



# ANNUAL REPORT

## 2022/2023



office of the premier  
**MPUMALANGA PROVINCE**  
REPUBLIC OF SOUTH AFRICA





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office of the premier

MPUMALANGA PROVINCE  
REPUBLIC OF SOUTH AFRICA

**OFFICE OF THE PREMIER  
PROVINCE OF  
MPUMALANGA  
VOTE NO. 1**

**ANNUAL REPORT  
2022/2023 FINANCIAL YEAR**

## Contents

<b>PART A: GENERAL INFORMATION</b> .....	<b>7</b>
1 DEPARTMENT GENERAL INFORMATION .....	8
2. LIST OF ABBREVIATIONS/ACRONYMS.....	9
3. FOREWORD BY THE PREMIER.....	11
4. REPORT OF THE ACCOUNTING OFFICER.....	13
4.1 Overview of the operations of the OTP.....	13
4.2 Overview of the financial results of the OTP.....	14
5. STATEMENT OF RESPONSIBILITY AND CONFIRMATION OF ACCURACY FOR THE ANNUAL REPORT .....	17
6. STRATEGIC OVERVIEW.....	18
6.1. Vision .....	18
6.2 Mission.....	18
6.3. Values .....	18
7. LEGISLATIVE AND OTHER MANDATES .....	18
8. ORGANISATIONAL STRUCTURE.....	22
9. ENTITIES REPORTING TO THE OFFICE OF THE PREMIER .....	22
<b>PART B: PERFORMANCE INFORMATION</b> .....	<b>24</b>
1. AUDITOR-GENERAL'S REPORT: PREDETERMINED OBJECTIVES .....	25
2. OVERVIEW OF DEPARTMENTAL PERFORMANCE.....	25
2.1 Service Delivery Environment.....	25
2.2 Service Delivery Improvement Plan.....	26
2.3 Organisational environment.....	27
2.4 Key policy developments and legislative changes.....	27
3. ACHIEVEMENT OF INSTITUTIONAL IMPACTS AND OUTCOMES .....	28
4. INSTITUTIONAL PROGRAMME PERFORMANCE INFORMATION.....	30
4.1 Programme 1: Administration.....	30
4.2 Programme 2: Institutional Development.....	35
4.3 Programme 3: Policy and Governance .....	41
5. TRANSFER PAYMENTS .....	50
5.1. Transfer payments to public entities .....	50
5.2. Transfer payments to all organisations other than public entities .....	50
6. CONDITIONAL GRANTS .....	50

6.1. Conditional grants and earmarked funds paid .....	50
6.2. Conditional grants and earmarked funds received .....	50
7. DONOR FUNDS .....	51
7.1. Donor Funds Received .....	51
8. CAPITAL INVESTMENT .....	51
8.1. Capital investment, maintenance and asset management plan .....	51
<b>PART C: GOVERNANCE .....</b>	<b>53</b>
1. INTRODUCTION .....	54
2. RISK MANAGEMENT .....	54
3. FRAUD AND CORRUPTION .....	54
4. MINIMISING CONFLICT OF INTEREST .....	55
5. CODE OF CONDUCT .....	55
6. HEALTH SAFETY AND ENVIRONMENTAL ISSUES .....	56
7. PORTFOLIO COMMITTEES .....	56
8. SCOPA RESOLUTIONS .....	57
9. PRIOR MODIFICATIONS TO AUDIT REPORTS .....	58
10. INTERNAL CONTROL UNIT .....	60
11. INTERNAL AUDIT AND AUDIT COMMITTEES .....	60
11.1 Internal Audit .....	60
11.2 Audit Committee .....	61
12. AUDIT COMMITTEE REPORT .....	62
13. BEE COMPLIANCE PERFORMANCE INFORMATION .....	66
<b>PART D: HUMAN RESOURCE MANAGEMENT .....</b>	<b>68</b>
1. INTRODUCTION .....	69
2. OVERVIEW OF HUMAN RESOURCES .....	69
3. HUMAN RESOURCES OVERSIGHT STATISTICS .....	71
<b>PART E: PFMA COMPLIANCE REPORT .....</b>	<b>97</b>
1. IRREGULAR, FRUITLESS AND WASTEFUL, UNAUTHORISED EXPENDITURE AND MATERIAL LOSSES .....	98
1.1. Irregular expenditure .....	98
1.2. Fruitless and wasteful expenditure .....	100
1.3. Unauthorised expenditure .....	101
1.4. Additional disclosure relating to material losses in terms of PFMA Section 40(3)(b)(i) &(iii) .....	102

2. LATE AND/OR NON-PAYMENT OF SUPPLIERS ..... 103

3. SUPPLY CHAIN MANAGEMENT ..... 103

    3.1. Procurement by other means..... 103

    3.2. Contract variations and expansions..... 104

**PART F: FINANCIAL INFORMATION ..... 106**

1. REPORT OF THE AUDITOR-GENERAL ..... 108

2. ANNUAL FINANCIAL STATEMENTS..... 117



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**PART A:  
GENERAL INFORMATION**

## 1. DEPARTMENT GENERAL INFORMATION

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## 2. LIST OF ABBREVIATIONS/ACRONYMS

<b>AGSA</b>	<b>Auditor-General South Africa</b>	<b>ICT</b>	<b>Information and Communication Technology</b>
<b>AIDS</b>	<b>Acquired Immune Deficiency Syndrome</b>	<b>MANCOM</b>	<b>Management Committee</b>
<b>AOP</b>	<b>Annual Operational Plan</b>	<b>MEC</b>	<b>Member of the Executive Council</b>
<b>APPs</b>	<b>Annual Performance Plans</b>	<b>MEGA</b>	<b>Mpumalanga Economic Growth Agency</b>
<b>CFO</b>	<b>Chief Financial Officer</b>	<b>MER</b>	<b>Mpumalanga Economic Regulator</b>
<b>COGTA</b>	<b>Cooperative Governance and Traditional Affairs</b>	<b>MERRP</b>	<b>Mpumalanga Economic Reconstruction and Recovery Plan</b>
<b>COVID-19</b>	<b>Corona Virus Disease</b>	<b>MISS</b>	<b>Minimum Information Security Standards</b>
<b>CS</b>	<b>Community Survey</b>	<b>MMS</b>	<b>Middle Management Services</b>
<b>DARDLEA</b>	<b>Department of Agriculture, Rural Development, Land and Environmental Affairs</b>	<b>MOU</b>	<b>Memorandum of Understanding</b>
<b>DCSR</b>	<b>Department of Culture, Sport and Recreation</b>	<b>MPG</b>	<b>Mpumalanga Provincial Government</b>
<b>DCSSL</b>	<b>Department of Community Safety, Security and Liaison</b>	<b>MP V2030</b>	<b>Mpumalanga Provincial Vision 2030 Strategic Implementation Framework</b>
<b>DDM</b>	<b>District Development Model</b>	<b>MPAC</b>	<b>Mpumalanga Provincial Aids Council</b>
<b>DEDT</b>	<b>Department of Economic Development and Tourism</b>	<b>MRTT</b>	<b>Mpumalanga Regional Training Trust</b>
<b>DHS</b>	<b>Department of Human Settlements</b>	<b>MTEF</b>	<b>Medium Term Expenditure Framework</b>
<b>DOE</b>	<b>Department of Education</b>	<b>MTPA</b>	<b>Mpumalanga Tourism and Parks Agency</b>
<b>DOH</b>	<b>Department of Health</b>	<b>MTSF</b>	<b>Medium Term Strategic Framework</b>
<b>DORA</b>	<b>Division of Revenue Act</b>	<b>NACH</b>	<b>National Anti-Corruption Hotline</b>
<b>DPME</b>	<b>Department of Planning, Monitoring and Evaluation</b>	<b>NDP</b>	<b>National Development Plan</b>
<b>DPSA</b>	<b>Department of Public Service and Administration</b>	<b>NSF</b>	<b>National Skills Fund</b>
<b>DPWRT</b>	<b>Department of Public Works, Roads and Transport</b>	<b>ODA</b>	<b>Official Development Assistance</b>
<b>DSD</b>	<b>Department of Social Development</b>	<b>OTP</b>	<b>Office of the Premier</b>
<b>EH&amp;W</b>	<b>Employee Health and Wellness</b>	<b>PCF</b>	<b>Premier's Coordinating Forum</b>
<b>EMC</b>	<b>Executive Management Committee</b>	<b>PEP</b>	<b>Provincial Evaluation Plan</b>
<b>EXCO</b>	<b>Executive Council</b>	<b>PERSAL</b>	<b>Personnel Salaries</b>
<b>FDI</b>	<b>Foreign Direct Investment</b>	<b>PESTEL</b>	<b>Political, Economic, Social, Technological, Environmental and Legal</b>
<b>GDP</b>	<b>Gross Domestic Product</b>	<b>PFMA</b>	<b>Public Finance Management Act</b>
<b>GIS</b>	<b>Geographic Information System</b>	<b>PIP</b>	<b>Provincial Implementation Plan</b>
<b>GITO</b>	<b>Government Information Technology Office</b>	<b>PMC</b>	<b>Provincial Management Committee</b>
<b>GRPBMEA</b>	<b>Gender-Response Planning, Budgeting, Monitoring, Evaluation and Auditing Framework</b>	<b>PMTSF</b>	<b>Provincial Medium Term Strategic Framework</b>
<b>HCT</b>	<b>HIV Counselling and Testing</b>	<b>POA</b>	<b>Programme of Action</b>
<b>HDIs</b>	<b>Historical Disadvantaged Individuals</b>	<b>PPOA</b>	<b>Provincial Programme of Action</b>
<b>HIV</b>	<b>Human Immunodeficiency Virus</b>	<b>PRIME</b>	<b>Planning, Research, Information, Monitoring and Evaluation</b>
<b>HOD</b>	<b>Head of Department</b>	<b>PSCBC</b>	<b>Public Sector Co-ordinating Bargaining Council</b>
<b>HRM</b>	<b>Human Resource Management</b>	<b>PSDF</b>	<b>Provincial Spatial Development Framework</b>
<b>HRPIR</b>	<b>Human Resource Planning and Implementation Report</b>	<b>PSETA</b>	<b>Public Sector Education and Training Authority</b>

<b>PT</b>	<b>Provincial Treasury</b>	<b>SDF</b>	<b>Spatial Development Framework</b>
<b>PWRT</b>	<b>Public Works Roads and Transport</b>	<b>SMS</b>	<b>Senior Management Services</b>
<b>QMR</b>	<b>Quarterly Monitoring Report</b>	<b>SONA</b>	<b>State of the Nation Address</b>
<b>RFSAPP</b>	<b>Revised Framework for Strategic and Annual Performance Plan</b>	<b>SOPA</b>	<b>State of the Province Address</b>
<b>ROP</b>	<b>Rights of Older Persons</b>	<b>SP</b>	<b>Strategic Plan</b>
<b>RSA</b>	<b>Republic of South Africa</b>	<b>SSA</b>	<b>State Security Agency</b>
<b>SADC</b>	<b>Southern African Development Community</b>	<b>STIs</b>	<b>Sexually Transmitted Infections</b>
<b>SARS</b>	<b>South African Revenue Services</b>	<b>TB</b>	<b>Tuberculosis</b>
<b>SBD</b>	<b>Standard Bidding Document</b>	<b>UIF</b>	<b>Unemployment Insurance Fund</b>
<b>SCM</b>	<b>Supply Chain Management</b>	<b>WEGE</b>	<b>Women Empowerment and Gender Equality</b>
<b>SCOPA</b>	<b>Select Committee on Public Accounts</b>	<b>WSP</b>	<b>Workplace Skills Plan</b>

### 3. FOREWORD BY THE PREMIER



MS RM MTSHWENI-TSIPANE  
PREMIER OF MPUMALANGA PROVINCE

We are pleased to present the 2022/23 Annual Report of the Office of the Premier (OTP) to the public, the residents of this beautiful Province of Mpumalanga, and to all our stakeholders within and beyond our borders.

This period under review, was characterized by a myriad of challenges exacerbated by slow economic growth, which compelled government towards fiscal reprioritisation, to achieve set targets within budget constraints.

These unfortunate events have limited our ability to plan and predict what the future holds for our country and specifically our Province. Notwithstanding these challenges, we took fundamental decisions that will determine the future we envisage. We invested in the tourism sector, and signed a deal with the Eurowings Discover, to transport German tourists to Mpumalanga. This culminated into the arrival of the first German flight at the Kruger Mpumalanga International Airport, and through this deal, 1700 tourists are targeted to make our Province a destination of their choice, annually.

This Annual Report provides a detailed account of the performed work and accomplishments, during the 2022/23 financial year. The content is informed by various strategic documents, among others, the 2020-2025 Strategic Plan, the National Development Plan, the Mpumalanga Vision 2030, the 2019-2024 Revised Medium Term Strategic Framework, and the 2022/23 Annual Performance Plan.

During the implementation of the 2022/23 Annual Performance Plan (APP), the OTP recorded considerable successes, despite some constraints. Through the Premier's Youth Development Fund, more than R80 million rand was invested into youth-led entities, in an endeavour to push the frontiers of poverty. This intervention was significant to provide support to the youth, who contribute to the high volumes of unemployment, and result in high rates of poverty, hunger and obscene inequalities.

Significant strides were made to achieve the targets we set in our 2022/23 Annual Performance Plan (APP). These are, but not limited to the following:

- Coordination of key intergovernmental structures that enabled myself as Premier to execute my statutory responsibilities of providing leadership and decision-making through PMC, PCF, EXCO Makgotla, and the One-on-One Sessions with Departments on key strategic, performance, and service delivery issues; and
- Coordination of anti-Gender Based Violence and Femicide (GBVF), as a building bloc to flatten the curve of the scourge in Mpumalanga.
- Coordination of the AIDS Council structures to reduce the spread of the endemic disease.

We continued to encounter the major challenge of unstable power supply, which continues to affect almost all communities and businesses countrywide, and Mpumalanga in particular, causing great inconvenience and also hampering economic activities.

However, we commit that this Government of the people, for the people, and by the people will tirelessly work towards the implementation of strategies that will see load shedding permanently addressed and removed from our lives.

As an energy generation hub, we are leading the way with the facilitation of a Just Energy Transition, by engaging key stakeholders, among them, organised labour and World Bank representatives, as a starting point. These engagements, based on the lessons learnt in the decommissioning process of the Komati Power station, will inform the process moving forward, in pursuit of a renewable energy, from the coal powered energy.

We express our heartfelt appreciation and gratitude to the dedication of the Executive Council, the Provincial Management Committee, the Director-General, all staff in the OTP in particular, and the Provincial Government in general as well as our stakeholders in service delivery, in ensuring that we are always able to effectively and efficiently execute the mandate given to us by the people of this Province.



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**Ms R.M. MTSHWENI-TSIPANE**  
**PREMIER OF MPUMALANGA PROVINCE**  
**DATE: 31 AUGUST 2023**

## 4. REPORT OF THE ACCOUNTING OFFICER



MR MAKHUKHU MAMPURU  
DIRECTOR-GENERAL  
OFFICE OF THE PREMIER OF MPUMALANGA

### 4.1 Overview of the operations of the OTP:

The 31st of March marks the end of the financial year period for government and this requires of us to reflect on the performance of the OTP against the predetermined objectives as outlined in our Strategic Plan and the Annual Performance Plan that are aligned to the National Development Plan, the 2019-24 Revised Medium Term Strategic Framework, and the Mpumalanga Vision 2030. The OTP as the strategic centre of excellence and coordination in the Provincial Government Administration, is responsible for the alignment and implementation of seven priorities and directly contributes to Priorities 1 and 7, namely:

- ◇ Priority 1: A capable, ethical and developmental state; and
- ◇ Priority 7: A better Africa and the World;

Cross-cutting issues in respect of Women, Youth and Persons with Disabilities are embedded in the above priorities.

During the year under review, the OTP realized the following:

- ◇ Continued to identify critical vacant funded posts that needed to be filled as a matter of priority. Based on the above, the OTP filled 39 critical vacant funded posts, including the Deputy Director-General for the Policy and Governance Programme, two Chief Directors and five Directors, as well as appointing an Acting Deputy Director-General on for our Institutional Development Programme. Furthermore, the OTP identified and advertised 35 replacement posts that are scheduled to be filled in the next financial year.
- ◇ Conducted ten workplace skills programmes / training aimed at improving officials' knowledge, skills and competencies. These programmes / training enhanced professionalism, competence, accountability, responsiveness, innovation, and integrity among staff members.
- ◇ Monitored the implementation of the Integrated Provincial Communication Strategy / Plan by Departments to streamline Government communication across the Province.
- ◇ 19 Youth Enterprises approved for PYDF in the previous year were disbursed, and 36 qualifying applicants for the PYDF were approved for disbursement by MEGA.

In its third year of implementing the 2020-25 Strategic Plan, the OTP experienced the following challenges:

- ◇ Labour tensions between the employer and employee representatives continued to cause friction in the workplace, which resulted in the OTP convening a Provincial Labour Summit during the 2022/23 financial year;

- ◇ National decisions on Broadband rollout and the Data Lab which should be implemented in partnership with SITA, impacted negatively on service delivery;
- ◇ Delays in the finalization of the model or prototype of the Data Lab system to be used by SITA had adverse effects on the operationalising the Data Lab;
- ◇ Dire staff shortages across all Units impacted negatively on the delivery of services;
- ◇ The unfavourable political situation in Tunisia deterred the delegation from the Province to proceed with the outbound mission; and
- ◇ The poor response by potential service providers to commission Research and Evaluation studies

During the 2022/23 financial year, the OTP achieved an average of 62% of its planned targets in the Annual Performance Plan (APP). It also spent 98.7% of the adjusted appropriation budget for the afore-stated financial year.

## 4.2 Overview of the financial results of the OTP:

### 4.2.1 Departmental receipts

Departmental receipts	2022/2023			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
Sale of goods and services other than capital assets	220	186	34	210	176	34
Interest, dividends and rent on land	246	1 099	(853)	235	616	(381)
Sale of capital assets	178	-	178	170	1 698	1 528
Financial transactions in assets and liabilities	-	108	(108)	-	496	-
<b>Total</b>	<b>644</b>	<b>1 393</b>	<b>749</b>	<b>615</b>	<b>2 986</b>	<b>(2 371)</b>

The OTP is a non-revenue generating organisation since it does not charge tariffs on goods and services.

The OTP over collected on its receipts by R749 000. This is better-than-anticipated performance is mainly due to money received for financial transactions in assets and liabilities.

### 4.2.2 Programme Expenditure

Programme Name	2022/2023			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	156 666	156 606	60	148 881	148 767	114
Institutional Development	81 455	81 154	301	70 187	69 799	388
Policy and Governance	123 705	119 386	4 319	134 836	134 836	1 294
<b>Total</b>	<b>361 826</b>	<b>357 146</b>	<b>4 680</b>	<b>353 904</b>	<b>352 108</b>	<b>1 796</b>

The OTP has spent an amount of R357 145 000.00, which amounts to 98.7% expenditure of the final appropriation budget of R361 826 000 for the 2022/2023 financial year. This is within the Treasury's acceptable threshold of 2%.

### 4.2.3 Virements / roll overs

The following virements were made to Programme 1: Administration from programme 2: Institutional Development and Programme 3: Policy and Governance, respectively, in order to defray anticipated expenditure:

- ◇ Programme 1: Administration – R 11 053 000
- ◇ Programme 2: Institutional Development – (R 2 273 000)
- ◇ Programme 3: Policy and Governance – (R 8 780 000)

The virements were applied between Programmes in terms of section 43 of the PFMA.

Requests for rollovers were made to the amount of R1 983 000 for the 2022/2023 financial year.

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

#### Unauthorized Expenditure

The OTP did not incur unauthorized expenditure for the period ended 31 March 2023.

#### Irregular Expenditure

Irregular expenditure identified in the current financial year emanated from miscalculation on quotations. Details can be found in Part E and F of this report.

#### Fruitless and wasteful expenditure

Fruitless and wasteful expenditure identified in the current financial year are detailed in Part E and F of this report.

### 4.2.5 The strategic focus over the short to medium-term period

- To institutionalize an ethical culture within the Province, the OTP will approve the reviewed Provincial Anti-Corruption Strategy and continuously monitor the implementation thereof;
- To ensure effective control, security assessments will be conducted in Departments;
- To improve audit outcomes, the OTP will continue to support Departments regarding accuracy and credibility of performance information; and
- To improve good performance the OTP will:
  - » Strengthen the research function within the Provincial Government through the establishment of Mpumalanga Research Institute;
  - » Implement an integrated plan to monitor the participation and mainstreaming of Women, Persons with Disabilities, Older Persons, and Youth into the Provincial economy;
  - » Monitor the implementation of the Integrated Provincial Communication Plan;
  - » Roll-out and monitor the implementation of the Premier's Youth Development Fund Strategy; and
  - » Commission two Evaluation studies per annum.

#### **4.2.6 Public Private Partnership**

The OTP did not enter into any Public-Private Partnerships during the financial year ending 31 March 2023.

#### **4.2.7 Discontinued / to be discontinued**

There were no activities that were discontinued during the financial year ending 31 March 2023.

#### **4.2.8 New or proposed key activities**

There were no proposed or new activities during the period under review.

#### **4.2.9 Supply Chain Management**

There were no unsolicited bid proposals for the current year. SCM processes and systems are in place to prevent irregular expenditure. While the OTP had incidences of non-compliance resulting to irregular expenditure, these were due to multi-year contracts entered into during preceding financial years. (Details can be found in Part E of this report). The OTP continued to inculcate a culture of compliance with SCM procurement prescripts to improve good governance.

#### **4.2.10 Gifts and donations received in kind from non-related parties**

The OTP did not provide nor receive goods and services or in kind donations.

#### **4.2.11 Exemptions and deviations received from the National Treasury**

The OTP did not receive any exemptions or deviations from the National Treasury.

#### **4.2.12 Events after the reporting date**

The OTP did not have events after the reporting period which may have an effect on the understanding of the OTP's financial state of affairs.

#### **4.2.13 Other**

There are no other material facts or circumstances which may have an effect on the understanding of the OTP's financial state of affairs.

#### **4.2.14 Acknowledgement/s or Appreciation**

I want to take this opportunity to express words of appreciation to all staff members in the OTP for the work undertaken in the interest of improving service delivery for the

public in general and the inhabitants of the Mpumalanga Province in particular, as well as the effective and efficient functioning of the OTP.

#### **4.2.15 Conclusion**

I now endorse the 2022/23 Annual Report for the Office of the Premier.



**Mr MN MAMPURU**

**DIRECTOR-GENERAL: OFFICE OF THE PREMIER OF MPUMALANGA**

**DATE: 31 AUGUST 2023**

## 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 F) have been prepared in accordance with the modified cash standards and the relevant frameworks and guidelines issued by the National Treasury.

