corruption represent significant risks to Departmental assets and negatively impact on service delivery. The Accounting Officer and management have set the tone at the top to lead the Department ethically, effectively and responsibly within the acceptable parameters of the law, as outlined in the PFMA and KING IV report.

There are various ways in which Departmental officials and members of the public can report suspected fraudulent and corrupt activities, such as Presidential hotline, National and Provincial hotline, anonymous emails and letters, the PSC and so forth. Allegations are received and recorded in the case management system by the integrity management unit in the Office of the Premier for investigation. The system is utilised as a management tool to give feedback on progress in relation to reported cases, as well to generate statistics for the Province and the Department. The recommendations are implemented by the Department once received and progress reports are discussed in risk management and audit committee meetings.

Anyone who blows the whistle on suspicious activities of fraud, corruption and theft is protected in terms of the Protected Disclosures Act. The opportunity to remain anonymous is afforded to any individual who would like to report any act of fraud, corruption and theft should they do so in person, their identities are kept confidential by the person to whom they are reporting.

## 4. MINIMISING CONFLICT OF INTEREST

In the interest of sound administration, members of senior management service and other categories of employees as designated by the Minister, are required to disclose their registrable interests to the Accounting Officer and the Executive Authority respectively, as outlined in the chapter 2 of the public service regulations, 2016. Supply Chain Management officials and members of bid committees must complete a conflict of interest and confidentiality agreement prior the commencement of any procurement process as per treasury regulations. The objective is to identify any conflicts of interest in order to promote just and fair administrative actions by Departmental officials, thereby protect the public service from actions that may be detrimental to its functioning.

The financial disclosure process takes place annually, and should any conflict of interest be identified, it is dealt with in accordance to the public service regulations, 2016 and related prescripts.

In respect to other remunerative work outside the public service (RWOPs), the public service regulations, 2016 requires that officials seek prior approval from the Executive Authority to engage in such activities, however, this excludes those officials who are or have been found to be doing business with the state. There were no approvals granted by the Executive Authority for officials to engage in RWOPs for the period under review.

## 5. CODE OF CONDUCT

The Department has a Code of Conduct for the public service as prescribed in the Public Service Regulations of 2016. The code outlines the employer's key expectation insofar as the expected ethical conduct of an employee is concerned. During the period under review, strides were made towards ensuring full compliance with the prescribed legislations and disciplinary measures were instituted against employees who committed misconduct.

## 6. HEALTH SAFETY AND ENVIRONMENTAL ISSUES

Occupational Health and Safety representatives were appointed, inclusive of the COVID-19 Compliance Officer in all offices and the Compliance Officer, in relation to Section 16 and 17 of the Occupational Act 85 of 1993. The Department continues to ensure adherence to Health and Safety Protocols.

## 7. PORTFOLIO COMMITTEES

Date	Matter Raised by Portfolio	How the Department Addressed the Matters
27 May 2021	The department must keep the Committee abreast on the developments pertaining to the appointment of the Nkomazi SEZ Board; and provide an updated report once the Executive Council has been consulted and all processes have been concluded.	<p>The Department has provided progress on the development concerning the SEZ on a quarterly basis and as such the following can still be reported:</p> <p>The current Board Members provide representatively with regard to Dtic (National Government), DEDT (Provincial Government) and the District and Local Municipalities. Currently the following people are Board Members of the Interim Nkomazi SEZ Board:</p> <ul style="list-style-type: none"> <li>• Mr. Themba Khumalo (Dtic representative);</li> <li>• Mr. S Zikode (Dtic)</li> <li>• Dr. N Mashalaba (Dtic); and</li> <li>• Mr. JM Mnisi (Chief Director: Trade and Sector Development)</li> <li>• Mr. MM Manzini (Nkomazi Local Municipality)</li> <li>• Ms. NP Mahlalela (Ehlanzeni District Municipality)</li> </ul> <p>Further to this, the Acting CEO is working with the board to finalise the appointment of a full time CEO and the Executives. Also, the board is looking at the new model informed by the advice from SEZ operating in other Provinces and DTIC based on the reluctance of National Treasury for approving the establishment of new 3D entities in the country.</p>
	The department must expedite the process of the completion of both the Petro-chemical Industrial Technology Park and the Forestry Industrial Technology Park, as well as provide the revised completion date; and provide an updated progress report to the Committee on or before 30 June 2021.	<p>The completion date will only be determined by the conclusion of the investment pipeline with the investors such as SASOL for the Petro-chemical and SAFCOL for the Forestry Industrial Parks. These processes are subject to the finalisation of the statutory requirements which can be reported as follows:</p> <p>Petro-chemical Industrial Technology Park (Govan Mbeki: Secunda):</p> <p>The opening of the Township Register is the only outstanding matter that needs to be finalised as soon the comments from the Department of Mineral Resources and Energy (DMRE) are received- a meeting and follow ups in this regard has already taken place with DMRE.</p> <p>Forestry Industrial Technology Park (Thaba Chweu: Sabie):</p> <p>In the matter of the Forestry Industrial Technology Park in Sabie, there are delays in the completion of the Statutory Compliance requirements since the Department of Agriculture, Rural Development, Land &amp; Environmental Affairs (DARDLEA) requested the following additional detailed information:</p>

Date	Matter Raised by Portfolio	How the Department Addressed the Matters
27 May 2021		<p>a. A Storm Water Management Plan, which had been informed by the wetland/riparian/watercourse studies as well as a hydrological study, and</p> <p>b. A detailed report on a dedicated Waste Water Treatment Works.</p> <p>c. In addition, demonstrate that the measures of reducing the significance of the noise impact on the surrounding residences are within the acceptable standards.</p> <p>Currently the Department is addressing the contract implications for the additional work required for the finalisation of the Forestry Industrial Technology Park.</p>
	The department must ensure that funds designated for further construction of the Mpumalanga International Fresh Produce Market (MIFPM) are made timeously available to the implementing agent throughout the 2021/22 financial year.	The Department had budgeted for the MIFPM for the 2021/22 financial year. As a result, payments are made directly by DEDT to contractors appointed to construct the MIFPM. Payments are made by DEDT on the basis of invoices that have been validated by both DEDT and DPWRT. These are processed urgently as soon as they have been received in order to ensure that contractors are paid on time.
	The department must continue to engage with the Department of Small Business Development (DSBD) in trying to secure more funding for SMMEs affected by the COVID-19 Pandemic	The Department did engage the Department of Small Business Development (DSBD) and its agencies SEFA and SEDA to assist SMMEs affected by COVID-19 pandemic. As a result, R9 million was received and disbursed to 8 SMME benefitted from COVID-19 Relief Fund.
31 August 2021 (1st Quarter)	The department must submit the detailed plan to be presented by the Mpumalanga Tourism and Parks Agency (MTPA) on how it will manage the Barberton Makhonjwa Mountain-World Heritage Site (BMM-WHS), to the Committee once availed by the entity.	The department, through the MTPA, will develop the detailed Integrated Management Plan (IMP) for the BMM-WHS. The MTPA (as an appointed Management Authority) is currently engaging key stakeholders with the view to finalise the plan. Once this process has been concluded, a detailed plan will be developed, which will subsequently be submitted to Legislature.

Date	Matter Raised by Portfolio	How the Department Addressed the Matters
18 November 2021 (2nd Quarter)	The department must ensure that it updates the Green Economy Plan under the Economic Planning Programme by 31 March 2022 and submit a progress report to the Committee in this regard.	The department is on course with updating the Green Economy Plan, working closely with the CSIR and the Impact Catalyst to add a chapter focusing on “Just Transition “and capturing principles and practises of the Circular Economy. The chapter is anticipated to be concluded by the end of 1st quarter of 2022/2023 financial year.
	The department must closely monitor the process of approval of the required documents necessary for the Nkomazi SEZ entity to be listed as a public entity and keep the Committee abreast on the development process once approval is granted. A progress report in this regard must be submitted to the Committee by 14 January 2022.	The required interaction with National Treasury on the requirements of the entity to be listed as a public entity was completed and currently the SEZ Entity is finalising all the required documentation to submit the formal listing request with National Treasury.
	The department must either begin to spend its Goods and Services budget on par with its projections or surrender a portion of the budget during the adjustment appropriation process.	<ul style="list-style-type: none"> <li>During the first adjustment, projected savings were identified from across the department and redirected to fund a projected shortfall on the Mpumalanga International Fresh Produce Market (MIFPM), in addition some programmes and projects have been suspended to fund the projected shortfall on the MIFPM.</li> <li>The department is not projected to underspend in the current year.</li> </ul>
	The department must provide the Committee with clear timeframes on when the challenges facing the establishment of the Forestry Industrial Park in the Thaba Chweu Local Municipality (Sabie) will be resolved and provide feedback by the end of the third quarter of the current 2021/22 financial year.	Currently the Department is finalising the specialised reports requested by DARDLEA in order to obtain the required Environmental Authorisation for the development. This is envisaged to be completed by the end of the 4th quarter of the current financial year, where after the Department will then be able to approach the Municipal Planning Tribunal for a hearing date. It is expected that that this process of township establishment will be concluded in the third quarter of the 2022/2023 financial year.

Date	Matter Raised by Portfolio	How the Department Addressed the Matters
18 November 2021 (2nd Quarter)	The department must ensure that the Mpumalanga Economic Recovery Plan is finalised and presented to the Committee before the end of the fourth quarter of the current 2021/22 financial year.	The Mpumalanga Economic Reconstruction and Recovery Plan (MERRP) was submitted to the Executive Council in July 2021 for approval and the department will update and submit to the Portfolio Committee once the Plan is approved.
22 March 2022 (3rd Quarter)	The department must report on how far the process of appointing personnel within the Information and Communications Technology (ICT) structure is, as a commitment was made to fill the advertised posts by the end of the fourth quarter of the 2021/22 financial year. A progress report in this regard must be submitted to the Committee by 06 May 2022.	The two (02) posts of Personal and Salary System (PERSAL) and Local Government Information Systems (LOGIS) controllers were advertised in an effort to address shortcomings identified on ICT during the audit process. The recruitment processes are currently underway to fill the posts; it is anticipated that the successful candidates will start working on 01 July 2022.
	The department must expedite the processes of erecting the barrier fence / wall of the Nkomazi Special Economic Zone (SEZ) as an immediate priority and keep the Committee abreast on this development.	The department commenced with the required procurement processes for the appointment of a contractor to erect the barrier fence in the third quarter. Unfortunately, a suitable candidate was not found amongst the bids received. As soon as a response to the request for exemption from the Preferential Procurement Policy Framework Act (PPPFA) is received, the bid will be re-advertised.
	The department must ensure that it updates the Green Economy Plan with a chapter focusing on the "Just Transition" by the end of the first quarter of the 2022/23 financial year and submit a progress report to the Committee in this regard.	The 'Just Transition' consultations have been conducted with the relevant stakeholders and the department will host the Energy Summit planned in the first quarter of the 2022/23 financial year, to deliberate on 'Just Transition' topics; and an updated report incorporating inputs of the Summit will be produced.
	The department must report on the Tourism Careers Expo that was planned to be conducted in February 2022. In the event that the Expo was not conducted as planned, the department must provide reasons why and indicate when this commitment will be fulfilled.	The Mpumalanga Province participated in the 2021 National Tourism Careers during the Month of March 2022 and a report thereof, was prepared and approved internally within the department. The Mpumalanga Province was the overall winner for the Careers Expo Competitions (namely, Tourism Public Speaking, Consumer Studies, Baking and Hospitality studies).
	The department must ensure that the Tourism Bill is submitted to the Executive Council for approval for public comment and finalise the Bill in the first quarter of the 2022/23 financial year. A progress report in this regard must be submitted to the Committee by 20 May 2022.	The department will finalise the Draft Tourism Bill by end of May 2022. Thereafter, the Bill will be submitted to the Executive Council for further processing and publication inviting public comments.
	The department must keep the Committee abreast on the submitted Mpumalanga Economic Reconstruction and Recovery Plan (MERRP) to the Executive Council for approval and present it to the Committee as soon as it is practically possible.	The MERRP was pronounced in the State of the Province Address (SOPA) and the department is ready to present the plan to the Committee. The projects in the MERRP are being implemented by the respective sector departments.

## 8. SCOPA RESOLUTIONS

Resolution No.	Subject	Details	Response by the Department	Resolved (Yes/No)
6	Implementation of the 2020/21 Audit Action Plan	6.1 The Accounting Officer must ensure that the outstanding issues and targets in the 2020/21 Audit Action Plan are fully implemented and provide a progress report to the Committee in this regard	The audit action plan has been partly implemented.	No, still in progress
		6.2 The Accounting Officer must report on when the process of appointing the Information Technology (IT) System Controllers will be finalised, as a commitment was made to fill these advertised posts by the end of the fourth quarter of the current financial year.	Post have been advertised, but no appointments made as yet	No, still in progress
7	Irregular as well as Fruitless and Wasteful Expenditure	7.1.1 An updated progress report on all ongoing cases, including those of the 2019/20 financial year that were handed over to the South African Police Service (SAPS) must be submitted to the Committee, as interactions with the Provincial Treasury in this regard were reported to be concluded by the end of February 2022. Furthermore, the progress report must include the findings, as well as measures taken against the official(s) found liable in law.	None of the investigations underway have been finalised, including those which have been handed over to SAPS in prior periods	No, still in progress
		7.1.2. The Accounting Officer must ensure that Supply Chain Management (SCM) procedures and processes are followed accordingly to avoid contraventions and non-compliance to the Public Finance Management Act (PFMA), 1999, Framework for Supply Chain Management.	A Deputy Director SCM was appointed by way of internal transfer. While some of the legacy contracts have been replaced with regular contracts, some are ongoing	No, still in progress

Resolution No.	Subject	Details	Response by the Department	Resolved (Yes/No)
7		7.1.3. The Accounting Officer must provide a progress report to the Committee on whether the balance of R51 510 518.00 of the irrecoverable irregular expenditure was condoned by the Provincial Treasury.	R23 053 685 of the balance of R51 510 518 irrecoverable was condoned by the Provincial Treasury.	No, still in progress
		7.1.4. The Accounting Officer must provide a detailed report to the Committee on how irregular, fruitless and wasteful legacy expenditures are being resolved by the Department, especially since the appointment of the Internal Audit's Director and Deputy Director.	R23 053 685 of the balance of R51 510 518 irrecoverable was condoned by the Provincial Treasury. R3 936 000 of the balance of Fruitless and Wasteful expenditure has been written off by the Accounting Officer of the Department	No, still in progress
8	Financial Statements, Performance Report and Annual Report	The Accounting Officer must ensure that Annual Financial Statements to be submitted to the Auditor-General (AG) are prepared in accordance with prescribed Financial Reporting Framework as required by Section 40(1)(b) of the PFMA; and ensure there is no recurrence of this contravention in subsequent financial years.	The draft financial statements will be prepared on monthly basis to enable officials to familiarise themselves with the caseware software. In addition, internal audit will conduct reviews prior to final submission to AGSA.	No, still in progress

## 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
Restatement of corresponding figures	2021	The Department now prepares financial statements on a monthly basis instead of only quarterly. A clear schedule for drafting of the financial statements was implemented. Internal audit assisted with the review of the financial statements, and the supporting documentation

## 10. INTERNAL CONTROL UNIT

The Department does not have an Internal Control Unit. The Internal Audit Function evaluated the adequacy and effectiveness of the system of internal control, and advised management through recommendations. The issues raised by Internal Audit were addressed by management to improve the system of internal control.

## 11. INTERNAL AUDIT AND AUDIT COMMITTEES

### 11.1 Internal Audit

Internal Audit was established in terms of Section 38 (1)(a) (ii) of the PFMA and obtains its mandate from the PFMA and its Treasury Regulations.

Internal Audit provides an independent, objective assurance and consulting activity designed to add value and improve the operations of the Department. In keeping with its primary mandate, Internal Audit supports the Accounting Officer through the evaluation, contribution and to improving the effectiveness of risk management, control and governance processes.

As required by the PFMA and the approved Internal Audit Charter, the identified control weaknesses were communicated to management and tabled at the meetings of the Audit Committee to allow for effective monitoring and oversight. The following is the summary of the audit work done by the Internal Audit Function during the 2021/2022 financial year, as per the approved Annual Audit Plan.

#### Assurance Services

- Assets Management
- Annual Performance Review
- Annual Financial Statements Review
- Governance and Internal Controls
- COVID-19 Compliance
- Interim Financial Statements
- Mid-term Performance Review
- Financial and Supply Chain Management
- Transfer Payments and Public Entities Oversight
- Regional Services Review
- Follow-up reviews on AGSA and Internal Audit

#### Consulting Services

- Irregular Expenditure
- Participation in consulting engagements including routine activities such as attending standing Management Committee meetings, Risk Management Committee meetings, and provision of advice, as and when invited and required.

## 11.2 Audit Committee

The Audit Committee was established in terms of Section 38 (1)(a) (ii) of the PFMA and obtains its mandate from the PFMA and its Treasury Regulations. The Audit Committee serves as an independent governance structure whose primary function is to provide an oversight over the Department's financial reporting, risk management, control and governance processes. These include compliance with laws and regulations and oversight of Public Entities reporting to the Department. The Audit Committee assists the Accounting Officer with the effective execution of his/her responsibilities.

The Audit Committee is constituted to ensure its independence and comprises external non-official members (appointed from outside the Public Service). It operates in terms of formally documented and approved Terms of Reference referred to as the Audit Committee Charter, which deals with matters such as its membership, authority and responsibilities amongst others. The said Terms of Reference are reviewed annually, and in accordance with the requirements set by the PFMA and the Treasury Regulations. Furthermore it has direct and unobstructed lines of communication to the Accounting Officer, Senior Management, the Provincial Treasury, Internal Audit function and the Auditor-General of South Africa.

The Audit Committee consisted of five (5) Independent Members; (4) four of whom were appointed outside of the Public Service and (1) member was ex officio, employed by the Mpumalanga Provincial Office of the Premier. Details of the Members and their attendance of scheduled Audit Committee Meetings during the 2021/2022 financial year were as follows:

**The table below discloses information on Member attendance during 2022.**

Name	Qualifications	Internal or External	If Internal & Position in the Department	Date appointed	Number of Meetings attended
Mr. Sam Mthembu Chairperson	Master of Business Leadership (UNISA), BCom (Accounting), Commercial Banking Licentiate Diploma (IOB) SA, FAP (IAC) SA	External	External	01/09/2019	5/5
Ms. Nonyaniso Brenda Mzuzu	B. Proc Degree Certificate in Business Rescue	External	External	01/09/2019	2/5
Mr. Sibusiso Khulekani Mavundla	B. Com. Accounting	Internal	Office of the Premier IT Audit Section	01/09/2019	4/5
Mr. Hopewell Bhekumuzi Mkhono Hlatswayo	Mcom,(SA) RA	External	External	01/09/2019	5/5
Ms. Gaylene Anne Deiner	B. Compt. BA: Higher Education Diploma (Post Grad.) (HED)(PG)	External	External	01/09/2019	5/5

## 12. AUDIT COMMITTEE REPORT

We are pleased to present our report for the Financial Year ended 31 March 2022.

### **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.

The Audit Committee also reports that it has adopted appropriate formal terms of reference, as 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 the changes in accounting policies as these changes are as per the National Treasury instruction.

### **The effectiveness of Internal Control**

The work performed by Internal Audit throughout the year was reviewed by the Audit Committee. From the various reports of the Internal Auditors which were based on a risk assessment, as well as from the report of the Auditor General South Africa, it was noted that matters were reported revealing deficiencies in the system of Internal Controls. The weaknesses were raised with the Department to implement corrective actions. These areas include financial statements, reporting on pre-determined objectives and compliance with laws and regulations.

The following internal audit work was completed during the year:

### **Assurance Services**

- Assets Management
- Annual Performance Review
- Annual Financial Statements Review
- Governance and Internal Controls
- COVID-19 Compliance
- Interim Financial Statements
- Mid-term Performance Review
- Financial and Supply Chain Management
- Transfer Payments and Public Entities Oversight
- Regional Services Review
- Follow-up reviews on AGSA and Internal Audit

### **Consulting Services**

- Irregular Expenditure
- Continuous attendance of informal consulting engagements as well as in activities such as participating in standing senior management committee meetings, risk management committee meetings, loss control committee and provision of advice, as the need arises or as invited.

### **The following were areas of concern:**

- Delay in filling the Accounting Officer position.
- Slow implementation of Internal Audit and Auditor General Recommendations.
- Lack of adequate oversight over Public Entities.
- Lack of capacity within the Internal Audit Activity as a result of the remaining vacant positions to cover all high-risk areas.
- The slow progress in the application made to Provincial Treasury to condone irregular expenditure.

- Inadequate ICT capacity in the Department.
- Weaknesses in control processes that gave rise to irregular expenditure.
- Non-achievement of planned targets.
- Security threats not addressed timely.
- Shortage of human resources in most functions.
- Lack of strategic direction in planning, implementation and management of regional offices.
- Non-compliance to OHS legislation in regional offices.
- Poor monitoring of operating expenditure incurred at Regional Offices.

## In-year Management and monthly/quarterly report

The Department is required to report monthly and quarterly to the Treasury as required by the PFMA. The Audit Committee is satisfied with the content and quality of the quarterly reports prepared and issued by the Department as required by the PFMA.

## Risk Management

The Audit Committee is responsible for the oversight of risk management. The Risk Management Committee reports to the Audit Committee on a quarterly basis on the governance and management of risk.

The reports from the Risk Management Committee were quarterly reviewed and the committee concludes that the department's processes and systems relating to fraud prevention and risk management are adequate and effective.

## Evaluation of Financial Statements

The Audit Committee reviewed the Annual Financial Statement and Performance Information and recommended their submission to AGSA for audit.

## Compliance with laws and regulations

The Audit Committee is satisfied the Department has complied with all applicable legislation.