The Accounting Officer is responsible for preparing 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 Office of the Premier for the financial year ended 31 March 2023.

Yours faithfully



**Mr MN MAMPURU**

**DIRECTOR-GENERAL: OFFICE OF THE PREMIER OF MPUMALANGA**

**DATE: 31 AUGUST 2023**

## 6. STRATEGIC OVERVIEW

### 6.1 Vision

A strategic centre of excellence.

### 6.2 Mission

We exist to -

- ◇ Provide strategic leadership;
- ◇ Provide support for institutional development;
- ◇ Coordinate Government programs through integrated research & development, information, planning, monitoring, and evaluation; and
- ◇ Provide professional advice through evidence-based decision-making support.

### 6.3 Values

- ◇ Reliability – service that is accurate, consistent, timeous and trustworthy;
- ◇ Resourcefulness – customised solutions to problems in delivering the services concerned;
- ◇ Accountability – we will be transparent and take responsibility in our decision-making; and
- ◇ Professionalism – to be duly skilled, conscientious, objective, ethical and compliant with all relevant prescripts in performing our duties.

## 7. LEGISLATIVE AND OTHER MANDATES

### 7.1 Updates to the relevant legislative and policy mandates

There have been no significant changes to the OTPs legislative mandates. There is sufficient capacity within the OTP to ensure compliance with all legal responsibilities that relate to its mandate.

### 7.2 Legislative mandates

The OTP derives its legislative mandates primarily from the following pieces of legislation:

Legislative Mandate	Aim/Purpose
Promotion of Access to Information Act, 2000 (Act No. 2 of 2000)	This Act gives effect to the Constitutional right of access to any information held by Government and which is required for the exercise or protection of any rights.
Promotion of Administrative Justice Act, 2000 (Act No. 3 of 2000)	This Act gives effect to the right to administrative action that is lawful, non-discriminatory and procedurally reasonable and fair.
Promotion of Equality and Prevention of Unfair Discrimination Act, 2000 (Act No. 4 of 2000)	This Act gives effect to section 9 of the Constitution to prevent and prohibit unfair discrimination and harassment and to promote equality and eliminate unfair discrimination.

<b>Legislative Mandate</b>	<b>Aim/Purpose</b>
<b>Intergovernmental Relations Framework Act, 2005 (Act No. 13 of 2005)</b>	This Act establishes a framework for the National Government, Provincial Government and Local Government to promote and facilitate intergovernmental relations and also provides for mechanisms and procedures to facilitate the settlement of intergovernmental disputes.
<b>Public Finance Management Act, 1999 (Act No. 1 of 1999)</b>	This Act regulates financial management in the National Government and Provincial Governments to ensure that all Government revenue, expenditure, assets and liabilities are managed efficiently and effectively.
<b>Preferential Procurement Policy Framework Act, 2000 (Act No. 5 of 2000)</b>	This Act gives effect to section 217(3) of the Constitution by providing a framework for the implementation of Government's procurement policy as contemplated in section 217(2) of the Constitution.
<b>Broad-Based Black Economic Empowerment Act, 2003 (Act No. 53 of 2003)</b>	This Act establishes a legislative framework for the promotion of Black Economic Empowerment.
<b>Division of Revenue Act (annually)</b>	To annually provide for the equitable division of revenue raised among the National, Provincial and Local Spheres of Government.
<b>Public Service Act, 1994 (Proclamation No. 103 of 1994)</b>	This Act provides for the organisation and administration of the Public Service of the RSA.
<b>Public Service Regulations, 2016</b>	These Regulations provide comprehensive detail regarding the organisation and administration of the Public Service, including issues of ethics and integrity.
<b>Labour Relations Act, 1995 (Act No. 66 of 1995)</b>	This Act gives effect to section 27 of the Constitution and seeks to regulate the organisational rights of trade unions and to promote and facilitate collective bargaining.
<b>Basic Conditions of Employment Act, 1997 (Act No. 75 of 1997)</b>	This Act gives effect to the right to fair labour practices referred to in section 23(1) of the Constitution.
<b>Employment Equity Act, 1998 (Act No. 55 of 1998)</b>	This Act provides for equity in all levels and categories of employment.
<b>Protected Disclosures Act, 2000 (Act No. 26 of 2000)</b>	This Act provides for procedures in terms of which employees in both the private and the public sector may disclose information regarding unlawful or irregular conduct to their employers and also provides for the protection of such employees.
<b>Prevention and Combating of Corrupt Activities Act, 2004 (Act No. 12 of 2004)</b>	This Act provides for the strengthening of measures to prevent and combat corruption and corrupt activities.
<b>State Information Technology Agency Act, 1998 (Act No. 88 of 1998)</b>	This Act establishes a company responsible for the provision of information technology services to the Public Administration.
<b>Public Administration Management Act, 2014 (Act No. 11 of 2014)</b>	This Act seeks to promote the basic values and principles governing the public administration referred to in section 195(1) of the Constitution, when fully operational.
<b>Disaster Management Act, 2002 (Act No. 57 of 2002)</b>	This Act provides for an integrated and coordinated disaster management policy in South Africa that focuses on preventing and reducing the risk of disasters, mitigating the severity of disasters, emergency preparedness, rapid and effective response to disasters and post-disaster recovery.
<b>Electronic Communications Act, 2005 (Act No. 36 of 2005)</b>	This Act seeks to make new provision for the regulation of electronic communications services, electronic communications network services and broadcasting services.
<b>Protection of Personal Information Act, 2013 (Act No. 4 of 2013)</b>	This Act seeks to promote the protection of personal information processed by public and private bodies.

### 7.3 Policy Mandates

The OTP, in fulfilling its role within the Provincial Government, takes into account various National and Provincial policy mandates, in particular, the following:

- The annual **State of the Nation Address** (2022-23);
- The annual **State of the Province Address** (2022-23);
- The annual **Provincial Budget and Policy Speech** (2022-23)
- The annual **Premier’s Budget and Policy Speech** (2022-23);
- The National and the Provincial **Medium-Term Strategic Framework** (2019-2024);
- **The National Strategic Framework of the Department for Women, Children and People with Disabilities;**
- Specific National Policy Frameworks on **Gender and Women’s Empowerment, Disability and Children;**
- Framework on **Gender-Responsive Planning, Budgeting, Monitoring, Evaluation and Auditing;**
- National Strategic Plan for **HIV and AIDS, TB and STIs** (2017–2022);
- The White Paper on **the Transformation of the Public Service** (1995);
- The White Paper on **Public Service Training and Education** (1997);
- The White Paper on a **New Employment Policy for the Public Service** (1997);
- The **National Youth Policy** (2015-2020);
- Policy Frameworks of the **National Department of Public Service and Administration on Gender Equality, Disability and Youth in the Public Service;**
- **National Development Plan** (2012);
- **Mpumalanga Vision 2030 Strategic Implementation Framework** (2013-2030);
- The Policy Framework for **Government-Wide Monitoring and Evaluation** (2007);
- The Revised Framework for **Strategic Plans and Annual Performance Plans** (2019);
- The National Treasury **Framework for Managing Programme Performance Information** (2007);
- The Green Paper on **National Performance Management** (2009);
- **The Revised National Evaluation Policy Framework** (2019-2024);
- National Integrated ICT Policy White Paper (2016);
- DPSA Directive on Public Administration and Management Delegations (2014);
- African Agenda 2063 (2015);
- Sustainable Development Goals 2030 (2015); and
- National Action Plan to combat Racism, Racial Discrimination, Xenophobia and Related Intolerance.

#### **7.4 Updates to institutional policies and strategies**

The OTP will initiate or advance the following policies over the MTEF Period:

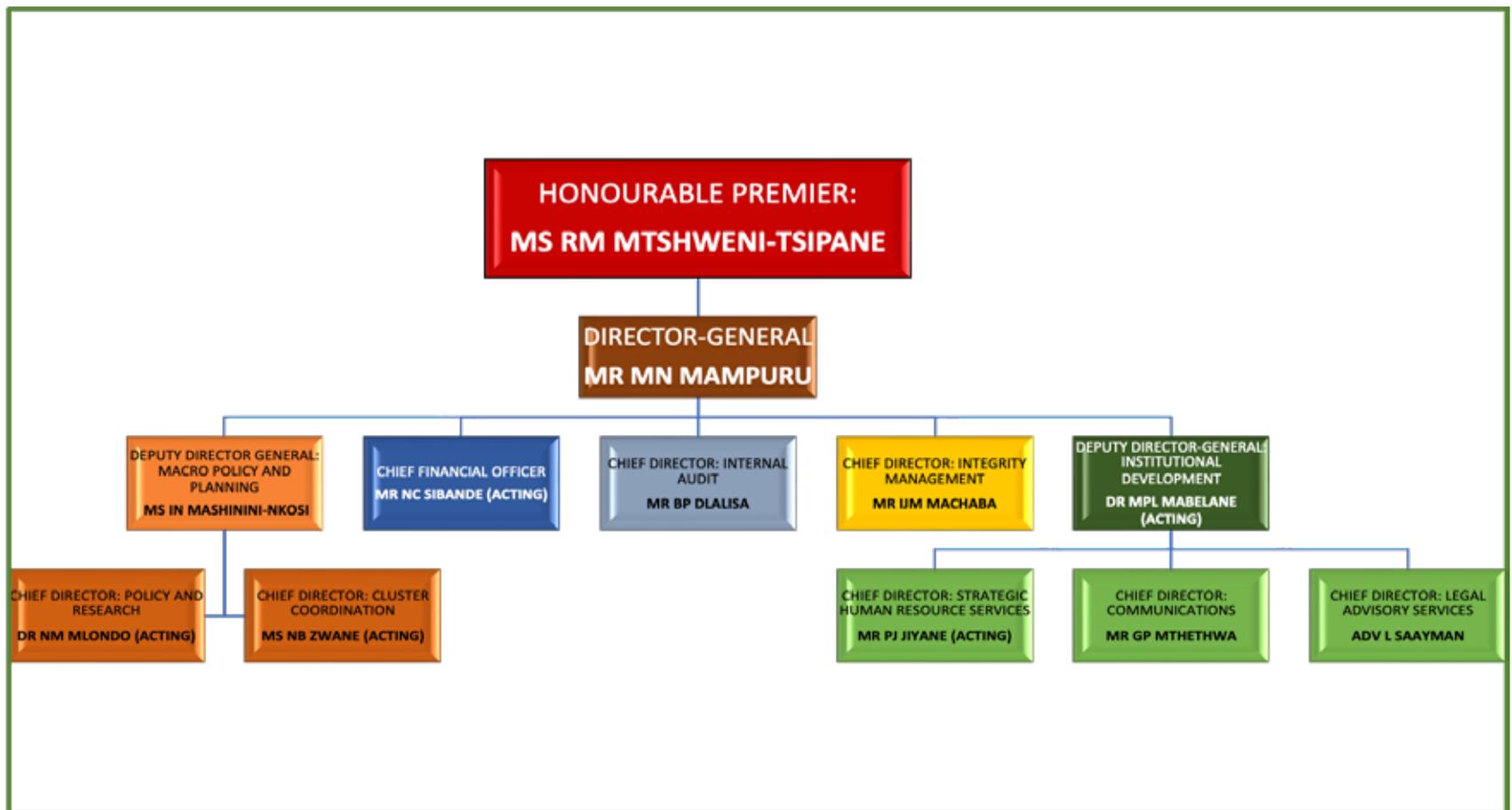
- Security Management Policy;
- Performance Information Management Policy;
- Provincial Strategic Plan on Gender - Based Violence and Femicide;
- Provincial Youth Development Strategy; and
- Provincial Anti-Corruption Strategy.
- The OTP will take the following into consideration:
  - National Development Plan (NDP) 2030;
  - 2019-24 Medium Term Strategic Framework;
  - Mpumalanga Spatial Development Framework 2019;
  - Local government priorities;
  - National Strategic Plan on Gender-Based Violence and Femicide; and
  - National Youth Development Strategy.

#### **7.5 Updates to relevant court rulings**

Minister of Finance v Aribusiness NCP CCT279/20;

Constitutional Court judgement regarding Preferential Procurement Regulations, 2017.

## 8. ORGANISATIONAL STRUCTURE



## 9. ENTITIES REPORTING TO THE OFFICE OF THE PREMIER

There are no entities reporting to the OTP.



# **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 management report, 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 108 of the Report of the Auditor-General, published as Part F: Financial Information.

## 2. OVERVIEW OF DEPARTMENTAL PERFORMANCE

### 2.1 Service Delivery Environment

The service delivery environment in the OTP is shaped by National and Provincial policy and strategy documents such as the National Development Plan, Mpumalanga Vision 2030, 2019/24 MTSF, 2020/25 Strategic Plan for the OTP, White Paper on Transforming Public Service Delivery 1997, the Batho Pele Revitalising Strategy, as well as the Public Service Regulations, 2016.

The OTP coordinates and monitors the alignment and implementation of 7 priorities contained in the Revised 2019 – 2024 MTSF, and directly contributes to priorities 1 and 7 namely:

- ◆ Priority 1: A Capable, Ethical and Developmental State;
- ◆ Priority 7: A better Africa and the World; and
- ◆ Cross-cutting issues in respect of Women, Youth and Persons with Disabilities are embedded in the above priorities.

During the period under review, the OTP successfully coordinated intergovernmental structures i.e. PMC, EXCO Committees as well as EXCO Meetings. These meetings are key in enabling the Premier to execute her statutory responsibilities effectively and efficiently.

Through the Frontline Service Delivery Model, the OTP monitored the Ideal Clinic Realisation. Moreover, improvement monitoring was also facilitated at Shongwe and Themba Hospitals, as well as Matlushe Primary School. Oversight monitoring was further facilitated to assess the service delivery performance against the set target by the Department of Human Settlements for the Integrated Human Settlement Housing Project at Rondebosch, in Mpumalanga.

In its third year of implementing the 2020-2025 Strategic Plan, the OTP experienced the following challenges:

- ◆ Labour tensions between the employer and employee representatives continued to cause friction in the workplace, which resulted in the OTP convening a Provincial Labour Summit during the 2022/23 financial year.
- ◆ National decisions on Broadband rollout and the Data Lab which should be implemented in partnership with SITA, impacted negatively on service delivery.
- ◆ Dire staff shortages across all Units impacted negatively on the delivery of services.

## 2.2 Service Delivery Improvement Plan

The OTP 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
Number of Batho Pele Programmes coordinated	11 Departments and the OTP	Integrated Public Service Month coordinated	4 Batho Pele Programmes coordinated	4 Batho Pele Programmes coordinated (Africa Public Service Day; Integrated Public Service Month; Intra-Departmental KHAEDU deployment in DCSSL; Coordinated the submission of SDIP Annual Reports by 3 Departments – Human Settlement, DEDT and DCSSL; and monitored 3 Municipalities on Batho Pele Programmes – Victor Khanye, Emakhazeni and Steve Tshwete)

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

Current/actual arrangements	Desired arrangements	Actual achievements
Produce Reports on Batho Pele programmes	Produce reports for Departments and Municipalities	3 Municipalities monitored on Batho Pele programmes and report produced (Victor Khanye, Emakhazeni and Steve Tshwete)
Compile Service Delivery Improvement Plan Annual Reports	Consult with stakeholders	3 Departments coordinated on the submission of SDIP Annual Reports (Human Settlements, DEDT and DCSSL)
Coordinate, workshop and monitor 11 Departments and the OTP, and 3 Municipalities on the Batho Pele Programmes	Monitoring Reports on Batho Pele Programmes produced	<ul style="list-style-type: none"> <li>Compiled Status Report on the monitoring of the implementation of Batho Pele programmes</li> <li>Africa Public Service Day celebration report produced</li> <li>Public Service Month and Khaedu deployment report produced</li> <li>Monitored submission of SDIP Annual Reports</li> </ul>

### Service delivery information tool

Current/actual information tools	Desired information tools	Actual achievements
Reports	Reports	Khaedu deployment / Africa Public Service Day
Press Releases	Press Releases	4 EXCO Statements released

## Complaints mechanism

Current/actual complaints mechanism	Desired complaints mechanism	Actual achievements
Presidential Hotline	Integrated complaints mechanism	<ul style="list-style-type: none"> <li>• 28.22% (46 of 117) cases resolved</li> <li>• 97.55% (6994 of 7170) cases resolved cumulative since inception of the hotline</li> </ul>

## 2.3 Organisational environment

The core mandate of the OTP is to “coordinate and monitor performance of Government in the Provincial Sphere”. Without effective coordination and monitoring, it is impossible to provide desired and meaningful services. During the period under review, the OTP has successfully coordinated inter-governmental structures such as PMC, PCF and EXCO. These structures are key in enabling the Premier to execute her Constitutional and statutory responsibilities. It is also important to note that Audit outcomes and the Audit Action Plan in addressing shortcomings as well as stepping up the coordination of the local sphere of Government on service delivery were given special focus during these meetings.

The OTP is currently operating using the organogram reviewed, approved and implemented as of June 2014. It must, however, be noted that the OTP has reviewed its organogram, as per the resolution of the Executive Council to align organisational structures to the priorities of the sixth administration. The reviewed organogram was concurred to by the Minister of Public Service and Administration and subsequent approval by the Premier. The organogram could not be implemented owing to new developments that necessitated the inclusion of divisions such as Military Veterans Support, Project and Programme Management, and Satise Silalele.

The OTP has a balance of generic Administration, Junior Management, Middle Management and Senior Management skills across the various Units. The element of over-working employees whose units have several vacant posts as per the approved organogram still continues to manifest itself. This state of affairs is being mitigated by the filling of all vacant funded posts. There were 14 employees who were appointed to act in higher positions and who were remunerated and/or compensated accordingly. These officials therefore have added responsibilities to attend to apart from their actual work.

The OTP has identified critical vacant funded posts that needed to be filled as a matter of priority. Based on the above, during the financial year under review, the OTP has filled 39 posts, including the post of Deputy Director-General and seven SMS members. 35 posts were advertised and are scheduled to be filled in the next financial year. It must be noted that during this financial year, 20 graduate interns were appointed for a 24 months period. The OTP further absorbed 19 student interns received from the Department of Education and TVET Colleges for experiential learning. The Learnership Programme aimed to provide work environment exposure to the graduates and subsequently promote accelerated development and utilization of available skills and qualified people for service delivery in the Public Service.

The OTP has conducted 10 out of eight (8) Workplace Skills Programmes aimed at improving the officials’ knowledge, skills and competency. The Workplace Skills Programmes were as follows: Mainstreaming Gender in the Public Sector; Breaking Barriers to Entry; Men’s Seminar; Induction; Public Service Women Management Week; Research Methodology; Re-orientation in the Public Service x2; How to effectively review the Organization Risk Management process and the Women Empowerment Conference.

The above activities aimed to enhance the following among the employees: professionalism; competence; accountability; responsiveness; innovation and integrity.

## 2.4 Key policy developments and legislative changes

There were no significant policy developments or legislative changes that affected the operations of the OTP during the period under review.

### 3. ACHIEVEMENT OF INSTITUTIONAL IMPACTS AND OUTCOMES

The OTP identified the following institutional outcomes towards the achievement of the NDP, Revised 2019-2024 MTSF and the impact statement:

- ◆ Outcome 1: Improved ethical culture;
- ◆ Outcome 2: Effective control;
- ◆ Outcome 3: Good performance; and
- ◆ Outcome 4: Improved trust.

The following progress has been made toward the achievement of outcomes and targets as set in the 2020/2025 Strategic Plan:

#### **Outcome 1: Improved Ethical Culture**

The Outcome refers to shared beliefs by employees in an organization, which will be reflected in the ethics that the organization subscribes to. The OTP strives to attain an improved ethical culture through exemplary leadership and good governance. Over the five-year period, the OTP would like to have zero instances of proven unethical conduct within its control environment. During the period under review, and with respect to performance regarding the five-year target (zero instances of proven unethical conduct), no cases of unethical conduct were reported or uncovered.

#### **Outcome 2: Effective control**

This refers to the ability of the OTP to put adequate and effective measures in place that will enable it to achieve good governance. Effective control would contribute towards reducing corruption, improving Audit Outcomes as well as better service delivery. To strengthen governance and compliance management across the Provincial Administration, special focus will be placed on improving Audit outcomes as well as the clearing of irregular expenditure. The following progress was made during the period under review:

- ◆ The OTP, in partnership with Provincial Treasury set a five-year target of 12 Departments with unqualified audit outcomes. The Report of the Auditor-General shows that eight Departments in the Mpumalanga Provincial Administration obtained unqualified Audit outcomes for the financial year ended 31 March 2022. The Province therefore improved by one compared to the seven realized in the previous financial year. (i.e. the year ended 31 March 2021).
- ◆ The OTP set a target to reduce of unauthorized, irregular, fruitless and wasteful expenditure by 10% in rand value over the next five years. The financial results for the period under review reflect that no unauthorized expenditure was incurred. There was irregular expenditure identified in the current financial year 2022/23, details can be found in part E and F of this report. Fruitless and wasteful expenditure incurred in the current year relates to interest on pension contribution for an Official that was dismissed in the past.

#### **Outcome 3: Good performance**

This refers to the ability of the OTP to coordinate the MPG to meet customers' expectations in respect of service delivery and should also lead to the desired developmental impact. During the year under review, Provincial performance outcomes on the five-year targets was poor (i.e. reduction of the poverty rate, unemployment rate, percentage of households with internet access, real GDP per head, percentage of unemployed women, percentage of unemployed youth and total FDI in Mpumalanga), returned mixed results. Though youth unemployment has increased, a major breakthrough for the youth of Mpumalanga was realized through the Premier's Youth Development Fund by means of which 86% (31 of 36) approved youth Entities were supported.

The increased unemployment could be attributed to negative economic growth resulting from the impact of COVID-19, Power cuts by ESKOM (Load shedding) and the Public Service Strike, whilst extreme weather events also had a negative impact.

#### **Outcome 4: Improved trust**

This refers to the ability of the OTP to coordinate the MPG to meet customers' expectations in respect of service delivery. Though the public perception is not yet determined, the OTP has, as part of stakeholder engagements towards achieving the outcome, implemented the Integrated Provincial Communication Strategy and Departments continuously monitored its implementation.

## **4. INSTITUTIONAL PROGRAMME PERFORMANCE INFORMATION**

### **4.1 Programme 1: Administration**

#### **Purpose of the programme**

The Programme is responsible for the appropriate and effective coordination and monitoring of administrative and strategic matters, both within the OTP and the Province. The Programme comprises of the following sub-programmes being Premier Support, Director-General Support, Executive Council Support and Financial Management.

#### **Sub-programme: Premier Support**

This sub-programme provides programme management and coordination support to the Premier in executing her constitutional mandate. These include delivering the State of the Province Address as well as the annual Policy and Budget Speech for the OTP annually.