## Internal Audit

The Audit Committee is satisfied that the Internal Audit function operated effectively throughout the year under review and that it has addressed the risks pertinent to the Department in its audits during the year, and has maintained its independence.

The Audit Committee reviewed the work performance of Internal Audit and noted an improvement in the quality of the Internal Audit reports, especially on the recommendations to strengthen areas of weaknesses in risk management, governance and internal controls.

The Audit Committee further values the support provided by the officials who acted as Chief Audit Executives as well as the Internal Audit team in discharging its responsibilities. The Audit Committee also commend the Department for the appointment of the Chief Audit Executive for the last quarter of the financial year.

## Auditor-General South Africa

The Audit Committee reviewed the Department's implementation plan for audit findings raised in the previous year and the improvement in the status of implementation of corrective actions during the year, however there is still room for improvements. The Audit Committee is not aware of any unresolved issues with respect to the current audit.

The Audit Committee concurs and accepts the audit conclusions of the Auditor-General South Africa on the Annual Financial Statements and reporting on performance information against predetermined objectives.

## Conclusion

The Audit Committee recommends that the Department continue to effect improvements through adequate and effective implementation and frequent monitoring of the audit action plans related to both internal and external audits.

The Audit Committee wishes to extend its appreciation to the Executive Authority, Accounting Officer and Management, Internal Auditors and Auditor-General South Africa for their tireless efforts, commitment and support throughout the year.



**Mr. SAM MTHEMBU**  
CHAIRPERSON OF THE AUDIT COMMITTEE  
ECONOMIC DEVELOPMENT AND TOURISM  
Date: 12 August 2022

## 13. B-BBEE COMPLIANCE PERFORMANCE INFORMATION

The following table has been completed in accordance with the compliance to the BBBEE requirements of the BBBEE Act of 2013 and as determined by the Department of Trade, Industry and Competition.

All procurement that is initiated from within the Department starts with requests for quotes and proposals that are directed primarily towards black-owned enterprises. Youth and Women owned enterprises are supported throughout the year. These are identified from the CSD (Central Supplier Database). In all cases of procurement over R30 000, points are calculated and applied in the assessment of quotes to ensure that designated groups are supported correctly in terms of legislation. In order to effectively implement preferential procurement, the values procured from target groups will be tracked closely throughout the year, making use of ownership information available from CSD.

Has the Department / Public Entity applied any relevant Code of Good Practice (B-BBEE Certificate Levels 1 – 8) with regards to the following:		
Criteria	Response Yes / No	Discussion (include a discussion on your response and indicate what measures have been taken to comply)
Determining qualification criteria for the issuing of licences, concessions or other authorisations in respect of economic activity in terms of any law?	No	N/A
Developing and implementing a preferential procurement policy?	Yes	The Procurement Policy of the Department confirms that procurement activities of the Department must comply with the requirements of the Preferential Procurement Policy Act (Act 5 of 2000) (PPPFA) and the Broad Based Black Economic Empowerment Act (Act no 53 of 2003) and other related legislations. In addition, specific targets are set for procurement from designated groups.
Determining qualification criteria for the sale of state-owned enterprises?	No	N/A
Developing criteria for entering into partnerships with the private sector?	No	N/A
Determining criteria for the awarding of incentives, grants and investment schemes in support of Broad Based Black Economic Empowerment?	No	N/A





## Part D

### Human Resource Management

# 1. INTRODUCTION

The information contained in this part of the Annual Report has been prescribed by the Minister for the Public Service and Administration for all Departments in the public service.

## 2. OVERVIEW OF HUMAN RESOURCES

### The status of human resources in the Department

During the period under review, the Department has been operating without the Head of Department for almost two (2) years. The instability in leadership has a potential risk of breeding indecisiveness leading to sustained decay of the fabric of the organisation. Processes are however underway to appoint the Head of Department through the Office of the Premier.

Business Regulation and Governance (Programme 4) has experienced a high turnover rate due to retirement and resignation of officials within Consumer Protection and the Consumer Court; and this created a void in the execution of some of the operations. The recruitment processes to fill the said vacancies are at an advanced stage of finalisation. We also pre-empt a high attrition rate due to ageing workforce within the Department.

In addition, various human resource offerings were utilised to enhance the organisational capacity and create a conducive environment, inclusive of Integrated Employee Health and Wellness Services.

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

Out of the thirty two (32) prioritised posts, sixteen (16) posts were filled through advertisement and horizontal transfers; and other posts are at various stages of recruitment. The existing organisational structure was reviewed to ensure alignment with the Department's Strategic Priorities but could not be processed further due to budgetary constraints.

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

Opportunities were created through our recruitment drive at senior, middle and junior management levels to retain and attract the right people at the right places with the right composition; and Diversity Equity Inclusion (DEI) was incorporated in our processes. During the year under review, we managed to appoint two Senior Managers (i.e. Director: Gert Sibande Region and Chief Audit Executive), Deputy Director: Internal Audit (Middle Management) and Assistant Director: Risk (Junior Management), just to mention a few. The Acting Head of Department has been appointed through the Office of the Premier until the recruitment processes are concluded.

In pursuance of the Human Resources Management Vision in the Public Service, we commit to have a more diverse, competent and well managed workforce, capable of and committed to delivering high quality services.

### Employee performance management

All employees who performed above the expected level were incentivised for their outstanding performance.

## Employee Wellness Programmes.

The global spread of COVID-19 resulted in unprecedented disruptions to our daily lives, on both personal and professional fronts resulting in changes on how we do business, notwithstanding ways of creating a conducive environment for employees. Human Resources Management (HRM) as the Employee Champion and Change Agent, was able to provide the necessary assistance to both the line function managers and their direct reportees (i.e. employees) to effectively manage the impact of change, especially the 'new normal', while ensuring that HR remains as a Centre of Administrative Excellence even during turbulent times of COVID-19.

In our quest to adapt in the 'new normal', an integrated approach to employee Health and Wellness was adopted wherein the importance of linking individual health, safety and wellness, organisational wellness, environmental sustainability and quality management to productivity and improved service delivery outcomes were recognised.

During the period under review, our focus was also 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.

## 3. HUMAN RESOURCES OVERSIGHT STATISTICS

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)
Administration	90 272	65 044	442	0	72.10	561
Integrated Economic Development	825 113	31 423	44	0	3.80	806
Trade and Sector Development	19 583	13 623	17	0	69.60	801
Business Regulation & Governance	118 765	15 066	15	0	12.70	603
Economic Planning	16 837	16 011	18	0	95.10	843
Tourism	413 341	3 301	1	0	0.80	825
<b>Total</b>	<b>1 483 911</b>	<b>144 468</b>	<b>537</b>	<b>0</b>	<b>9.70</b>	<b>654</b>

**Table 3.1.2 Personnel costs by salary band for the period 1 April 2021 and 31 March 2022**

Salary band	Personnel expenditure (R'000)	% of total personnel cost	No. of employees	Average personnel cost per employee (R'000)
Lower skilled (Levels 1-2)	396	0,30	2	198
Skilled (level 3-5)	8183	5.40	24	341
Highly skilled production (levels 6-8)	37544	24,90	76	494
Highly skilled supervision (levels 9-12)	62905	41.8	74	850
Senior and Top management (levels 13-16)	29210	19.20	22	1328
Contract (Levels 3-5)	1 229	0.8	5	246
Contract (Levels 6-8)	0	0	0	0
Contract (Levels 9-12)	2 994	2,00	3	998
Contract (Levels >= 13)	1 363	0,90	1	1 363
20 Abnormal Appointment	644	0,40	28	46
<b>Total</b>	<b>144 468</b>	<b>96.33</b>	<b>235</b>	<b>654</b>

**Table 3.1.3 Salaries, Overtime, Home Owners Allowance and Medical Aid by programme for the period 1 April 2021 and 31 March 2022**

Programme	Salaries		Overtime		Home Owners Allowance		Medical Aid	
	Amount (R'000)	Salaries as a % of personnel costs	Amount (R'000)	Overtime as a % of personnel costs	Amount (R'000)	HOA as a % of personnel costs	Amount (R'000)	Medical aid as a % of personnel costs
Administration	560 43	91.78	157	0.23	1 478	2.42	3 383	5.54
Integrated Economic Development	27 244	93.68	0	0.00	479	1.60	1 360	4.68
Trade and Sector Development	11 549	91.35	0	0.00	214	1.30	880	7.06
Business Regulation & Governance	12 828	91.94	0	0.00	394	2.60	730	5.23
Economic Planning	13 729	92.90	0	0.00	283	1.90	766	5.18
Tourism	2 846	91.96	0	0.00	0	0.00	283	9.04
<b>Total</b>	<b>124 239</b>	<b>92.27</b>	<b>157</b>	<b>0.10</b>	<b>2 848</b>	<b>2.12</b>	<b>7402</b>	<b>5.50</b>

**Table 3.1.4 Salaries, Overtime, Home Owners Allowance and Medical Aid by salary band for the period 1 April 2021 and 31 March 2022**

Salary band	Salaries		Overtime		Home Owners Allowance		Medical Aid	
	Amount (R'000)	Salaries as a % of personnel costs	Amount (R'000)	Overtime as a % of personnel costs	Amount (R'000)	HOA as a % of personnel costs	Amount (R'000)	Medical aid as a % of personnel costs
Lower skilled (Levels 1-2)	699	91.00	0	0.00	34	4.40	35	4.60
Skilled (level 3-5)	6 263	81.20	0	0.00	478	6.20	974	12.60
Highly skilled production (levels 6-8)	31740	88.50	97	0.30	1 318	3.70	2 715	7.60
Highly skilled supervision (levels 9-12)	52 670	93.60	58	0.10	768	1.40	2 757	4.90
Senior and Top management (levels 13-16)	25 339	83.80	0	0.00	24	0.80	713	2.40
Contract (Levels 3-5)	1 424	95.50	0	0.00	9	0.60	59	3.90
Contract (Levels 6-8)	1 014	99.80	2	0.20	0	0.00	0	0.00
Contract (Levels 9-12)	2 956	100.00	0	0.00	0	0.00	0	0.00
Contract (Levels >= 13)	1 490	100.00	0	0.00	0	0.00	0	0.00
Abnormal Appointment	644	100.00	0	0.00	0	0.00	0	0.00
<b>Total</b>	<b>124 239</b>	<b>92.27</b>	<b>157</b>	<b>0.10</b>	<b>2 848</b>	<b>2.12</b>	<b>7402</b>	<b>5.50</b>

## 3.2. Employment and Vacancies

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

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

This information is presented in terms of three key variables:

- programme
- salary band
- critical occupations

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

**Table 3.2.1 Employment and vacancies by programme as on 31 March 2022**

Programme	Number of posts on approved establishment	Number of posts filled	Vacancy Rate	Number of employees additional to the establishment
Administration	130	103	20.80	0
Integrated Economic Development	39	37	5.12	0
Trade and Sector Development	19	17	10.50	0
Business Regulation & Governance	29	25	13.80	0
Economic Planning	21	19	9.50	0
Tourism	5	5	0.00	0
<b>Total</b>	<b>243</b>	<b>206</b>	<b>15.22</b>	<b>0</b>

**NB: Interns and EPWP employees are excluded from this table.**

**Table 3.2.2 Employment and vacancies by salary band as on 31 March 2022**

Salary band	Number of posts on approved establishment	Number of posts filled	Vacancy Rate	Number of employees additional to the establishment
Lower Skilled (Levels 1-2), Permanent	1	1	0.00	0
Skilled (Levels 3-5), Permanent	32	24	25.00	0
Highly Skilled Production (Levels 6-8), Permanent	86	76	11.60	0
Highly Skilled Supervision (Levels 9-12), Permanent	90	74	17.80	0
Senior Management (Levels >= 13), Permanent	25	22	12.00	0
Contract (Levels 3-5), Permanent	5	5	0.00	0
Contract (Levels 9-12), Permanent	3	3	0.00	0
Contract (Levels >= 13), Permanent	1	1	0.00	0
<b>Total</b>	<b>243</b>	<b>206</b>	<b>15.22</b>	<b>0</b>

**NB: Interns and EPWP employees are excluded from this table.**

**Table 3.2.3 Employment and vacancies by critical occupations as on 31 March 2022**

Critical occupation	Number of posts on approved establishment	Number of posts filled	Vacancy Rate	Number of employees additional to the establishment
Administrative related, permanent	34	30	11.80	0
Cleaners in offices workshops hospitals etc., permanent	10	7	30.00	0
Communication and information related, permanent	9	8	11.10	0
Economists, permanent	57	49	14.00	0
Finance and economics related, permanent	20	1	10.00	0
Financial and related professionals, permanent	4	3	25.00	0
Financial clerks and credit controllers, permanent	7	6	14.30	0
Food services aids and waiters, permanent		1	0.00	0
General legal administration & rel. Professionals, permanent	1	1	0.00	0
Head of Department/chief executive officer, permanent	1	0	100.00	0
Housekeepers laundry and related workers, permanent	1	1	0.00	0
Human resources & organisational development & relate profesional, permanent	2	1	50.00	0
Human resources clerks, permanent	1	1	0.00	0
Human resources related, permanent	20	15	25.00	0
Information technology related, permanent	1	0	0.00	0
Legal related, permanent	2	2	0.00	0
Light vehicle drivers, permanent	3	3	0.00	0
Logistical support personnel, permanent	3	3	0.00	0
Messengers porters and deliverers, permanent	1	1	0.00	0
Other administrat & related clerks and organisers, permanent	5	3	40.00	0
Other occupations, permanent	1	1	0.00	0
Regulatory inspectors, permanent	3	3	0.00	0
Risk management and security services, permanent	2	1	50.00	0
Secretaries & other keyboard operating clerks, permanent	23	20	13.00	0
Senior managers, permanent	13	13	0.00	0
Statisticians and related professionals, permanent	2	2	0.00	0
Trade/industry advisers & other related profession, permanent	16	12	25.00	0
<b>Total</b>	<b>243</b>	<b>206</b>	<b>15.22</b>	<b>0</b>

**NB: Interns and EPWP employees are excluded from this table.**

### 3.3. Filling of SMS Posts

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

**Table 3.3.1 SMS post information as on 31 March 2022**

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	6	100	0	0
Salary Level 13	21	16	76.1	4	19
<b>Total</b>	<b>29</b>	<b>23</b>	<b>79.3</b>	<b>5</b>	<b>17.2</b>

**Table 3.3.2 SMS post information as on 30 September 2021**

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	6	100	0	0
Salary Level 13	21	15	71.4	5	23.8
<b>Total</b>	<b>29</b>	<b>22</b>	<b>75.8</b>	<b>6</b>	<b>20.7</b>

**Table 3.3.3 Advertising and filling of SMS posts for the period 1 April 2021 and 31 March 2022**

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

**Table 3.3.4 Reasons for not having complied with the filling of funded vacant SMS - Advertised within 6 months and filled within 12 months after becoming vacant for the period 1 April 2021 and 31 March 2022**

<b>Reasons for vacancies not advertised within six months</b>
Budgetary constraints.
<b>Reasons for vacancies not filled within twelve months</b>
Budgetary constraints and dependencies.
<b>Reasons for vacancies not advertised within six months</b>
None
<b>Reasons for vacancies not filled within six months</b>
None

### 3.5 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 2021 and 31 March 2022**

Salary band	Number of posts on approved establishment	Number of Jobs Evaluated	% of posts evaluated by salary bands	Posts Upgraded		Posts downgraded	
				Number	% of posts evaluated	Number	% of posts evaluated
Lower Skilled (Levels 1-2)	1	0	0	0	0	0	0
Skilled (Levels 3-5)	32	0	0	0	0	0	0
Highly Skilled Production (Levels 6-8)	86	0	0	0	0	0	0
Highly Skilled Supervision (Levels 9-12)	90		0	0	0	0	0
Senior Management Service Band A	17	0	0	0	0	0	0
Senior Management Service Band B	6	0	0	0	0	0	0
Senior Management Service Band C	1	0	0	0	0	0	0
Senior Management Service Band D	1	0	0	0	0	0	0
Contract (Levels 3-5)	5	0	0	0	0	0	0
Contract (Levels 9-12)	3	0	0	0	0	0	0
Contract Band A	1	0	0	0	0	0	0
<b>Total</b>	<b>243</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

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

**Table 3.4.2 Profile of employees whose positions were upgraded due to their posts being upgraded for the period 1 April 2021 and 31 March 2022**

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

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

**Table 3.4.3 Employees with salary levels higher than those determined by job evaluation by occupation for the period 1 April 2021 and 31 March 2022**

Occupation	Number of employees	Job evaluation level	Remuneration level	Reason for deviation
None	0	0	0	N/A
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 2021 and 31 March 2022**

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

Employees with a disability	0	0	0	0	0
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Total number of Employees whose salaries exceeded the grades determine by job evaluation	None
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### 3.5. Employment Changes

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

**Table 3.5.1 Annual turnover rates by salary band for the period 1 April 2021 and 31 March 2022**

Salary band	Number of employees at beginning of period-1 April 2021	Appointments and transfers into the Department	Terminations and transfers out of the Department	Turnover rate
Lower Skilled (Levels 1-2) Permanent	2	0	0	0.00
Skilled (Levels 3-5) Permanent	28	0	2	7.14
Highly Skilled Production (Levels 6-8) Permanent	77	0	2	2.59
Highly Skilled Supervision (Levels 9-12) Permanent	70	3	2	2.85
Senior Management Service Band A Permanent	15	0	2	13.33
Senior Management Service Band B Permanent	6	0	0	0.00
Senior Management Service Band D Permanent	1	0	0	0.00
Contract (Levels 3-5) Permanent	28	0	15	53.57
Contract (Levels 6-8) Permanent	5	0	0	100
Contract (Levels 9-12) Permanent	2	2	1	50
Contract Band A Permanent	1	0	0	0
<b>Total</b>	<b>235</b>	<b>5</b>	<b>24</b>	<b>10.21</b>

**Table 3.5.2 Annual turnover rates by critical occupation for the period 1 April 2021 and 31 March 2022**

Critical occupation	Number of employees at beginning of period-April 2021	Appointments and transfers into the Department	Terminations and transfers out of the Department	Turn-over rate
Administrative related Permanent	28	3	1	3.57
Cleaners in offices workshops hospitals etc. Permanent	22	0	2	9.09
Communication and information related permanent	8	0	0	0.00
Economists permanent	51	0	2	3.92
Finance and economics related permanent	15	0	0	0.00
Financial and related professionals permanent	3	0	0	0.00
Financial clerks and credit controllers permanent	5	1	0	0.00
Food services aids and waiters permanent	1	0	0	0.00
General legal administration & rel. Professionals permanent	1	0	0	0.00
Housekeepers laundry and related workers permanent	1	0	0	0.00
Human resources & organisational development & relate prof permanent	1	0	0	0.00
Human resources clerks permanent	14	0	14	100
Human resources related permanent	20	0	1	5
Information technology related permanent	1	0	0	0.00
Legal related permanent	2	0	0	0.00
Light vehicle drivers permanent	3	0	0	0.00
Logistical support personnel permanent	1	0	0	0.00
Messengers porters and deliverers permanent	1	0	0	0.00
Other administrator & related clerks and organisers permanent	2	1	0	0.00
Other occupations permanent	0	0	0	0.00
Regulatory inspectors permanent	3	0	0	0.00
Secretaries & other keyboard operating clerks permanent	21	0	1	4.76
Senior managers permanent	14	0	2	14.28
Statisticians and related professionals permanent	2	0	0	0.00
Trade/industry advisers & other related profession permanent	15	0	1	6.66
<b>Total</b>	<b>235</b>	<b>5</b>	<b>24</b>	<b>10.21</b>

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

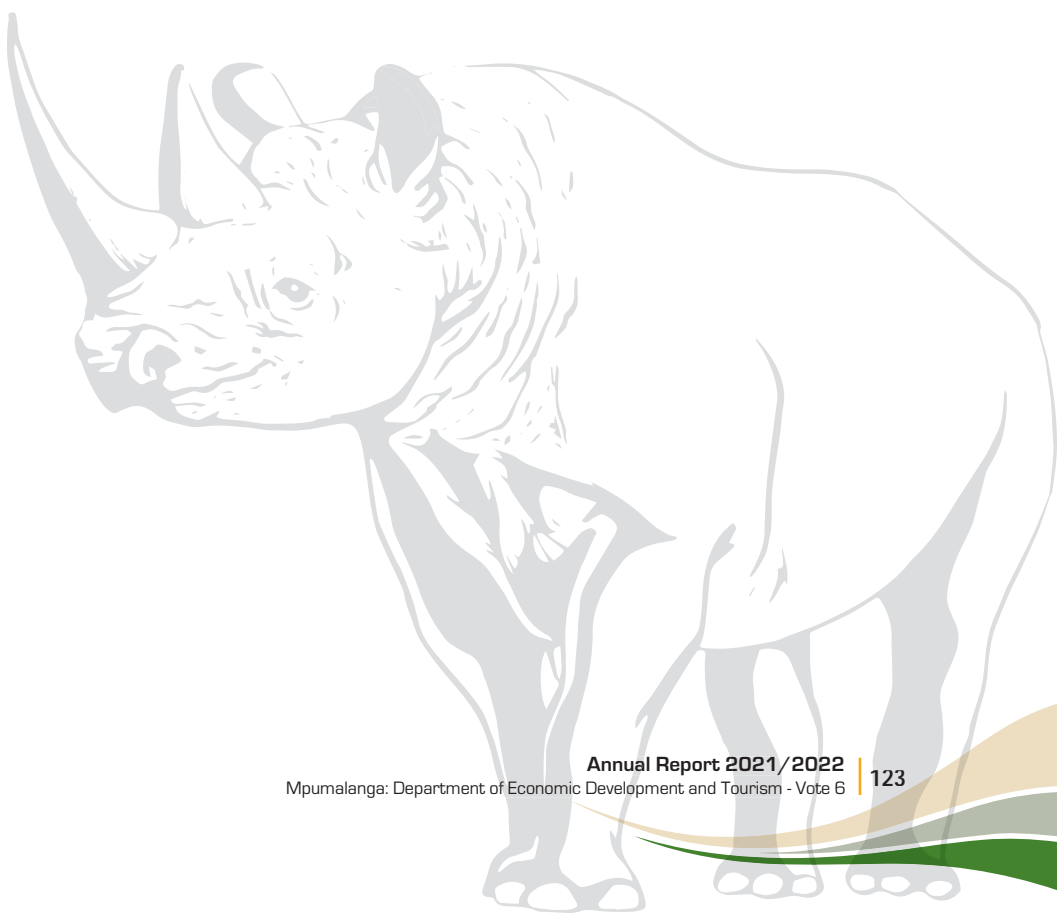
**Table 3.5.3 Reasons why staff left the Department for the period 1 April 2021 and 31 March 2022**

Termination Type	Number	% of Total Resignations
Death, Permanent	1	4.16
Resignation, Permanent	3	12.5
Expiry of contract, Permanent (Interns)	15	62.5
Retirement, Permanent	4	16.66
Other, Permanent (Transfer)	1	4.16
<b>Total</b>	<b>24</b>	<b>10.21</b>
Total number of employees who left as a % of total employment	24	10.21

**Table 3.5.4 Promotions by critical occupation for the period 1 April 2021 and 31 March 2022**

Occupation	Employees 1 April 2021	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	28	1	3.60	27	96.42
Cleaners in offices workshops hospitals etc.	8	0	0	7	87.5
Communication and information related	8	1	12.50	7	8.75
Economists	51	0	0	49	96.10
Finance and economics related	15	1	6.70	14	120
Financial and related professionals	3	0	0	3	100
Financial clerks and credit controllers	5	0	0	5	100
Food services aids and waiters	1	0	0	1	100
General legal administration & rel. Professionals	1	0	0	1	100
Housekeepers laundry and related workers	1	0	0	1	100
Human resources & organisational development & relate prof	1	0	0	1	100
Human resources clerks	11	0	0	11	100
Human resources related	20	2	10	18	90

Occupation	Employees 1 April 2021	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
Information technology related	1	0	0	1	100
Legal related	2	0	0	2	100
Light vehicle drivers	3	0	0	3	100
Logistical support personnel	3	0	0	3	100
Messengers porters and deliverers	1	0	0	1	100
Other administrat & related clerks and organisers	2	0	0	2	100
Other occupations	15	0	0	0	0
Regulatory inspectors	3	0	0	3	100
Risk management and security services	0	1	0	1	0
Secretaries & other keyboard operating clerks	21	0	0	20	95.23
Senior managers	14	0	0	14	100
Statisticians and related professionals	2	0	0	2	100
Trade/industry advisers & other related profession	15	1	6.70	12	80
<b>Total</b>	<b>235</b>	<b>7</b>	<b>3.20</b>	<b>209</b>	<b>86.38</b>



**Table 3.5.5 Promotions by salary band for the period 1 April 2021 and 31 March 2022**

Salary Band	Employees 1 April 2021	Promotions to another salary level	Salary bands promotions as a % of employees by salary level	Progressions to another notch within a salary level	Notch progression as a % of employees by salary bands
Lower Skilled (Levels 1-2), Permanent	2	0	0	1	50
Skilled (Levels 3-5), Permanent	28	0	0	28	100
Highly Skilled Production (Levels 6-8), Permanent	77	0	0	73	94.80
Highly Skilled Supervision (Levels 9-12), Permanent	70	5	7.1	76	108.60
Senior Management (Levels >= 13), Permanent	22	2	9.10	22	100
Contract (Levels 3-5), Permanent	5	0	0	5	100
Contract (Levels 6-8), Permanent	28	0	0	0	0
Contract (Levels 9-12), Permanent	2	0	0	3	150
Contract (Levels >= 13), Permanent	1	0	0	1.	100
<b>Total</b>	<b>235</b>	<b>7</b>	<b>3.20</b>	<b>209</b>	<b>94.60</b>

### 3.6. Employment Equity

**Table 3.6.1 Total number of employees (including employees with disabilities) in each of the following occupational categories as on 31 March 2022**

Occupational category	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Senior Officials and Managers	9	0	0	1	3	0	0	1	14
Professionals	48	1	0	2	58	0	1	2	112
Technicians and Associate Professionals	14		0	0	18	0	0	1	33
Clerks	2	0	0	0	27	0	0	1	30
Service Shop and Market Sales Workers	1	0	0	0	4	0	0	0	5
Plant and Machine Operators and Assemblers	3	0	0	0	0	0	0	0	3
Labourers and Related Workers	1	0	0	0	8	0	0	0	9
<b>Total</b>	<b>78</b>	<b>1</b>	<b>0</b>	<b>3</b>	<b>118</b>	<b>0</b>	<b>1</b>	<b>5</b>	<b>206</b>
Employees With Disabilities	3	0	0	0	0	0	0	0	0

**Table 3.6.2 Total number of employees (including employees with disabilities) in each of the following occupational bands as on 31 March 2022**

Occupational band	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top Management, Permanent	1	0	0	0	0	0	0	0	1
Senior Management, Permanent	13	0	0	2	5	0	0	1	21
Professionally qualified and experienced specialists and mid-management, Permanent	38	1	0	1	31	0	1	2	74
Skilled technical and academically qualified workers, junior management, supervisors, foremen, Permanent	22	0	0	0	53	0	0	1	76
Semi-skilled and discretionary decision making, Permanent	1	0	0	0	22	0	0	1	24
Unskilled and defined decision making, Permanent	0	0	0	0	1	0	0	0	1
Contract (Senior Management), Permanent	1	0	0		0	0	0	0	1
Contract (Professionally Qualified), Permanent	1	0	0	0	2	0	0	0	3
Contract (Semi-Skilled), Permanent	1	0	0	0	4	0	0	0	5
<b>Total</b>	<b>78</b>	<b>1</b>	<b>0</b>	<b>3</b>	<b>118</b>	<b>0</b>	<b>1</b>	<b>5</b>	<b>206</b>

**Table 3.6.3 Recruitment for the period 1 April 2021 and 31 March 2022**

Occupational band	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Professionally qualified and experienced specialists and mid-management, Permanent	1	0	0	0	2	0	0	0	3
Contract (Professionally qualified), Permanent	1	0	0	0	1	0	0	0	2
<b>Total</b>	<b>2</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>3</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>5</b>
Employees with disabilities	0	0	0	0	0	0	0	0	0

**Table 3.6.4 Promotions for the period 1 April 2021 and 31 March 2022**

Occupational band	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Senior Management, Permanent	15	0	0	2	6	0	0	1	24
Professionally qualified and experienced specialists and mid-management, Permanent	42	1	0	1	34	0	1	2	81
Skilled technical and academically qualified workers, junior management, supervisors, foremen, Permanent	22	0	0	0	50	0	0	1	73
Semi-skilled and discretionary decision making, Permanent	1	0	0	0	25	1	0	1	28
Unskilled and defined decision making, Permanent	0	0	0	0	1	0	0	0	1
Contract (Senior Management), Permanent	1	0	0	0	0	0	0	0	1
Contract (Professionally qualified), Permanent	1	0	0	0	2	0	0	0	3
Contract (Semi-skilled), Permanent	1	0	0	0	4	0	0	0	5
<b>Total</b>	<b>83</b>	<b>1</b>	<b>0</b>	<b>3</b>	<b>122</b>	<b>1</b>	<b>1</b>	<b>5</b>	<b>216</b>
Employees with disabilities	3	0	0	0	0	0	0	0	3

**NB. These figures include pay progression**

**Table 3.6.5 Terminations for the period 1 April 2021 and 31 March 2022**

Occupational band	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Senior Management, Permanent	1	1	0	0	0	0	0	0	2
Professionally qualified and experienced specialists and mid-management, Permanent	1	0	0	0	1	0	0	0	2
Skilled technical and academically qualified workers, junior management, supervisors, foremen, Permanent	0	0	0	0	2	0	0	0	2
Semi-skilled and discretionary decision making, Permanent	0	0	0	0	1	1	0	0	2
Contract (Professionally qualified), Permanent	1	0	0	0	0	0	0	0	1
Contract (Skilled technical), Permanent	8	0	0	0	6	0	0	0	14
<b>Total</b>	<b>11</b>	<b>1</b>	<b>0</b>	<b>0</b>	<b>10</b>	<b>1</b>	<b>0</b>	<b>0</b>	<b>23</b>
Employees with Disabilities	0	0	0	0	0	0	0	0	0

**Table 3.6.6 Disciplinary action for the period 1 April 2021 and 31 March 2022**

Disciplinary action	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Absenteeism	1	0	0	0	0	0	0	0	1
Loss of state property	0	0	0	0	1	0	0	0	1

The cases are not yet finalised, they are still under the disciplinary processes.

**Table 3.6.7 Skills development for the period 1 April 2021 and 31 March 2022**

Occupational category	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Legislators, senior officials and managers	3	0	0	2	4	0	0	4	13
Professionals	31	0	0	0	27	0	0	2	60
Technicians and associate professionals	4	0	0	0	12	0	0	0	16
Clerks	4	0	0	0	18	1	0	3	26
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	5	0	0	0	9	0	0	0	14
<b>Total</b>	<b>47</b>	<b>0</b>	<b>0</b>	<b>2</b>	<b>70</b>	<b>1</b>	<b>0</b>	<b>9</b>	<b>129</b>
Employees with disabilities	1	0	0	0	0	0	0	0	1

### 3.7. Signing of Performance Agreements by SMS Members

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

**Table 3.7.1 Signing of Performance Agreements by SMS members as on 31 May 2021**

SMS Level	Total number of funded SMS posts	Total number of SMS members	Total number of signed performance agreements	Signed performance agreements as % of total number of SMS members
Director-General/ Head of Department	1	0	0	0
Salary Level 16	1	1	0	0
Salary Level 15	0	0	0	0
Salary Level 14	6	6	6	100
Salary Level 13	21	16	13	81
<b>Total</b>	<b>29</b>	<b>23</b>	<b>19</b>	<b>83</b>

**Table 3.7.2 Reasons for not having concluded Performance agreements for all SMS members as on 31 May 2021**

Reasons
Non-compliance due to ill-health and one new appointee who was not due for signing agreement at the closing date of submission.

**Table 3.7.3 Disciplinary steps taken against SMS members for not having concluded Performance agreements as on 31 March 2022**

Reasons
Disciplinary process evoked, non-compliance letter issued to the SMS to explain why failed to conclude performance agreement.

**Notes**

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

**3.8. Performance Rewards**

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

**Table 3.8.1 Performance Rewards by race, gender and disability for the period 1 April 2021 and 31 March 2022**

Race and Gender	Beneficiary Profile			Cost	
	Number of beneficiaries	Number of employees	% of total within group	Cost (R'000)	Average cost per employee
African	0	0	0	0	0
Male	26	75	34,70	258	9 941
Female	35	118	21,18	285	8 257
Asian	0	0	0	0	0
Male	0	0	0	0	0
Female	0	1	0	5	0
Coloured	0	0	0	0	0
Male	0	1	0	0	0
Female	1	0	0	5	4 691
White	0	0	0	0	0
Male	2	3	66,70	143	71 949
Female	2	5	40	25	12 661
Employees with disability	1	3	33,30	10	9 878
<b>Total</b>	<b>67</b>	<b>206</b>	<b>32,52</b>	<b>731</b>	<b>10 910</b>

**Table 3.8.2 Performance Rewards by salary band for personnel below Senior Management Service for the period 1 April 2021 and 31 March 2022**

Salary band	Beneficiary Profile			Cost	
	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	1	100	3	2 983
Skilled (level 3-5)	13	24	54,20	51	3 945
Highly skilled production (level 6-8)	23	76	30,30	162	7 027
Highly skilled supervision (level 9-12)	27	74	37	382	14 145
Contract (Levels 3-5)	0	5	0	0	0
Contract (Levels 9-12)	0	3	0	0	0
<b>Total</b>	<b>64</b>	<b>183</b>	<b>35,00</b>	<b>598</b>	<b>9 341</b>

**Table 3.8.3 Performance Rewards by critical occupation for the period 1 April 2021 and 31 March 2022**

Critical occupation	Beneficiary Profile				
	Number of beneficiaries	Number of employees	% of total within occupation Cost	Total Cost (R'000)	Average cost per employee
Financial clerks and credit controllers	3	6	50	22	7 333
Human resources clerks	1	5	20	6	6 000
Human resources & organisat developm & relate prof	1	6	16,66	20	20 000
Messengers porters and deliverers	0	0	0	0	0
Risk management and security services	0	1	0	0	0
Finance and economics related	14	18	77,77	206	14 714
Logistical support personnel	1	3	33,33	6	6 000
Other administrat & related clerks and organisers	1	3	33,33	7	7 000
Housekeepers laundry and related workers	0	1	0	0	0
Other occupations	0	0	0	0	0
Legal related	0	1	0	0	0
Financial and related professionals	2	3	66,66	17	8 500
Administrative related	7	29	24,13	73	10 429
Communication and information related	2	8	25	19	9 500
Secretaries & other keyboard operating clerks	7	19	36,84	31	4 429
Cleaners in offices workshops hospitals etc.	6	7	85,71	20	3 333
Human resources related	7	9	77,77	86	12 286
Trade/industry advisers & other related profession	0	12	0	0	0
General legal administration & rel. Professionals	0	0	0	0	0
Regulatory inspectors	0	3	0	0	0
Statisticians and related professionals	1	2	50	17	17 000
Senior managers	3	23	13,63	62	20 666
Economists	10	44	22,22	133	13 300
Light vehicle drivers	1	3	33,33	6	6 000
Food services aids and waiters	0	0	0	0	0
Information technology related	0	0	0	0	0
<b>Total</b>	<b>67</b>	<b>206</b>	<b>32,52</b>	<b>731</b>	<b>10 910</b>

**Table 3.8.4 Performance related rewards (cash bonus), by salary band for Senior Management Service for the period 1 April 2021 and 31 March 2022**

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 (R)	
Band A	3	16	18,80	133	44 333	0,60
Band B	0	6	0	0	0	0
Band D	0	0	0	0	0	0
<b>Total</b>	<b>3</b>	<b>22</b>	<b>18.80</b>	<b>133</b>	<b>44 333</b>	<b>0,60</b>

### 3.9. Foreign Workers

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

**Table 3.9.1 Foreign workers by salary band for the period 1 April 2021 and 31 March 2022**

Salary band	01 April 2021		31 March 2022		Change	
	Number	% of total	Number	% of total	Number	% Change
Lower skilled	0	0	0	0	0	0
Highly skilled production (Lev. 6-8)	0	0	0	0	0	0
Highly skilled supervision (Lev. 9-12)	0	0	0	0	0	0
Contract (level 9-12)	0	0	0	0	0	0
Contract (level 13-16)	0	0	0	0	0	0
<b>Total</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

**Table 3.9.2 Foreign workers by major occupation for the period 1 April 2021 and 31 March 2022**

Major occupation	01 April 2021		31 March 2022		Change	
	Number	% of total	Number	% of total	Number	% Change
None	0	0	0	0	0	0
<b>Total</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

### 3.10. Leave utilisation

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

**Table 3.10.1 Sick leave for the period 1 January 2021 to 31 December 2021**

Salary band	Total days	% Days with Medical certification	Number of Employees using sick leave	% of total employees using sick leave	Average days per employee	Estimated Cost (R'000)
Lower Skills (Level 1-2)	0	0	0	0	0	0
Skilled (levels 3-5)	90	41.10	9	18	10	92
Highly skilled production (levels 6-8)	162	50.60	15	30	11	253
Highly skilled supervision (levels 9 -12)	103	17.50	22	44	5	327
Top and Senior management (levels 13-16)	13	0	4	8	3	63
<b>Total</b>	<b>368</b>	<b>37.20</b>	<b>50</b>	<b>100</b>	<b>7</b>	<b>736</b>

**Table 3.10.2 Disability leave (temporary and permanent) for the period 1 January 2021 to 31 December 2021**

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

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

**Table 3.10.3 Annual Leave for the period 1 January 2021 to 31 December 2021**

Salary band	Total days taken	Number of Employees using annual leave	Average per employee
Lower skilled (Levels 1-2)	35	1	35
Skilled Levels 3-5)	715	25	9
Contract (Levels 3-5)	19	2	10
Highly skilled production (Levels 6-8)	1 912	75	25
Contract (Levels 6-8)	198	11	18
Highly skilled supervision(Levels 9-12)	1 823	73	25
Senior management (Levels 13-16)	505	21	24
<b>Total</b>	<b>5 207</b>	<b>208</b>	<b>25</b>

**Table 3.10.4 Capped leave for the period 1 January 2021 to 31 December 2021**

Salary band	Total days of capped leave taken	Number of Employees using capped leave	Average number of days taken per employee	Average capped leave per employee as on 31 March 2022	Total number of capped leave available at the end of period	Number of employees as at the end of period
Lower skilled (Levels 1-2)	0	0	0	0	0	0
Skilled Levels 3-5)	0	0	0	116	695.50	6
Highly skilled production (Levels 6-8)	0	0	0	49	922.99	19
Highly skilled supervision(Levels 9-12)	0	0	0	53	1 330.05	25
Senior management (Levels 13-16)	0	0	0	39	432.36	11
<b>Total</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>55</b>	<b>3 380.90</b>	<b>61</b>

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

**Table 3.10.5 Leave payouts for the period 1 April 2021 and 31 March 2022**

Reason	Total amount (R'000)	Number of employees	Average per employee (R)
Annual - discounting with resignation (work days)	636	11	57 818
Annual - discounting: unused vacation credits (work days)	70	1	70 000
Annual - gratuity: death/retirement/medical retirement(work	291	4	72 750
Annual - head of Departments (gratuity) (work days)	13	1	13 000
Capped - gratuity: death/retirement/medical retirement(work	832	4	208 000
<b>Total</b>	<b>1 842</b>	<b>21</b>	<b>421 568</b>

### 3.11. HIV/AIDS & Health Promotion Programmes

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

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

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

Question	Yes	No	Details, if yes
1. Has the Department designated a member of the SMS to implement the provisions contained in Part VI E of Chapter 1 of the Public Service Regulations, 2001? If so, provide her/his name and position.	Yes		Ms N.I Phiri 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 Department has established an EHWP sub-directorate consisting of three (3) officials, and the budget allocated is three million, and two hundred and thirty seven thousand rand (R3, 237,000) for compensation and goods & services.
3. Has the Department introduced an Employee Assistance or Health Promotion Programme for your employees? If so, indicate the key elements/services of this Programme.	Yes		The Department has implemented the integrated proactive and reactive Employee Health and Wellness Programmes as per the National Employee Health & Wellness Strategic Framework.
4. Has the Department established (a) committee(s) as contemplated in Part VI E.5 (e) of Chapter 1 of the Public Service Regulations, 2001? If so, please provide the names of the members of the committee and the stakeholder(s) that they represent.	Yes		Occupational Health & Safety committee (Ms BG Molahlegi, Ms 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.  EHWP and sports committee: Ms Z Mabuza, Ms C Mdawe, Ms SJ Phahlamohlaka, Ms J Nkosi, Ms Y Thabethe, Mr M Mthethwa, Mr S Mhlaba, Ms G Makhaya, Ms S Ingle  Employment Equity Committee: Mr S Nkambule, Ms SJ Phahlamohlaka, Ms H Mokotedi, Mr DJ Sibiya, Mr JS Mashiane, Mr MS Mahlangu, Ms A Johnson, Mr V Makamu

Question	Yes	No	Details, if yes
5. Has the Department reviewed its employment policies and practices to ensure that these do not unfairly discriminate against employees on the basis of their HIV status? If so, list the employment policies/practices so reviewed.	Yes		Yes, the Recruitment & Selection, Bereavement and the Resettlement policies were reviewed ensure that the designated groups including employees infected with HIV are not discriminated against.
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 HIV/AIDS STI, & TB management and the Safety, Health, Risk and Quality Management policies and also implement education and awareness programmes that addresses 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		During the financial year under review, the Department did not arrange onsite Health Screening sessions including HIV Counselling and Testing for the employees due to COVID-19 remote work arrangements. However, during the virtual awareness sessions, employees were encouraged to undergo 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 analyses sick leave PERSAL reports, GEMS stakeholder reports and the health risk management reports on quarterly basis to monitor the impact of the health promotion programmes and develop prevention measures.