#### **Sub-programme: Director-General Support**

The sub-programme provides administrative leadership and directives through planning, reporting, auditing, security, integrity and forensic services. The Office of the Director-General is also required to provide internal and external support to sections within the OTP and Departments in the Provincial Government.

This sub-programme comprises the Office of the Director-General, Planning and Programme Management, Integrity Management and Forensic Audit, Internal Audit and Security Management.

Strategic leadership and direction is delivered by providing support to other intergovernmental structures such as the PCF, EXCO and Makgotla, the Budget and Finance Committee, Premier's Advisory Committees, the PMC and Cluster Committees.

Section 38(1)(a)(ii) of the Public Finance Management Act, 1999 stipulates that each Department must have and maintain an Internal Audit Unit under the control and direction of an Audit Committee. The sub-programme, through the Internal Audit Unit, provides audit assurance, performance and computer audit services. The OTP also provides these services to four other cluster departments namely, CoGTA, DHS, DCSR, and DCSSL.

#### **Sub-programme: Executive Council Support**

The sub-programme is responsible for providing effective and efficient secretarial and administrative support services to the Executive Council, EXCO Sub-Committees and intergovernmental structures. The service provided by the support includes the overall management of EXCO resolutions.

#### **Sub-Programme: Financial Management**

The sub-programme provides financial management support and advisory services to ensure compliance with the PFMA and Treasury Regulations. It is responsible for the coordination and facilitation of the Audit Remedial Action Plan and financial delegations. The management of payroll, assets and logistics support is effected through the Supply Chain Management Unit. Risk and Ethics Management also resides within the Financial Management sub-programme. This unit furthermore is responsible for coordinating the Risk Management Committee and the development of the Departmental risk registers (strategic and operational) and reports to the Director General on the progress made by the various units as per the risks identified by the OTP as contained in the various Risk Registers.

The Programme contributes towards achieving the following outcomes as per the APP

- Improved Ethical Culture; and
- Effective Control.

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

The Executive Authority and the Accounting Officer remained accountable by providing strategic direction and leadership on developing departmental plans and coordinating government programmes for the year under review. Accountability was provided through quarterly and annual reporting to ensure compliance with the planning and reporting framework by the OTP's Programmes.

The OTP coordinated intergovernmental structures such as PMC, EXCO Committees, and EXCO meetings. To monitor progress in implementing Departmental plans and the general operations of the OTP, EMC, and MANCOM meetings, were coordinated and held.

To ensure effective control, security measures were implemented to create a safe environment for better service delivery through Security Management services in the various Provincial Departments as well as the OTP. 12 security compliance assessments were conducted in the following Provincial Departments: OTP, Health, DPWR&T, Education, DARDLEA, DCSR, CoGTA, PT, DEDT, Human Settlements, Social Development as well as DCSSL. Departments, including the OTP were monitored to ensure the compliance with MISS.

Integrity Management Unit focused on promoting an ethically driven public service by establishing an Anti-Corruption Committee approved by the Director-General.

In an endeavour to improve ethical culture, the Forensic Audit Services resolved 36% of fraud and corruption cases from the National Anti-Corruption Hotline. Resolution of Fraud and Corruption cases contribute to the outcome by ensuring that individuals who commit fraudulent acts are held accountable and public funds are directed to be utilized efficiently. The OTP has a Fraud Prevention Policy and Fraud Prevention Plan approved by the Accounting Officer and the Draft Anti-Corruption Strategy in compliance with Treasury Regulation 3.2.1.

The Financial Management Unit improved accountability and enforced compliance with the applicable regulatory prescripts by ensuring that the percentage of valid invoices received from service providers are paid within the stipulated timeframes. This contributes to effective control as well as improving service providers' sustainability. The OTP reported 99.9% (2 816 of 2 818) of invoices paid within 30 days from the date of receipt.

**Table 2.4.4.1.1:**

Not applicable since the OTP did not re-table its Annual Performance Plan in the financial year under review.

**Table 2.4.4.2.1:**

**Report against the originally tabled Annual Performance Plan**

<b>Sub-Programme: DG Support – Security Management</b>								
<b>Outcome</b>	<b>Output</b>	<b>Output Indicator</b>	<b>Audited Actual Performance 2020/2021</b>	<b>Audited Actual Performance 2021/2022</b>	<b>Planned Annual Target 2022/2023</b>	<b>**Actual Achievement 2022/2023</b>	<b>Deviation from planned target to Actual Achievement 2022/2023</b>	<b>Reasons for deviations</b>
Effective control	Departments monitored for compliance with MISS	Number of departments monitored for compliance with MISS	6 Security compliance assessments conducted in Departments of Economic Development and Tourism; Human Settlements; Agriculture, Rural Development and Land Administration; Education; Co-operative Governance and Traditional Affairs as well as Health	6 Departments assessed for security compliance (DCSR; DCSSL; DSD; DARDLEA; DPWRT and DHS)	12	Achieved 12 Departments monitored for compliance with MISS	None	None

<b>Sub-Programme: DG Support – Integrity Management</b>								
<b>Outcome</b>	<b>Output</b>	<b>Output Indicator</b>	<b>Audited Actual Performance 2020/2021</b>	<b>Audited Actual Performance 2021/2022</b>	<b>Planned Annual Target 2022/2023</b>	<b>**Actual Achievement 2022/2023</b>	<b>Deviation from planned target to Actual Achievement 2022/2023</b>	<b>Reasons for deviations</b>
Improved Ethical Culture	Provincial Anti-corruption Strategy reviewed	Percentage of activities completed towards the review of the Provincial Anti-corruption Strategy	First Draft Provincial Anti-Corruption Strategy developed	The 1 <sup>st</sup> Draft reviewed and Provincial Anti-Corruption Strategy is in place	100%	Not achieved 95% (19 of 20) activities completed towards the review of the Provincial Anti-corruption Strategy	5% (1 of 20) activities were not completed	Reviewed Provincial Anti-corruption Strategy awaiting approval

### Sub-Programme: DG Support – Forensic Audit Services

Outcome	Output	Output Indicator	Audited Actual Performance 2020/2021	Audited Actual Performance 2021/2022	Planned Annual Target 2022/2023	**Actual Achievement 2022/2023	Deviation from planned target to Actual Achievement 2022/2023	Reasons for deviations
Improved Ethical Culture	Corruption cases resolved	Percentage of Corruption cases resolved	89.88% (8 of 9) of cases from NACH resolved	75% (9 of 12) cases from NACH resolved  21% (9 of 43) backlog fraud and corruption cases investigated	80%	Not achieved  36% (4 of 11) cases from NACH resolved  73% (27 of 37) backlog fraud and corruption cases investigated	44% of corruption cases were not resolved	More resources were concentrated on the backlog cases

### Sub-Programme: DG Support – Financial Management

Outcome	Output	Output Indicator	Audited Actual Performance 2020/2021	Audited Actual Performance 2021/2022	Planned Annual Target 2022/2023	**Actual Achievement 2022/2023	Deviation from planned target to Actual Achievement 2022/2023	Reasons for deviations
Effective control	Invoices from service providers paid within 30 days from the date of receipt	Percentage of invoices paid within 30 days	98.3% (707 of 719) of invoices paid within 30 days	100% (1512 of 1512) of invoices paid within 30 days	100%	Achieved  99.9% (2 816 of 2 818) invoices paid within 30 days	None	None

## Linking performance with budgets

### Sub-programme expenditure

Sub- Programme Name	2022/2023			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
Premier Support	36 495	36 482	13	27 550	27 548	2
Executive Council Support	6 697	6 695	2	5 839	5 838	1
Director-General Support	45 018	44 995	23	41 685	41 589	96
Financial Management	68 456	68 434	22	73 807	73 792	15
<b>Total</b>	<b>156 666</b>	<b>156 606</b>	<b>60</b>	<b>148 881</b>	<b>148 767</b>	<b>114</b>

The Programme has spent an amount of R 156 606 000, which equates to approximately 100% expenditure of the final appropriation budget of R156 666 000 for the 2022/2023 financial year. The Programme had four planned targets during the reporting period and it managed to achieve two, which translates to a 50% achievement rate.

### Strategy to overcome areas of under performance

#### **Integrity Management**

- To present the Provincial Anti-Corruption Strategy for approval in the 2<sup>nd</sup> Quarter of 2023/24 and to procure the printing services for its printing and distribution.

#### **Forensic Audit Services**

- Fast-track resolution of cases.

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

Not applicable to the OTP.

## 4.2 Programme 2: Institutional Development

### Purpose of the programme

To provide institutional development services, advice, strategic support, coordination and development of policies to ensure operational efficiency, alignment and corporate compliance in order to improve the capacity of the Mpumalanga Provincial Government to deliver effective and efficient services. The Programme is composed of Strategic Human Resources, Legal Advisory Services, Government Communications and Information Services and the Provincial Government Information Technology Officer.

### Sub-programme: Strategic Human Resources

The sub-programme is responsible for coordinating and monitoring the implementation of human resource practices and strategies by Departments in the Provincial Government. This sub-programme ensures that the Mpumalanga Provincial Government and the OTP's human resource management practices are performed within the applicable legal frameworks and prescripts.

### Sub-programme: Legal Advisory Services

To provide legal advisory services to the Mpumalanga Provincial Government and the OTP.

### Sub-programme: Government Communication and Information Services

To coordinate government communication and information services within the provincial government and the OTP.

### Sub-programme: The Provincial Government Information Technology Officer

To provide ICT support function across all Provincial Departments and the OTP, and to promote the effective management of information and communication technology as a service delivery enabler and a strategic resource.

### Public Service Transformation and Service Delivery Improvement

To coordinate and monitor the implementation of Batho Pele programmes in the OTP and Provincial Departments.

The Programme contributes towards achieving three outcomes as per the APP, namely:

- ◇ Improved ethical culture;
- ◇ Improved trust; and
- ◇ Good performance.

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

The Programme implemented ten training and workshop programmes aimed at improving the knowledge, skills and competencies of staff members, thus positively contributing to good performance and a professional way of performing functions in the OTP. Furthermore, five Draft Human Resource Policies, prioritizing the wellbeing and performance of employees, were reviewed and approved. The hosting of the two days Provincial labour Summit during the 3<sup>rd</sup> Quarter, was meant to strengthen the existing compact between the Province and Labour in Government. Notice is taken that no disputes were received during the 2022/23 financial year, thus implying discipline of staff and compliance with rules and regulations when executing duties.

The review of the Organizational Structure of one Provincial Department (DEDT) with the Strategic Plan, APP and Mandate, as well as the review of two Local Municipalities' Organizational Structures (Msukaligwa and Dipaliseng), has improved employee performance as these structures are now aligned, and clearly outline the functions of these Institutions as well as their respective units / components.

The coordination of Change Management programmes aimed at monitoring the implementation of Batho Pele principles in three municipalities, KHAEDU (deployment to coalface service delivery challenges) Intra-Departmental Deployment in the DCSSL, as well as the monitoring of the submission of Service Delivery Improvement Plans' (SDIP) Annual Reports by three Departments,

contributed to improved service delivery in the Public Service.

The implementation of the Integrated Provincial Communication Plan by the Provincial Government was monitored, as well as the National roll-out of SA Connect phase 2 in the Province.

**Table 2.4.4.1.2:**

Not applicable since the OTP did not re-table its Annual Performance Plan in the financial year under review.

**Table 2.4.4.2.2:**

**Report against the originally tabled Annual Performance Plan**

Sub-programme: Strategic Human Resource – Internal Human Resources Management and Development								
Outcome	Output	Output Indicator	Audited Actual Performance 2020/2021	Audited Actual Performance 2021/2022	Planned Annual Target 2022/2023	**Actual Achievement 2022/2023	Deviation from planned target to Actual Achievement 2022/2023	Reasons for deviation
Good performance	Workplace Skills Plan programmes implemented	Number of Workplace skills programmes implemented	7 of 9 skills programmes in the Workplace Skills Plan implemented	7 Skills programmes in the WSP implemented (Coaching for Leadership Development; Re-orientation Programme; Breaking Barriers to entry into the Public Service; Auditing Governance, Strategy, Ethics and Risk Management; Ethics in Public Service; Compulsory Induction Programme (CIP) for Level 1-3; Emergency Evacuation Procedure Training (First Aid Level 1)	8	Achieved 10 Workplace Skills Programmes implemented (Mainstreaming Gender in the Public Sector; Breaking Barriers to Entry; Men Seminar; Induction; Public Service Women Management Week; Research Methodology; 2 X Re-orientation in the Public Service; How to effectively review the organization risk management process; Women Empowerment Conference)	2 Additional Skills Programmes implemented	This is due to new appointments made and who had to undergo an induction programme

**Sub-programme: Strategic Human Resource – Transversal Human Resource Services**

Outcome	Output	Output Indicator	Audited Actual Performance 2020/2021	Audited Actual Performance 2021/2022	Planned Annual Target 2022/2023	**Actual Achievement 2022/2023	Deviation from planned target to Actual Achievement 2022/2023	Reasons for deviations
Good performance	Provincial Human Resources Management policy frameworks reviewed	Number of Provincial Human Resources Management policy frameworks reviewed	4 Provincial HRM policy frameworks reviewed	Five (5) Draft Provincial Human Resource Policy Frameworks reviewed (PMDS Policy; Overtime Policy; Reasonable Accommodation Policy; Recruitment Policy; and Selection Policy)	4	Not achieved	Reviewed Provincial Human Resource Policy Frameworks not approved  1 Additional HR policy framework reviewed	5 Draft Provincial Human Resource Policy Frameworks were reviewed however, the policies are not yet approved: <ul style="list-style-type: none"> <li>• Selection Policy Framework</li> <li>• General Leave Policy</li> <li>• Special Leave Policy</li> <li>• Employment Equity Policy</li> <li>• Recruitment Policy Framework</li> </ul>

**Sub-programme: Strategic Human Resource – Labour Relations**

Outcome	Output	Output Indicator	Audited Actual Performance 2020/2021	Audited Actual Performance 2021/2022	Planned Annual Target 2022/2023	**Actual Achievement 2022/2023	Deviation from planned target to Actual Achievement 2022/2023	Reasons for deviations
Improved ethical culture	Disputes duly attended to within 90 days of receipt in the 11 Departments as well as the OTP	Percentage of disputes duly attended to within 90 days	100% of disputes dealt with within 90 days of receipt however in the 11 Departments as well as the OTP	100% (3 of 3) disputes duly attended to within 90 days (Grievance on unpaid cell phone allowance; Grievance on Acting without compensation; and DCSSL disciplinary hearing)  100% (1 of 1) Grievance of non-payment of acting allowance emanating from previous years resolved	100%	No disputes received during the 2022/23 financial year	None	The sub-programme relies on being forwarded allegations of misconduct that ought to be investigated
	Provincial Labour Summit hosted	Number of Labour Summits hosted	-	-	1	Achieved  1 Provincial Labour Summit held on 17 – 18 November 2022	None	None

Sub-programme: Strategic Human Resource - Organizational Design and Job Evaluation								
Outcome	Output	Output Indicator	Audited Actual Performance 2020/2021	Audited Actual Performance 2021/2022	Planned Annual Target 2022/2023	**Actual Achievement 2022/2023	Deviation from planned target to Actual Achievement 2022/2023	Reasons for deviations
Good performance	Number of Organizational Structures reviewed	Number of Organizational Structures reviewed	Organisational Structures for 5 Provincial Departments and the OTP reviewed	3 Organizational Structures reviewed (Provincial Treasury; DSD and the OTP)	2	Achieved  3 Organizational Structures reviewed for DEDT, Msukaligwa Local Municipality and Dipaliseng Local Municipality	One Organizational Structure for Dipaliseng Local Municipality whose request emanates from the 2021/22 financial year reviewed	Due to more request received

Sub-programme: Public Service Transformation and Service Delivery Improvement (PST & SDI)								
Outcome	Output	Output Indicator	Audited Actual Performance 2020/2021	Audited Actual Performance 2021/2022	Planned Annual Target 2022/2023	**Actual Achievement 2022/2023	Deviation from planned target to Actual Achievement 2022/2023	Reasons for deviations
Good performance	Batho Pele Programmes coordinated	Number of Batho Pele Programmes coordinated	1 Change Management Programmes (Batho Pele) coordinated  (Africa Public Service Day and Public Service Month)	4 Change Management Programmes coordinated (KHAEDU deployment for officials in the OTP and Health during the Public Service Month; Monitored the submission of SDIP Annual Reports by 6 Departments (CoGTA; Health; DCSR; Finance; DHS and DCSSL); Hosted the Provincial Africa Public Service Day celebration at Thembisile Hani Local Municipality  9 Municipalities monitored on Batho Pele programmes – Victor Khanye, Emakhazeni, Ehlanzeni, Steve Tshwete, Lekwa, Govan Mbeki, Dipaleseng, Nkomazi and Mkhondo)	4	Achieved  4 Batho Pele Programmes coordinated (Africa Public Service Day; Integrated Public Service Month; Intra-Departmental KHAEDU deployment in DCSSL; Coordinated the submission of SDIP Annual Reports by three (3) Departments - Human Settlements, DEDT & DCSSL ; and Monitored 3 Municipalities on Batho Pele programmes – Victor Khanye, Emakhazeni and Steve Tshwete)	None	None

Sub-programme: Government Communication and Information Services								
Outcome	Output	Output Indicator	Audited Actual Performance 2020/2021	Audited Actual Performance 2021/2022	Planned Annual Target 2022/2023	**Actual Achievement 2022/2023	Deviation from planned target to Actual Achievement 2022/2023	Reasons for deviations
Improved trust	Implementation of Integrated Provincial Communication Plan by the 11 Departments and the OTP monitored	Number of monitoring reports on the implementation of Integrated Provincial Communication Plan	1 monitoring report on the implementation of Provincial Communication Plan by the 11 Departments and the OTP developed	4 Monitoring Reports on the implementation of Integrated Provincial Communication Strategy compiled	4	Achieved  4 Monitoring Reports on the implementation of the Integrated Provincial Communication Plan compiled	None	None

Sub-programme: The Provincial Government Information Technology Officer								
Outcome	Output	Output Indicator	Audited Actual Performance 2020/2021	Audited Actual Performance 2021/2022	Planned Annual Target 2022/2023	**Actual Achievement 2022/2023	Deviation from planned target to Actual Achievement 2022/2023	Reasons for deviations
Improved trust	Provincial 3-year Broadband rollout coordinated	Percentage of activities implemented towards coordination of the Provincial 3-year Broadband rollout	Draft Provincial 10-year Broadband Plan developed	Final Draft Provincial 10-year Broadband Plan developed	100%	Achieved  100% (12 of 12) of activities implemented towards coordination of the Provincial 3-year Broadband rollout	None	None

### Linking performance with budgets

### Sub-programme expenditure

Sub- Programme Name	2022/2023			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
Strategic Human Resource	47 260	46 972	288	35 017	34 687	330
Information Communication Technology	2 927	2 925	2	8 691	8 682	9
Legal Services	3 009	3 006	3	3 535	3 533	2
Communication Services	24 739	24 732	7	19 691	19 650	41
Programme Support	3 520	3 519	1	3 253	3 247	6
<b>Total</b>	<b>81 455</b>	<b>81 153</b>	<b>301</b>	<b>70 187</b>	<b>69 799</b>	<b>388</b>

The Programme has spent an amount of R81 153 000, which amounts to 99.6% expenditure of the final appropriation budget of R81 455 000 for the 2022/2023 financial year. Therefore, this is within the 2% threshold as set by National Treasury. The Programme had eight (8) planned targets during the reporting period and achieved eight (7), which translates to an 87.5% achievement rate.

**Strategy to overcome areas of under performance**

**Transversal Human Resources Services**

- Draft Provincial Human Resource Policy Frameworks to be approved in the First Quarter of 2023-24 Financial Year.
- In future, the target for approval of the Provincial Human Resource Policy Frameworks will be set for the third quarter.

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

Not applicable to the OTP.

### 4.3 Programme 3: Policy and Governance

#### Purpose of the programme

To provide effective macro policy advice, coordination and monitoring in the following key focus areas:

- ◆ Provincial Planning;
- ◆ Monitoring the Implementation of Provincial Programmes;
- ◆ Mainstreaming of gender, youth, persons with disabilities and older persons' issues;
- ◆ Regional and International cooperation;
- ◆ Research and Information management;
- ◆ Advisory services to the Premier, EXCO, EXCO Committees and MPAC; and
- ◆ Coordinate key strategic interventions to improve Departmental performance.

#### Sub-programme: International Relations

This sub-programme facilitates the development and implementation of the Provincial International Relations Programme of Action and monitors the progress thereof. The sub-programme is also responsible for the facilitation of International Relations partnerships and signing of MOUs to support Socio-Economic Development in the Province.

#### Sub-programme: Provincial Policy Management

The sub-programme consists of the following Units:

- ◆ Special Programmes;
- ◆ Macro Planning;
- ◆ Monitoring and Evaluation;
- ◆ Research and Strategic Information Management;
- ◆ Governance, State Capacity, Security, Crime Prevention and Institutional Development Cluster;
- ◆ Social Protection, Community and Human Development Cluster;
- ◆ Economy Sector, Investment, Employment and Infrastructure Development Cluster; and
- ◆ Mpumalanga Province Aids Council.

The purpose of the sub-programme is to enhance evidence-based decision making processes by the EXCO through provision of integrated research, coordination, planning, monitoring and evaluation within the Province. The sub-programme also conducts macro policy analysis and develops baseline indicators for the Mpumalanga Province (Provincial 5-year Plan). The following are the key deliverables:

- ◆ Developing Provincial priorities in line with the revised 2019 – 2024 PMTSF and monitoring the implementation thereof through the cluster system (PPOA);
- ◆ Implementation of the Provincial Evaluation Plan (PEP) and coordinating the evaluation of programmes identified;
- ◆ Providing guidance on the development of Departments' Plans (SPs, APPs, AOPs) and monitoring the implementation thereof, through the eQPR system and publications;
- ◆ Providing guidance on the development or review of Provincial Sector Development Plans by Provincial Departments i.e.

Provincial Infrastructure Master Plan (MIMP) by the DPWRT and the Provincial Food Nutrition and Security Plan (PFNSP) by DSD;

- ◆ Implementation of the Provincial Research Agenda and facilitate the establishment of the Mpumalanga Research Institute (MRI). The MRI will enhance the Provincial Research capacity and provide quality assurance on the research projects implemented;
- ◆ Monitoring the implementation of the Provincial Implementation Plan on HIV, STIs and TB and the rollout of the Provincial COVID-19 response plan through MPAC sittings;
- ◆ Coordinate the implementation of the Mpumalanga Youth Development Fund (MYDF);
- ◆ Facilitating the implementation of Youth Empowerment Programmes in the Province;
- ◆ Coordinating and monitoring the mainstreaming of target groups (women, youth, older persons and persons with disabilities and LGBTQIA+); and
- ◆ Monitoring the implementation of the Provincial Strategic Plan on Gender Based Violence and Femicide (GBVF).