### 3.12. Labour Relations

**Table 3.12.1 Collective agreements for the period 1 April 2021 and 31 March 2022**

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

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

**Table 3.12.2 Misconduct and disciplinary hearings finalised for the period 1 April 2021 and 31 March 2022**

Outcomes of disciplinary hearings	Number	% of total
Correctional counselling	0	0%
Verbal warning	0	0%
Written warning	0	0%
Final written warning	0	0%
Suspended without pay	0	0%
Fine	0	0%
Demotion	0	0%
Dismissal	0	0%
Not guilty	0	0%
Case withdrawn	0	0%
Total	0	0%
Total number of Disciplinary hearings finalised		None

**Table 3.12.3 Types of misconduct addressed at disciplinary hearings for the period 1 April 2021 and 31 March 2022**

Type of misconduct	Number	% of total
Absenteeism	1	50%
Loss of state property	1	50%
Total	2	100%

**Table 3.12.4 Grievances logged for the period 1 April 2021 and 31 March 2022**

Grievances	Number	% of Total
Number of grievances resolved	3	42.9%
Number of grievances not resolved	4	57.1%
Total number of grievances lodged	7	100%

**Table 3.12.5 Disputes logged with Councils for the period 1 April 2021 and 31 March 2022**

Disputes	Number	% of Total
Number of disputes upheld	0	0%
Number of disputes dismissed	2	40%
Total number of disputes lodged	5	100%

**Table 3.12.6 Strike actions for the period 1 April 2021 and 31 March 2022**

<b>Total number of persons working days lost</b>	0
<b>Total costs working days lost</b>	0
<b>Amount recovered as a result of no work no pay (R'000)</b>	R0

**Table 3.12.7 Precautionary suspensions for the period 1 April 2021 and 31 March 2022**

<b>Number of people suspended</b>	0
<b>Number of people who's suspension exceeded 30 days</b>	0
<b>Average number of days suspended</b>	0
<b>Cost of suspension(R'000)</b>	R0

### 3.13. Skills development

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

**Table 3.13.1 Training needs identified for the period 1 April 2021 and 31 March 2022**

Occupational category	Gender	Number of employees as at 1 April 2021	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 13-16	Female	5	0	2	0	2
	Male	18	0	3	0	3
Professionals 11-12	Female	15	0	38	0	38
	Male	22	0	29	0	29
Technicians and associate professionals 9-10	Female	15	0	4	0	4
	Male	20	0	9	0	9
Clerks 4-8	Female	75	3	15	0	18
	Male	24	2	2	0	4
Service and sales workers	Female	0	0	0	0	0
	Male	0	0	0	0	0
Skilled agriculture and fishery workers	Female	0	0	0	0	0
	Male	0	0	0	0	0
Craft and related trades workers	Female	0	0	0	0	0
	Male	0	0	0	0	0
Plant and machine operators and assemblers	Female	0	0	0	0	0
	Male	0	0	0	0	0
Elementary occupations 1-3	Female	13	0	9	0	9
	Male	0	0	5	0	5
Sub Total	Female	123	3	68	0	71
	Male	84	2	48	0	50
<b>Total</b>		<b>207</b>	<b>5</b>	<b>116</b>	<b>0</b>	<b>121</b>

**NB: These numbers on number of employees as at 01 April 2021 exclude Interns.**

**Table 3.13.2 Training provided for the period 1 April 2021 and 31 March 2022**

Occupational category	Gender	Number of employees as at 1 April 2021	Training provided within the reporting period			
			Learnerships	Skills Programmes & other short courses	Other forms of training	Total
Legislators, senior officials and managers 13-16	Female	5	0	8	0	8
	Male	18	0	5	0	5
Professionals 11-12	Female	15	0	31	0	31
	Male	22	0	28	0	28
Technicians and associate professionals 9-10	Female	15	0	6	0	6
	Male	20	0	2	0	2
Clerks 4-8	Female	75	0	39	0	39
	Male	24	0	10	0	10
Service and sales workers	Female	0	0	0	0	0
	Male	0	0	0	0	0
Skilled agriculture and fishery workers	Female	0	0	0	0	0
	Male	0	0	0	0	0
Craft and related trades workers	Female	0	0	0	0	0
	Male	0	0	0	0	0
Plant and machine operators and assemblers	Female	0	0	0	0	0
	Male	0	0	0	0	0
Elementary occupations 1-3	Female	13	0	0	0	0
	Male	0	0	0	0	0
Sub Total	Female	123	0	84	0	84
	Male	84	0	45	0	45
Total		207	0	129	0	129

**NB: These numbers on number of employees as at 01 April 2021 exclude Interns.**

### 3.14. Injury on duty

The following tables provide basic information on injury on duty.

Table 3.14.1 Injury on duty for the period 1 April 2021 and 31 March 2022

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

### 3.15. Utilisation of Consultants

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

- 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 2021 and 31 March 2022

Project title	Total number of consultants that worked on project	Duration (work days)	Contract value in Rand
Risk Management Committee	1	28	138 144
Audit Committee	5	40	217 290
Competency assessments	2	10	102 005

Total number of projects	Total individual consultants	Total duration Work days	Total contract value in Rand
3	8	78	457 439

Table 3.15.2 Analysis of consultant appointments using appropriated funds, in terms of Historically Disadvantaged Individuals (HDIs) for the period 1 April 2021 and 31 March 2022

Project title	Percentage ownership by HDI groups	Percentage management by HDI groups	Number of consultants from HDI groups that work on the project
Risk Management Committee	100%	100%	1
Audit Committee	80%	100%	5
Competency assessments	71%	71%	2

**Table 3.15.3 Report on consultant appointments using Donor funds for the period 1 April 2021 and 31 March 2022**

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

Total number of projects	Total individual consultants	Total duration Work days	Total contract value in Rand
Not applicable			

**Table 3.15.4 Analysis of consultant appointments using Donor funds, in terms of Historically Disadvantaged Individuals (HDIs) for the period 1 April 2021 and 31 March 2022**

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

### 3.16 Severance Packages

**Table 3.16.1 Granting of employee initiated severance packages for the period 1 April 2021 and 31 March 2022**

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





## **Part E** Financial Information





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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 154 to 220 which comprise the appropriation statement, statement of financial position as at 31 March 2022, statement of financial performance, statement of changes in net assets and cash flow statement for the year then ended, as well as 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 2022, 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 1 of 1999 (PFMA) and the Division of Revenue Act 9 of 2021 (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 my report.
4. I am independent of the department in accordance with the International Ethics Standards Board for Accountants' *International code of ethics for professional accountants (including International Independence Standards)* (IESBA code) as well as other ethical requirements that are relevant to my audit in South Africa. I have fulfilled my other ethical responsibilities in accordance with these requirements and the IESBA code.
5. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

### Emphasis of matters

6. I draw attention to the matters below. My opinion is not modified in respect of these matters.

### Payables not recognised

7. As disclosed in note 16.2 to the financial statements, payables of R22 104 000 exceeded the payment term of 30 days, contrary to treasury regulation 8.2.3. This amount, in turn, exceeded the R14 090 000 of voted funds to be surrendered by R8 014 000 as per the statement of financial performance. The amount of R8 014 000 would therefore have constituted unauthorised expenditure had the amounts due been paid in time.

### Irregular expenditure

8. As disclosed in note 20 to the financial statements, the department incurred irregular expenditure of R10 674 000, as it did not follow a proper tender process.

### Restatement of corresponding figures

9. As disclosed in note 26 to the financial statements, the corresponding figures for 31 March 2021 were restated as a result of an error in the financial statements of the department at, and for the year ended, 31 March 2022.

### Responsibilities of the accounting officer for the financial statements

10. The accounting officer is responsible for the preparation and fair presentation of the financial statements in accordance with the MCS and the requirements of the 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.
11. In preparing the financial statements, the accounting officer is responsible for assessing the department's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the 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

12. 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.
13. 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

14. In accordance with the Public Audit Act 25 of 2004 (PAA) and the general notice issued in terms thereof, I have a responsibility to report on the usefulness and reliability of the reported performance information against predetermined objectives for selected programmes presented in the annual performance report. I performed procedures to identify material findings but not to gather evidence to express assurance.
15. My procedures address the usefulness and reliability of the reported performance information, which must be based on the department's approved performance planning documents. I have not evaluated the completeness and appropriateness of the performance indicators included in the planning documents. My procedures do not examine whether the actions taken by the department enabled service delivery. My procedures do not extend to any disclosures or assertions relating to the extent of achievements in the current year or planned performance strategies and information in respect of future periods that may be included as part of the reported performance information. Accordingly, my findings do not extend to these matters.
16. I evaluated the usefulness and reliability of the reported performance information in accordance with the criteria developed from the performance management and reporting framework, as defined in the general notice, for the following selected programmes presented in the department's annual performance report for the year ended 31 March 2022:

Programmes	Pages in the annual performance report
Programme 3 – trade and sector development	50-59

17. 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.
18. I did not identify any material findings on the usefulness and reliability of the reported performance information for this programme:
- Programme 3 – trade and sector development

## Report on the audit of compliance with legislation

### Introduction and scope

19. In accordance with the PAA and the general notice issued in terms thereof, I have a responsibility to report material findings on the department's compliance with specific matters in key legislation. I performed procedures to identify findings but not to gather evidence to express assurance.
20. The material findings on compliance with specific matters in key legislation are as follows:

### Annual financial statements

21. The financial statements submitted for auditing were not prepared in accordance with the prescribed financial reporting framework, as required by section 40(1)(b) of the PFMA. Material misstatements of disclosure items identified by the auditors in the submitted financial statements were corrected, resulting in the financial statements receiving an unqualified opinion.

## Other information

22. 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.
23. 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 on it.
24. 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.
25. If based on the work I have performed, I conclude that there is a material misstatement in the other information, I am required to report on that fact.
26. I have nothing to report in this regard.

## Internal control deficiencies

27. 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.
28. Management did not adequately prepare regular, accurate and complete financial reports that were supported and evidenced by reliable information.

AUDITOR - GENERAL

Mbombela

31 July 2022



AUDITOR - GENERAL  
SOUTH AFRICA

*Auditing to build public confidence*

## 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.

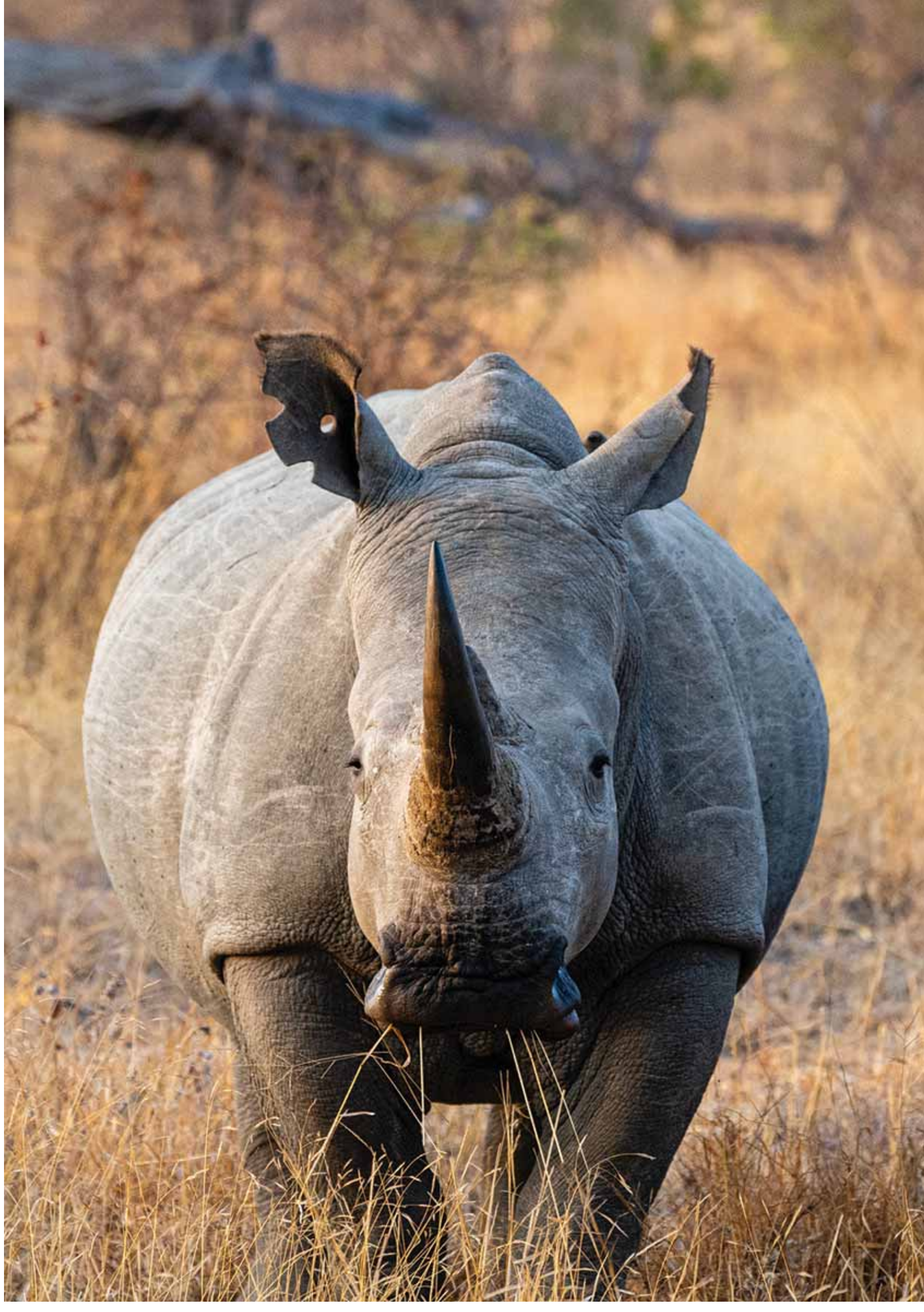
### Financial statements

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 relating to events or conditions that may cast significant doubt on the ability of the department to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements about the material uncertainty or, if such disclosures are inadequate, to modify my 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 operating as a going concern
  - evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and determine 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 provide the accounting officer with a statement that I have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on my independence and, where applicable, actions taken to eliminate threats or safeguards applied.



## Department of Economic Development & Tourism

Financial Statements for the year ended March 31, 2022

### Appropriation Statement

Figures in Rand thousand										

## Department of Economic Development & Tourism

Financial Statements for the year ended March 31, 2022

### Appropriation Statement

Figures in Rand thousand		2021/2022				2020/2021			
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
<b>Appropriation per economic classification</b>									
<b>Economic classification</b>									
<b>Current payments</b>									
<b>Compensation of employees</b>									
Salaries and wages	121,871	-	3,661	125,532	124,239	1,293	98.97 %	121,157	120,817
Social contributions	22,204	-	(1,609)	20,595	20,229	366	98.22 %	21,131	19,425
	<b>144,075</b>	<b>-</b>	<b>2,052</b>	<b>146,127</b>	<b>144,468</b>	<b>1,659</b>	<b>98.86 %</b>	<b>142,288</b>	<b>140,242</b>
<b>Goods and services</b>									
Administrative fees	716	-	(89)	627	241	386	38.44 %	565	92
Advertising	4,062	-	(634)	3,428	3,166	262	92.36 %	1,393	1,275
Minor assets	36	-	-	36	12	24	33.33 %	341	3
Audit costs: External	4,983	-	228	5,211	5,211	-	100.00 %	5,055	4,200
Catering: Departmental activities	489	-	(198)	291	170	121	58.42 %	133	29
Communication	3,380	-	2	3,382	3,061	321	90.51 %	3,643	3,038
Computer services	622	-	(55)	567	344	223	60.67 %	744	715
Consultants: Business and advisory services	1,305	-	(738)	567	457	110	80.60 %	760	759
Legal services	458	-	-	458	457	1	99.78 %	562	562
Contractors	11	-	(7)	4	4	-	100.00 %	212	15
Agency and support / outsourced services	6,002	-	(2,989)	3,013	1,616	1,397	53.63 %	5,303	1,561
Fleet services	616	-	-	616	586	30	95.13 %	1,020	1,020
Consumable supplies	2,244	-	(37)	2,207	2,068	139	93.70 %	1,336	1,230
Consumable: Stationery, printing and office supplies	1,041	-	-	1,041	833	208	80.02 %	652	554
Operating leases	19,339	-	1,897	21,236	21,236	-	100.00 %	18,659	18,659
Property payments	4,247	-	75	4,322	4,131	191	95.58 %	3,087	3,087
Travel and subsistence	9,454	-	571	10,025	9,067	958	90.44 %	6,921	6,233
Training and development	1,214	-	153	1,367	1,367	-	100.00 %	1,215	1,215
Operating payments	197	-	-	197	148	49	75.13 %	363	290
Venues and facilities	1,565	-	(231)	1,334	1,159	175	86.88 %	555	319

## Department of Economic Development & Tourism

Financial Statements for the year ended March 31, 2022

### Appropriation Statement

Figures in Rand thousand				2021/2022		2020/2021			
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
Appropriation per economic classification (continued)									
	61,981	-	(2,052)	59,929	55,334	4,595	92.33 %	52,519	44,856
Total current payments	206,056	-	-	206,056	199,802	6,254	96.96 %	194,807	185,098
Transfers and subsidies									
Provinces and municipalities									
Provinces									
Provincial Revenue Funds	-	-	-	-	17	(17)	- %	-	26
Provincial agencies and funds	29	-	-	29	-	29	- %	26	-
	29	-	-	29	17	12	58.62 %	26	26
Departmental agencies and accounts									
Departmental agencies (non-business entities)	512,088	-	-	512,088	511,470	618	99.88 %	466,735	466,735
Public corporations and private enterprises									
Public corporations									
Other transfers to public corporations	218,881	-	-	218,881	218,881	-	100.00 %	192,323	192,323
Private enterprises									
Other transfers to private enterprises	14,848	-	-	14,848	11,422	3,426	76.93 %	2,691	2,691
Public corporations and private enterprises subtotal	233,729	-	-	233,729	230,303	3,426	98.53 %	195,014	195,014
Households	2,155	-	-	2,155	1,949	206	90.44 %	494	322
Total transfers and subsidies	748,001	-	-	748,001	743,739	4,262	99.43 %	662,269	662,097
Payments for capital assets									
Buildings and other fixed structures									
Buildings	540,871	-	-	540,871	537,668	3,203	99.41 %	223,460	223,108
Machinery and equipment									
Transport equipment	1,112	-	-	1,112	746	366	67.09 %	599	599

## Department of Economic Development & Tourism

Financial Statements for the year ended March 31, 2022

### Appropriation Statement

Figures in Rand thousand	2021/2022				2020/2021				
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
Appropriation per economic classification (continued)									
Other machinery and equipment	1,962	-	-	1,962	1,957	5	99.75 %	1,512	1,385
	3,074	-	-	3,074	2,703	371	87.93 %	2,111	1,984
Total payments for capital assets	543,945	-	-	543,945	540,371	3,574	99.34 %	225,571	225,092
Total	1,498,002	-	-	1,498,002	1,483,912	14,090	99.06 %	1,082,647	1,072,287

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### Appropriation Statement

Figures in Rand thousand		2021/2022					2020/2021			
		Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
1. ADMINISTRATION										
Sub programme										
1.1	OFFICE OF THE MEC	12,992	-	(841)	12,151	11,707	444	96.35 %	10,853	10,804
1.2	SENIOR MANAGEMENT (HOD)	5,544	-	(224)	5,320	5,080	240	95.49 %	6,998	5,715
1.3	FINANCIAL MANAGEMENT	40,900	-	824	41,724	40,304	1,420	96.60 %	36,442	34,695
1.4	CORPORATE SERVICES	34,752	-	46	34,798	33,182	1,616	95.36 %	31,789	31,411
Subtotal		94,188	-	(195)	93,993	90,273	3,720	96.04 %	86,082	82,625
Economic classification										
Current payments										
Compensation of employees										
	Salaries and wages	58,048	-	(936)	57,112	56,043	1,069	98.13 %	54,832	54,584
	Social contributions	7,209	-	1,939	9,148	9,001	147	98.39 %	8,805	8,529
		65,257	-	1,003	66,260	65,044	1,216	98.16 %	63,637	63,113
Goods and services										
	Administrative fees	302	-	-	302	178	124	58.94 %	198	74
	Advertising	2,895	-	(783)	2,112	1,851	261	87.64 %	639	521
	Minor assets	22	-	-	22	12	10	54.55 %	323	3
	Audit costs: External	4,983	-	228	5,211	5,211	-	100.00 %	5,055	4,200
	Catering: Departmental activities	222	-	(156)	66	48	18	72.73 %	133	29
	Communication	3,380	-	-	3,380	3,059	321	90.50 %	3,402	3,037
	Computer services	255	-	-	255	234	21	91.76 %	256	228
	Consultants: Business and advisory services	861	-	(359)	502	457	45	91.04 %	682	681
	Legal services	458	-	-	458	457	1	99.78 %	562	562
	Contractors	4	-	-	4	4	-	100.00 %	15	15
	Agency and support / outsourced services	196	-	(44)	152	109	43	71.71 %	133	51
	Fleet services	616	-	-	616	586	30	95.13 %	1,020	1,020
	Consumable supplies	2,244	-	(37)	2,207	2,068	139	93.70 %	1,334	1,228

## Department of Economic Development & Tourism

Financial Statements for the year ended March 31, 2022

### Appropriation Statement

Figures in Rand thousand									
	Adjusted Appropriation	Shifting of Funds	Virement	2021/2022		Variance	Expenditure as % of final appropriation	2020/2021	
				Final Appropriation	Actual Expenditure			Final Appropriation	Actual Expenditure
Consumable: Stationery, printing and office supplies	1,041	-	-	1,041	833	208	80.02 %	622	524
Property payments	22	-	79	101	90	11	89.11 %	20	20
Travel and subsistence	5,596	-	(123)	5,473	4,964	509	90.70 %	4,720	4,461
Training and development	384	-	153	537	537	-	100.00 %	365	365
Operating payments	197	-	-	197	148	49	75.13 %	203	146
Venues and facilities	1,139	-	(107)	1,032	907	125	87.89 %	222	105
	24,817	-	(1,149)	23,668	21,753	1,915	91.91 %	19,904	17,270
Total current payments	90,074	-	(146)	89,928	86,797	3,131	96.52 %	83,541	80,383
Transfers and subsidies									
Provinces and municipalities	29	-	-	29	17	12	58.62 %	26	26
Households	1,011	-	(49)	962	756	206	78.59 %	404	232
Total transfers and subsidies	1,040	-	(49)	991	773	218	78.00 %	430	258
Payments for capital assets									
Machinery and equipment	3,074	-	-	3,074	2,703	371	87.93 %	2,111	1,984
Total	94,188	-	(195)	93,993	90,273	3,720	96.04 %	86,082	82,625

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Financial Statements for the year ended March 31, 2022

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Figures in Rand thousand		2021/2022				2020/2021			
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
<b>1.1 OFFICE OF THE MEC</b>									
<b>Economic classification</b>									
<b>Current payments</b>									
<b>Compensation of employees</b>									
Salaries and wages	6,944	-	7	6,951	6,951	-	100.00 %	7,535	7,535
Social contributions	954	-	(7)	947	800	147	84.48 %	881	881
	<b>7,898</b>	<b>-</b>	<b>-</b>	<b>7,898</b>	<b>7,751</b>	<b>147</b>	<b>98.14 %</b>	<b>8,416</b>	<b>8,416</b>
<b>Goods and services</b>									
Administrative fees	70	-	-	70	53	17	75.71 %	25	25
Advertising	1,713	-	(659)	1,054	1,054	-	100.00 %	-	-
Catering: Departmental activities	61	-	(55)	6	6	-	100.00 %	-	-
Communication	-	-	-	-	-	-	- %	2	2
Contractors	-	-	-	-	-	-	- %	1	1
Consumable supplies	448	-	-	448	430	18	95.98 %	115	115
Travel and subsistence	1,452	-	-	1,452	1,208	244	83.20 %	2,217	2,198
Venues and facilities	868	-	(127)	741	723	18	97.57 %	77	47
	<b>4,612</b>	<b>-</b>	<b>(841)</b>	<b>3,771</b>	<b>3,474</b>	<b>297</b>	<b>92.12 %</b>	<b>2,437</b>	<b>2,388</b>
<b>Total current payments</b>	<b>12,510</b>	<b>-</b>	<b>(841)</b>	<b>11,669</b>	<b>11,225</b>	<b>444</b>	<b>96.20 %</b>	<b>10,853</b>	<b>10,804</b>
<b>Transfers and subsidies</b>									
<b>Households</b>									
Social benefits	482	-	-	482	482	-	100.00 %	-	-
<b>Total</b>	<b>12,992</b>	<b>-</b>	<b>(841)</b>	<b>12,151</b>	<b>11,707</b>	<b>444</b>	<b>96.35 %</b>	<b>10,853</b>	<b>10,804</b>

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Financial Statements for the year ended March 31, 2022

### Appropriation Statement

Figures in Rand thousand		2021/2022				2020/2021			
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
<b>1.2 SENIOR MANAGEMENT (HOD)</b>									
<b>Economic classification</b>									
<b>Current payments</b>									
<b>Compensation of employees</b>									
Salaries and wages	3,256	-	432	3,688	3,688	-	100.00 %	4,394	4,157
Social contributions	481	-	151	632	632	-	100.00 %	804	528
	<b>3,737</b>	<b>-</b>	<b>583</b>	<b>4,320</b>	<b>4,320</b>	<b>-</b>	<b>100.00 %</b>	<b>5,198</b>	<b>4,685</b>
<b>Goods and services</b>									
Administrative fees	46	-	-	46	25	21	54.35 %	37	8
Advertising	124	-	(124)	-	-	-	- %	118	-
Catering: Departmental activities	136	-	(101)	35	24	11	68.57 %	127	23
Computer services	-	-	-	-	-	-	- %	21	21
Consultants: Business and advisory services	571	-	(359)	212	212	-	100.00 %	539	539
Agency and support / outsourced services	126	-	(44)	82	42	40	51.22 %	82	-
Consumable supplies	172	-	(37)	135	128	7	94.81 %	206	82
Travel and subsistence	427	-	(142)	285	168	117	58.95 %	553	313
Venues and facilities	205	-	-	205	161	44	78.54 %	117	44
	<b>1,807</b>	<b>-</b>	<b>(807)</b>	<b>1,000</b>	<b>760</b>	<b>240</b>	<b>76.00 %</b>	<b>1,800</b>	<b>1,030</b>
<b>Total current payments</b>	<b>5,544</b>	<b>-</b>	<b>(224)</b>	<b>5,320</b>	<b>5,080</b>	<b>240</b>	<b>95.49 %</b>	<b>6,998</b>	<b>5,715</b>
<b>Total</b>	<b>5,544</b>	<b>-</b>	<b>(224)</b>	<b>5,320</b>	<b>5,080</b>	<b>240</b>	<b>95.49 %</b>	<b>6,998</b>	<b>5,715</b>

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### Appropriation Statement

Figures in Rand thousand		2021/2022				2020/2021			
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
<b>1.3 FINANCIAL MANAGEMENT</b>									
<b>Economic classification</b>									
<b>Current payments</b>									
<b>Compensation of employees</b>									
Salaries and wages	21,129	-	(958)	20,171	20,171	-	100.00 %	17,992	17,992
Social contributions	2,303	-	1,378	3,681	3,681	-	100.00 %	3,353	3,353
	<b>23,432</b>	<b>-</b>	<b>420</b>	<b>23,852</b>	<b>23,852</b>	<b>-</b>	<b>100.00 %</b>	<b>21,345</b>	<b>21,345</b>
<b>Goods and services</b>									
Administrative fees	123	-	-	123	69	54	56.10 %	100	31
Advertising	33	-	-	33	32	1	96.97 %	-	-
Minor assets	22	-	-	22	12	10	54.55 %	323	3
Audit costs: External	4,983	-	228	5,211	5,211	-	100.00 %	5,055	4,200
Catering: Departmental activities	10	-	-	10	6	4	60.00 %	6	6
Communication	3,380	-	-	3,380	3,059	321	90.50 %	3,399	3,034
Computer services	255	-	-	255	234	21	91.76 %	235	207
Consultants: Business and advisory services	282	-	-	282	240	42	85.11 %	143	142
Contractors	4	-	-	4	4	-	100.00 %	14	14
Fleet services	616	-	-	616	586	30	95.13 %	1,020	1,020
Consumable supplies	1,624	-	-	1,624	1,510	114	92.98 %	1,013	1,031
Consumable: Stationery, printing and office supplies	931	-	-	931	723	208	77.66 %	513	513
Property payments	10	-	79	89	89	-	100.00 %	-	-
Travel and subsistence	1,945	-	-	1,945	1,797	148	92.39 %	838	838
Operating payments	84	-	-	84	63	21	75.00 %	86	86
Venues and facilities	63	-	-	63	-	63	- %	-	-
	<b>14,365</b>	<b>-</b>	<b>307</b>	<b>14,672</b>	<b>13,635</b>	<b>1,037</b>	<b>92.93 %</b>	<b>12,745</b>	<b>11,125</b>
<b>Total current payments</b>	<b>37,797</b>	<b>-</b>	<b>727</b>	<b>38,524</b>	<b>37,487</b>	<b>1,037</b>	<b>97.31 %</b>	<b>34,090</b>	<b>32,470</b>
<b>Transfers and subsidies</b>									

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### Appropriation Statement

Figures in Rand thousand		2021/2022				2020/2021			
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
<b>1.3 FINANCIAL MANAGEMENT (continued)</b>									
<b>Provinces and municipalities</b>									
<b>Provinces</b>									
Provincial Revenue Funds	-	-	-	-	17	(17)	- %	-	26
Provincial agencies and funds	29	-	-	29	-	29	- %	26	-
	<b>29</b>	<b>-</b>	<b>-</b>	<b>29</b>	<b>17</b>	<b>12</b>	<b>58.62 %</b>	<b>26</b>	<b>26</b>
<b>Households</b>									
Social benefits	-	-	97	97	97	-	100.00 %	215	215
<b>Total transfers and subsidies</b>	<b>29</b>	<b>-</b>	<b>97</b>	<b>126</b>	<b>114</b>	<b>12</b>	<b>90.48 %</b>	<b>241</b>	<b>241</b>
<b>Payments for capital assets</b>									
<b>Machinery and equipment</b>									
Transport equipment	1,112	-	-	1,112	746	366	67.09 %	599	599
Other machinery and equipment	1,962	-	-	1,962	1,957	5	99.75 %	1,512	1,385
	<b>3,074</b>	<b>-</b>	<b>-</b>	<b>3,074</b>	<b>2,703</b>	<b>371</b>	<b>87.93 %</b>	<b>2,111</b>	<b>1,984</b>
<b>Total</b>	<b>40,900</b>	<b>-</b>	<b>824</b>	<b>41,724</b>	<b>40,304</b>	<b>1,420</b>	<b>96.60 %</b>	<b>36,442</b>	<b>34,695</b>

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Figures in Rand thousand									
	2021/2022					2020/2021			
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
1.1.4 CORPORATE SERVICES									
Economic classification									
Current payments									
Compensation of employees									
Salaries and wages	26,719	-	(417)	26,302	25,233	1,069	95.94 %	24,911	24,900
Social contributions	3,471	-	417	3,888	3,888	-	100.00 %	3,767	3,767
	30,190	-	-	30,190	29,121	1,069	96.46 %	28,678	28,667
Goods and services									
Administrative fees	63	-	-	63	31	32	49.21 %	36	10
Advertising	1,025	-	-	1,025	765	260	74.63 %	521	521
Catering: Departmental activities	15	-	-	15	12	3	80.00 %	-	-
Communication	-	-	-	-	-	-	- %	1	1
Consultants: Business and advisory services	8	-	-	8	5	3	62.50 %	-	-
Legal services	458	-	-	458	457	1	99.78 %	562	562
Agency and support / outsourced services	70	-	-	70	67	3	95.71 %	51	51
Consumable: Stationery, printing and office supplies	110	-	-	110	110	-	100.00 %	109	11
Property payments	12	-	-	12	1	11	8.33 %	20	20
Travel and subsistence	1,772	-	19	1,791	1,791	-	100.00 %	1,112	1,112
Training and development	384	-	153	537	537	-	100.00 %	365	365
Operating payments	113	-	-	113	85	28	75.22 %	117	60
Venues and facilities	3	-	20	23	23	-	100.00 %	28	14
	4,033	-	192	4,225	3,884	341	91.93 %	2,922	2,727
Total current payments	34,223	-	192	34,415	33,005	1,410	95.90 %	31,600	31,394
Transfers and subsidies									
Households	529	-	(146)	383	177	206	46.21 %	189	17
Total	34,752	-	46	34,798	33,182	1,616	95.36 %	31,789	31,411

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Figures in Rand thousand										
2021/2022							2020/2021			
		Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
2.2. INTERGRATED ECONOMIC DEVELOPMENT										
Sub programme										
	2.1	2,026	-	-	2,026	1,990	36	98.22 %	1,949	1,848
	2.2	783,335	-	110	783,445	777,560	5,885	99.25 %	429,349	426,300
	2.3	7,728	-	98	7,826	7,817	9	99.88 %	6,166	5,950
DEVELOPMENT										
	2.4	4,433	-	106	4,539	4,535	4	99.91 %	4,153	4,185
	2.5	31,410	-	1,986	33,396	33,211	185	99.45 %	28,452	28,452
Subtotal		828,932	-	2,300	831,232	825,113	6,119	99.26 %	470,069	466,735
Economic classification										
Current payments										
Compensation of employees										
		24,685	-	2,559	27,244	27,244	-	100.00 %	24,118	24,499
		4,619	-	(408)	4,211	4,179	32	99.24 %	4,560	3,964
		29,304	-	2,151	31,455	31,423	32	99.90 %	28,678	28,463
Goods and services										
		45	-	(23)	22	9	13	40.91 %	60	3
		350	-	23	373	372	1	99.73 %	-	-
		128	-	(25)	103	99	4	96.12 %	-	-
		-	-	-	-	-	-	- %	3	3
		3,119	-	(2,434)	685	685	-	100.00 %	2,974	374
services										
		19,339	-	1,897	21,236	21,236	-	100.00 %	18,659	18,659
		4,225	-	(4)	4,221	4,041	180	95.74 %	3,067	3,067
		761	-	719	1,480	1,473	7	99.53 %	788	704
		-	-	-	-	-	-	- %	47	31
		70	-	(53)	17	17	-	100.00 %	10	-
		28,037	-	100	28,137	27,932	205	99.27 %	25,608	22,841

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Figures in Rand thousand	2021/2022				2020/2021				
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
Total current payments	57,341	-	2,251	59,592	59,355	237	99.60 %	54,286	51,304
Transfers and subsidies									
Public corporations and private enterprises									
Public corporations									
Other transfers to public corporations	218,881	-	-	218,881	218,881	-	100.00 %	192,323	192,323
Private enterprises									
Other transfers to private enterprises	11,839	-	-	11,839	9,160	2,679	77.37 %	-	-
Public corporations and private enterprises subtotal	230,720	-	-	230,720	228,041	2,679	98.84 %	192,323	192,323
Households	-	-	49	49	49	-	100.00 %	-	-
Total transfers and subsidies	230,720	-	49	230,769	228,090	2,679	98.84 %	192,323	192,323
Payments for capital assets									
Buildings and other fixed structures	540,871	-	-	540,871	537,668	3,203	99.41 %	223,460	223,108
Total	828,932	-	2,300	831,232	825,113	6,119	99.26 %	470,069	466,735

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Figures in Rand thousand		2021/2022				2020/2021			
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
<b>2.1 CD : OFFICE SUPPORT</b>									
<b>Economic classification</b>									
<b>Current payments</b>									
<b>Compensation of employees</b>									
Salaries and wages	1,393	-	232	1,625	1,625	-	100.00 %	1,568	1,568
Social contributions	472	-	(232)	240	208	32	86.67 %	246	204
	<b>1,865</b>	<b>-</b>	<b>-</b>	<b>1,865</b>	<b>1,833</b>	<b>32</b>	<b>98.28 %</b>	<b>1,814</b>	<b>1,772</b>
<b>Goods and services</b>									
Administrative fees	18	-	(14)	4	-	4	- %	36	-
Travel and subsistence	143	-	14	157	157	-	100.00 %	99	76
	<b>161</b>	<b>-</b>	<b>-</b>	<b>161</b>	<b>157</b>	<b>4</b>	<b>97.52 %</b>	<b>135</b>	<b>76</b>
<b>Total current payments</b>	<b>2,026</b>	<b>-</b>	<b>-</b>	<b>2,026</b>	<b>1,990</b>	<b>36</b>	<b>98.22 %</b>	<b>1,949</b>	<b>1,848</b>
<b>Total</b>	<b>2,026</b>	<b>-</b>	<b>-</b>	<b>2,026</b>	<b>1,990</b>	<b>36</b>	<b>98.22 %</b>	<b>1,949</b>	<b>1,848</b>

## Department of Economic Development & Tourism

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Figures in Rand thousand		2021/2022				2020/2021			
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
<b>2.2 ENTERPRISE DEVELOPMENT</b>									
<b>Economic classification</b>									
<b>Current payments</b>									
<b>Compensation of employees</b>									
Salaries and wages	7,084	-	1,697	8,781	8,781	-	100.00 %	8,609	8,513
Social contributions	1,313	-	242	1,555	1,555	-	100.00 %	1,506	1,505
	<b>8,397</b>	<b>-</b>	<b>1,939</b>	<b>10,336</b>	<b>10,336</b>	<b>-</b>	<b>100.00 %</b>	<b>10,115</b>	<b>10,018</b>
<b>Goods and services</b>									
Administrative fees	11	-	-	11	8	3	72.73 %	3	3
Agency and support / outsourced services	3,119	-	(2,434)	685	685	-	100.00 %	2,974	374
Travel and subsistence	200	-	556	756	756	-	100.00 %	443	443
Operating payments	-	-	-	-	-	-	- %	31	31
Venues and facilities	17	-	-	17	17	-	100.00 %	-	-
	<b>3,347</b>	<b>-</b>	<b>(1,878)</b>	<b>1,469</b>	<b>1,466</b>	<b>3</b>	<b>99.80 %</b>	<b>3,451</b>	<b>851</b>
<b>Total current payments</b>	<b>11,744</b>	<b>-</b>	<b>61</b>	<b>11,805</b>	<b>11,802</b>	<b>3</b>	<b>99.97 %</b>	<b>13,566</b>	<b>10,869</b>
<b>Transfers and subsidies</b>									
<b>Public corporations and private enterprises</b>									
Households	230,720	-	-	230,720	228,041	2,679	98.84 %	192,323	192,323
	-	-	49	49	49	-	100.00 %	-	-
<b>Total transfers and subsidies</b>	<b>230,720</b>	<b>-</b>	<b>49</b>	<b>230,769</b>	<b>228,090</b>	<b>2,679</b>	<b>98.84 %</b>	<b>192,323</b>	<b>192,323</b>
<b>Total</b>	<b>783,335</b>	<b>-</b>	<b>110</b>	<b>783,445</b>	<b>777,560</b>	<b>5,885</b>	<b>99.25 %</b>	<b>429,349</b>	<b>426,300</b>

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Figures in Rand thousand		2021/2022				2020/2021			
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
<b>2.3 LOCAL ECONOMIC DEVELOPMENT</b>									
<b>Economic classification</b>									
<b>Current payments</b>									
<b>Compensation of employees</b>									
Salaries and wages	6,765	-	49	6,814	6,814	-	100.00 %	5,270	5,079
Social contributions	818	-	49	867	867	-	100.00 %	807	807
	<b>7,583</b>	<b>-</b>	<b>98</b>	<b>7,681</b>	<b>7,681</b>	<b>-</b>	<b>100.00 %</b>	<b>6,077</b>	<b>5,886</b>
<b>Goods and services</b>									
Administrative fees	2	-	-	2	-	2	- %	19	-
Travel and subsistence	143	-	-	143	136	7	95.10 %	70	64
	<b>145</b>	<b>-</b>	<b>-</b>	<b>145</b>	<b>136</b>	<b>9</b>	<b>93.79 %</b>	<b>89</b>	<b>64</b>
<b>Total current payments</b>	<b>7,728</b>	<b>-</b>	<b>98</b>	<b>7,826</b>	<b>7,817</b>	<b>9</b>	<b>99.88 %</b>	<b>6,166</b>	<b>5,950</b>
<b>Total</b>	<b>7,728</b>	<b>-</b>	<b>98</b>	<b>7,826</b>	<b>7,817</b>	<b>9</b>	<b>99.88 %</b>	<b>6,166</b>	<b>5,950</b>

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Figures in Rand thousand		2021/2022				2020/2021			
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
<b>2.4 ECONOMIC EMPOWERMENT</b>									
<b>Economic classification</b>									
<b>Current payments</b>									
<b>Compensation of employees</b>									
Salaries and wages	3,061	-	602	3,663	3,663	-	100.00 %	2,875	3,544
Social contributions	1,231	-	(577)	654	654	-	100.00 %	1,167	613
	<b>4,292</b>	<b>-</b>	<b>25</b>	<b>4,317</b>	<b>4,317</b>	<b>-</b>	<b>100.00 %</b>	<b>4,042</b>	<b>4,157</b>
<b>Goods and services</b>									
Administrative fees	11	-	(7)	4	1	3	25.00 %	2	-
Advertising	70	-	(3)	67	66	1	98.51 %	-	-
Catering: Departmental activities	15	-	(15)	-	-	-	- %	-	-
Consultants: Business and advisory services	-	-	-	-	-	-	- %	3	3
Travel and subsistence	42	-	109	151	151	-	100.00 %	80	25
Operating payments	-	-	-	-	-	-	- %	16	-
Venues and facilities	3	-	(3)	-	-	-	- %	10	-
	<b>141</b>	<b>-</b>	<b>81</b>	<b>222</b>	<b>218</b>	<b>4</b>	<b>98.20 %</b>	<b>111</b>	<b>28</b>
<b>Total current payments</b>	<b>4,433</b>	<b>-</b>	<b>106</b>	<b>4,539</b>	<b>4,535</b>	<b>4</b>	<b>99.91 %</b>	<b>4,153</b>	<b>4,185</b>
<b>Total</b>	<b>4,433</b>	<b>-</b>	<b>106</b>	<b>4,539</b>	<b>4,535</b>	<b>4</b>	<b>99.91 %</b>	<b>4,153</b>	<b>4,185</b>

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Figures in Rand thousand				2021/2022		2020/2021			
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
2.5 REGIONAL DIRECTORS									
Economic classification									
Current payments									
Compensation of employees									
Salaries and wages	6,382	-	(21)	6,361	6,361	-	100.00 %	5,796	5,795
Social contributions	785	-	110	895	895	-	100.00 %	834	835
	7,167	-	89	7,256	7,256	-	100.00 %	6,630	6,630
Goods and services									
Administrative fees	3	-	(2)	1	-	1	- %	-	-
Advertising	280	-	26	306	306	-	100.00 %	-	-
Catering: Departmental activities	113	-	(10)	103	99	4	96.12 %	-	-
Operating leases	19,339	-	1,897	21,236	21,236	-	100.00 %	18,659	18,659
Property payments	4,225	-	(4)	4,221	4,041	180	95.74 %	3,067	3,067
Travel and subsistence	233	-	40	273	273	-	100.00 %	96	96
Venues and facilities	50	-	(50)	-	-	-	- %	-	-
	24,243	-	1,897	26,140	25,955	185	99.29 %	21,822	21,822
Total current payments									
	31,410	-	1,986	33,396	33,211	185	99.45 %	28,452	28,452
Total									
	31,410	-	1,986	33,396	33,211	185	99.45 %	28,452	28,452

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Figures in Rand thousand	2021/2022					2020/2021			
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
Transfers and subsidies									
Departmental agencies and accounts	1,990	-	-	1,990	1,372	618	68.94 %	-	-
Public corporations and private enterprises	3,009	-	-	3,009	2,262	747	75.17 %	2,691	2,691
Total transfers and subsidies	4,999	-	-	4,999	3,634	1,365	72.69 %	2,691	2,691
Total	23,446	-	(496)	22,950	19,583	3,367	85.33 %	19,102	17,937