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

The Programme coordinated one Out-bound mission to the Russian Federation to strengthen relations regarding Mpumalanga students who are furthering their studies at various Universities in Russia after they were issued with expulsion notices due to non-payment of tuition and accommodation fees. Furthermore, 12 Departmental Annual Performance Plans and three Sector Plans were assessed and quality assured.

Despite the increase in youth unemployment, the Programme supported 55 approved youth owned enterprises through the Mpumalanga Youth Development Fund. Furthermore, the Programme developed a Monitoring Tool which was used to monitor the implementation of the Provincial Implementation Plan (PIP) on HIV, STIs and TB, and generated three quarterly monitoring reports that were shared with stakeholders. This will ensure the successful execution of HIV, STI and TB programmes which would help reduce the number of new infections and ultimately reduce the number of people living with the viruses. This would lead to healthy communities which can be economically active and contribute towards economic growth and development rather than merely becoming dependant on social grants. Also, this would ultimately contribute towards reducing income inequality and increasing life expectancy.

The Programme further coordinated two events to mark the World Health commemorative days (i.e the Provincial World AIDS Day and the Provincial World TB Day). It further monitored compliance regarding the implementation of the Gender Responsive Planning Budgeting Monitoring Evaluation and Auditing (GRPBMEA) framework, and generated a Compliance Report to that effect.

**Table 2.4.4.1.3:**

Not applicable since the OTP did not re-table its Annual Performance Plan in the financial year under review.

**Table 2.4.4.2.3:**

**Report against the originally tabled Annual Performance Plan**

<b>Sub-programme: International Relations</b>								
<b>Outcome</b>	<b>Output</b>	<b>Output Indicator</b>	<b>Audited Actual Performance 2020/2021</b>	<b>Audited Actual Performance 2021/2022</b>	<b>Planned Annual Target 2022/2023</b>	<b>**Actual Achievement 2022/2023</b>	<b>Deviation from planned target to Actual Achievement 2022/2023</b>	<b>Reasons for deviations</b>
Good performance	Collaboration of Mpumalanga Province with Africa and the World	Number of reports on the collaboration with Africa and the World compiled	2020/21 Programme of Action for the implementation of International Relations MOUs	2 International Relations MOUs not coordinated (Russia and Mozambique)	4	Not achieved 3 Reports on the collaboration with Africa and the World compiled	1 Report not compiled	Delay in the finalization of the 1 <sup>st</sup> Quarter report due to outstanding information to compile a comprehensive report for decision making
	International Relations' missions coordinated	Number of International Relations' missions coordinated	New	New	2	Not achieved 1 Outbound mission to the Russian federation coordinated	1 International Relations' mission not coordinated	Political situation in Tunisia was not conducive for Mpumalanga's delegation to proceed with the Outbound mission

## Sub-programme: Provincial Policy Management - Macro Planning

Outcome	Output	Output Indicator	Audited Actual Performance 2020/2021	Audited Actual Performance 2021/2022	Planned Annual Target 2022/2023	**Actual Achievement 2022/2023	Deviation from planned target to Actual Achievement 2022/2023	Reasons for deviations
Good performance	Departmental Annual Performance Plans quality assured	Number of Departmental Annual Performance Plans quality assured	New	New	12	Achieved 12 Departmental Annual Performance Plans quality assured	None	None
	Sector Development Plans quality assured	Number of Sector Development Plans quality assured	New	New	2	Achieved 3 Sector Plans quality assured and assessment report compiled  (Draft MIMP 2050; Draft Provincial FNSP; Draft Provincial Anti-Drug Master Plan)	1 Additional Sector Plan quality assured	Provincial Management Committee (PMC) requested assessment of additional Sector Plan (Draft Provincial Anti-Drug Master Plan)

## Sub-programme: Provincial Policy Management - Cluster Management

Outcome	Output	Output Indicator	Audited Actual Performance 2020/2021	Audited Actual Performance 2021/2022	Planned Annual Target 2022/2023	**Actual Achievement 2022/2023	Deviation from planned target to Actual Achievement 2022/2023	Reasons for deviations
Good performance	Analysis Reports on Governance, State Capacity, Security, Crime Prevention and Institutional Development Cluster	Number of Analysis Reports on Governance, State Capacity, Security, Crime Prevention and Institutional Development Cluster compiled	New	New	4	Achieved 4 Analysis Reports on Governance, State Capacity, Security, Crime Prevention and Institutional Development Cluster compiled	None	None
	Analysis Reports on Social Protection, Community and Human Development Cluster	Number of Analysis Reports on Social Protection, Community and Human Development Cluster compiled	New	New	4	Achieved 4 Analysis Reports on Social Protection, Community and Human Development Cluster compiled	None	None
	Analysis Reports on Economy Sector, Investment, Employment and Infrastructure Development Cluster	Number of Analysis Reports on Economy Sector, Investment, Employment and Infrastructure Development Cluster compiled	New	New	4	Achieved 4 Analysis Reports on Economy Sector, Investment, Employment and Infrastructure Development Cluster compiled	None	None

**Sub-programme: Provincial Policy Management - Monitoring and Evaluation**

Outcome	Output	Output Indicator	Audited Actual Performance 2020/2021	Audited Actual Performance 2021/2022	Planned Annual Target 2022/2023	**Actual Achievement 2022/2023	Deviation from planned target to Actual Achievement 2022/2023	Reasons for deviations
Good performance	Programmes commissioned for evaluation studies	Number of programmes commissioned for evaluation studies	Draft Terms of Reference developed	1 Programme Evaluation study commissioned (Rapid Evaluation at Shongwe Boarding School completed)	3	Not Achieved  1 Programme commissioned for evaluation study	2 Programmes not commissioned for evaluation	The other two could not be achieved due to poor response by potential service providers / the market
	eQPRS reports published	Number of eQPRS reports published	4	4	4	Achieved  4 eQPRS reports published	None	None
	Data Lab operationalized	Percentage of activities completed towards the operationalization of the Data Lab	New	New	70%	Not achieved  50% of activities completed towards the operationalization of the Data Lab	20% variance not completed towards the operationalization of the Data Lab	SITA was still developing a model or prototype of the system

**Sub-programme: Provincial Policy Management - Research Services**

Outcome	Output	Output Indicator	Audited Actual Performance 2020/2021	Audited Actual Performance 2021/2022	Planned Annual Target 2022/2023	**Actual Achievement 2022/2023	Deviation from planned target to Actual Achievement 2022/2023	Reasons for deviations
Good performance	Status reports on the implementation of the Provincial Research Agenda	Number of Status reports on the implementation of the Provincial Research Agenda compiled	4 Status reports on the implementation of the Provincial Research Agenda compiled	4 Status reports on the implementation of the Provincial Research Agenda compiled	4	Achieved  4 Status reports on the implementation of the Provincial Research Agenda compiled	None	None
	Research studies commissioned	Number of Research studies commissioned	New	New	2	Not achieved  2 Research studies not commissioned	2 Research studies not commissioned	Research studies could not be achieved due to poor response by potential service providers / the market

**Sub-programme: Provincial Policy Management - Special Programmes**

Outcome	Output	Output Indicator	Audited Actual Performance 2020/2021	Audited Actual Performance 2021/2022	Planned Annual Target 2022/2023	**Actual Achievement 2022/2023	Deviation from planned target to Actual Achievement 2022/2023	Reasons for deviations
Good performance	Integrated PPOA on mainstreaming of women empowerment and gender equality, youth development, persons with disabilities and older persons' rights into Provincial Government programmes	Number of analysis reports on the performance of Departments against the PPOA on target groups compiled	4 quarterly reports on the implementation of the Integrated PPOA	4 Reports on monitoring the implementation of the Integrated PPOA compiled	4	Not achieved 3 Analysis reports on the performance of Departments against the PPOA on target groups compiled	1 Analysis Report not compiled	1 Analysis Report (1 <sup>st</sup> Quarter) not compiled since the PPOA Monitoring Tool was still under development
		Number of compliance reports on the implementation of the GRPBMEA framework compiled	New	New	2	Not achieved 1 Compliance report on the implementation of the GRPBMEA framework compiled	1 Compliance report not compiled	The Report could not be developed during the 2 <sup>nd</sup> Quarter as the Unit was still finalising the reporting template. However, the Compliance Report was compiled during the 4 <sup>th</sup> Quarter
		Percentage of youth enterprises supported through Mpumalanga Youth Development Fund	New	64% (41 of 64) qualifying Youth enterprises supported through Mpumalanga Youth Development Fund	100%	Not Achieved 86% (31 of 36) approved youth enterprises supported through the Mpumalanga Youth Development Fund (MYDF)  19 youth enterprises approved in the previous year were also disbursed	5 approved youth enterprises have not yet received disbursement	Though funds were transferred to support 36 beneficiaries. Only 31 received disbursement from MEGA

Sub-programme: Provincial Policy Management - Mpumalanga Provincial AIDS Council								
Outcome	Output	Output Indicator	Audited Actual Performance 2020/2021	Audited Actual Performance 2021/2022	Planned Annual Target 2022/2023	**Actual Achievement 2022/2023	Deviation from planned target to Actual Achievement 2022/2023	Reasons for deviations
Good performance	Performance Reports on the implementation of the Provincial Implementation Plan on HIV, STIs and TB compiled	Number of Performance Reports on the implementation of the Provincial Implementation Plan on HIV, STIs and TB compiled	4 Status Reports on the implementation of the Provincial Implementation Plan on HIV, STIs and TB compiled	4 Performance Reports on the implementation of the Provincial Implementation Plan on HIV, STIs and TB compiled	4 Performance Reports on the implementation of the Provincial Implementation Plan on HIV, STIs and TB compiled	Achieved 4 Performance reports on the implementation of the Provincial Implementation Plan on HIV, STIs and TB compiled	None	None
	Events marking the World Health commemorative days coordinated	Number of events coordinated to mark the World health commemorative days	New	New	2 events coordinated to mark the World health commemorative days	Achieved 2 Events coordinated to mark the World health commemorative days (Provincial World AIDS Day and Provincial World TB Day)	None	None

### Linking performance with budgets

### Sub-programme expenditure

Sub- Programme Name	2022/2023			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
Programme Support	78 321	77 862	459	95 041	94 470	571
Intergovernmental Relations	8 747	8 656	90	7 016	6 850	166
Provincial and Policy Management	35 243	31 478	3 765	32 566	32 062	504
Special Programmes	1 394	1 389	5	213	160	53
<b>Total</b>	<b>123 705</b>	<b>119 386</b>	<b>4 319</b>	<b>134 836</b>	<b>133 542</b>	<b>1 294</b>

The Programme has spent an amount of R119 386 000, which amounts to 96.5% expenditure of the final appropriation budget of R123 705 000 for the 2022/2023 financial year, which is below the 2% threshold as set by National Treasury. The Programme had seventeen (17) planned targets during the reporting period and it managed to achieve nine (9), which translates to a 53% achievement rate.

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

### **International Relations**

- To improve co-ordination of communication when relating with DIRCO regarding sourcing of information.
- Engage DIRCO and the SA Mission in Tunisia to provide guidance on the appropriate time for an outbound mission to Tunisia.

### **Monitoring and Evaluation**

- To create a database of evaluation expert service providers on a 3-year contract and partner with Universities.
- Engage with SITA on fast tracking the development of the prototype system for the Data Lab.

### **Research Services**

- The OTP will partner with South African Universities to conduct research studies in the 2023/24 financial year and going forward.

### **Special Programmes**

- Use of the finalised PPOA Monitoring Tool from the Second Quarter of 2023/24 financial year to monitor performance on PPOA on target groups and compile reports.
- Use of the finalised GRPBMEA Reporting Template from the Second Quarter of 2023/24 financial year to monitor implementation of the framework on GRPBMEA and compile compliance reports.
- The remaining 5 beneficiaries will receive their disbursement in the new financial year.

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

Not applicable to the OTP.

## 5. TRANSFER PAYMENTS

### 5.1 Transfer payments to public entities

The table below reflects the transfer payments made to the Mpumalanga Economic Growth Agency for the period 1 April 2022 to 31 March 2023

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
Mpumalanga Economic Growth Agency	Youth Development	61 545 847	36 031 670	The Mpumalanga Economic Growth Agency managed to disburse funds to 86% (31 of 36) of qualifying youth Entities supported through Mpumalanga Youth development Fund to the satisfaction of the OTP.
<b>TOTAL</b>		<b>61 545 847</b>	<b>36 031 670</b>	

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

The table below reflects the transfer payments made to Provinces, Municipalities, Departmental agencies (excluding public entities), higher education institutions, public corporations, private enterprises, foreign governments, non- profit institutions and households for the period 1 April 2022 to 31 March 2023.

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
Mbombela Municipality	Municipality	Licences	Yes	23	23	n/a
Various Institutions of Higher Learning	Higher education	Premiers discretionary Bursaries	Yes	1 346	1 346	n/a
Employees	Employees	Injury on duty	Yes	112	112	n/a
Ex-employees	Ex-employees	Leave Gratuity	Yes	1 394	984	Leave gratuity is spent as and when it becomes due.
Ex-Employees	Ex-Employees	Severance Package	Yes	412	412	n/a
<b>TOTAL</b>			<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	

## 6. CONDITIONAL GRANTS

### 6.1 Conditional grants and earmarked funds paid

The OTP did not have conditional grants and earmarked funds during the period 1 April 2022 to 31 March 2023.

### 6.2 Conditional grants and earmarked funds received

The OTP did not have conditional grants and earmarked funds during the period 1 April 2022 to 31 March 2023

## 7. DONOR FUNDS

### 7.1. Donor Funds Received

The OTP did not receive any donor funds during the period 1 April 2022 to 31 March 2023

## 8. CAPITAL INVESTMENT

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

Infrastructure projects	2022/2023			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	8 309	8 296	13	16 263	16 258	5
<b>Total</b>	<b>8 309</b>	<b>8 296</b>	<b>13</b>	<b>16 263</b>	<b>16 258</b>	<b>5</b>



**PART C:  
GOVERNANCE**

## **1. INTRODUCTION**

To ensure that the highest standard of governance is maintained, the OTP established governance structures such as the Ethics and Risk Management Committee as well as the Audit Committee, and Management Committees. The Mpumalanga Provincial Legislature, through the relevant Portfolio Committee as well as SCOPA holds the OTP accountable through reports and during oversight meetings on how public finances and resources are managed.

## **2. RISK MANAGEMENT**

The OTP understands that risk management is a strategic imperative within high-performing organisations. In 2009, a Risk Management Unit was established in terms of Section 38(1) of the PFMA and it is under the custodianship of the Chief Financial Officer.

The OTP has a Risk Management Policy and Strategy developed in terms of the Public Sector Risk Management Framework. The Policy and Strategy duly express the OTP's risk management philosophy and it is reviewed every three years.

The OTP conducts risk assessments and reviews annually in accordance with Treasury Regulations 3.2.1. This helps the OTP to direct its Internal Audit effort and prioritize the allocation of resources.

The Risk Management Committee, chaired by an external chairperson, has been appointed by the Accounting Officer to assist him in discharging his risk management responsibility. The Committee meets on a quarterly basis to evaluate the effectiveness of mitigating strategies that seek to address the material risks and subsequently reports to the Accounting Officer any material changes to the risk profile of the OTP.

The Committee also provides oversight on ethics management in the OTP. An Ethics Management Strategy informed by the ethical risks has been developed and is reviewed every three years or whenever there is a need to update the strategy. On a quarterly basis, the Committee discusses the progress regarding the implementation of the Strategy by management.

The Audit Committee provides oversight of the Risk Management function in the OTP and as such, risk management is a standing item on the quarterly meetings of the Audit Committee.

## **3. FRAUD AND CORRUPTION**

The OTP has, in terms of Treasury Regulation 3.2.1, an approved Fraud Prevention Plan in place to implement the Fraud Prevention Policy. Fraud Risk Assessments conducted show that the OTP has a minimum exposure to fraud risks and management has put measures in place to ensure that these risks do not materialise.

Nevertheless, Management accepts fraud and corruption as a business risk. Acceptance however, does not mean it condones fraud and it therefore commits itself to enthusiastically eradicate fraud and corruption including all other acts of dishonesty.

There are measures in place to ensure that fraudulent activities are reported, investigated and resolved within a specified period. Through awareness programs and initiatives, employees and the public are encouraged to report any suspected fraud and corruption activities. NACH and the Presidential Hotline are available by means of which employees and the public can report allegations of fraud. Reporting can be made anonymously or through walk-ins, to the General Manager: IMU. The OTP has a Whistle-Blowing Policy or Protected Disclosure Policy which accords assurance to provide protection to all whistle blowers of unethical conduct.

All incidences of fraud and corruption detected, are dealt with. The OTP is responsible for investigating all cases on behalf of the Provincial Government. Due to capacity challenges in the OTP, vacant posts were identified to be filled. During the year under review the OTP has filled the position of General Manager: Integrity Management and Forensic Audit Services

#### **4. MINIMISING CONFLICT OF INTEREST**

Conflict of interest refers to “any financial or other private interest or undertaking that could directly or indirectly compromise the performance of the public servant’s duties or the reputation of a public servant or Department in its relationship with its stakeholders.”; or “a situation in which a public official has a private interest which influences, or appears to influence a public decision.”

To manage conflict of interest, management has put in place the following measures:

- Declaration of financial interests by SMS, MMS, ASD, Ethics Officers, Supply Chain & Financial Management officials;
- Declaration of interest forms completed during Committee meetings for attendees to declare any potential conflict of interest;
- The OTP requires potential service providers to declare on SBD forms if they are connected with or related to any person employed by the State;
- Employees are prohibited from conducting business with an organ of the State;
- Employees are required to make a formal application for permission to render any remunerative work outside their employment in the Public Service; and
- There is a Gift Register where employees are required to declare gifts received in the scope and course of their employment.

#### **5. CODE OF CONDUCT**

The Code of Conduct guides employees on what is expected of them from an ethical point of view, in their individual conduct, relationship with others and the State as the employer. Compliance with the Code of Conduct enhances professionalism and ensures confidence in the Public Service and the promotion of exemplary conduct. Notwithstanding this, employees shall be guilty of misconduct and may be dealt with in accordance with PSCBC Resolution 1 of 2003 (applicable to employees on salary levels 1 to 12) and the SMS Handbook (applicable to employees on salary levels 13 to 16) if they contravene any provisions of the Code.

The OTP acknowledges the Public Service Code of Conduct as its value system. The Public Service Code of Conduct guides the conduct and behaviour of employees in the OTP. Management in the OTP displays and promotes a high standard of professional ethics.

Awareness workshops are conducted annually for new and existing employees in the OTP on the Code of Conduct. All employees are expected to understand and abide by the Code of Conduct.

Any breach of the Code of Conduct is regarded as misconduct and is dealt with accordingly in line with the provisions of the Disciplinary Code and Procedure, as set out below.

#### **PROCESS FOLLOWED FOR THE BREACH OF CODE OF CONDUCT IN TERMS OF RESOLUTION 1 OF 2003 AND CHAPTER SEVEN OF THE SMS HANDBOOK**

##### **INFORMAL ENQUIRY (FOR LESS SERIOUS MISCONDUCT)**

In the case of an informal enquiry the manager of the employee must bring:

- (a) The misconduct to the employee’s attention;
- (b) Determine the reasons for the misconduct and give the employee an opportunity to respond to the allegations;
- (c) Seek to get agreement on how to remedy the conduct; and
- (d) Take steps to implement the agreed upon course of action.

## FORMAL ENQUIRY (FOR MORE SERIOUS FORMS OF MISCONDUCT)

In the case of a formal enquiry the employer must appoint an employee as a representative who as far as possible should be the manager of the employee to initiate the enquiry

## 6. HEALTH SAFETY AND ENVIRONMENTAL ISSUES

The OTP has a legal obligation in accordance with section 8 of the Occupational Health and Safety Act (OHSA), 1993, where reasonably practicable, provide and maintain a safe, healthy work environment that is without risk to employees.

The OTP has a Transversal Unit (Transversal Human Resource Management Services), which is responsible for monitoring the implementation of the Employee Health and Wellness Programmes, including Occupational Health and Safety Programmes, across the Mpumalanga Provincial Government. Furthermore, the OTP has an Internal Employee Health and Wellness (EHW) Division within its ranks.

The OTP has convened four quarterly meetings of the Occupational Health and Safety Committee and discussions on matters of safety, health and environment within the OTP were held.

## 7. PORTFOLIO COMMITTEES

Matters raised by the Portfolio Committee and how the OTP addressed these matters

Date	Subject	Action taken to address issue	Progress
27 May 2022	Consideration of the 2021/22 4 <sup>th</sup> Quarterly Performance Report and Progress reports in respect of the implementation of House Resolutions for the 2021/22 3 <sup>rd</sup> Quarter Performance Reports	The OTP noted the matters raised by the Committee	The OTP responded to the matters raised by the Committee
26 August 2022	Consideration of the 2022/23 1 <sup>st</sup> Quarter Performance Report and Progress reports in respect of the implementation of House Resolutions for the 2021/22 4 <sup>th</sup> Quarter Performance Reports		
18 November 2022	Consideration of the 2022/23 2 <sup>nd</sup> Quarter Performance Report and Progress reports in respect of the implementation of House Resolutions for the 2022/23 1 <sup>st</sup> Quarter Performance Reports		
	Consideration of the 2021/22 Annual Report and Progress reports in for the implementation of House Resolutions in respect of the 2020/21 Annual Report.		
7 March 2023	Consideration of the 2022/23 3 <sup>rd</sup> Quarter Performance Report and Progress reports for the implementation of House Resolutions in respect of the 2022/23 2 <sup>nd</sup> Quarter Performance Reports		

## 8. SCOPA RESOLUTIONS

The OTP met SCOPA on 9 February 2023 to present responses in respect of the 2021/22 Annual Report and to report progress on implementing SCOPA resolutions made during 2020/21 and prior years.