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	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
<b>3.1 CD: OFFICE SUPPORT</b>									
<b>Economic classification</b>									
<b>Current payments</b>									
<b>Compensation of employees</b>									
Salaries and wages	1,251	-	-	96	1,347	1,347	100.00 %	1,374	1,374
Social contributions	475	-	-	(96)	379	192	50.66 %	262	152
	<b>1,726</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,726</b>	<b>1,539</b>	<b>89.17 %</b>	<b>1,636</b>	<b>1,526</b>
<b>Goods and services</b>									
Administrative fees	8	-	-	-	8	3	37.50 %	59	-
Catering: Departmental activities	10	-	-	(2)	8	4	50.00 %	-	-
Communication	-	-	-	2	2	2	100.00 %	-	-
Travel and subsistence	146	-	-	-	146	113	77.40 %	61	28
	<b>164</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>164</b>	<b>122</b>	<b>74.39 %</b>	<b>120</b>	<b>28</b>
<b>Total current payments</b>	<b>1,890</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,890</b>	<b>1,661</b>	<b>87.88 %</b>	<b>1,756</b>	<b>1,554</b>
<b>Total</b>	<b>1,890</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,890</b>	<b>1,661</b>	<b>87.88 %</b>	<b>1,756</b>	<b>1,554</b>

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Figures in Rand thousand		2021/2022				2020/2021			
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
<b>3.2 TRADE AND INVESTMENT PROMOTION</b>									
<b>Economic classification</b>									
<b>Current payments</b>									
<b>Compensation of employees</b>									
Salaries and wages	3,153	-	(21)	3,132	2,908	224	92.85 %	2,755	2,755
Social contributions	481	-	21	502	502	-	100.00 %	486	486
	<b>3,634</b>	<b>-</b>	<b>-</b>	<b>3,634</b>	<b>3,410</b>	<b>224</b>	<b>93.84 %</b>	<b>3,241</b>	<b>3,241</b>
<b>Goods and services</b>									
Administrative fees	29	-	-	29	7	22	24.14 %	65	1
Minor assets	-	-	-	-	-	-	- %	5	-
Agency and support / outsourced services	59	-	-	59	-	59	- %	208	-
Travel and subsistence	211	-	-	211	72	139	34.12 %	57	47
Venues and facilities	73	-	-	73	58	15	79.45 %	88	-
	<b>372</b>	<b>-</b>	<b>-</b>	<b>372</b>	<b>137</b>	<b>235</b>	<b>36.83 %</b>	<b>423</b>	<b>48</b>
<b>Total current payments</b>	<b>4,006</b>	<b>-</b>	<b>-</b>	<b>4,006</b>	<b>3,547</b>	<b>459</b>	<b>88.54 %</b>	<b>3,664</b>	<b>3,289</b>
<b>Total</b>	<b>4,006</b>	<b>-</b>	<b>-</b>	<b>4,006</b>	<b>3,547</b>	<b>459</b>	<b>88.54 %</b>	<b>3,664</b>	<b>3,289</b>

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Figures in Rand thousand		2021/2022				2020/2021			
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
<b>3.3 SECTOR DEVELOPMENT</b>									
<b>Economic classification</b>									
<b>Current payments</b>									
<b>Compensation of employees</b>									
Salaries and wages	6,891	-	(769)	6,122	6,122	-	100.00 %	5,794	5,744
Social contributions	785	-	420	1,205	1,205	-	100.00 %	1,059	1,059
	<b>7,676</b>	<b>-</b>	<b>(349)</b>	<b>7,327</b>	<b>7,327</b>	<b>-</b>	<b>100.00 %</b>	<b>6,853</b>	<b>6,803</b>
<b>Goods and services</b>									
Administrative fees	62	-	-	62	4	58	6.45 %	58	-
Agency and support / outsourced services	1,869	-	(613)	1,256	-	1,256	- %	781	426
Travel and subsistence	351	-	226	577	577	-	100.00 %	306	306
Training and development	830	-	-	830	830	-	100.00 %	850	850
Operating payments	-	-	-	-	-	-	- %	75	75
	<b>3,112</b>	<b>-</b>	<b>(387)</b>	<b>2,725</b>	<b>1,411</b>	<b>1,314</b>	<b>51.78 %</b>	<b>2,070</b>	<b>1,657</b>
<b>Total current payments</b>	<b>10,788</b>	<b>-</b>	<b>(736)</b>	<b>10,052</b>	<b>8,738</b>	<b>1,314</b>	<b>86.93 %</b>	<b>8,923</b>	<b>8,460</b>
<b>Transfers and subsidies</b>									
<b>Public corporations and private enterprises</b>									
	2,009	-	-	2,009	2,009	-	100.00 %	2,691	2,691
<b>Total</b>	<b>12,797</b>	<b>-</b>	<b>(736)</b>	<b>12,061</b>	<b>10,747</b>	<b>1,314</b>	<b>89.11 %</b>	<b>11,614</b>	<b>11,151</b>

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	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
<b>3.4 STRATEGIC INITIATIVES</b>									
<b>Economic classification</b>									
<b>Current payments</b>									
Compensation of employees	919	-	253	1,172	1,172	-	100.00 %	1,243	1,103
Salaries and wages	167	-	8	175	175	-	100.00 %	178	142
Social contributions	<b>1,086</b>	-	<b>261</b>	<b>1,347</b>	<b>1,347</b>	-	<b>100.00 %</b>	<b>1,421</b>	<b>1,245</b>
<b>Goods and services</b>									
Administrative fees	40	-	(37)	3	3	-	100.00 %	-	-
Agency and support / outsourced services	362	-	186	548	548	-	100.00 %	571	652
Travel and subsistence	275	-	(170)	105	105	-	100.00 %	76	46
	<b>677</b>	-	<b>(21)</b>	<b>656</b>	<b>656</b>	-	<b>100.00 %</b>	<b>647</b>	<b>698</b>
<b>Total current payments</b>	<b>1,763</b>	-	<b>240</b>	<b>2,003</b>	<b>2,003</b>	-	<b>100.00 %</b>	<b>2,068</b>	<b>1,943</b>
<b>Transfers and subsidies</b>									
Departmental agencies and accounts	1,990	-	-	1,990	1,372	618	68.94 %	-	-
Public corporations and private enterprises	1,000	-	-	1,000	253	747	25.30 %	-	-
<b>Total transfers and subsidies</b>	<b>2,990</b>	-	-	<b>2,990</b>	<b>1,625</b>	<b>1,365</b>	<b>54.35 %</b>	-	-
<b>Total</b>	<b>4,753</b>	-	<b>240</b>	<b>4,993</b>	<b>3,628</b>	<b>1,365</b>	<b>72.66 %</b>	<b>2,068</b>	<b>1,943</b>

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Figures in Rand thousand									
	Adjusted Appropriation	Shifting of Funds	Virement	2021/2022		Variance	Expenditure as % of final appropriation	2020/2021	
				Final Appropriation	Actual Expenditure			Final Appropriation	Actual Expenditure
Households	1,144	-	-	1,144	1,144	-	100.00 %	90	90
Total transfers and subsidies	101,945	-	-	101,945	101,945	-	100.00 %	85,317	85,317
Total	120,186	-	(1,074)	119,112	118,765	347	99.71 %	103,758	103,628

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	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
4.1 CD: OFFICE SUPPORT									
Economic classification									
Current payments									
Compensation of employees									
	1,477	-	(122)	1,355	1,355	-	100.00 %	1,382	1,382
	261	-	(72)	189	189	-	100.00 %	214	214
	1,738	-	(194)	1,544	1,544	-	100.00 %	1,596	1,596
Goods and services									
	24	-	(15)	9	6	3	66.67 %	1	1
	231	-	(128)	103	99	4	96.12 %	34	34
	39	-	(19)	20	19	1	95.00 %	5	5
	294	-	(162)	132	124	8	93.94 %	40	40
Total current payments									
	2,032	-	(356)	1,676	1,668	8	99.52 %	1,636	1,636
Total									
	2,032	-	(356)	1,676	1,668	8	99.52 %	1,636	1,636

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	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
<b>4.2 CONSUMER PROTECTION</b>									
<b>Economic classification</b>									
<b>Current payments</b>									
<b>Compensation of employees</b>									
Salaries and wages	7,363	-	1,070	8,433	8,433	-	100.00 %	9,407	9,455
Social contributions	3,116	-	(1,540)	1,576	1,576	-	100.00 %	1,826	1,744
	<b>10,479</b>	<b>-</b>	<b>(470)</b>	<b>10,009</b>	<b>10,009</b>	<b>-</b>	<b>100.00 %</b>	<b>11,233</b>	<b>11,199</b>
<b>Goods and services</b>									
Administrative fees	56	-	-	56	7	49	12.50 %	7	7
Advertising	817	-	126	943	943	-	100.00 %	754	754
Consultants: Business and advisory services	379	-	(379)	-	-	-	- %	-	-
Consumable supplies	-	-	-	-	-	-	- %	2	2
Travel and subsistence	349	-	107	456	456	-	100.00 %	103	103
Venues and facilities	149	-	-	149	132	17	88.59 %	16	16
	<b>1,750</b>	<b>-</b>	<b>(146)</b>	<b>1,604</b>	<b>1,538</b>	<b>66</b>	<b>95.89 %</b>	<b>882</b>	<b>882</b>
<b>Total current payments</b>	<b>12,229</b>	<b>-</b>	<b>(616)</b>	<b>11,613</b>	<b>11,547</b>	<b>66</b>	<b>99.43 %</b>	<b>12,115</b>	<b>12,081</b>
<b>Transfers and subsidies</b>									
Households	1,039	-	-	1,039	1,039	-	100.00 %	90	90
<b>Total</b>	<b>13,268</b>	<b>-</b>	<b>(616)</b>	<b>12,652</b>	<b>12,586</b>	<b>66</b>	<b>99.48 %</b>	<b>12,205</b>	<b>12,171</b>

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<b>4.3 REGULATION SERVICES</b>									
<b>Economic classification</b>									
<b>Current payments</b>									
Compensation of employees									
Salaries and wages	2,210	-	830	3,040	3,040	-	100.00 %	3,814	3,920
Social contributions	1,400	-	(927)	473	473	-	100.00 %	760	558
	<b>3,610</b>	<b>-</b>	<b>(97)</b>	<b>3,513</b>	<b>3,513</b>	<b>-</b>	<b>100.00 %</b>	<b>4,574</b>	<b>4,478</b>
Goods and services	370	-	(5)	365	92	273	25.21 %	116	116
<b>Total current payments</b>	<b>3,980</b>	<b>-</b>	<b>(102)</b>	<b>3,878</b>	<b>3,605</b>	<b>273</b>	<b>92.96 %</b>	<b>4,690</b>	<b>4,594</b>
<b>Transfers and subsidies</b>									
Departmental agencies and accounts	100,801	-	-	100,801	100,801	-	100.00 %	85,227	85,227
Households	105	-	-	105	105	-	100.00 %	-	-
<b>Total transfers and subsidies</b>	<b>100,906</b>	<b>-</b>	<b>-</b>	<b>100,906</b>	<b>100,906</b>	<b>-</b>	<b>100.00 %</b>	<b>85,227</b>	<b>85,227</b>
<b>Total</b>	<b>104,886</b>	<b>-</b>	<b>(102)</b>	<b>104,784</b>	<b>104,511</b>	<b>273</b>	<b>99.74 %</b>	<b>89,917</b>	<b>89,821</b>

## Department of Economic Development & Tourism

Financial Statements for the year ended March 31, 2022

### Appropriation Statement

Figures in Rand thousand									

## Department of Economic Development & Tourism

Financial Statements for the year ended March 31, 2022

### Appropriation Statement

Figures in Rand thousand		2021/2022				2020/2021			
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
<b>5. ECONOMIC PLANNING (continued)</b>	<b>1,314</b>	<b>-</b>	<b>(45)</b>	<b>1,269</b>	<b>826</b>	<b>443</b>	<b>65.09 %</b>	<b>1,595</b>	<b>857</b>
<b>Total current payments</b>	<b>17,280</b>	<b>-</b>	<b>-</b>	<b>17,280</b>	<b>16,837</b>	<b>443</b>	<b>97.44 %</b>	<b>17,008</b>	<b>16,235</b>
<b>Total</b>	<b>17,280</b>	<b>-</b>	<b>-</b>	<b>17,280</b>	<b>16,837</b>	<b>443</b>	<b>97.44 %</b>	<b>17,008</b>	<b>16,235</b>

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### Appropriation Statement

Figures in Rand thousand		2021/2022				2020/2021			
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
<b>5. ECONOMIC PLANNING (continued)</b>									
<b>5.1 CD: OFFICE SUPPORT</b>									
<b>Economic classification</b>									
<b>Current payments</b>									
<b>Compensation of employees</b>									
Salaries and wages	1,506	-	(33)	1,473	1,473	-	100.00 %	1,425	1,425
Social contributions	328	-	(80)	248	248	-	100.00 %	233	233
	<b>1,834</b>	<b>-</b>	<b>(113)</b>	<b>1,721</b>	<b>1,721</b>	<b>-</b>	<b>100.00 %</b>	<b>1,658</b>	<b>1,658</b>
<b>Goods and services</b>									
Administrative fees	20	-	-	20	2	18	10.00 %	19	-
Minor assets	14	-	-	14	-	14	- %	13	-
Travel and subsistence	122	-	(10)	112	42	70	37.50 %	69	40
Venues and facilities	20	-	-	20	8	12	40.00 %	-	-
	<b>176</b>	<b>-</b>	<b>(10)</b>	<b>166</b>	<b>52</b>	<b>114</b>	<b>31.33 %</b>	<b>101</b>	<b>40</b>
<b>Total current payments</b>	<b>2,010</b>	<b>-</b>	<b>(123)</b>	<b>1,887</b>	<b>1,773</b>	<b>114</b>	<b>93.96 %</b>	<b>1,759</b>	<b>1,698</b>
<b>Total</b>	<b>2,010</b>	<b>-</b>	<b>(123)</b>	<b>1,887</b>	<b>1,773</b>	<b>114</b>	<b>93.96 %</b>	<b>1,759</b>	<b>1,698</b>

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### Appropriation Statement

Figures in Rand thousand		2021/2022				2020/2021			
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
<b>5. ECONOMIC PLANNING (continued)</b>									
<b>5.2 ECONOMIC POLICY AND PLANNING</b>									
<b>Economic classification</b>									
<b>Current payments</b>									
<b>Compensation of employees</b>									
Salaries and wages	2,379	-	687	3,066	3,066	-	100.00 %	2,125	2,125
Social contributions	452	-	56	508	508	-	100.00 %	317	317
	<b>2,831</b>	<b>-</b>	<b>743</b>	<b>3,574</b>	<b>3,574</b>	<b>-</b>	<b>100.00 %</b>	<b>2,442</b>	<b>2,442</b>
<b>Goods and services</b>									
Administrative fees	13	-	(5)	8	7	1	87.50 %	31	1
Consultants: Business and advisory services	-	-	-	-	-	-	- %	75	75
Contractors	7	-	(7)	-	-	-	- %	197	-
Travel and subsistence	317	-	39	356	356	-	100.00 %	132	108
Venues and facilities	22	-	(7)	15	14	1	93.33 %	21	-
	<b>359</b>	<b>-</b>	<b>20</b>	<b>379</b>	<b>377</b>	<b>2</b>	<b>99.47 %</b>	<b>456</b>	<b>184</b>
<b>Total current payments</b>	<b>3,190</b>	<b>-</b>	<b>763</b>	<b>3,953</b>	<b>3,951</b>	<b>2</b>	<b>99.95 %</b>	<b>2,898</b>	<b>2,626</b>
<b>Total</b>	<b>3,190</b>	<b>-</b>	<b>763</b>	<b>3,953</b>	<b>3,951</b>	<b>2</b>	<b>99.95 %</b>	<b>2,898</b>	<b>2,626</b>

## Department of Economic Development & Tourism

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### Appropriation Statement

Figures in Rand thousand		2021/2022				2020/2021			
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
<b>5. ECONOMIC PLANNING (continued)</b>									
<b>5.3 RESEARCH &amp; DEVELOPMENT</b>									
<b>Economic classification</b>									
<b>Current payments</b>									
<b>Compensation of employees</b>									
Salaries and wages	631	-	154	785	785	-	100.00 %	745	746
Social contributions	211	-	(99)	112	112	-	100.00 %	148	112
	<b>842</b>	<b>-</b>	<b>55</b>	<b>897</b>	<b>897</b>	<b>-</b>	<b>100.00 %</b>	<b>893</b>	<b>858</b>
<b>Goods and services</b>									
Administrative fees	4	-	-	4	-	4	- %	20	-
Travel and subsistence	9	-	-	9	-	9	- %	31	-
	<b>13</b>	<b>-</b>	<b>-</b>	<b>13</b>	<b>-</b>	<b>13</b>	<b>- %</b>	<b>51</b>	<b>-</b>
<b>Total current payments</b>	<b>855</b>	<b>-</b>	<b>55</b>	<b>910</b>	<b>897</b>	<b>13</b>	<b>98.57 %</b>	<b>944</b>	<b>858</b>
<b>Total</b>	<b>855</b>	<b>-</b>	<b>55</b>	<b>910</b>	<b>897</b>	<b>13</b>	<b>98.57 %</b>	<b>944</b>	<b>858</b>

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Figures in Rand thousand		2021/2022				2020/2021			
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
<b>5. ECONOMIC PLANNING (continued)</b>									
<b>5.4 KNOWLEDGE MANAGEMENT</b>									
<b>Economic classification</b>									
<b>Current payments</b>									
<b>Compensation of employees</b>									
Salaries and wages	3,117	-	(167)	2,950	2,950	-	100.00 %	2,828	2,828
Social contributions	382	-	215	597	597	-	100.00 %	579	579
	<b>3,499</b>	<b>-</b>	<b>48</b>	<b>3,547</b>	<b>3,547</b>	<b>-</b>	<b>100.00 %</b>	<b>3,407</b>	<b>3,407</b>
<b>Goods and services</b>									
Administrative fees	6	-	-	6	3	3	50.00 %	20	1
Computer services	245	-	-	245	110	135	44.90 %	469	247
Travel and subsistence	174	-	-	174	132	42	75.86 %	28	27
	<b>425</b>	<b>-</b>	<b>-</b>	<b>425</b>	<b>245</b>	<b>180</b>	<b>57.65 %</b>	<b>517</b>	<b>275</b>
<b>Total current payments</b>	<b>3,924</b>	<b>-</b>	<b>48</b>	<b>3,972</b>	<b>3,792</b>	<b>180</b>	<b>95.47 %</b>	<b>3,924</b>	<b>3,682</b>
<b>Total</b>	<b>3,924</b>	<b>-</b>	<b>48</b>	<b>3,972</b>	<b>3,792</b>	<b>180</b>	<b>95.47 %</b>	<b>3,924</b>	<b>3,682</b>

## Department of Economic Development & Tourism

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### Appropriation Statement

Figures in Rand thousand		2021/2022				2020/2021			
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
<b>5. ECONOMIC PLANNING (continued)</b>									
<b>5.5 MONITORING AND EVALUATION</b>									
<b>Economic classification</b>									
<b>Current payments</b>									
<b>Compensation of employees</b>									
Salaries and wages	2,285	-	217	2,502	2,502	-	100.00 %	2,421	2,421
Social contributions	627	-	(321)	306	306	-	100.00 %	289	289
	<b>2,912</b>	<b>-</b>	<b>(104)</b>	<b>2,808</b>	<b>2,808</b>	<b>-</b>	<b>100.00 %</b>	<b>2,710</b>	<b>2,710</b>
<b>Goods and services</b>									
Administrative fees	2	-	-	2	-	2	- %	-	-
Travel and subsistence	53	-	-	53	42	11	79.25 %	99	29
Operating payments	-	-	-	-	-	-	- %	22	22
	<b>55</b>	<b>-</b>	<b>-</b>	<b>55</b>	<b>42</b>	<b>13</b>	<b>76.36 %</b>	<b>121</b>	<b>51</b>
<b>Total current payments</b>	<b>2,967</b>	<b>-</b>	<b>(104)</b>	<b>2,863</b>	<b>2,850</b>	<b>13</b>	<b>99.55 %</b>	<b>2,831</b>	<b>2,761</b>
<b>Total</b>	<b>2,967</b>	<b>-</b>	<b>(104)</b>	<b>2,863</b>	<b>2,850</b>	<b>13</b>	<b>99.55 %</b>	<b>2,831</b>	<b>2,761</b>

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### Appropriation Statement

Figures in Rand thousand		2021/2022				2020/2021			
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
<b>5. ECONOMIC PLANNING (continued)</b>									
<b>5.6 ECONOMIC ANALYSIS</b>									
<b>Economic classification</b>									
<b>Current payments</b>									
<b>Compensation of employees</b>									
Salaries and wages	3,119	-	(166)	2,953	2,953	-	100.00 %	3,704	3,704
Social contributions	929	-	(418)	511	511	-	100.00 %	599	599
	<b>4,048</b>	-	<b>(584)</b>	<b>3,464</b>	<b>3,464</b>	-	<b>100.00 %</b>	<b>4,303</b>	<b>4,303</b>
<b>Goods and services</b>									
Administrative fees	5	-	-	5	3	2	60.00 %	24	1
Communication	-	-	-	-	-	-	- %	241	1
Computer services	122	-	(55)	67	-	67	- %	19	240
Consumable: Stationery, printing and office supplies	-	-	-	-	-	-	- %	30	30
Travel and subsistence	155	-	-	155	107	48	69.03 %	35	35
Venues and facilities	4	-	-	4	-	4	- %	-	-
	<b>286</b>	-	<b>(55)</b>	<b>231</b>	<b>110</b>	<b>121</b>	<b>47.62 %</b>	<b>349</b>	<b>307</b>
<b>Total current payments</b>	<b>4,334</b>	-	<b>(639)</b>	<b>3,695</b>	<b>3,574</b>	<b>121</b>	<b>96.73 %</b>	<b>4,652</b>	<b>4,610</b>
<b>Total</b>	<b>4,334</b>	-	<b>(639)</b>	<b>3,695</b>	<b>3,574</b>	<b>121</b>	<b>96.73 %</b>	<b>4,652</b>	<b>4,610</b>