Resolution No.	Subject	Details	Response by the department	Resolved (Yes/No)
1	Audit Opinion	The AO must ensure that sufficient appropriate evidence is submitted to the AG.	The OTP has strengthened its control over record keeping through implementing efficient filing systems in a secured environment. The OTP has also recruited personnel to assist with record keeping and retrieving of information whenever required.	Yes
2		The AO must ensure that amendments to contracts are done as per the SCM and Treasury guidelines.	The OTP has not amended any contract for the period under review. However, when contracts have to be amended, supply chain management policy and treasury guidelines will be complied with. The OTP will consult the legal section when contracts are to be amended.	Yes
3	Expenditure Management	The AO must ensure that the department is well-equipped to produce error free Annual Financial Statements (AFS).	The OTP has recruited a well experienced and qualified person to prepare of financial statements. Furthermore, the OTP has also strengthened the AFS Review team by including officials from various specialised areas to minimise errors in the Annual Financial Statements.	Yes
4		The AO must ensure that all unauthorised expenditure are reported. Furthermore, the AO must impose disciplinary actions where applicable prescripts were not followed.	Even though the OTP has not incurred any unauthorised expenditure, the recommendations on investigation on irregular expenditure, will be implement at the conclusion of the review of the investigation in respect of irregular expenditure.	Yes
5		The AO must follow up on all current investigations on fruitless and wasteful expenditure and submit a progress report within two (02) weeks after tabling of this report.	The entire balance of the fruitless and wasteful expenditure was investigated. However, management is still considering the final report. A progress report will be submitted as directed.	Yes
6		The AO must strengthen and properly monitor the systems in place to prevent fruitless and wasteful expenditure.	The OTP has strengthened its systems to prevent the occurrence of fruitless and wasteful expenditure by implementing the following controls:  1. Rotation of staff within the finance section; 2. The established of committees to oversee processes; and 3. Intensified the review process to minimise errors.	Yes
7	Compliance with Legislation	The AO must ensure that the Annual Financial Statements (AFS) are prepared as per the framework and in accordance with the PFMA.	The OTP will prepare the annual financial statements as per the applicable framework. Officials have been subjected to training on the preparation of Annual Financial Statements.	Yes
8		The AO must ensure that the established Specific Information System are implemented and effective, to avoid a recurring finding.	The OTP will, on a monthly and quarterly basis monitor implementation of the established Specific Information System. These systems will be subjected to Internal Audit to test their effectiveness.	Yes

Resolution No.	Subject	Details	Response by the department	Resolved (Yes/No)
9	Procurement and contract management	The AO must ensure that contracts are awarded as per the Preferential Procurement Policy Framework Act and its regulations.	The OTP amended the Supply Chain Management policy to incorporate the applicable prescripts to ensure that the Preferential Procurement Policy Framework Act and Regulations are duly complied with.  In-house training was afforded to the relevant officials in respect of these prescripts in order to prevent future contraventions.	Yes
10		The AO must ensure that formulated structures in terms of transparent internal controls are effective and monitored on a quarterly basis.	The OTP has put in place structures such as MANCOM, EMC etc. with clear guidelines on their roles and responsibility to enable accountability.	Yes
11	Progress towards achieving a clean opinion	The AO must ensure that the department is fully equipped and prepared for a Clean Audit Opinion achievement.	-The OTP has made a significant number of appointments in key areas to capacitate the OTP towards obtaining a clean audit.  -The OTP has further strengthened the internal control environment through amending policies and business processes.  -The OTP has strengthened the Annual Financial Statements review team in order to eliminate errors in the Annual Financial Statements.	Yes

## 9. PRIOR MODIFICATIONS TO AUDIT REPORTS

During the previous financial year, the OTP received a qualified audit opinion with significant matters being reported in the AGSA's audit report. The reported significant matters related to the following:

- Expenditure management;
- Financial statements and annual report;
- Strategic planning and performance management;
- Consequence management; and
- Procurement and contract management.

The OTP embarked on a robust integrated approach to address all the matters of emphasis as raised in the AGSA report Management developed an Audit Remedial Action Plan to respond to all the audit findings which AGSA raised during the 2021/22 financial year regularity audit. The OTP of the CFO monitors progress related to the implementation of the Audit Remedial Action Plan at regular intervals.

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
<p>Basis for qualified opinion</p> <p>Included in goods and services is expenditure related to computer services – external computer service providers of R21,13 million. I was unable to obtain sufficient appropriate audit evidence for this expenditure due to the status of the accounting records. I was unable to confirm this expenditure by alternative means. Consequently, I was unable to determine whether any further adjustments were necessary to computer services – external computer service provider's expenditure disclosed in note 4.2 to the financial statements.</p>	2021/22	<p>An independent investigation was conducted and an amount of R7 637 400.40 is demanded back from the service provider to refund the OTP.</p> <p>The OTP has strengthened the department's record keeping system and provided facilities for documents to be stored electronically within the OTP.</p> <p>The OTP has made it mandatory for the IT section to be consulted on all IT procurements within the OTP.</p>
<p>Expenditure management</p> <p>Effective and appropriate steps were not taken to prevent irregular expenditure amounting to R47,01 million, as disclosed in note 24 to the financial statements, as required by section 38(1)(c)(ii) of the PFMA and treasury regulation 9.1.1. Most of the irregular expenditure was caused by non-compliance with Supply Chain Management Regulations.</p> <p>Effective internal controls were not in place for the approval and processing of payments, as required by treasury regulation 8.1.1.</p>	2021/22	<p>The Accounting Officer sought legal guidance and review of the obligations with the intention to opt-out of the existing contracts.</p>
<p>Financial statements and annual reports</p> <p>The financial statements submitted for auditing were not prepared in accordance with the prescribed financial reporting framework and supported by full and proper records as required by section 40(1)(a) and (b) of the PFMA. Material misstatements of disclosure items identified by the auditors in the submitted financial statements were corrected, but the supporting records that could not be provided resulted in the financial statements receiving a qualified opinion.</p>	2021/22	<p>Checklist for the compilation of the annual financial statements was developed and the annual financial statements were subjected to independent reviews.</p>
<p>Strategic planning and performance management</p> <p>Specific information systems were not implemented to enable the monitoring of progress made towards achieving targets, core objectives and service delivery, as required by Public Service Regulation 25(1)(e)(i) and (iii).</p>	2021/22	<p>Measures were put in place and business reviews were undertaken at regular intervals.</p>
<p>Procurement and contract management</p> <p>Some goods and services with a transaction value below R500 000 were procured without obtaining the required price quotations, as required by treasury regulation 16A6.1 and paragraph 3.3.1 of Practice Note 8 of 2007/08. Similar non-compliance was also reported in the prior year.</p> <p>Some goods and services with a transaction value above R500 000 were procured without inviting competitive bids and deviations were approved by the accounting Officer although it was practical to invite competitive bids, contrary to treasury regulation 16A6.1, paragraph 3.4.1 of Practice Note 8 of 2007/08 and treasury regulation 16A6.4.</p>	2021/22	<p>Treasury Regulations were followed to avoid irregular expenditure and deviations were carefully scrutinised prior to obtaining authorisation from the Accounting Officer.</p>

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
<p>Consequence management</p> <p>I was unable to obtain sufficient appropriate audit evidence that disciplinary steps were taken against officials who had incurred fruitless and wasteful expenditure, as required by section 38(1)(h)(iii) of the PFMA. This was because investigations into fruitless and wasteful expenditure were not performed.</p>	2020/21	The draft report of the Investigation into irregular, fruitless and wasteful expenditure were received. Management is studying the documents with the intention of implementing their recommendations.

## 10. INTERNAL CONTROL UNIT

The OTP does not have an Internal Control Unit.

## 11. INTERNAL AUDIT AND AUDIT COMMITTEES

### 11.1 Internal Audit

The OTP established, in terms of Section 38(1)(a)(ii) of the PFMA, an Internal Audit function under the control and direction of the Audit Committee. Pursuant to a previously made determination, the Internal Audit function and the Audit Committee located within the OTP is a shared service responsible for the following five cluster Departments:

- Office of the Premier;
- Department of Community Safety, Security and Liaison;
- Department of Co-operative Governance and Traditional Affairs;
- Department of Culture, Sport and Recreation; and
- Department of Human Settlements.

The mission of the shared Internal Audit function, being what the shared Internal Audit aspires to accomplish, is to enhance and protect departmental values by providing risk-based and objective assurance, advice and insight. In line with the definition of internal auditing as per the Institute of Internal Auditors, the primary mandate and objective of the shared Internal Audit function is to provide an independent, objective assurance and consulting activity designed to add-value and improve the OTP's operations.

In keeping with its primary mandate, the shared Internal Audit supports the Director-General through evaluating and contributing to improving the effectiveness of risk management, control and governance processes. In addition, it also facilitates the functioning of the shared Audit Committee.

Treasury Regulation 3.2.6, requires that Internal Audit must be in accordance with the Standards. During the year under review, the shared Internal Audit function ensured that its operations were aligned with the Standards for the Professional Practice of Internal Auditing ("Standards").

The shared Internal Audit function also operated within an approved Internal Audit Charter and in accordance with the requirements of the PFMA, Treasury Regulations and the International Standards for the Professional Practice of Internal Auditing set by the Institute of Internal Auditors.

During the year under review, the shared Internal Audit function developed a rolling three-year Strategic Internal Audit Plan and an Annual Internal Audit Coverage/Operational Plan based on the results of the annual risk assessment. In consultation with Management, the plans were supported by the Director-General and approved by the Audit Committee in March 2022.

The Annual Internal Audit Coverage/Operational Plan identified different audit engagements and the shared Internal Audit function performed these as such. The respective reports were issued to Management communicating identified control weaknesses, recommendations for improvement(s), and also incorporated agreed management action plans to implement corrective action.

In addition, as required in terms of the PFMA and the approved Internal Audit Charter, the identified control weaknesses were also

communicated and tabled in 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 shared Internal Audit function during the year under review as per the approved plans:

### **Assurance services**

Monitoring and tracking of audit findings as previously reported by both AGSA and the shared Internal Audit function in order to evaluate progress made by Management in implementing agreed Audit Action Plans.

- Follow-up reviews were performed on both the AGSA and Internal Audit findings to evaluate the effectiveness and improvements to the internal control environment;
- Review of the Mid-term Performance Information;
- Review of the Draft Annual Report and Annual Financial Statements for 2022/23;
- Review of Interim Financial Statements for the period ended 30 September 2022;
- Supply Chain Management;
- Transfer Payments;
- Risk Management;
- Mpumalanga Youth Development Fund Project; and
- ICT General and Application Controls Review.

### **Consulting services**

- Participation in informal consulting engagements including routine activities such as participating in Standing Management Committee meetings, and the provision of advice, as and when invited and required.

## **11.2 Audit Committee**

The shared Audit Committee serves as an independent governance structure whose primary function is to provide an oversight over the OTP's financial reporting, risk management, control and governance processes. The shared Audit Committee assists the Accounting Officer in the effective execution of his responsibilities.

The Shared Audit Committee is constituted to ensure its independence and comprises of external non-official members (appointed from outside the Public Service). It operates in terms of a 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. The said "terms of reference" is reviewed annually, and in accordance with the requirements set by the PFMA and its Treasury Regulations. Further, it has direct and unobstructed lines of communication to the Accounting Officer, Senior Management, the Provincial Treasury, Shared Internal Audit Function and AGSA.

Attendance of Audit Committee meetings by the Audit Committee Members

However, per the approved Audit Committee Terms of Reference (Audit Committee Charter), the Shared Audit Committee shall meet at least four times a year, with authority to convene additional meetings as deemed necessary.

The Director-General and Executive Management were always represented in the meetings. The AGSA was always invited to attend the meetings of the shared Audit Committee, thus ensuring that meetings are as effective and transparent as possible.

**The Audit Committee meetings held were attended as follows:**

<b>Name</b>	<b>Qualifications</b>	<b>Internal or External</b>	<b>Date appointed</b>	<b>Date Resigned / End of term</b>	<b>No of meetings attended</b>
Ms. TH Mbatha	Master's degree in business leadership (UNISA) BCompt. Honours Accounting UNISA) BComm Accounting Degree (UNISA) CA(SA)	External	01 Nov 2021	31 Oct 2023	15
Mr. M Sebeelo	B-Tech Internal Auditing (UNISA) Nat Diploma Internal Auditing (TUT) Advance Programme Project Management (UNISA)	External	01 Nov 2021	31 Oct 2023	15
Dr. C Motau	BComm (VISTA) Higher Diploma in Computer Auditing (WITS) Certificate in Executive Leadership (Regenesys Business School) Certificate in Human Resource Management (Regenesys Business School) Master's Degree Business Leadership (UNISA) Master's Degree in Information Technology (UP) Doctorate in Business Information System	External	01 Nov 2021	31 Oct 2023	14
Mr. HK Masango	Master's Degree in Public Management (Regenesys) Postgraduate Diploma in Public Management (Regenesys) Bachelor Degree in Commerce (STADIO) Certificate in Public Management (Regenesys) Certificate Programme in Management Development for Municipal Finance (Univ. Witwatersrand Business School)	External	01 Nov 2021	31 Oct 2023	15
Ms. SS Tshitlho	BTech - Internal Auditing (Cape Peninsula University) National Diploma – Internal Auditing (Cape Peninsula University) Certificate in Fraud & Forensic Investigation Audit (UNISA) Financial Management Certificate (Cape College)	External	01 Nov 2021	31 Oct 2023	15

**12. AUDIT COMMITTEE REPORT**

We are pleased to present our draft Annual Report for the financial year ended 31 March 2023.

**Audit Committee Responsibility**

The Audit Committee, reports that it has complied with its responsibilities arising from section 38(1)(a)(ii) of the PFMA 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**

In line with the PFMA, Internal Audit assures the Audit Committee and Management that the internal controls are appropriate and effective. This is achieved by evaluating internal controls to determine their effectiveness and efficiency and developing recommendations for enhancement or improvement. The Accounting Officer is responsible for implementing such recommendations per Treasury Regulation 3.1.12.

From the various reports of Internal Auditors and the AGSA it was noted that matters were reported indicating deficiencies in the system of internal controls in areas pertaining to annual financial statements, reporting on pre-determined objectives and compliance with laws and regulations.

The work performed by Internal Audit throughout the year was monitored and reviewed by the Audit Committee.

Our analysis of audit reports and engagement with the OTP shows that the system on internal controls for the period under review was not entirely adequate and effective.

Based on our interaction with the OTP we conclude that the OTP does have an adequate but not fully effective action plan management system to address Internal Audit and AGSA findings.

### **Risk Management**

The Audit Committee is also responsible for the oversight of risk management. The Risk Management Committee reports to the Audit Committee quarterly on the governance and management of risk. Based on the Audit Committee quarterly reviews of the reports from the Risk Management Committee, it can be concluded that the OTP's processes and systems relating to fraud prevention and risk management is adequate and effective. w

### **The following Internal Audit work was completed during the year under review:**

- Monitoring and tracking of audit findings as previously reported by both AGSA and the shared Internal Audit function in order to evaluate progress made by Management in implementing agreed Audit Action Plans;
- Follow-up reviews were performed on both the Auditor-General and Internal Audit findings to evaluate the effectiveness and improvements to the internal control environment;
- Review of the Mid-term Performance Information;
- Review of the Draft Annual Report and Annual Financial Statements for 2021/22;
- Review of Interim Financial Statements for the period ended 30 September 2022;
- Supply Chain Management;
- Transfer Payments;
- Risk Management;
- Premier's Youth Development Project; and
- ICT General and Application Controls Review.

### **In-Year Management and Monthly Quarterly Report**

The OTP has confirmed that they have reported to the Treasury as the PFMA requires.

## **Evaluation of the Annual Financial Statements**

The Audit Committee has reviewed the draft Annual Financial Statements prepared by the OTP and has advised the Accounting Officer to ensure that all the review notes and comments of the Internal Audit and the Audit Committee are fully addressed prior to submission of the Annual Financial Statements to the AGSA.

Subsequently the material misstatements identified during the external audit process were also reviewed when the management report of the AGSA was discussed with the Audit Committee.

Evaluation of the reporting on predetermined objectives

The Audit Committee has reviewed the draft Annual Report prepared by the OTP and has advised the Accounting Officer to ensure that all the Internal Audit and Audit Committee's review notes and comments are fully addressed before submission of the Annual Report to the AGSA.

The Audit Committee has discussed the external audit outcomes on the reporting on predetermined objectives to be included in the Annual Report with the AGSA and the Accounting Officer.

## **Compliance with laws and regulations**

Throughout the year under review the Audit Committee has remained concerned with the status of compliance with all applicable laws and regulations. The Committee however, appreciates that the OTP has established the Compliance Management and Strategic Reporting unit to deal with all compliance issues in the OTP and further noted that the Compliance Matrix has been developed to monitor the compliance issues in the OTP, even though it had not been implemented yet.

## **Internal Audit**

The Audit Committee is reasonably satisfied that the Internal Audit function operated effectively and had addressed the risks pertinent to the OTP in its audits during the year under review.

The Audit Committee has regularly enquired and reviewed the work performed by the Internal Audit function and has seen an improvement in the quality of the internal audit reports; the actions initiated by the Internal Audit function to bring the reported weaknesses to the attention of Senior Management and the process of ensuring action to address such deficiencies. However, there is still room for improvement in areas such as flexibility of the planning process to adapt to emerging risks and changing risk profile of the OTP; the timing and execution of internal audit engagements; influence and persuasion by Internal Audit of Management to effect the necessary changes and improvement of the maturity of governance, risk management and internal control systems.

The Audit Committee noted with concern that some positions within the Internal Audit function remains vacant even after the resolution by the EXCO to lift the moratorium on filling of vacant positions, and the prolonged disciplinary action against the Chief Audit Executive.

The Audit Committee further appreciates the support provided by the Senior Manager: Assurance Audit, who assisted in carrying out the duties and functions of the position of the Chief Audit Executive and all the other Internal Audit Officials, by assisting the Committee in discharging its responsibilities.

## **Auditor-General's Report**

We have reviewed the OTP's Implementation Plan for audit issues raised in the previous year and we are not entirely satisfied that all the matters have been adequately resolved.

The Audit Committee is unaware of any unresolved issues with respect to the current audit.

The Audit Committee concurs and accepts the conclusions of the AGSA on the Annual Financial Statements and is of the opinion that the audited Annual Financial Statements be accepted and read together with the report of the AGSA.

## **Conclusion**

The Audit Committee strongly recommends that the OTP ensure adequate and effective implementation and frequent monitoring of the Audit Action Plans for internal and external audits to achieve a clean administration.

The Audit Committee wishes to thank the Executive Authority, Accounting Officer and Management, Internal Auditors and AGSA for their tireless efforts, commitment and support throughout the year.

Signed on behalf of the Audit Committee by:



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**Ms. TH Mbatha**

**Chairperson of the Audit Committee: Office of the Premier of Mpumalanga**

**Date 13 August 2023**

### 13. BBEE COMPLIANCE PERFORMANCE INFORMATION

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

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 <i>(include a discussion on your response and indicate what measures have been taken to comply)</i>
Determining qualification criteria for issuing licences, concessions or other authorisations regarding economic activity in terms of any law?	N/A	N/A
Developing and implementing a preferential procurement policy?	Yes	The OTP has adopted and continues to implement the National Treasury Preferential Procurement Policy.
Determining qualification criteria for the sale of state-owned enterprises?	N/A	N/A
Developing criteria for entering into partnerships with the private sector?	N/A	N/A
Determining criteria for the awarding of incentives, grants and investment schemes in support of Broad Based Black Economic Empowerment?	N/A	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 OTP

OTP has continued to embrace the evolving technological imperatives that fundamentally require that there be change and adaptation to new ways of carrying out work. Given the 4th Industrial Revolution's rapid pace of change and broad impact on legislators and regulators, National and Provincial Departments, including the OTP remained challenged to an unprecedented degree. The OTP had therefore continued to streamline its Workplace Skills Plan based on the latest technological developments and innovations, in an effort to remain relevant. Several meetings, workshops and sessions, including management committee sessions, provincial human resource fora, employee health and wellness, occupational health and safety committee meetings, etc. were conducted virtually in an effort to keep up with the technological pace.

In addition, the OTP kept positioning itself accordingly and consistently worked towards emphasizing the importance of keeping up with the latest human resource trends, aimed at improving effectiveness and efficiency within its ranks. The Chief Directorate: Strategic Human Resource Services played a pivotal role in providing support to all the line Units with the purpose of facilitating the achievements of the OTP's outcomes and outputs as outlined in the APP.

The OTP has a legal obligation in accordance with section 8 of the Occupational Health and Safety Act (OHSA), 1993 to, where reasonably practicable, provide and maintain a safe, healthy work environment that is without risk to employees. Thus, the Transversal Unit (Transversal Human Resource Management Services), was entrusted with the responsibility of monitoring the implementation of the Employee Health and Wellness Programmes, including Occupational Health and Safety Programmes, across the Mpumalanga Provincial Government. Furthermore, the OTP had an Internal Employee Health and Wellness (EHW) Division within its ranks.

The OTP has convened four quarterly meetings of the Occupational Health and Safety Committee and discussions on matters of Safety, Health and Environmental were held. Only two Injury on Duty (IOD) cases were reported during the year under review. The OTP further processed payments of medical costs of treating doctors and travelling expenses of officials registered for IOD.

Furthermore, the OTP had, regularly and or as and when required co-ordinated several bereavement programmes to honour officials who have passed on, as well as to support officials affected by bereavements in their private lives.

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

The recruitment processes in the OTP was informed by legal prescripts such as the selection and recruitment policies, and the code of remuneration that must guide the process of identifying and acquiring relevant skills. In addition, the OTP was required to conduct competency assessments prior to filling posts of Managers and those within the Senior Management Services.

The OTP has identified critical vacant funded posts that needed to be filled as a matter of priority. Based on the above, the OTP had, during the course of this financial year, 39 critical vacant funded posts, including seven SMS Level posts. The OTP had identified 35 replacement posts which were advertised and were scheduled to be filled in the next financial year. It must be noted that during this financial year, 17 out of 20 graduate-interns were placed in various programmes, on a 24 months' Internship Contract. 17 student-interns were received from the Department of Education's (DoE's) TVET Colleges for the purpose of experiential learning on the Learnership Programme. The Learnership Programme was aimed at providing work environment exposure to the graduates and subsequently promote accelerated development and utilisation of available skills and qualified people for service delivery in the Public Service.

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

The OTP has an approved Human Resource Plan that had to be adjusted slightly to incorporate the provisions and requirements

of the moratorium on the filling of posts. The HR Plan was reviewed and submitted to the Department of Public Service and Administration (DPSA) as per the applicable requirements. It outlines clearly the need and strategies to attract and recruit a skilled workforce. It also outlined the need to reduce the period taken to fill vacant posts to at most six months and decrease the vacancy rate below the national norm of 10 percent. It further emphasised the need to meet all employment equity targets as reflected in the approved Employment Equity Plan of the OTP.