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### Appropriation Statement

Figures in Rand thousand										
		2021/2022				2020/2021				
		Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
6.	TOURISM									
	Sub programme TOURISM	6.1	413,970	-	(535)	413,435	413,341	94	99.98 %	385,127
Economic classification										
Current payments										
Compensation of employees										
	Salaries and wages	2,837	-	9	2,846	2,846	-	100.00 %	3,190	2,752
	Social contributions	762	-	(307)	455	455	-	100.00 %	816	448
		3,599	-	(298)	3,301	3,301	-	100.00 %	4,006	3,200
Goods and services										
	Administrative fees	30	-	(4)	26	8	18	30.77 %	2	2
	Catering: Departmental activities	34	-	(15)	19	19	-	100.00 %	-	-
	Agency and support / outsourced services	397	-	(84)	313	274	39	87.54 %	636	58
	Travel and subsistence	564	-	(89)	475	438	37	92.21 %	283	166
	Venues and facilities	49	-	(45)	4	4	-	100.00 %	193	193
		1,074	-	(237)	837	743	94	88.77 %	1,114	419
Total current payments										
		4,673	-	(535)	4,138	4,044	94	97.73 %	5,120	3,619
Transfers and subsidies										
	Departmental agencies and accounts	409,297	-	-	409,297	409,297	-	100.00 %	381,508	381,508
	Total	413,970	-	(535)	413,435	413,341	94	99.98 %	386,628	385,127

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Figures in Rand thousand		2021/2022				2020/2021			
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
<b>6.1 TOURISM</b>									
<b>Economic classification</b>									
<b>Current payments</b>									
<b>Compensation of employees</b>									
Salaries and wages	2,837	-	9	2,846	2,846	-	100.00 %	3,190	2,752
Social contributions	762	-	(307)	455	455	-	100.00 %	816	448
	<b>3,599</b>	<b>-</b>	<b>(298)</b>	<b>3,301</b>	<b>3,301</b>	<b>-</b>	<b>100.00 %</b>	<b>4,006</b>	<b>3,200</b>
<b>Goods and services</b>									
Administrative fees	30	-	(4)	26	8	18	30.77 %	2	2
Catering: Departmental activities	34	-	(15)	19	19	-	100.00 %	-	-
Agency and support / outsourced services	397	-	(84)	313	274	39	87.54 %	636	58
Travel and subsistence	564	-	(89)	475	438	37	92.21 %	283	166
Venues and facilities	49	-	(45)	4	4	-	100.00 %	193	193
	<b>1,074</b>	<b>-</b>	<b>(237)</b>	<b>837</b>	<b>743</b>	<b>94</b>	<b>88.77 %</b>	<b>1,114</b>	<b>419</b>
<b>Total current payments</b>	<b>4,673</b>	<b>-</b>	<b>(535)</b>	<b>4,138</b>	<b>4,044</b>	<b>94</b>	<b>97.73 %</b>	<b>5,120</b>	<b>3,619</b>
<b>Transfers and subsidies</b>									
Departmental agencies and accounts	409,297	-	-	409,297	409,297	-	100.00 %	381,508	381,508
<b>Total</b>	<b>413,970</b>	<b>-</b>	<b>(535)</b>	<b>413,435</b>	<b>413,341</b>	<b>94</b>	<b>99.98 %</b>	<b>386,628</b>	<b>385,127</b>



## Department of Economic Development & Tourism

Financial Statements for the year ended March 31, 2022

### Notes to the Appropriation Statement

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**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 (A-H) to the 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 financial statements.

**3. Detail on payments for financial assets**

Details of these transactions per programme can be viewed in the note on Payments for financial assets to the financial statements.

# Department of Economic Development & Tourism

Financial Statements for the year ended March 31, 2022

## Notes to the Appropriation Statement

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

#### 4.1 Per programme

Figures in Rand thousand

	Final Appropriation	Actual Expenditure	Variance	Variance as a % of Final Appropriation
ADMINISTRATION	93,993	90,273	3,720	4.0 %
INTEGRATED ECONOMIC DEVELOPMENT	831,232	825,113	6,119	0.7 %
TRADE AND SECTOR DEVELOPMENT	22,950	19,583	3,367	14.7 %
BUSINESS REGULATION & GOVERNANCE	119,112	118,765	347	0.3 %
ECONOMIC PLANNING	17,280	16,837	443	2.6 %
TOURISM	413,435	413,341	94	- %

#### Compensation of employees

The underspending on compensation of employees is a result of budget for the filling of vacant posts for which approval was granted, but in respect of which appointment processes were not complete by the end of the year under review.

#### Goods and services

**Under Programme 1 –** the underspending in Programme one is a result of the reduction of travel by officials due to COVID restrictions which continued to impact particularly on foreign travel, and the format of training undertaken. In addition there was a delay in the procurement of printed items which resulted in spending not occurring before year end.

**Under Programme 3 –** the underspending in Programme three is due to the payment for the work remaining on the Forestry Industrial Technology that could not be processed due to the additional studies that are required to reach the milestone. Further to this is the final payment on the Govan Mbeki Industrial Technology Park cannot be processed due outstanding correspondence required from Department of Mineral Resources.

#### Payments for capital assets

**Under programme 1 -** the underspending under programme one is due to a delay in the finalization of procurement of furniture which resulted in spending not occurring before year end.

#### Compensation of employees

The underspending on compensation of employees is a result of budget for the filling of vacant posts for which approval was granted, but in respect of which appointment processes were not complete by the end of the year under review.

#### Goods and services

**Under Programme 1 –** the underspending in Programme one is a result of the reduction of travel by officials due to COVID restrictions which continued to impact particularly on foreign travel, and the format of training undertaken. In addition there was a delay in the procurement of printed items which resulted in spending not occurring before year end.

## Department of Economic Development & Tourism

Financial Statements for the year ended March 31, 2022

**Under Programme 3** – the underspending in Programme three is due to the payment for the work remaining on the Forestry Industrial Technology that could not be processed due to the additional studies that are required to reach the milestone. Further to this is the final payment on the Govan Mbeki Industrial Technology Park cannot be processed due outstanding correspondence required from Department of Mineral Resources.

### Payments for capital assets

**Under programme 1** - the underspending under programme one is due to a delay in the finalization of procurement of furniture which resulted in spending not occurring before year end.

#### 4.2 Per economic classification

Figures in Rand thousand

	Final Appropriation	Actual Expenditure	Variance	Variance as a % of Final Appropriation
<b>Current payments</b>				
Compensation of employees	146,127	144,468	1,659	1 %
Goods and services	59,929	55,334	4,595	8 %
<b>Transfers and subsidies</b>				
Provinces and municipalities	29	17	12	41 %
Departmental agencies and accounts	512,088	511,470	618	- %
Public corporations and private enterprises	218,881	218,881	-	- %
Households	2,155	1,949	206	10 %
<b>Payments for capital assets</b>				
Buildings and other fixed structures	540,871	537,668	3,203	1 %
Machinery and equipment	3,074	2,703	371	12 %

### Goods and services

The Department had an underspending on Goods and Services during the year under review, reasons of which are mentioned below.

#### PROGRAMME 1

The delay in procurement of printed items for communications resulted in budgeted funds not spent timeously up to yearend.

#### PROGRAMME 3

#### Goods and Services

#### Reason for deviations

The payment of the work remaining on the Forestry Industrial Technology could not be processed due to the additional studies that are required to reach the milestone. Further to this is the final payment on the Govern Mbeki Industrial Technology Park that cannot be processed due to the outstanding letter from Department of Mineral Resources.

## Department of Economic Development & Tourism

Financial Statements for the year ended March 31, 2022

### PROGRAMME 4

#### Compensation of employees

##### Deviations

There are vacant posts, which were budgeted for and have not yet been filled pending finalization of the recruitment process. The posts have been advertised, with one having to be re-advertised which delayed the process of recruitment and filling of posts.

##### Remedial Steps to be taken

The shortlisting is being prioritized and the process still underway.

#### Good and Services

##### Reasons for deviations

There has been a delay in the hosting of informal Traders indaba/dialogue due to change of concept which had to be restructured to ensure effective dialogue and involvement of more stakeholder and the hosting of training workshops which is due to Covid-19 restrictions could not be hosted physical, thus no expenditure on Accommodation, Travel ect.

#### 4.3 Per conditional grant

The amount of R4 034 000 relates to Expanded Public Works Programme (EPWP) of which R1 300 000 was appropriated under MEGA and R2 734 000 under MTPA respectively. An amount of R 1 300 000 has been transferred to MEGA and R 2 734 000 to MTPA respectively during the year under review.

## Department of Economic Development & Tourism

Financial Statements for the year ended March 31, 2022

### Statement of Financial Performance

Figures in Rand thousand	Note(s)	2021/2022	2020/2021
<b>Revenue</b>			
Annual appropriation	1	1,498,002	1,082,647
Departmental revenue	2	335,187	161,077
<b>Total revenue</b>		<b>1,833,189</b>	<b>1,243,724</b>
<b>Expenditure</b>			
<b>Current expenditure</b>			
Compensation of employees	3	144,468	140,242
Goods and services	4	55,334	44,856
<b>Total current expenditure</b>		<b>199,802</b>	<b>185,098</b>
<b>Transfers and subsidies</b>			
Transfers and subsidies	5	743,739	662,097
<b>Expenditure for capital assets</b>			
Tangible assets	6	540,371	225,092
<b>Total expenditure</b>		<b>1,483,912</b>	<b>1,072,287</b>
<b>Surplus for the year</b>		<b>349,277</b>	<b>171,437</b>
<b>Reconciliation of Net Surplus/(Deficit) for the year</b>			
Voted funds			
Annual appropriation		14,090	10,360
		<b>14,090</b>	<b>10,360</b>
Departmental revenue and NRF Receipts	10	335,187	161,077
<b>Surplus for the year</b>		<b>349,277</b>	<b>171,437</b>

## Department of Economic Development & Tourism

Financial Statements for the year ended March 31, 2022

### Statement of Financial Position as at March 31, 2022

Figures in Rand thousand	Note(s)	2021/2022	2020/2021
<b>Assets</b>			
<b>Current Assets</b>			
Cash and cash equivalents	7	49,951	28,670
Receivables	8	35	68
		<b>49,986</b>	<b>28,738</b>
<b>Non-Current Assets</b>			
Receivables	8	112	-
<b>Total Assets</b>		<b>50,098</b>	<b>28,738</b>
<b>Liabilities</b>			
<b>Current Liabilities</b>			
Voted funds to be surrendered to the Revenue Fund	9	14,090	10,360
Departmental revenue and NRF Receipts to be surrendered to the Revenue Fund	10	36,005	18,377
Payables	11	3	-
		<b>50,098</b>	<b>28,737</b>
<b>Total Liabilities</b>		<b>50,098</b>	<b>28,737</b>
		-	1
<b>Represented by:</b>			
Recoverable revenue		-	1

## Department of Economic Development & Tourism

Financial Statements for the year ended March 31, 2022

### Statement of Changes in Net Assets

Figures in Rand thousand	Note	2021/2022	2020/2021
<b>Recoverable revenue</b>			
Opening balance		1	-
Transfers:			
Debts recovered (incl in dept receipts)		(1)	(1)
Debts raised		-	2
<b>Closing balance</b>		<b>-</b>	<b>1</b>

# Department of Economic Development & Tourism

Financial Statements for the year ended March 31, 2022

## Cash Flow Statement

Figures in Rand thousand	Note(s)	2021/2022	2020/2021
<b>Cash flows from operating activities</b>			
<b>Receipts</b>			
Annual appropriated funds received	1.1	1,498,002	1,082,647
Departmental revenue received	2	332,782	159,285
Interest received	2.2	1,659	1,685
		<b>1,832,443</b>	<b>1,243,617</b>
Net (increase)/decrease in working capital		36	(1,347)
Surrendered to Revenue Fund		(327,919)	(168,204)
Current payments		(199,802)	(185,098)
Transfers and subsidies paid		(743,739)	(662,097)
<b>Net cash flow available from operating activities</b>	<b>12</b>	<b>561,019</b>	<b>226,871</b>
<b>Cash flows from investing activities</b>			
Payments for capital assets	6	(540,371)	(225,092)
Proceeds from sale of capital assets	2.3	746	107
(Increase)/decrease in non-current receivables	8	(112)	4
<b>Net cash flows from investing activities</b>		<b>(539,737)</b>	<b>(224,981)</b>
<b>Cash flows from financing activities</b>			
Increase/(decrease) in net assets		(1)	1
Cash and cash equivalents at beginning of period		28,670	26,779
Net increase/(decrease) in cash and cash equivalents		21,281	1,891
<b>Cash and cash equivalents at the end of the year</b>	<b>13</b>	<b>49,951</b>	<b>28,670</b>

# Department of Economic Development & Tourism

Financial Statements for the year ended March 31, 2022

## 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 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).

#### 5. Foreign currency translation

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

#### 6. Comparative information

##### 6.1 Prior period comparative information

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

##### 6.2 Current year comparison with budget

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

#### 7. Revenue

##### 7.1 Appropriated funds

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

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

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

# Department of Economic Development & Tourism

Financial Statements for the year ended March 31, 2022

## Accounting Policies

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### 7. Revenue (continued)

#### 7.2 Departmental revenue

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

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

#### 7.3 Accrued departmental revenue

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

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

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.

# Department of Economic Development & Tourism

Financial Statements for the year ended March 31, 2022

## Accounting Policies

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### 8. Expenditure (continued)

#### 8.4 Leases

##### 8.4.1 Operating leases

Operating lease payments made during the reporting date 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.

# Department of Economic Development & Tourism

Financial Statements for the year ended March 31, 2022

## Accounting Policies

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### 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.

### 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 R 1.

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

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

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 R -.

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

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

# Department of Economic Development & Tourism

Financial Statements for the year ended March 31, 2022

## Accounting Policies

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### 16. Capital assets (continued)

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 Capital 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 Parliament or the Provincial Legislature with funding and the related funds are received; or
- approved by Parliament or the Provincial Legislature without funding and is written off against the appropriation in the statement of financial position; 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.

# Department of Economic Development & Tourism

Financial Statements for the year ended March 31, 2022

## Accounting Policies

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### 19. Fruitless and wasteful expenditure (continued)

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 therefore 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, not condoned and removed or written-off.

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

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

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

### 22. Events after the reporting date

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

### 23. Principal-Agent arrangements

The department is party to a principal-agent arrangement for [include details here]. In terms of the arrangement the department is the 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

### 25. Capitalisation reserve

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

### 26. Recoverable revenue

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

### 27. Related party transactions

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.

# Department of Economic Development & Tourism

Financial Statements for the year ended March 31, 2022

## Accounting Policies

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### 27. Related party transactions (continued)

The number of individuals and the full compensation of key management personnel 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.

### 31. Transfers of functions

Transfers of functions are accounted for by the acquirer by recognising or recording assets acquired and liabilities assumed at their carrying amounts at the date of transfer.

### 32. Mergers

Mergers are accounted for by the combined department by recognising or recording assets acquired and liabilities assumed at their carrying amounts at the date of the merger.

# Department of Economic Development & Tourism

Financial Statements for the year ended March 31, 2022

## Notes to the Financial Statements

Figures in Rand thousand	Note	2021/2022	2020/2021
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### 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:

Figures in Rand thousand	2021/2022		2020/2021	
	Final Appropriation	Actual Funds Received	Final Appropriation	Appropriation received
ADMINISTRATION	93,993	93,993	86,082	86,082
INTERGRATED ECONOMIC DEVELOPMENT	831,232	831,232	470,069	470,069
TRADE AND SECTOR DEVELOPMENT	22,950	22,950	19,102	19,102
BUSINESS REGULATION & GOVERNANCE	119,112	119,112	103,758	103,758
ECONOMIC PLANNING	17,280	17,280	17,008	17,008
TOURISM	413,435	413,435	386,628	386,628
<b>Total</b>	<b>1,498,002</b>	<b>1,498,002</b>	<b>1,082,647</b>	<b>1,082,647</b>

#### 1.2 Conditional grants\*\*

Total grants received	27	4,034	4,058
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### 2. Departmental revenue

Tax revenue		332,666	150,828
Sales of goods and services other than capital assets	2.1	105	123
Interest, dividends and rent on land	2.2	1,659	1,685
Sales of capital assets	2.3	746	107
Transactions in financial assets and liabilities	2.4	11	8,334
<b>Total revenue collected</b>		<b>335,187</b>	<b>161,077</b>

The Department mainly receives revenue in the form of tax revenue from Gambling, Liquor licence fees, and Horse Racing collected by Mpumalanga Economic Regulator (MER) and paid through the Department to the Provincial Revenue Fund

Other receipts are amounts related to previous financial expenditure as well as deb amounts recovered through PERSAL deductions from employees. Included in the prior year amount was an amount of R8 324 000 surrendered by MER through the Department to the Provincial Revenue Fund.

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

Sales by market establishment	32	50
Other sales	73	73
<b>Sales of goods and services produced by the department</b>	<b>105</b>	<b>123</b>

#### 2.2 Interest, dividends and rent on land

Interest	1,659	1,685
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#### 2.3 Sales of capital assets

##### Tangible assets

Machinery and equipment	24	746	107
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GG Vehicles were disposed through Public Works auction and sold for cash

# Department of Economic Development & Tourism

Financial Statements for the year ended March 31, 2022

## Notes to the Financial Statements

Figures in Rand thousand

Note(s) 2021/2022 2020/2021

### 2. Departmental revenue (continued)

#### 2.4 Transactions in financial assets and liabilities

Receivables		3	3
Other receipts including recoverable revenue		8	8,331
<b>Total</b>	<b>2</b>	<b>11</b>	<b>8,334</b>

Other receipts are amounts related to previous financial year expenditure as well as debtors amount recovered through PERSAL deductions from employees.

### 3. Compensation of employees

#### 3.1 Salaries and wages

Basic salary	97,157	96,618
Performance award	721	968
Service based	255	87
Compensative/circumstantial	1,579	1,597
Other non-pensionable allowances	24,527	21,547
<b>Total</b>	<b>124,239</b>	<b>120,817</b>

Other non-pensionable allowances includes subsidized vehicles, services bonuses and housing allowances

#### 3.2 Social contributions

##### Employer contributions

Pension	12,347	12,495
Medical	7,402	6,776
Bargaining council	23	22
Insurance	457	132
<b>Total</b>	<b>20,229</b>	<b>19,425</b>

<b>Total compensation of employees</b>	<b>144,468</b>	<b>140,242</b>
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Average number of employees	235	241
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Included in the number of Employees above are 14 Interns and 14 EPWP Commercial Cleaners.

# Department of Economic Development & Tourism

Financial Statements for the year ended March 31, 2022

## Notes to the Financial Statements

Figures in Rand thousand

### 4. Goods and services

	Note(s)	2021/2022	2020/2021
Administrative fees		241	92
Advertising		3,166	1,275
Minor assets	4.1	12	3
Catering		170	29
Communication		3,061	3,038
Computer services	4.2	344	715
Consultants: Business and advisory services		457	759
Legal services		457	562
Contractors		4	15
Agency and support / outsourced services		1,616	1,561
Audit cost - external	4.3	5,211	4,200
Fleet services		586	1,020
Consumables	4.4	2,901	1,784
Operating leases		21,236	18,659
Property payments	4.5	4,131	3,087
Travel and subsistence	4.6	9,067	6,233
Venues and facilities		1,159	319
Training and development		1,367	1,215
Other operating expenditure	4.7	148	290
<b>Total</b>		<b>55,334</b>	<b>44,856</b>

#### 4.1 Minor assets

##### Tangible assets

Machinery and equipment	12	3
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#### 4.2 Computer services

SITA computer services	234	207
External computer service providers	110	508
<b>Total</b>	<b>4</b>	<b>715</b>

#### 4.3 Audit cost - external

Regularity audits	5,211	4,200
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#### 4.4 Consumables

Uniform and clothing	30	126
Household supplies	1,634	996
IT consumables	404	108
<b>Consumable supplies</b>	<b>2,068</b>	<b>1,230</b>
Stationery, printing and office supplies	833	554
<b>Total</b>	<b>4</b>	<b>1,784</b>

Other Consumables relates to the supply of news papers, Magazines, and manuals for the department.

#### 4.5 Property payments

Municipal services	3,970	2,612
Other	161	475
<b>Total</b>	<b>4</b>	<b>3,087</b>

Other payments relates to Security services at the Departments Regional Offices

# Department of Economic Development & Tourism

Financial Statements for the year ended March 31, 2022

## Notes to the Financial Statements

Figures in Rand thousand	Note(s)	2021/2022	2020/2021
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### 4. Goods and services (continued)

#### 4.6 Travel and subsistence

Local		9,054	6,228
Foreign		13	5
<b>Total</b>	<b>4</b>	<b>9,067</b>	<b>6,233</b>

#### 4.7 Other operating expenditure

Professional bodies, membership and subscription fees		3	19
Other		145	271
<b>Total</b>	<b>4</b>	<b>148</b>	<b>290</b>

Other Operating Expenditure includes payments for Subsidized Motor Vehicles and Executive Vehicles.