The OTP acknowledged that there was still a long way to go before all employment equity goals are realised, especially with regards to the representation of women in the Senior Management Services level which currently stands at 28,6%, i.e., 10 women out of 35 SMS members. However, the OTP will keep developing and implementing strategies aimed at achieving this crucial goal. To achieve ultimate equity in the OTP, additional measures such as policies, programmes and plans will be integrated and implemented in harmony. These policies, programmes and plans will be developed in an interactive, participative, consultative and transparent manner. The Employment Equity Act, 1998 and the OTP Employment Equity Policy placed an obligation upon the OTP to develop, implement and monitor an employment equity plan. The OTP had, however, done well in terms of the representation of people with disabilities within its ranks, i.e. 10 out of 258 staff members (inclusive of 17 graduate-interns), which is 3,8%. The OTP has to gear itself to reach the 7% representation of persons with disabilities espoused by the Gender Responsive Planning, Budgeting, Monitoring, Evaluation and Auditing (GRBPMEA) Framework. With regards to the representation of females in the various lower categories, the status was as follows: 40,7% women representation in the Middle Management Services (MMS) levels, i.e. 22 females out of 54; 70,2% women representation in the Junior Management level (JM) levels, i.e. 33 females out of 47; 54,5% women representation in the Middle and Junior Management Services (MMS and JM) levels, i.e. 55 females out of 101; 72,1% women representation on post levels 2 to 12, i.e. 75 out of 104; and Overall, the OTP has 57,8% representation of females within its ranks, i.e. 149 out of 258 employees.

According to the Oversight Report, the OTP's occupancy rate stands at 94,9%, while the vacancy rate stands at 5,1% on the PERSAL establishment. These figures are informed by the fact that most of those vacant unfunded posts were abolished, subject to them being resuscitated for filling, after the recruitment and selection processes of the second round of advertisements had been concluded.

The vacant funded posts in which appointed officials are acting, were kept on the PERSAL establishment in order to facilitate the payment of their acting allowances. It must be noted that though the vacancy rate based on the approved organogram has remained high throughout the Financial Year. The approved organogram has 384 posts, of which 241 (62,8%) are filled, which includes the Premier and 143 (37,2%) are vacant.

### **Employee performance management**

The OTP has shown a slight decline in relation to the implementation of the Performance Management and Development System (PMDS) in terms of the approved Performance Management and Development Policy (PMDP), for officials on salary levels 2-12, i.e. 176 out of 204 (86,3%) compliance in terms of signing of Performance Undertakings. The signing of Performance Agreements by SMS members on or before the deadline as per Chapter 4 of the SMS Handbook has recorded a 73,3% compliance rate (22 SMS members out of 30), which is a decline in comparison to the previous financial year. There has been a slight decline in the assessment of SMS Members in this regard. It must also be noted that the OTP has dealt with the outstanding assessments for these SMS Members affected.

### **Employee Wellness Programmes**

The OTP has a Transversal Unit (Transversal Human Resource Management Services), which is entrusted with the responsibility of monitoring the implementation of the Employee Health and Wellness Programmes across the Mpumalanga Provincial Government. Furthermore, the OTP has an Internal Employee Health and Wellness (EHW) Division within ranks. The OTP has continued to implement most of the activities, contained in the employee health and wellness operational plan.

During the year under review, the OTP has successfully hosted the Stress Management Workshop and Physical Fitness Session. It also managed to co-ordinate and convene Occupational Health and Safety sessions on quarterly basis. Furthermore, the OTP coordinated and implemented several bereavement programmes to honour the departed officials, as well as to support officials affected by bereavements in their private lives.

Achievements by the OTP, as well as future human resource plans/goals

The following human resource achievements were recorded during the period under review:

- Availability of an approved comprehensive Human Resource Plan, which was submitted to the DPSA;
- Filling of 39 critical vacant funded posts, as per the EXCO approval;
- Availability of an approved comprehensive Human Resource Planning Implementation Report, which was submitted to DPSA;
- Availability of an approved Employment Equity Plan and Report, which were submitted to the DPSA and the Department of Employment and Labour;
- Representation of People with Disabilities, i.e. 3,8% (10 out 258) employees;
- Availability of approved human resource policies and frameworks, including Employee Health and Wellness policies;
- Availability of a fully functional Occupational Health and Safety Committee as well as Human Resource Forum; and
- Availability of an approved Occupational Health and Safety Policy.

### Challenges

The following human resource challenges were experienced during the period under review:

- Non-achievement of 50% target on women representation at SMS level, i.e. 28,6% (10 out of 35);
- Low representation of youth in the OTP, i.e. 23 out of 241 officials, which constitutes 9,5%. excluding 17 interns;
- Delays in finalising recruitment and selection processes;
- Too many vacant positions;
- Prolonged stakeholder consultation in finalising and implementing the reviewed organisational structure; and
- Poor employer-employee relations.

## 3. HUMAN RESOURCES OVERSIGHT STATISTICS

### 3.1 Personnel related expenditure

*Table 3.1.1 Personnel expenditure by programme for the period 1 April 2022 to 31 March 2023*

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	156 606	72 791	0	0	46	758
Institutional Development	81 153	54 176	0	0	67	531
Policy & Governance	119 386	43 978	0	0	37	733
<b>Total as on Financial Systems (BAS)</b>	<b>357 145</b>	<b>170 945</b>	<b>0</b>	<b>0</b>	<b>48</b>	<b>663</b>

*Table 3.1.2 Personnel costs by salary band for the period 1 April 2022 to 31 March 2023*

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)	1 304	0.76	8	163 000
Skilled (Levels 3-5)	10 193	5.96	35	291 229
Highly skilled production (Levels 6-8)	27 320	15.98	55	496 727
Highly skilled supervision (Levels 9-12)	79 552	46.52	96	835 760
Senior management (Levels > 13)	32 976	19.3	28	1 177 714
Contract (Levels 3-5)	672	0.40	2	336 000
Contract (Levels 6-8)	1 699	1	4	424 750
Contract (Levels 9-12)	3 551	2.1	5	710 200
Contract (Levels >13)	13 369	7.8	8	1 671 125
Contract Other	309	0.18	17	18 176
<b>TOTAL</b>	<b>170 945</b>	<b>100</b>	<b>258</b>	<b>665 217</b>

*Table 3.1.3 Salaries, Overtime, Home Owners Allowance and Medical Aid by programme for the period 1 April 2022 to 31 March 2023*

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
Pr1: Administration	62 168	77	1 074	1.3	1 151	1.4	2 905	3.6
Pr2: Institutional Development	44 557	79	379	0.7	1 081	1.9	2 510	4.5
Pr3: Policy and Planning	36 082	79.6	13	0	588	1.3	1 761	3.9
Pr3: Policy and Governance	1 527	80.1	0	0	27	1.4	91	4.8
<b>TOTAL</b>	<b>144 334</b>	<b>78.3</b>	<b>1 466</b>	<b>0.8</b>	<b>2 847</b>	<b>1.5</b>	<b>7 267</b>	<b>3.9</b>

*Table 3.1.4 Salaries, Overtime, Home Owners Allowance and Medical Aid by salary band for the period 1 April 2022 to 31 March 2023*

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)	970	74.2	7	0.5	114	8.7	108	8.3
Skilled (Levels 3-5)	7 509	71.9	221	2.1	590	5.6	1 011	9.7
Highly skilled production (Levels 6-8)	21 187	74.2	673	2.4	942	3.3	2 113	7.4

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
Highly skilled supervision (Levels 9-12)	68 172	79.3	561	0.7	941	1.1	3 079	3.6
Senior management (Levels >= 13)	29 055	83.5	0	0	146	0.4	467	1.3
Contract (Levels 3-5)	561	83.2	0	0	19	2.8	0	0
Contract (Levels 6-8)	1 262	66.5	0	0	56	3	245	12.9
Contract (Levels 9-12)	3 125	67.3	0	0	37	0.8	83	1.8
Contract (Levels >= 13)	12 188	77.6	0	0	0	0	162	1
Contract Other	306	95	2	0.6	0	0	0	0
<b>TOTAL</b>	<b>144 334</b>	<b>78.3</b>	<b>1 466</b>	<b>0.8</b>	<b>2 846</b>	<b>1.5</b>	<b>7 267</b>	<b>3.9</b>

### 3.2 Employment and Vacancies

*Table 3.2.1 Employment and vacancies by programme as on 31 March 2023*

Programme	Number of posts on approved establishment	Number of posts filled	Vacancy Rate	Number of employees additional to the establishment
Pr1: Administration*, Permanent	104	96	7.7	0
Pr2: Institutional Development*, Permanent	107	102	4.7	0
Pr3: Policy And Planning, Permanent	58	57	1.7	0
Programme 3:*Policy And Governance, Permanent	3	3	0	0
<b>TOTAL</b>	<b>272</b>	<b>258</b>	<b>5.1</b>	<b>0</b>

*Table 3.2.2 Employment and vacancies by salary band as on 31 March 2023*

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	8	8	0	0
Skilled (Levels 3-5), Permanent	37	35	5.4	0
Highly Skilled Production (Levels 6-8), Permanent	56	55	1.8	0
Highly Skilled Supervision (Levels 9-12), Permanent	106	96	9.4	0
Senior Management (Levels >= 13), Permanent	29	28	3.4	0
Other, Permanent	17	17	0	0
Contract (Levels 3-5), Permanent	2	2	0	0
Contract (Levels 6-8), Permanent	4	4	0	0
Contract (Levels 9-12), Permanent	5	5	0	0
Contract (Levels >13), Permanent	8	8	0	0
<b>TOTAL</b>	<b>272</b>	<b>258</b>	<b>5.1</b>	<b>0</b>

*Table 3.2.3 Employment and vacancies by critical occupations as on 31 March 2023*

Critical occupation	Number of posts on approved establishment	Number of posts filled	Vacancy Rate	Number of employees additional to the establishment
Administrative Related, Permanent	54	50	7.4	0
Cleaners In Offices Workshops Hospitals Etc., Permanent	14	14	0	0
Client Inform Clerks(Switchb Receipt Inform Clerks), Permanent	3	3	0	0
Communication And Information Related, Permanent	13	12	7.7	0
Economists, Permanent	2	2	0	0
Finance And Economics Related, Permanent	14	13	7.1	0
Financial And Related Professionals, Permanent	3	2	33.3	0
Financial Clerks And Credit Controllers, Permanent	27	24	11.1	0
Head Of Department/Chief Executive Officer, Permanent	1	1	0	0
Household Food And Laundry Services Related, Permanent	1	1	0	0
Human Resources & Organisat Developm & Relate Prof, Permanent	8	8	0	0
Human Resources Clerks, Permanent	21	19	9.5	0
Human Resources Related, Permanent	19	17	10.5	0
Information Technology Related, Permanent	1	1	0	0
Library Mail And Related Clerks, Permanent	5	5	0	0
Motor Vehicle Drivers, Permanent	2	2	0	0
Other Administrat & Related Clerks And Organisers, Permanent	35	35	0	0
Other Administrative Policy And Related Offices, Permanent	4	4	0	0
Other Occupations, Permanent	3	3	0	0
Risk Management And Security Services, Permanent	2	2	0	0
Secretaries & Other Keyboard Operating Clerks, Permanent	16	16	0	0
Senior Managers, Permanent	24	24	0	0
<b>TOTAL</b>	<b>272</b>	<b>258</b>	<b>5.1</b>	<b>0</b>

### 3.3 Filling of SMS Posts

*Table 3.3.1 SMS post information as on 31 March 2023*

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	1	1	100%	0	0%
Salary Level 15	3	2	66.7%	1	33.3%
Salary Level 14	10	7	70%	3	30%
Salary Level 13	29	25	86.2%	4	13.8%
<b>Total</b>	<b>43</b>	<b>35</b>	<b>81.3%</b>	<b>08</b>	<b>18.7%</b>

Table 3.3.2 SMS post information as on 30 September 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	1	1	100%	0	0%
Salary Level 15	3	2	66.7%	1	33.3%
Salary Level 14	10	5	50%	5	50%
Salary Level 13	29	22	75.9%	7	24.1%
<b>Total</b>	<b>43</b>	<b>31</b>	<b>72.9%</b>	<b>13</b>	<b>27.1%</b>

Table 3.3.3 Advertising and filling of SMS posts for the period 1 April 2022 and 31 March 2023

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	0	0	0
Salary Level 16	0	0	0
Salary Level 15	1	1	0
Salary Level 14	5	2	03
Salary Level 13	7	6	01
<b>Total</b>	<b>13</b>	<b>09</b>	<b>04</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 2022 to 31 March 2023

Reasons for vacancies not advertised within six months
None.
Reasons for vacancies not filled within twelve months
The OTP could not finalise positions within the stipulated period owing to various operational reasons. i.e. Non-Availability of Panel Members and Irregular Schedule / Postponement of Executive Council Sessions.

Table 3.3.5 Disciplinary steps taken for not complying with the prescribed timeframes for filling SMS posts within 12 months for the period 1 April 2022 to 31 March 2023

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

### 3.4 Job Evaluation

Table 3.4.1 Job Evaluation by Salary band for the period 1 April 2022 to 31 March 2023

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)	8	0	0	0	0	0	0
Skilled (Levels 3-5)	37	0	0	0	0	0	0

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
Highly Skilled Production (Levels 6-8)	56	0	0	0	0	0	0
Highly Skilled Supervision (Levels 9-12)	106	0	0	1	100	0	0
Senior Management Service Band A	23	0	0	0	0	0	0
Senior Management Service Band B	4	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
Other	17	0	0	0	0	0	0
Contract (Levels 3-5)	2	0	0	0	0	0	0
Contract (Levels 6-8)	4	0	0	0	0	0	0
Contract (Levels 9-12)	5	0	0	0	0	0	0
Contract Band A	3	0	0	0	0	0	0
Contract Band B	3	0	0	0	0	0	0
Contract Band C	1	0	0	0	0	0	0
Contract Band D	1	0	0	0	0	0	0
<b>TOTAL</b>	<b>272</b>	<b>0</b>	<b>0</b>	<b>1</b>	<b>100</b>	<b>0</b>	<b>0</b>

*Table 3.4.2 Profile of employees whose positions were upgraded due to their posts being upgraded for the period 1 April 2022 to 31 March 2023*

Gender	African	Asian	Coloured	White	Total
Female	0	0	0	0	0
Male	0	0	0	0	0
<b>Total</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Employees with a disability					0

*Table 3.4.3 Employees with salary levels higher than those determined by job evaluation by occupation for the period 1 April 2022 to 31 March 2023*

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

*Table 3.4.4 Profile of employees who have salary levels higher than those determined by job evaluation for the period 1 April 2022 to 31 March 2023*

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

Employees with a disability	0	0	0	0	0
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Total number of Employees whose salaries exceeded the grades determined by job evaluation	0
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### 3.5 Employment Changes

*Table 3.5.1 Annual turnover rates by salary band for the period 1 April 2022 to 31 March 2023*

Salary band	Number of employees at beginning of period-1 April 2022	Appointments and transfers into the department	Terminations and transfers out of the department	Turnover rate
Lower Skilled (Levels 1-2) Permanent	5	3	0	0
Skilled (Levels 3-5) Permanent	32	6	0	0
Highly Skilled Production (Levels 6-8) Permanent	52	5	3	5.8
Highly Skilled Supervision (Levels 9-12) Permanent	90	4	4	4.4
Senior Management Service Band A Permanent	19	1	1	5.3
Senior Management Service Band B Permanent	2	1	0	0
Senior Management Service Band B Permanent	0	1	0	0
Senior Management Service Band D Permanent	1	0	0	0
Other Permanent	0	18	0	0
Other Permanent	0	0	1	0
Contract (Levels 3-5) Permanent	4	0	2	50
Contract (Levels 6-8) Permanent	4	0	0	0
Contract (Levels 9-12) Permanent	5	0	0	0
Contract Band A Permanent	3	0	0	0
Contract Band B Permanent	3	0	0	0
Contract Band C Permanent	2	0	1	50
Contract Band D Permanent	1	0	0	0
<b>TOTAL</b>	<b>223</b>	<b>39</b>	<b>12</b>	<b>5.4</b>

*Table 3.5.2 Annual turnover rates by critical occupation for the period 1 April 2022 to 31 March 2023*

Critical occupation	Number of employees at beginning of period-April 2022	Appointments and transfers into the department	Terminations and transfers out of the department	Turnover rate
Administrative Related Permanent	46	3	1	2.2
Cleaners In Offices Workshops Hospitals Etc. Permanent	11	3	0	0
Client Inform Clerks(Switchb Recept Inform Clerks) Permanent	2	1	0	0
Communication And Information Related Permanent	14	1	3	21.4
Economists Permanent	2	0	0	0
Finance And Economics Related Permanent	13	0	1	7.7

Critical occupation	Number of employees at beginning of period- April 2022	Appointments and transfers into the department	Terminations and transfers out of the department	Turnover rate
Financial And Related Professionals Permanent	2	0	0	0
Financial Clerks And Credit Controllers Permanent	21	3	1	4.8
Head Of Department/Chief Executive Officer Permanent	1	0	0	0
Household Food And Laundry Services Related Permanent	1	0	0	0
Human Resources & Organisat Developm & Relate Prof Permanent	4	3	0	0
Human Resources Clerks Permanent	5	19	3	60
Human Resources Related Permanent	15	0	0	0
Legal Related Permanent	5	0	0	100
Library Mail And Related Clerks Permanent	5	0	0	0
Motor Vehicle Drivers Permanent	1	1	0	0
Other Administrat & Related Clerks And Organisers Permanent	32	2	1	3.1
Other Administrative Policy And Related Officers Permanent	4	0	0	0
Other Occupations Permanent	3	0	0	0
Risk Management And Security Services Permanent	3	0	0	0
Secretaries & Other Keyboard Operating Clerks Permanent	16	0	0	0
Senior Managers Permanent	22	3	2	9.1
<b>TOTAL</b>	<b>223</b>	<b>39</b>	<b>12</b>	<b>5.4</b>

*Table 3.5.3 Reasons why staff left the department for the period 1 April 2022 to 31 March 2023*

Termination Type	Number	% of Total Resignations
Death	1	8.3
Resignation	6	50
Expiry of contract	3	25
Dismissal – operational changes	0	0
Dismissal – misconduct	0	0
Dismissal – inefficiency	0	0
Discharged due to ill-health	0	0
Retirement	2	16.7
Transfer to other Public Service Departments	0	0
Other	0	0
<b>Total</b>	<b>12</b>	<b>100</b>
<b>Total number of employees who left as a % of total employment</b>	<b>4.70</b>	<b>100</b>

*Table 3.5.4 Promotions by critical occupation for the period 1 April 2022 and 31 March 2023*

Occupation	Employees 1 April 2022	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	46	3	6.5	28	60.9
Cleaners In Offices Workshops Hospitals Etc.	11	0	0	0	0
Client Inform Clerks(Switchb Recept Inform Clerks)	2	0	0	1	50
Communication And Information Related	14	0	0	7	50
Economists	2	1	50	0	0
Finance And Economics Related	13	2	15.4	8	61.5
Financial And Related Professionals	2	0	0	1	50
Financial Clerks And Credit Controllers	21	2	9.5	16	76.2
Head Of Department/Chief Executive Officer	1	0	0	0	0
Household Food And Laundry Services Related	1	0	0	0	0
Human Resources & Organisat Developm & Relate Prof	4	1	25	0	0
Human Resources Clerks	5	0	0	0	0
Human Resources Related	15	7	46.7	5	33.3
Information Technology Related, Permanent	1	1	0	2	40
Library Mail And Related Clerks	0	1	0	0	0
Motor Vehicle Drivers	1	0	0	1	100
Other Administrat & Related Clerks And Organisers	32	3	9.4	22	68.8
Other Administrative Policy And Related Officers	4	0	0	4	100
Other Occupations	3	0	0	1	33.3
Risk Management And Security Services	3	0	0	1	33.3
Secretaries & Other Keyboard Operating Clerks	16	0	0	12	75
Senior Managers	22	1	4.5	8	36.4
<b>TOTAL</b>	<b>223</b>	<b>22</b>	<b>9.9</b>	<b>117</b>	<b>52.5</b>

*Table 3.5.5 Promotions by salary band for the period 1 April 2022 to 31 March 2023*

Salary Band	Employees 1 April 2022	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	5	0	0	0	0
Skilled (Levels 3-5), Permanent	32	0	0	18	56.3
Highly Skilled Production (Levels 6-8), Permanent	52	4	7.7	33	63.5
Highly Skilled Supervision (Levels 9-12), Permanent	90	14	15.6	51	56.7
Senior Management (Levels >= 13), Permanent	22	4	18.2	10	45.5
Contract (Levels 3-5), Permanent	4	0	0	0	0
Contract (Levels 6-8), Permanent	4	0	0	3	75
Contract (Levels 9-12), Permanent	5	0	0	0	0
Contract (Levels >= 13), Permanent	9	0	0	2	22.2
<b>TOTAL</b>	<b>223</b>	<b>22</b>	<b>9.9</b>	<b>117</b>	<b>52.5</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 2023*

Occupational category	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Senior Officials and Managers	12	0	0	3	10	0	0	0	25
Professionals	30	1	1	1	23	1	0	0	57
Technicians and Associate Professionals	24	0	0	1	28	0	0	1	54
Clerks	31	0	0	0	68	3	0	0	102
Service Shop And Market Sales Workers	1	0	0	0	2	0	0	0	3
Plant and Machine Operators and Assemblers	2	0	0	0	0	0	0	0	2
Labourers and Related Workers	2	0	0	0	13	0	0	0	15
<b>Total</b>	<b>102</b>	<b>1</b>	<b>1</b>	<b>5</b>	<b>144</b>	<b>4</b>	<b>0</b>	<b>1</b>	<b>258</b>
Employees with Disabilities	6	0	0	1	3	0	0	0	10

*Table 3.6.2 Total number of employees (including employees with disabilities) in each of the following occupational bands as on 31 March 2023*

Occupational band	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top Management, Permanent	0	0	0	0	2	0	0	0	2
Senior Management, Permanent	15	0	0	3	8	0	0	0	26
Professionally qualified and experienced specialists and mid-management, Permanent	40	1	1	2	50	1	0	1	96
Skilled technical and academically qualified workers, junior management, supervisors, foremen, Permanent	15	0	0	0	38	2	0	0	55
Semi-skilled and discretionary decision making, Permanent	12	0	0	0	22	1	0	0	35
Unskilled and defined decision making, Permanent	1	0	0	0	7	0	0	0	8
Not Available, Permanent	9	0	0	0	8	0	0	0	17
Contract (Top Management), Permanent	2	0	0	0	0	0	0	0	2
Contract (Senior Management), Permanent	5	0	0	0	1	0	0	0	6
Contract (Professionally Qualified), Permanent	2	0	0	0	3	0	0	0	5

Occupational band	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Contract (Skilled Technical), Permanent	1	0	0	0	3	0	0	0	4
Contract (Semi-Skilled), Permanent	0	0	0	0	2	0	0	0	2
<b>TOTAL</b>	<b>102</b>	<b>1</b>	<b>1</b>	<b>5</b>	<b>144</b>	<b>4</b>	<b>0</b>	<b>1</b>	<b>258</b>