### 5. Transfers and subsidies

Provinces and municipalities		17	26
Departmental agencies and accounts	Annexure 1B	510,098	466,735
Public corporations and private enterprises	Annexure 1D	231,675	195,014
Households	Annexure 1G	1,949	322
<b>Total</b>		<b>743,739</b>	<b>662,097</b>

### 6. Expenditure for capital assets

#### Tangible assets

Buildings and other fixed structures	25	537,668	223,108
Machinery and equipment	24	2,703	1,984
		<b>540,371</b>	<b>225,092</b>

#### 6.1 Analysis of funds utilised to acquire capital assets - 2021/2022

Figures in Rand thousand	Voted funds	Total
<b>Tangible assets</b>		
Buildings and other fixed structures	537,668	537,668
Machinery and equipment	2,703	2,703
	<b>540,371</b>	<b>540,371</b>

#### 6.2 Analysis of funds utilised to acquire capital assets - 2020/2021

Figures in Rand thousand	Voted funds	Total
<b>Tangible assets</b>		
Buildings and other fixed structures	223,108	223,108
Machinery and equipment	1,984	1,984
	<b>225,092</b>	<b>225,092</b>

### 7. Cash and cash equivalents

Consolidated paymaster general account	49,951	28,670
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# Department of Economic Development & Tourism

Financial Statements for the year ended March 31, 2022

## Notes to the Financial Statements

Figures in Rand thousand

### 8. Receivables

Figures in Rand thousand

	Note	Current	2021/2022 Non- current	Total	2020/2021 Current	Total
Recoverable expenditure	8.2	8	-	8	63	63
Staff debt	8.3	27	112	139	5	5
<b>Total</b>		<b>35</b>	<b>112</b>	<b>147</b>	<b>68</b>	<b>68</b>

#### 8.1 Trade receivables

#### 8.2 Recoverable expenditure (disallowance accounts)

		-	2
		8	61
<b>Total</b>	8	<b>8</b>	<b>63</b>

#### 8.3 Staff debt

	140	5
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#### 8.4 Other receivables

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

Opening balance	10,360	12,685
Transferred from statement of financial performance (as restated)	14,090	10,360
Paid during the year	(10,360)	(12,685)
<b>Closing balance</b>	<b>14,090</b>	<b>10,360</b>

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

Opening balance	18,377	12,818
Transferred from statement of financial performance (as rested)	335,187	161,077
Paid during the year	(317,559)	(155,518)
<b>Closing balance</b>	<b>36,005</b>	<b>18,377</b>

# Department of Economic Development & Tourism

Financial Statements for the year ended March 31, 2022

## Notes to the Financial Statements

Figures in Rand thousand	Note(s)	2021/2022	2020/2021	
<b>11. Payables - current</b>				
Clearing accounts	11.1	3	-	
<b>11.1 Clearing accounts</b>				
Salary :Tax Debt		3	-	
<b>11.2 Other payables</b>				
<b>12. Net cash flow available from operating activities</b>				
Net surplus as per Statement of Financial Performance		349,277	171,437	
Add back non cash/cash movements not deemed operating activities				
(Increase)/decrease in receivables		33	(60)	
Increase/(decrease) in payables – current		3	(1,288)	
Proceeds from sale of capital assets		(746)	(107)	
Expenditure on capital assets		540,371	225,092	
Surrenders to Revenue Fund		(327,919)	(168,203)	
<b>Net cash flow generated by operating activities</b>		<b>561,019</b>	<b>226,871</b>	
<b>13. Reconciliation of cash and cash equivalents for cash flow purposes</b>				
Consolidated paymaster general account		49,951	28,670	
<b>14. Contingent liabilities and contingent assets</b>				
<b>14.1 Contingent liabilities</b>				
<b>Liable to</b>	<b>Nature</b>			
Housing loan guarantees	Employees	Annexure 3A	-	84
Claims against the department		Annexure 3B	3,446	5,804
Intergovernmental payables (unconfirmed balances)		Annexure 5	-	613
<b>Total</b>			<b>3,446</b>	<b>6,501</b>
The timing of payments in respect of Claims against the Department are depending on the legal process currently underway, and beyond the control of the Department				
<b>14.2 Contingent assets</b>				
<b>Nature of contingent asset</b>				
Paid to a service provider in respect of a contract entered into in a previous year, the outputs of which are in dispute. This amount is net of projected costs of recovery as the supplier maintains the view that value has been delivered		400	400	
<b>15. Capital commitments</b>				
Buildings and other fixed structures		535,386	-	

During the prior financial period, implementation of the contracts transferred from MEGA to DPWRT. As at the end of the previous financial period, contracts had not all be ceded to DEDT, that has happened during the current financial year.

## Department of Economic Development & Tourism

Financial Statements for the year ended March 31, 2022

### Notes to the Financial Statements

#### 16. Accruals and payables not recognised

##### 16.1 Accruals

Figures in Rand thousand	2021/2022		2020/2021
Listed by economic classification	30 Days	Total	Total
Goods and services	1,943	1,943	364
<b>Listed by programme level</b>			
Administration		1,004	193
Integrated Economic Development		939	171
<b>Total</b>		<b>1,943</b>	<b>364</b>

##### 16.2 Payables not recognised

Figures in Rand thousand	2021/2022		2020/2021
Listed by economic classification	30 Days	Total	Total
Goods and services	395	395	456
Capital assets	21,709	21,709	9,543
<b>Total</b>	<b>22,104</b>	<b>22,104</b>	<b>9,999</b>
<b>Listed by programme level</b>			
Administration		395	67
Integrated Economic Development		21,709	9,932
<b>Total</b>		<b>22,104</b>	<b>9,999</b>

#### Included in the above totals are the following:

Confirmed balances with other departments	Annexure 5	592	2,234
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#### 17. Employee benefits

Leave entitlement	14,443	11,843
Service bonus	4,081	3,932
Performance awards	-	783
Capped leave commitments	5,823	6,532
Other	76	174
<b>Total</b>	<b>24,423</b>	<b>23,264</b>

The leave entitlement disclosed above includes negative leave. Performance awards have been terminated by the Public Services Association of South Africa (PSA). At this stage the Department is not able to reliably measure the long term portion of the long service awards.

# Department of Economic Development & Tourism

Financial Statements for the year ended March 31, 2022

## Notes to the Financial Statements

Figures in Rand thousand

Note(s) 2021/2022 2020/2021

### 18. Lease commitments

#### 18.1 Operating leases

##### 2021/2022

Figures in Rand thousand	Buildings and other fixed structures	Total
Not later than 1 year	11,221	11,221
Later than 1 year and not later than 5 years	35,141	35,141
Later than five years	10,201	10,201
<b>Total lease commitments</b>	<b>56,563</b>	<b>56,563</b>

##### 2020/2021

Figures in Rand thousand	Buildings and other fixed structures	Total
Not later than 1 year	5,885	5,885
Later than 1 year and not later than 5 years	7,592	7,592
<b>Total lease commitments</b>	<b>13,477</b>	<b>13,477</b>

### 19. Accrued departmental revenue

Tax revenue	38,889	18,154
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#### 19.1 Analysis of accrued departmental revenue

Opening balance	18,154	18,154
Less: Amounts received	(18,154)	(11,074)
Less: Services received in lieu of cash	38,889	11,074
<b>Total</b>	<b>38,889</b>	<b>18,154</b>

### 20. Irregular expenditure

#### 20.1 Reconciliation of irregular expenditure

Opening balance		125,280	108,995
Add: Irregular expenditure - related to prior year	20.2	-	2,381
Add: Irregular expenditure - relating to current year	20.2	10,674	13,904
Less: Prior year amounts condoned		(35,366)	-
<b>Closing balance</b>		<b>100,588</b>	<b>125,280</b>

#### Analysis of closing balance

Current year	10,674	16,285
Prior year	89,914	108,995
<b>Total</b>	<b>100,588</b>	<b>125,280</b>

Included in the above condoned Irregular expenditure is an amount R12 312 000 which was transferred to Mpumalanga Economic Growth Agency

## Department of Economic Development & Tourism

Financial Statements for the year ended March 31, 2022

### Notes to the Financial Statements

Figures in Rand thousand

Note(s) 2021/2022 2020/2021

#### 20. Irregular expenditure (continued)

##### 20.2 Details of current and prior year irregular expenditure – added current year (under determination and investigation)

Figures in Rand thousand		2021/2022
<b>Incident</b>	<b>Disciplinary steps taken/ Criminal proceedings</b>	
Property rental - Extended without following due process		3,041
Rental : Office Equipment- Incorrect SCM procedure followed for the renewal of the procurement		7,633
<b>Total</b>		<b>10,674</b>

#### 21. Fruitless and wasteful expenditure

##### 21.1 Reconciliation of fruitless and wasteful expenditure

Opening balance	7,777	7,777
Less: Amounts written off	(7,777)	-
<b>Closing balance</b>	<b>-</b>	<b>7,777</b>

##### 21.2 Details of current and prior year fruitless and wasteful expenditure – added current year (under determination and investigation)

*Included in fruitless and wasteful expenditure written-off is an amount of R3 936 000 which has been written off for department, and amount of R3 841 000 was transferred to MEGA.*

## Department of Economic Development & Tourism

Financial Statements for the year ended March 31, 2022

### Notes to the Financial Statements

Figures in Rand thousand	Note(s)	2021/2022	2020/2021
<b>22. Related party transactions</b>			
<b>Revenue received</b>			
Tax revenue		332,666	150,828
<b>Payments made</b>			
Transfers		730,621	662,097
<b>Year end balances arising from revenue/payments</b>			
Receivables from related parties		72,673	51,938
Payables to related parties		(61,879)	(61,879)
<b>Total</b>		<b>10,794</b>	<b>(9,941)</b>

Occupation and utilization of Government Building at Riverside Government Complex under the control and ownership by the Department of Public Works, Roads and Transport. The Department of Economic Development and Tourism occupies premises in Building no. 4 (Nokuthula Simelane Building) as provided by the Department of Public Works, Roads and Transport free of charge. The Department is only liable for Municipal Services

Information Technology (ICT) service provided by Provincial Treasury. The Department has entered into a memorandum of understanding for the rendering of ICT services with the Mpumalanga Provincial Treasury. These services are provided by the Mpumalanga Provincial Treasury free of charge.

The Tax Revenue referred to above relates to revenue collected by the Mpumalanga Economic Regulator (MER) through its regulation of the Gambling and Liquor Industries. This includes Casino Taxes, gambling in the Province that is related to Horse Racing and other sports betting. Also included are liquor licence application fees and annual renewals collected during the year under review.

The receivable amount of R72 673 000 includes an amount of R33 784 000 in respect of the MIFPM and R38 889 000 due to the Department from MER for revenue collected for March 2022 which gets transferred to the Department in April 2022 after the financial year end.

The payable amount of R61 879 000 relates to costs incurred by MEGA in respect of the MIFPM

### 23. Key management personnel

	No. of Individuals		
Political office bearers (provide detail below)	1	1,949	2,047
<b>Officials:</b>			
Level 15 to 16	-	-	1,400
Other	8	11,644	11,061
<b>Total</b>		<b>13,593</b>	<b>14,508</b>

During the year the Department had a seconded HOD, the salary of which is paid by Mpumalanga Provincial Treasury.

# Department of Economic Development & Tourism

Financial Statements for the year ended March 31, 2022

## Notes to the Financial Statements

Figures in Rand thousand Note(s) 2021/2022 2020/2021

### 24. Movable Tangible Capital Assets

#### Movement in movable tangible capital assets per asset register for the year ended March 31, 2022

Figures in Rand thousand	Opening balance	Additions	Disposals	Closing balance
<b>Machinery and equipment</b>				
Transport assets	5,957	746	(2,662)	4,041
Computer equipment	7,206	1,117	(1,140)	7,183
Furniture and office equipment	10,523	780	(368)	10,935
Other machinery and equipment	1,849	57	(41)	1,865
<b>Total movable tangible capital assets</b>	<b>25,535</b>	<b>2,700</b>	<b>(4,211)</b>	<b>24,024</b>

#### 24.1 Movement for 2020/2021

#### Movement in movable tangible capital assets per asset register for the year ended March 31, 2021

Figures in Rand thousand	Opening balance	Additions	Disposals	Closing balance
<b>Machinery and equipment</b>				
Transport assets	5,570	599	(212)	5,957
Computer equipment	6,470	810	(74)	7,206
Furniture and office equipment	10,523	-	-	10,523
Other machinery and equipment	1,274	575	-	1,849
<b>Total movable tangible capital assets</b>	<b>23,837</b>	<b>1,984</b>	<b>(286)</b>	<b>25,535</b>

#### 24.2 Minor assets

#### Movement in minor assets per the asset register for the year ended as at March 31, 2022

Figures in Rand thousand	Machinery and equipment	Total
Opening balance	3,879	3,879
Additions	12	12
Disposals	(364)	(364)
<b>Total minor assets</b>	<b>3,527</b>	<b>3,527</b>

Figures in Rand thousand	Machinery and equipment	Total
Number of R1 minor assets	21	21
Number of minor assets at cost	1,674	1,674
<b>Total number of minor assets</b>	<b>1,695</b>	<b>1,695</b>

#### Movement in minor assets per the asset register for the year ended as at March 31, 2021

Figures in Rand thousand	Machinery and equipment	Total
Opening balance	3,876	3,876
Additions	3	3
<b>Total minor assets</b>	<b>3,879</b>	<b>3,879</b>

Figures in Rand thousand	Machinery and equipment	Total
Number of R1 minor assets	23	23
Number of minor assets at cost	1,866	1,866
<b>Total number of minor assets</b>	<b>1,889</b>	<b>1,889</b>

# Department of Economic Development & Tourism

Financial Statements for the year ended March 31, 2022

## Notes to the Financial Statements

Figures in Rand thousand	Note(s)	2021/2022	2020/2021
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### 25. Immovable Tangible Capital Assets

**Movement in immovable tangible capital assets per asset register for the year ended March 31, 2022**

**Immovable tangible capital assets under investigation**

#### 25.1 Capital Work-in-progress

**Capital Work-in-progress as at March 31, 2022**

Figures in Rand thousand	Note	Opening balance April 1, 2021	Current Year WIP	Closing balance March 31, 2022
Buildings and other fixed structures		1,010,485	537,668	1,548,153

**Payables not recognised relating to Capital WIP**

**Capital Work-in-progress as at March 31, 2021**

Figures in Rand thousand	Note	Opening balance April 1, 2020	Current Year WIP	Closing balance March 31, 2021
Buildings and other fixed structures		759,984	250,501	1,010,485

### 26. Prior period errors

#### 26.1 Correction of prior period errors

Figures in Rand thousand	Note	2020/2021 Amount before error correction	Prior period error
<b>Liabilities: (e.g. Payables current, Voted funds to be surrendered, Commitments, Provisions, etc.)</b>			
Mpumalanga International Fruit Produce Market		10,011	(10,011)

The mistatement in the prior year financial statements was due to human error during the preparation of the final printers version of the Annual Financial statements 2020/2021

## Department of Economic Development & Tourism

Financial Statements for the year ended March 31, 2022

### Notes to the Financial Statements

Figures in Rand thousand

#### 27. Statement of Conditional grants received

Figures in Rand thousand	Grant allocation		Spent		2020/2021	
	Division of Revenue Act/ Provincial Grants	Total Available	Amount received by department	Amount spent by department	Division of Revenue Act	Amount spent by department
Expanded Public Works Programme (EPWP)	4,034	4,034	4,034	4,034	4,058	4,058

Departments are reminded of the requirement to certify that all transfers in terms of this Act were deposited into the primary bank account of the province or, where appropriate, into the CPD account of the province.

#### 28. COVID 19 Response Expenditure

Goods services	178	336
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## Department of Economic Development & Tourism

Financial Statements for the year ended March 31, 2022

### Unaudited Annexures to the Financial Statements

#### Annexure 1A

##### Statement of conditional grants and other transfers paid to Municipalities

Figures in Rand thousand	Transfer	2020/2021
Name of municipality	Actual Transfer	Division of Revenue Act
Mbombela municipalities	17	26

## Department of Economic Development & Tourism

Financial Statements for the year ended March 31, 2022

### Unaudited Annexures to the Financial Statements

#### Annexure 1B

#### Statement of transfers to Departmental Agencies and Accounts

Figures in Rand thousand Departmental agency / account	Transfer allocation		Transfer		2020/2021 Final Appropriation
	Adjusted Appropriation	Total Available	Actual Transfer	% of Available funds Transferred	
Mpumalanga Economic Regulator	100,801	100,801	100,801	100 %	85,227
Mpumalanga Tourism & Parks Agency	409,297	409,297	409,297	100 %	381,508
<b>Total</b>	<b>510,098</b>	<b>510,098</b>	<b>510,098</b>		<b>466,735</b>

# Department of Economic Development & Tourism Financial Statements for the year ended March 31, 2022

## Unaudited Annexures to the Financial Statements

### Annexure 1D

#### Statement of transfers/subsidies to Public Corporations and Private Enterprises

Figures in Rand thousand		Transfer allocation		Expenditure		2020/2021
Name of Public Corporations/ Private Enterprise	Adjusted Appropriation Act	Total Available	Actual Transfer	% of Available funds Transferred	Final Appropriation	
<b>Public corporations</b>						
<b>Transfers</b>						
Mpumalanga Economic Growth Agency	220,253	220,253	220,253	100 %		192,323
<b>Subsidies</b>						
Green Sector Development agency	253	253	253	100 %		-
PVT Ent Covid-19 Relief	9,160	9,160	9,160	100 %		-
	9,413	9,413	9,413	100 %		-
<b>Sub total: Public corporations</b>	<b>229,666</b>	<b>229,666</b>	<b>229,666</b>	<b>100.0 %</b>		<b>192,323</b>
<b>Private enterprises</b>						
<b>Subsidies</b>						
Mpumalanga Stainsteel Initiative	2,009	2,009	2,009	100 %		2,691
<b>Total</b>	<b>231,675</b>	<b>231,675</b>	<b>231,675</b>	<b>100.0 %</b>		<b>195,014</b>

## Department of Economic Development & Tourism

Financial Statements for the year ended March 31, 2022

### Unaudited Annexures to the Financial Statements

#### Annexure 1G

#### Statement of transfers to Households

Figures in Rand thousand	Transfer Allocation			Expenditure		2020/2021
	Adjusted Appropriation Act	Total Available	Actual Transfer	% of Available funds Transferred	Final Appropriation	
Households						
<b>Transfers</b>						
Leave Gratuity	1,949	1,949	1,949	100 %		501

## Department of Economic Development & Tourism

Financial Statements for the year ended March 31, 2022

### Unaudited Annexures to the Financial Statements

#### Annexure 3A

#### Statement of financial guarantees issued as at March 31, 2022 - Local

Guarantor institution	Guarantee in respect of	Opening balance April 1, 2021	Guarantees repayments/ cancelled/ reduced/ released during the year
Figures in Rand thousand			
	Housing	84	84
ABSA			

## Department of Economic Development & Tourism

Financial Statements for the year ended March 31, 2022

### Unaudited Annexures to the Financial Statements

#### Annexure 3B

##### Statement of contingent liabilities as at March 31, 2022

Nature of liabilities	Opening Balance April 1, 2021	Liabilities paid/ cancelled/ reduced during the year	Closing Balance March 31, 2022
Figures in Rand thousand			
<b>Claims against the department</b>			
M Makgamatha / Dedt	1,217	-	1,217
B P Mnisi / MEC & MTPA	500	-	500
Faranani / Dedt	1,000	-	1,000
Mc Beth Attonerys / MEC Dedt	380	-	380
TN Msiza / Dedt	349	-	349
Outstanding Wage increases emanating from Resolution 1 of 2018	2,358	(2,358)	-
Negotiations currently in the Constitution			
<b>Subtotal</b>	<b>5,804</b>	<b>(2,358)</b>	<b>3,446</b>

## Department of Economic Development & Tourism

Financial Statements for the year ended March 31, 2022

### Unaudited Annexures to the Financial Statements

#### Annexure 5

#### Inter-Government payables

Government Entity	Confirmed balance outstanding		Unconfirmed balance outstanding		Total	
	2021/2022	2020/2021	2020/2021	2021/2022	2020/2021	2020/2021
Figures in Rand thousand						
<b>Departments</b>						
<b>Current</b>						
South African Police services	-	49	-	-	-	49
Department of Community Safety, Security & Liason	-	226	-	-	-	226
Department of Agriculture Dev, Land & Environmental Affairs	-	1,331	613	-	-	1,944
Department of Public Works	559	90	-	559	90	90
Department of Human Settlements	-	538	-	-	-	538
Office of the Premier	33	-	-	33	-	-
<b>Subtotal</b>	<b>592</b>	<b>2,234</b>	<b>613</b>	<b>592</b>	<b>2,847</b>	<b>2,847</b>

## Department of Economic Development & Tourism

Financial Statements for the year ended March 31, 2022

### Unaudited Annexures to the Financial Statements

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#### Annexure 7

##### Movement in capital work-in-progress

##### Movement in capital-work-in progress for the year ended March 31, 2022

Figures in Rand thousand	Opening balance	Current year Capital WIP	Closing balance
<b>Buildings and other fixed structures</b>			
Other fixed structures	1,010,485	537,668	1,548,153

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## Department of Economic Development & Tourism

Financial Statements for the year ended March 31, 2022

### Unaudited Annexures to the Financial Statements

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#### Movement in capital work-in-progress for the year ended March 31, 2021

Figures in Rand thousand

	Opening balance	Current year Capital WIP	Closing balance
<b>Buildings and other fixed structures</b>			
Other fixed structures	759,984	250,501	1,010,485

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## Department of Economic Development & Tourism

Financial Statements for the year ended March 31, 2022

### Unaudited Annexures to the Financial Statements

#### Annexure 11

#### COVID 19 Response Expenditure Per quarter and in total

##### Per quarter and in total

Figures in Rand thousand	2021/2022						
	April	May	Jun	Subtotal Q1	Jul	Aug	Subtotal Q2
Expenditure per economic classification							
<b>Goods services</b>	-	12	76	88	-	-	90

## Department of Economic Development & Tourism

Financial Statements for the year ended March 31, 2022

### Unaudited Annexures to the Financial Statements

#### Annexure 11

#### COVID 19 Response Expenditure Per quarter and in total

##### Per quarter and in total

Figures in Rand thousand	2021/2022					2020/2021	
	Oct	Nov	Dec	Subtotal Q3	Jan	Feb	Total
Expenditure per economic classification							
	-	-	-	-	-	-	178
							336

# NOTES

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