*Table 3.6.3 Recruitment for the period 1 April 2022 to 31 March 2023*

Occupational band	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top Management, Permanent	0	0	0	0	1	0	0	0	1
Senior Management, Permanent	1	0	0	0	1	0	0	0	2
Professionally qualified and experienced specialists and mid-management, Permanent	1	0	0	0	3	0	0	0	4
Skilled technical and academically qualified workers, junior management, supervisors, foremen, Permanent	4	0	0	0	0	1	0	0	5
Semi-Skilled and discretionary decision making, Permanent	3	0	0	0	3	0	0	0	6
Unskilled and defined decision making, Permanent	1	0	0	0	2	0	0	0	3
Not Available, Permanent	9	0	0	9	0	8	1	0	9
<b>TOTAL</b>	<b>19</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>18</b>	<b>2</b>	<b>0</b>	<b>0</b>	<b>39</b>
Employees with disabilities	0	0	0	0	0	0	0	0	0

**Table 3.6.4 Promotions for the period 1 April 2022 to 31 March 2023**

Occupational band	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Senior Management, Permanent	8	0	0	0	6	0	0	0	14
Professionally qualified and experienced specialists and mid-management, Permanent	27	0	1	1	35	1	0	0	65
Skilled technical and academically qualified workers, junior management, supervisors, foremen, Permanent	6	0	0	0	30	1	0	0	37
Semi-skilled and discretionary decision making, Permanent	5	0	0	0	13	0	0	0	18
Contract (Top Management), Permanent	1	0	0	0	0	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
<b>TOTAL</b>	<b>49</b>	<b>0</b>	<b>1</b>	<b>1</b>	<b>86</b>	<b>2</b>	<b>0</b>	<b>0</b>	<b>139</b>
Employees with disabilities	4	0	0	0	3	0	0	0	7

**Table 3.6.5 Terminations for the period 1 April 2022 to 31 March 2023**

Occupational band	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Senior Management, Permanent	1	0	0	0	0	0	0	0	1
Professionally qualified and experienced specialists and mid-management, Permanent	1	1	0	0	2	0	0	0	4
Skilled technical and academically qualified workers, junior management, supervisors, foremen, Permanent	0	0	0	0	2	0	0	0	3
Not Available, Permanent	0	0	0	0	0	1	0	0	1
Contract (Top Management), Permanent	1	0	0	0	0	0	0	0	1
Contract (Semi-skilled), Permanent	1	0	0	0	1	0	0	0	2
<b>TOTAL</b>	<b>4</b>	<b>1</b>	<b>0</b>	<b>0</b>	<b>5</b>	<b>1</b>	<b>0</b>	<b>1</b>	<b>12</b>
Employees with Disabilities	0	0	0	0	0	0	0	0	0

**Table 3.6.6 Disciplinary action for the period 1 April 2022 to 31 March 2023**

Disciplinary action	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Suspension	2	0	0	0	0	0	0	0	2
<b>TOTAL</b>	<b>2</b>	<b>0</b>	<b>2</b>						

*Table 3.6.7 Skills development for the period 1 April 2022 to 31 March 2023*

Occupational category	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Senior Officials And Managers	09	0	0	3	12	0	0	0	24
Professionals	24	1	1	1	37	0	0	1	65
Technicians And Associate Professionals	21	0	0	0	39	1	0	0	61
Clerks	26	0	0	0	71	1	0	0	98
Service Shop And Market Sales 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
Labourers And Related Workers	4	0	0	0	6	0	0	0	10
<b>TOTAL</b>	<b>84</b>	<b>2</b>	<b>1</b>	<b>5</b>	<b>126</b>	<b>2</b>	<b>0</b>	<b>1</b>	<b>258</b>
Employees with disabilities	6	0	0	1	2	1	0	0	10

### 3.7 Performance Agreements

*Table 3.7.1 Signing of Performance Agreements by SMS members as on 31 May 2022*

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	1	1	1	100%
Salary Level 15	3	2	1	50%
Salary Level 14	10	5	2	40%
Salary Level 13	26	22	18	81%
<b>Total</b>	<b>40</b>	<b>30</b>	<b>22</b>	<b>73.3%</b>

*Table 3.7.2 Reasons for not having concluded Performance agreements for all SMS members as on 31 March 2023*

Reasons
Non-compliance
Advisors to the Premier not required by law to sign performance Agreements.

*Table 3.7.3 Disciplinary steps taken against SMS members for not having concluded Performance agreements as on 31 March 2023*

Reasons
None.

### 3.8 Performance Rewards

*Table 3.8.1 Performance Rewards by race, gender and disability for the period 1 April 2022 to 31 March 2023*

Race and Gender	Beneficiary Profile			Cost	
	Number of beneficiaries	Number of Employees	% of total within group	Cost (R'000)	Average cost per employee
African, Female	0	141	0	0	0
African, Male	0	96	0	0	0
Indian, Female	0	0	0	0	0
Indian, Male	0	1	0	0	0
Coloured, Female	0	4	0	0	0
Coloured, Male	0	1	0	0	0
Total Blacks, Female	0	145	0	0	0
Total Blacks, Male	0	98	0	0	0
White, Female	0	1	0	0	0
White, Male	0	4	0	0	0
Employees with a disability	1	10	10	3	3 013
<b>TOTAL</b>	<b>1</b>	<b>258</b>	<b>0.40</b>	<b>3</b>	<b>3 013</b>

*Table 3.8.2 Performance Rewards by salary band for personnel below Senior Management Service for the period 1 April 2022 to 31 March 2023*

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)	0	8	0	0	0
Skilled (Levels 3-5)	0	35	0	0	0
Highly Skilled Production (Levels 6-8)	0	55	0	0	0
Highly Skilled Supervision (Levels 9-12)	1	96	1	3	3 013
Other	0	17	0	0	0
Contract (Levels 3-5)	0	2	0	0	0
Contract (Levels 6-8)	0	4	0	0	0
Contract (Levels 9-12)	0	5	0	0	0
<b>TOTAL</b>	<b>1</b>	<b>222</b>	<b>0.5</b>	<b>3</b>	<b>3 013</b>

*Table 3.8.3 Performance Rewards by critical occupation for the period 1 April 2022 to 31 March 2023*

Critical occupation	Beneficiary Profile			Cost	
	Number of beneficiaries	Number of employees	% of total within occupation	Total Cost (R'000)	Average cost per employee
Financial Clerks And Credit Controllers	0	24	0	0	0
Household Food And Laundry Services Related	0	1	0	0	0
Human Resources Clerks	0	19	0	0	0
Human Resources & Organisational Development & Related Professions	0	8	0	0	0
Risk Management And Security Services	0	2	0	0	0
Finance And Economics Related	0	13	0	0	0
Other Administrative & Related Clerks And Organisers	0	35	0	0	0
Other Occupations	0	3	0	0	0
Financial And Related Professionals	0	2	0	0	0
Administrative Related	0	50	0	0	0
Communication And Information Related	0	12	0	0	0
Secretaries & Other Keyboard Operating Clerks	0	16	0	0	0
Cleaners In Offices Workshops Hospitals Etc.	0	14	0	0	0
Library Mail And Related Clerks	0	5	0	0	0
Human Resources Related	0	17	0	0	0
Head Of Department/Chief Executive Officer	0	1	0	0	0
Other Administrative Policy And Related Officers	1	4	25	3	3 013
Senior Managers	0	24	0	0	0
Client Information Clerks (Switchboard Reception Information Clerks)	0	3	0	0	0
Economists	0	3	0	0	0
Motor Vehicle Drivers	0	2	0	0	0
Information Technology Related	0	1	0	0	0
<b>TOTAL</b>	<b>1</b>	<b>258</b>	<b>0.4</b>	<b>3</b>	<b>3 013</b>

Table 3.8.4 Performance related rewards (cash bonus), by salary band for Senior Management Service for the period 1 April 2022 to 31 March 2023

Salary band	Beneficiary Profile			Cost		Total cost as a % of the total personnel expenditure	Personnel Cost SMS(R'000)
	Number of beneficiaries	Number of employees	% of total within salary bands	Total Cost (R'000)	Average cost per employee		
Band A	0	25	0	0	0	0	32 101
Band B	0	7	0	0	0	0	9 205
Band C	0	2	0	0	0	0	4 367
Band D	0	2	0	0	0	0	4 813
<b>TOTAL</b>	<b>0</b>	<b>36</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>50 487</b>

### 3.9 Foreign Workers

Table 3.9.1 Foreign workers by salary band for the period 1 April 2022 to 31 March 2023

Salary band	01 April 2022		31 March 2023		Change	
	Number	% of total	Number	% of total	Number	% Change
No foreign workers						

Table 3.9.2 Foreign workers by major occupation for the period 1 April 2022 to 31 March 2023

Major occupation	01 April 2022		31 March 2023		Change	
	Number	% of total	Number	% of total	Number	% Change
No foreign workers						

### 3.10 Leave Utilisation

*Table 3.10.1 Sick leave for the period 1 January 2022 to 31 December 2022*

Salary band	Total days	% Days with Medical certification	Number of Employees using sick leave	% of total employees using sick leave	Average days per employee	Estimated Cost (R'000)
Lower Skilled(Levels 1-2)	34	88.2	4	4.7	9	19
Skilled (Levels 3-5)	229	92.1	15	17.4	15	226
Highly skilled production (Levels 6-8)	196	87.8	22	25	9	308
Highly skilled supervision (Levels 9-12)	281	78.6	40	46.5	7	851
Senior management (Levels 13-16)	67	89.6	5	5.8	13	290
<b>TOTAL</b>	<b>807</b>	<b>86</b>	<b>86</b>	<b>100</b>	<b>9</b>	<b>1 694</b>

*Table 3.10.2 Disability leave (temporary and permanent) for the period 1 January 2022 to 31 December 2022*

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)	92	100	1	100	92	231
Senior management (Levels 13-16)	0	0	0	0	0	0
<b>Total</b>	<b>92</b>	<b>100</b>	<b>1</b>	<b>100</b>	<b>92</b>	<b>231</b>

*Table 3.10.3 Annual Leave for the period 1 January 2022 to 31 December 2022*

Salary band	Total days taken	Average per employee	Number of Employees using annual leave
Contract (Levels 13-16)	33	7	5
Contract (Levels 3-5)	20	7	3
Contract (Levels 6-8)	52	17	3
Contract(Level 9-12)	21	7	3
Contract Other	5	5	1
Highly skilled production (Levels 6-8)	1 330	22	61
Highly skilled supervision (Levels 9-12)	1 927	20	96
Lower skilled (Levels 1-2)	122	17	7
Senior management (Levels 13-16)	446	21	21

Skilled (Levels 3-5)	788	24	33
<b>TOTAL</b>	<b>4 744</b>	<b>20</b>	<b>233</b>

*Table 3.10.4 Capped leave for the period 1 January 2022 to 31 December 2022*

Salary band	Total days of capped leave taken	Average number of days taken per employee	Average capped leave per employee as on 31 March 2023	Number of Employees using Capped Leave	Total Number of Capped Leave Available at End of Period	Number of Employee as at End of Period
Contract (Levels 13-16)	0	0	0	0	0	0
Contract (Levels 3-5)	0	0	0	0	0	0
Contract (Levels 6-8)	0	0	0	0	0	0
Contract (Levels 9-12)	0	0	0	0	0	0
Highly skilled production (Levels 6-8)	0	0	38	0	762	20
Highly skilled supervision (Levels 9-12)	0	0	49	0	1 628.3	33
Lower skilled (Levels 1-2)	0	0	0	0	0	0
Senior management (Levels 13-16)	0	0	78	0	782.9	10
Skilled (Levels 3-5)	0	0	39	0	273.6	7
<b>TOTAL</b>	<b>0</b>	<b>0</b>	<b>49</b>	<b>0</b>	<b>3 446.8</b>	<b>70</b>

*Table 3.10.5 Leave pay-outs for the period 1 April 2022 to 31 March 2023*

Reason	Total amount (R'000)	Number of employees	Average per employee (R'000)
Annual - Discounting With Resignation (Work Days)	227	5	45 400
Annual-Discounting: Contract Expiry(Work Days)	29	2	14 500
Annual-Discounting: Unused Vacation Credits(Work Day)	237	2	118 500
Annual - Gratuity: Death/Retirement/Medical Retirement (Work Days)	95	2	47 500
Annual-Head Of Department/Medical(Gratuity)(Work Days)	155	1	155 000
Capped - Gratuity: Death/Retirement/Medical Retirement (Work Days)	466	2	233 000
<b>TOTAL</b>	<b>1 210</b>	<b>14</b>	<b>404 200</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
None	-

**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 3 of Chapter 4 of the Public Service Regulations, 2016? If so, provide her/his name and position.	X		Mr André Liebenberg
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.	X		<p>The Transversal Human Resource Management Services Unit is entrusted with the responsibility of monitoring the implementation of the Employee Health and Wellness Programme, including HCT campaigns across the Mpumalanga Provincial Government.</p> <p>The team has five staff members, who facilitate the implementation of the Employee Health and Wellness (EH&amp;W) Strategic Plan and Occupational Health and Safety Plan to ensure the employee wellness, safety in the workplace and co-ordination.</p> <p>The budget for the Internal Employee Health and Wellness Programme is allocated within the Internal HRM and Development Unit – The budget is therefore not specifically allocated for the Internal Employee Health and Wellness Division.</p>
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.	X		Stress Management Workshop, Physical Fitness Session. The Key elements of the Programme are: Wellness management; Safety Health Environment Risk and Quality Management; and Health Productivity Management in compliance with the National Policy Framework on Employee Health and Wellness.

4. Has the department established (a) committee(s) as contemplated in Part 3 of Chapter 4 of the Public Service Regulations, 2016? If so, please provide the names of the members of the committee and the stakeholder(s) that they represent.	X		<b>NAME</b>	<b>POSITION</b>
			1. Mr PJ Jiyane	Acting General Manager: Strategic HR (Co-ordinator)
			2. Mr NC Sibande	Compliance Officer
			3. Ms M Mhlongo	Manager: Executive Council Secretariat
			4. Mr JP Dlamini	Manager: Internal HRM and Development (Co-ordinator)
			5. Mr DP Nkambule	Manager: OTP on the Status of Disabled Persons
			6. Mr EJ Mkhonto	(A) Manager: Security and Protocol Services
			7. Ms YA Fakude	Manager: Risk Management
			8. Mr RA Bellim	Manager: Monitoring and Evaluation
			9. Mr A Liebenberg	Manager: Transversal HRM Services
			10. Mr AB Mashele	OTP Manager: Institutional Development
			11. Ms MN Radebe	OHS Practitioner (Co-ordinator)
			12. Ms VJ Mbuyane	Labour Union representative (NEHAWU)
			13. Mr EM Mdluli	Labour Union representative (PSA)
			14. Mr KC Thete	Senior Manager: Office of the Director-General
15. S Shabangu	Assistant Manager: Budget			

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.	X	The OTP has reviewed its HIV/AIDS and TB Management Policy Framework, Wellness Management Policy and Bereavement policies. All the above policies have been approved by the Accounting Officer.
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.	X	The OTP ensures that during its quarterly Employee Health and Wellness Programmes, it provides awareness on condom usage and condom distribution. In addition, there are policies in place that can be used as educational tools on important issues relating to HIV/AIDS.
7. Does the department encourage its employees to undergo Voluntary Counselling and Testing? If so, list the results that you have achieved.	X	During the course of this financial year, no employee got tested through the OTP's initiative or programme. It must however be noted that according to the OTP's plans, during every Health and Wellness promotion event, employees are required to be provided with the opportunity to undergo voluntarily counselling and testing including General and Physical Health assessment. To date 143 officials in the OTP, have undergone VCT.
8. Has the department developed measures/indicators to monitor & evaluate the impact of its health promotion programme? If so, list these measures/indicators.	X	There are several Policies in place to guide the implementation of EH&W and the conduct of employees Quarterly Sick leave utilization profile; Reduction in absenteeism; behaviour and lifestyle modification; the levels of compliance to treatment and healthy lifestyles; and the improved level of attendance to EH&W Programmes and HCT campaigns. The Annual Operational Plan that talks to the four (4) Pillars being the Implementation and Operation of the EH&W Management system and EH&W evaluation, whilst the corrective and preventative action makes provision for the effective monitoring and evaluation of the EH&W Programme.

### 3.12 Labour Relations

Table 3.12.1 Collective agreements for the period 1 April 2022 to 31 March 2023

Subject matter	Date
Total number of collective agreements	None

Table 3.12.2 Misconduct and disciplinary hearings finalised for the period 1 April 2022 to 31 March 2023

Outcomes of disciplinary hearings	Number	% of total
None		
Total number of Disciplinary hearings finalised		None

*Table 3.12.3 Types of misconduct addressed at disciplinary hearings for the period 1 April 2022 to 31 March 2023*

Type of misconduct	Number	% of total
None	-	-

*Table 3.12.4 Grievances logged for the period 1 April 2022 to 31 March 2023*

Grievances	Number	% of Total
None	-	-

*Table 3.12.5 Disputes logged with Councils for the period 1 April 2022 to 31 March 2023*

Disputes	Number	% of Total
None	-	-

*Table 3.12.6 Strike actions for the period 1 April 2022 to 31 March 2023*

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

*Table 3.12.7 Precautionary suspensions for the period 1 April 2022 to 31 March 2023*

Number of people suspended	2
Number of people whose suspension exceeded 30 days	2
Average number of days suspended	264
Cost of suspension (R'000)	R2 205 216.48

### 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 2022 to 31 March 2023*

Occupational category	Gender	Number of employees as at 1 April 2022	Training needs identified at start of the reporting period			
			Learnerships/ Internships	Skills Programmes & other short courses	Other forms of training	Total
Legislators, senior officials and managers	Female	80	0	3	3	6
	Male	50	0	2	2	4
Professionals	Female	20	0	3	2	5
	Male	20	0	1		
Technicians and associate professionals	Female	0	0	0	0	0
	Male	1	0	0	2	2
Clerks	Female	80	21	4	3	7
	Male	25	2	1	0	1
Service and sales workers	Female	0	0	0	0	0
	Male	0	0	0	0	0

Occupational category	Gender	Number of employees as at 1 April 2022	Training needs identified at start of the reporting period			
			Learnerships/ Internships	Skills Programmes & other short courses	Other forms of training	Total
Skilled agriculture and fishery workers	Female	0	0	0	0	0
	Male	0	0	0	0	0
Craft and related trades workers	Female	0	0	0	0	0
	Male	0	0	0	0	0
Plant and machine operators and assemblers	Female	0	0	0	0	0
	Male	0	0	0	0	0
Elementary occupations	Female	0	0	0	0	0
	Male	0	0	0	0	0
Sub Total	Female	180	21	10	8	18
	Male	96	2	4	6	10
<b>Total</b>		<b>276</b>	<b>23</b>	<b>14</b>	<b>14</b>	<b>28</b>

*Table 3.13.2 Training provided for the period 1 April 2022 to 31 March 2023*

Occupational category	Gender	Number of employees as at 1 April 2022	Training needs identified at start of the reporting period			
			Learnerships/ Internships	Skills Programmes & other short courses	Other forms of training	Total
Legislators, senior officials and managers	Female	81	0	4	3	7
	Male	53	0	2	2	4
Professionals	Female	16	0	3	2	5
	Male	14	0	1	2	3
Technicians and associate professionals	Female	0	0	0	0	0
	Male	2	0	0	2	2
Clerks	Female	113	65	4	3	72
	Male	40	8	1	0	9
Service and sales workers	Female	0	0	0	0	0
	Male	0	0	0	0	0
Skilled agriculture and fishery workers	Male	0	0	0	0	0
	Female	0	0	0	0	0
Craft and related trades workers	Male	0	0	0	0	0
	Female	0	0	0	0	0
Plant and machine operators and assemblers	Male	0	0	0	0	0
	Female	0	0	0	0	0
Elementary occupations	Male	0	0	0	0	0
	Female	0	0	0	0	0
Sub Total	Male	109	8	4	6	18
	Female	210	65	11	8	84
<b>Total</b>		<b>319</b>	<b>73</b>	<b>15</b>	<b>14</b>	<b>102</b>

### 3.14 Injury on duty

*Table 3.14.1 Injury on duty for the period 1 April 2022 and 31 March 2023*

Nature of injury on duty	Number	% of total
Required basic medical attention only	1	100%
Temporary Total Disablement	0	0%
Permanent Disablement	0	0%
Fatal	0	0%
<b>Total</b>	<b>1</b>	<b>100%</b>

### 3.15 Utilisation of Consultants

*Table 3.15.1 Report on consultant appointments using appropriated funds for the period 1 April 2022 to 31 March 2023*

Project title	Total number of consultants that worked on project	Duration (work days)	Contract value in Rand
-	0	0	0
-	0	0	0

Total number of projects	Total individual consultants	Total duration Work days	Total contract value in Rand
0	0	0	0

*Table 3.15.2 Analysis of consultant appointments using appropriated funds, in terms of Historically Disadvantaged Individuals (HDIs) for the period 1 April 2022 to 31 March 2023*

Project title	Percentage ownership by HDI groups	Percentage management by HDI groups	Number of consultants from HDI groups that work on the project
-	0	0	0

*Table 3.15.3 Report on consultant appointments using Donor funds for the period 1 April 2022 to 31 March 2023*

Project title	Total Number of consultants that worked on project	Duration (Work days)	Donor and contract value in Rand
-	0	0	0

Total number of projects	Total individual consultants	Total duration Work days	Total contract value in Rand
-	0	0	0



**WARRIOR 1800**

**GREEN**

**PART E:  
PFMA COMPLIANCE REPORT**

## 1. IRREGULAR, FRUITLESS AND WASTEFUL, UNAUTHORISED EXPENDITURE AND MATERIAL LOSSES

### 1.1 Irregular expenditure

#### a. Reconciliation of irregular expenditure

Description	2022/2023	2021/2022
	R'000	R'000
Opening balance	472 130	462 969
Add: Irregular expenditure confirmed	82	9 161
Less: Irregular expenditure condoned	(152 821)	-
Less: Irregular expenditure not condoned and removed	-	-
Less: Irregular expenditure recoverable	-	-
Less: Irregular expenditure not recovered and written off	-	-
<b>Closing balance</b>	<b>319 309</b>	<b>472 130</b>

Not relevant.

#### Reconciling notes

Description	2022/2023	2021/2022
	R'000	R'000
Irregular expenditure that was under assessment in 2022/23	N/A	N/A
Irregular expenditure that relates to 2021/22 and identified in 2022/23	N/A	N/A
Irregular expenditure for the current year	N/A	N/A
<b>Total</b>	<b>N/A</b>	<b>N/A</b>

#### b. Details of current and previous year irregular expenditure (under assessment, determination, and investigation)

Description <sup>1</sup>	2022/2023	2021/2022
	R'000	R'000
Irregular expenditure under assessment	-	-
Irregular expenditure under determination	-	-
Irregular expenditure under investigation	319 309	-
<b>Total<sup>2</sup></b>	<b>319 309</b>	

Not relevant.

**c. Details of current and previous year irregular expenditure condoned**

Description	2022/2023	2021/2022
	R'000	R'000
Irregular expenditure condoned	152 821	N/A
<b>Total</b>	<b>152 821</b>	<b>N/A</b>

Not relevant.

**d. Details of current and previous year irregular expenditure removed - (not condoned)**

Description	2022/2023	2021/2022
	R'000	R'000
Irregular expenditure NOT condoned and removed	N/A	N/A
<b>Total</b>	<b>N/A</b>	<b>N/A</b>

Not relevant.

**e. Details of current and previous year irregular expenditure recovered**

Description	2022/2023	2021/2022
	R'000	R'000
Irregular expenditure recovered	N/A	N/A
<b>Total</b>	<b>N/A</b>	<b>N/A</b>

Not relevant.

**f. Details of current and previous year irregular expenditure written off (irrecoverable)**

Description	2022/2023	2021/2022
	R'000	R'000
Irregular expenditure written off	-	-
<b>Total</b>	<b>-</b>	<b>-</b>

Not relevant.

**Additional disclosure relating to Inter-Institutional Arrangements**

**g. Details of non-compliance cases where an institution is involved in an inter-institutional arrangement (where such institution *is not* responsible for the non-compliance)**

Description
N/A
<b>Total</b>

Not relevant.

**h. Details of non-compliance cases where an institution is involved in an inter-institutional arrangement (where such institution is responsible for the non-compliance)**

Description	2022/2023	2021/2022
	R'000	R'000
N/A		
<b>Total</b>		

Not relevant.

**i. Details of current and previous year disciplinary or criminal steps taken as a result of irregular expenditure**

Disciplinary steps taken
N/A

Not relevant.

**1.2 Fruitless and wasteful expenditure**

**a. Reconciliation of fruitless and wasteful expenditure**

Description	2022/2023	2021/2022
	R'000	R'000
Opening balance	11 057	11 041
Add: Fruitless and wasteful expenditure confirmed	361	16
Less: Fruitless and wasteful expenditure written off	-	-
Less: Fruitless and wasteful expenditure recoverable	-	-
<b>Closing balance</b>	<b>11 418</b>	<b>11 057</b>

Not relevant.

**Reconciling notes**

Description	2022/2023	2021/2022
	R'000	R'000
Fruitless and wasteful expenditure that was under assessment in 2022/2023	N/A	N/A
Fruitless and wasteful expenditure that relates to 20XX/YY and identified in 2021/22	N/A	N/A
Fruitless and wasteful expenditure for the current year	N/A	N/A
<b>Total</b>	<b>N/A</b>	<b>N/A</b>

**b. Details of current and previous year fruitless and wasteful expenditure (under assessment, determination, and investigation)**

Description <sup>3</sup>	2022/2023	2021/2022
	R'000	R'000
Fruitless and wasteful expenditure under assessment	N/A	N/A
Fruitless and wasteful expenditure under determination	N/A	N/A
Fruitless and wasteful expenditure under investigation	N/A	N/A
<b>Total<sup>4</sup></b>	<b>N/A</b>	<b>N/A</b>

Not relevant.

**c. Details of current and previous year fruitless and wasteful expenditure recovered**

Description	2022/2023	2021/2022
	R'000	R'000
Not relevant.	N/A	N/A
<b>Total</b>	<b>N/A</b>	<b>N/A</b>

Not relevant.

**d. Details of current and previous year fruitless and wasteful expenditure not recovered and written off**

Description	2022/2023	2021/2022
	R'000	R'000
Fruitless and wasteful expenditure written off	N/A	N/A
<b>Total</b>	<b>N/A</b>	<b>N/A</b>

Not relevant.

**e. Details of current and previous year disciplinary or criminal steps taken as a result of fruitless and wasteful expenditure**

Disciplinary steps taken
N/A
<b>Total</b>

Include discussion here where deemed relevant.

**1.3 Unauthorised expenditure**

**a. Reconciliation of unauthorised expenditure**

Description	2022/2023	2021/2022
	R'000	R'000
Opening balance	N/A	N/A
Add: unauthorised expenditure confirmed	N/A	N/A
Less: unauthorised expenditure approved with funding	N/A	N/A
Less: unauthorised expenditure approved without funding	N/A	N/A
Less: unauthorised expenditure recoverable	N/A	N/A
Less: unauthorised not recovered and written off <sup>5</sup>	N/A	N/A
<b>Closing balance</b>	<b>N/A</b>	<b>N/A</b>

Not relevant.

## Reconciling notes

Description	2022/2023	2021/2022
	R'000	R'000
Unauthorised expenditure that was under assessment in 20XX/YY	N/A	N/A
Unauthorised expenditure that relates to 20XX/YY and identified in 20YY/ZZ	N/A	N/A
Unauthorised expenditure for the current year	N/A	N/A
<b>Total</b>	<b>N/A</b>	<b>N/A</b>

### b. Details of current and previous year unauthorised expenditure (under assessment, determination, and investigation)

Description <sup>6</sup>	2022/2023	2021/2022
	R'000	R'000
Unauthorised expenditure under assessment	N/A	N/A
Unauthorised expenditure under determination	N/A	N/A
Unauthorised expenditure under investigation	N/A	N/A
<b>Total<sup>7</sup></b>	<b>N/A</b>	<b>N/A</b>

Not relevant.

## 1.4 Additional disclosure relating to material losses in terms of PFMA Section 40(3)(b)(i) &(iii)

### a. Details of current and previous year material losses through criminal conduct

Material losses through criminal conduct	2022/2023	2021/2022
	R'000	R'000
Theft	N/A	N/A
Other material losses	N/A	N/A
Less: Recovered	N/A	N/A
Less: Not recovered and written off	N/A	N/A
<b>Total</b>	<b>N/A</b>	<b>N/A</b>

Not relevant.

### b. Details of other material losses

Nature of other material losses	2022/2023	2021/2022
	R'000	R'000
N/A	N/A	N/A
<b>Total</b>	<b>N/A</b>	<b>N/A</b>

Not relevant.

**c. Other material losses recovered**

Nature of losses	2022/2023	2021/2022
	R'000	R'000
N/A	N/A	N/A
<b>Total</b>	<b>N/A</b>	<b>N/A</b>

Not relevant.

**d. Other material losses written off**

Nature of losses	2022/2023	2021/2022
	R'000	R'000
N/A	N/A	N/A
<b>Total</b>	<b>N/A</b>	<b>N/A</b>

Not relevant.

**2. LATE AND/OR NON-PAYMENT OF SUPPLIERS**

Description	Number of invoices	Consolidated Value
		R'000
Valid invoices received	2 818	167 017
Invoices paid within 30 days or agreed period	2 816	167 017
Invoices paid after 30 days or agreed period	2	1 725
Invoices older than 30 days or agreed period (unpaid and without dispute)	-	-
Invoices older than 30 days or agreed period (unpaid and in dispute)	27	15 074

Invoices in dispute are from prior years.

**3. SUPPLY CHAIN MANAGEMENT**

**3.1 Procurement by other means**

Project description	Name of supplier	Type of procurement by other means	Contract number	Value of contract R'000
None	N/A	N/A	N/A	N/A
<b>Total</b>				

### 3.2 Contract variations and expansions

Project description	Name of supplier	Contract modification type (Expansion or Variation)	Contract number	Original contract value	Value of previous contract expansion/s or variation/s (if applicable)	Value of current contract expansion or variation
				R'000	R'000	R'000
N/A	N/A	N/A	N/A	N/A	N/A	N/A
<b>Total</b>						



**PART F:  
FINANCIAL INFORMATION**

**PART F: FINANCIAL INFORMATION .....106**

- Report on the audit of the Financial Statements ..... 108
- Restatement of corresponding figures..... 108
- Responsibilities of the Auditor-General for the audit of the Financial Statements..... 109
- Annexure to the auditor’s report ..... 114
- Compliance with legislation – selected legislative requirements ..... 115
- Appropriation Statements .....117**

  - Notes to the Appropriation Statement..... 126
  - Statement of Financial Performance ..... 127
  - Statement of Financial Position as at 31 March 2023 ..... 128
  - Statement of Changes in Net Assets..... 129
  - Cash Flow Statement ..... 130
  - Accounting Policies..... 131
  - Notes to the Annual Financial Statements..... 139
  - Annexures to the Annual Financial Statements ..... 153

# Report of the auditor-general to the Mpumalanga Provincial Legislature on vote no. 01: Office of the Premier

## Report on the audit of the financial statements

### Opinion

1. I have audited the financial statements of the Office of the Premier set out on pages 117 to 152, which comprise the appropriation statement, statement of financial position as at 31 March 2023, 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 Office of the Premier as at 31 March 2023, 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).

### 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 responsibilities of the auditor-general 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 19.2 to the financial statements, payables of R15,07 million exceeded the payment term of 30 days, as required by treasury regulation 8.2.3. This amount, in turn, exceeded the R4,68 million of voted funds to be surrendered by R10,39 million as per the statement of financial performance. The amount of R10,39 million would therefore have constituted unauthorised expenditure had the amounts due been paid in time.

### Restatement of corresponding figures

8. As disclosed in note 28 to the financial statements, the corresponding figures for 31 March 2022 were restated as a result of errors in the financial statements of the department at, and for the year ended, 31 March 2023.

### Other matters

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

## National Treasury Instruction Note No. 4 of 2022-23: PFMA Compliance and Reporting Framework

10. On 23 December 2022, the National Treasury issued Instruction Note 4 of 2022-23, which came into effect on 3 January 2023, in terms of section 76(1)(b), (e) and (f), 2(e) and (4)(a) and (c) of the PFMA. The instruction note deals with the PFMA compliance and reporting framework and addresses, among others, the disclosure of unauthorised expenditure, irregular expenditure, and fruitless and wasteful expenditure. Irregular expenditure and fruitless and wasteful expenditure incurred in prior financial years and not yet addressed no longer need to be disclosed in either the annual report or the disclosure notes to the annual financial statements. Only the current year and prior year figures are disclosed in note 22 to the financial statements of the Office of the Premier. Movements in respect of irregular expenditure and fruitless and wasteful expenditure also no longer need to be disclosed in the notes to the annual financial statements. The disclosure of these movements (e.g. condoned, recoverable, removed, written off, under assessment, under determination and under investigation) is now included as part of other information in the annual report of the Office of the Premier. I do not express an opinion on the disclosure of irregular expenditure and fruitless and wasteful expenditure in the annual report.

### Unaudited supplementary schedules

11. The supplementary information set out on pages 153 to 160 does not form part of the financial statements and is presented as additional information. I have not audited these schedules and, accordingly, I do not express an opinion on them.

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

12. The accounting officer is responsible for the preparation and fair presentation of the financial statements in accordance with the MCS and the requirements of the PFMA, and 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.
13. 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.

### Responsibilities of the auditor-general for the audit of the financial statements

14. 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.
15. 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

16. In accordance with the Public Audit Act 25 of 2004 (PAA) and the general notice issued in terms thereof, I must audit and report on the usefulness and reliability of the reported performance against predetermined objectives for selected programmes presented in the annual performance report. The accounting officer is responsible for the preparation of the annual performance report.

17. I selected the following programmes presented in the annual performance report for the year ended 31 March 2023 for auditing. I selected programmes that measure the department's performance on its primary mandated functions and that are of significant national, community or public interest.

Programme	Page numbers	Purpose
Institutional development	35 - 40	To provide institutional development services, advice, strategic support, coordination and development of policies to ensure operational efficiency, alignment and corporate compliance in order to improve the capacity of the Mpumalanga Provincial Government to deliver effective and efficient services.
Policy and governance	41 - 49	To provide effective macro policy advice, coordination and monitoring in the following key focus areas: <ul style="list-style-type: none"> <li>• Provincial planning</li> <li>• Monitoring the implementation of provincial programmes</li> <li>• Mainstreaming of gender, youth, persons with disabilities and older persons' issues</li> <li>• Regional and International cooperation</li> <li>• Research and Information management</li> <li>• Advisory services to the premier, exco, exco committees and MPAC</li> <li>• Coordinate key strategic interventions to improve departmental performance.</li> </ul>

18. I evaluated the reported performance information for the selected programmes against the criteria developed from the performance management and reporting framework, as defined in the general notice. When an annual performance report is prepared using these criteria, it provides useful and reliable information and insights to users on the department's planning and delivery on its mandate and objectives.

**19. I performed procedures to test whether:**

- the indicators used for planning and reporting on performance can be linked directly to the department's mandate and the achievement of its planned objectives
- the indicators are well defined and verifiable to ensure that they are easy to understand and apply consistently and that I can confirm the methods and processes to be used for measuring achievements
- the targets can be linked directly to the achievement of the indicators and are specific, time bound and measurable to ensure that it is easy to understand what should be delivered and by when, the required level of performance as well as how performance will be evaluated
- the indicators and targets reported on in the annual performance report are the same as what was committed to in the approved initial or revised planning documents
- the reported performance information is presented in the annual performance report in the prescribed manner
- there are adequate supporting evidence for the achievements reported and for the reasons provided for any over or under achievement of targets. I performed the procedures for the purpose of reporting material findings only, and not to express an assurance opinion.

20. I performed the procedures for the purpose of reporting material findings only, and not to express an assurance opinion.
21. I did not identify any material findings on the reported performance information for the selected programmes.

#### **Other matters**

22. I draw attention to the matters below.

#### **Achievement of planned targets**

23. The annual performance report includes information on reported achievements against planned targets and provides explanations for over and under achievements.

#### **Material misstatements**

24. I identified material misstatements in the annual performance report submitted for auditing. These material misstatements were in the reported performance information of policy and governance programme. Management subsequently corrected all the misstatements and I did not include any material findings in this report.

#### **Report on compliance with legislation**

25. In accordance with the PAA and the general notice issued in terms thereof, I must audit and report on compliance with applicable legislation relating to financial matters, financial management and other related matters. The accounting officer is responsible for the department's compliance with legislation.
26. I performed procedures to test compliance with selected requirements in key legislation in accordance with the findings engagement methodology of the Auditor General of South Africa (AGSA). This engagement is not an assurance engagement. Accordingly, I do not express an assurance opinion or conclusion.
27. Through an established AGSA process, I selected requirements in key legislation for compliance testing that are relevant to the financial and performance management of the department, clear to allow consistent measurement and evaluation, while also sufficiently detailed and readily available to report in an understandable manner. The selected legislative requirements are included in the annexure to this auditor's report.
28. The material findings on compliance with the selected legislative requirements, presented per compliance theme, are as follows:

#### **Consequence management**

29. I was unable to obtain sufficient appropriate audit evidence that disciplinary steps were taken against officials who had incurred irregular expenditure, as required by section 38(1)(h)(iii) of the PFMA. This was because investigations into irregular expenditure were not performed.
30. I was unable to obtain sufficient appropriate audit evidence that disciplinary steps were taken against officials who had incurred fruitless and wasteful expenditure, as required by section 38(1)(h)(iii) of the PFMA. This was because investigations into fruitless and wasteful expenditure were not performed.

## **Other information in the annual report**

31. The accounting officer is responsible for the other information included in the annual report. The other information referred to 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 on in this auditor's report.
32. My opinion on the financial statements, the report on the audit of the annual performance report and the report on compliance with legislation, do not cover the other information included in the annual report and I do not express an audit opinion or any form of assurance conclusion on it.
33. My responsibility is to read this other information and, in doing so, consider whether it 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.
34. If, based on the work I have performed on the other information obtained prior to the date of this auditor's report, I conclude that there is a material misstatement of this other information, I am required to report that fact. I have nothing to report in this regard.

## **Internal control deficiencies**

35. I considered internal control relevant to my audit of the financial statements, annual performance report and compliance with applicable legislation; however, my objective was not to express any form of assurance on it.
36. The matter reported below is limited to the significant internal control deficiencies that resulted in the material findings on compliance with legislation included in this report.
37. The accounting officer did not adequately review and monitor compliance with laws and regulations. This resulted in repeat non-compliances on consequence management.

## Material irregularities

### Material irregularities in progress

38. In accordance with the PAA and the Material Irregularity Regulations, I have a responsibility to report on material irregularities identified during the audit.
39. I identified a material irregularity during the audit and notified the accounting officer, as required by material irregularity regulation 3(2). By the date of this auditor's report, the response of the accounting officer was not yet due. This material irregularity will be included in next year's auditor's report.

Auditor - General

**Auditor-General**

**Mbombela**

**31 July 2023**



**AUDITOR - GENERAL  
SOUTH AFRICA**

*Auditing to build public confidence*

## Annexure to the auditor's report

The annexure includes the following:

- the auditor-general's responsibility for the audit
- the selected legislative requirements for compliance testing.

### Auditor-general's responsibility for the audit

#### Professional judgement and professional scepticism

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 selected requirements in key legislation.

#### 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
  - conclude on the appropriateness of the 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 the 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 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.

## Compliance with legislation – selected legislative requirements

5. The selected legislative requirements are as follows:

Legislation	Sections or regulations
<b>Public Finance Management Act No.1 of 1999 (PFMA)</b>	Section 38(1)(a)(iv); 38(1)(b);38(1)(c);38(1)(c)(ii); 38(1)(d); 38(1)(h)(iii); Section 39(1)(a); 39(2)(a); Section 40(1)(a); 40(1)(b); 40(1)(c)(i) Section 43(4); 44; 44 (1) and (2) ; 45(b); Section 50(3); 50(3)(a)
<b>Treasury Regulations for departments, trading entities, constitutional institutions and public entities (TR)</b>	Treasury Regulation 4.1.1; 4.1.3 Treasury Regulation 5.1.1; 5.2.1; 5.2.3(a); 5.2.3(d); 5.3.1 Treasury Regulation 6.3.1(a); 6.3.1(b); 6.3.1(c'); 6.3.1(d); 6.4.1(b) Treasury Regulation 8.1.1; 8.2.1; 8.2.2; 8.2.3; 8.4.1 Treasury Regulation 9.1.1; 9.1.4 Treasury Regulation 10.1.1(a); 10.1.2 Treasury Regulation 12.5.1 Treasury Regulation 15.10.1.2(c') Treasury Regulation 16A3.1 ; 16A 3.2; 16A 3.2(a); 16A 6.1; 16A6.2(a) ,(b) & (e) ; 16A 6.3(a); 16A 6.3(a)(i);16A 6.3(b); 16A 6.3(c);16A6.3(d) ; 16A 6.3(e); 16A 6.4; 16A 6.5; 16A 6.6; 16A7.1; 16A.7.3; 16A.7.6; 16A.7.7; TR 16A8.2 (1) and (2); 16A 8.3 16A8.3 (d); 16A 8.4; 16A9; 16A9.1; 16A9.1(b)(ii);16A9.1 (c); 16A 9.1(d); 16A 9.1(e); 116A9.2; 16A9.2(a)(ii) &(iii); 16A9.1(f). Treasury Regulation 17.1.1 Treasury Regulation 18.2 Treasury Regulation 19.8.4
<b>Public service regulation</b>	Public service regulation 13(c );18; 18 (1) and (2); 25(1)(e)(i); 25(1)(e)(iii)
<b>Prevention and Combating of Corrupt Activities Act No.12 of 2004 (PRECCA)</b>	Section 29 Section 34(1)
<b>Construction Industry Development Board Act No.38 of 2000 (CIDB)</b>	Section 18(1)
<b>Construction Industry Development Board Regulations</b>	CIDB regulation 17; 25(1); 25 (5) & 25(7A)
<b>PPPFA</b>	Section 1(i); 2.1(a); 2.1(b); 2.1(f)
<b>PPR 2017</b>	Paragraph 4.1; 4.2 Paragraph 5.1; 5.3; 5.6; 5.7 Paragraph 6.1; 6.2; 6.3; 6.5; 6.6; 6.8 Paragraph 7.1; 7.2; 7.3; 7.5; 7.6; 7.8 Paragraph 8.2; 8.5 Paragraph 9.1; 9.2 Paragraph 10.1; 10.2 Paragraph 11.1; 11.2 Paragraph 12.1 and 12.2

<b>PPR 2022</b>	Paragraph 3.1 Paragraph 4.1; 4.2; 4.3; 4.4 Paragraph 5.1; 5.2; 5.3; 5.4
<b>SITA ACT</b>	Section 7(3) Section 7(6)(b) Section 20(1)(a)(I)
<b>SITA regulations</b>	Regulation 8.1.1 (b); 8.1.4; 8.1.7 Regulation 9.6; 9.4 Regulation 12.3 Regulation 13.1 (a) Regulation 14.1; 14.2
<b>PFMA SCM Instruction no. 09 of 2022/2023</b>	Paragraph 3.1; 3.3 (b); 3.3 (c ); 3.3 (e ); 3.6
<b>National Treasury Instruction No.1 of 2015/16</b>	Paragraph 3.1; 4.1; 4.2
<b>NT SCM Instruction Note 03 2021/22</b>	Paragraph 4.1; 4.2 (b); 4.3; 4.4; 4.4 (a);4.4 (c)-(d); 4.6 Paragraph 5.4 Paragraph 7.2; 7.6
<b>NT SCM Instruction 4A of 2016/17</b>	Paragraph 6
<b>NT SCM Instruction Note 03 2019/20</b>	Par 5.5.1(vi); Paragraph 5.5.1(x);
<b>NT SCM Instruction Note 11 2020/21</b>	Paragraph 3.1; 3.4 (a) and (b); 3.9; 6.1;6.2;6.7
<b>NT SCM Instruction note 2 of 2021/22</b>	Paragraph 3.2.1; 3.2.2; 3.2.4(a) and (b) ; 3.3.1; 3.2.2 Paragraph 4.1
<b>PFMA SCM Instruction 04 of 2022/23</b>	Paragraph 4(1); 4(2); 4(4)
<b>Practice Note 5 of 2009/10</b>	Paragraph 3.3
<b>PFMA SCM instruction 08 of 2022/23</b>	Paragraph 3.2 Paragraph 4.3.2 and 4.3.3
<b>Competition Act</b>	Section 4(1)(b)(ii)
<b>NT instruction note 4 of 2015/16</b>	Paragraph 3.4
<b>NT instruction 3 of 2019/20 - Annexure A</b>	Section 5.5.1 (iv) and (x)
<b>Second amendment of NTI 05 of 2020/21</b>	Paragraph 4.8; 4.9 ; 5.1 ; 5.3
<b>Erratum NTI 5 of 202/21</b>	Paragraph 1
<b>Erratum NTI 5 of 202/21</b>	Paragraph 2
<b>Practice note 7 of 2009/10</b>	Paragraph 4.1.2
<b>Practice note 11 of 2008/9</b>	Paragraph 3.1 Paragraph 3.1 (b)
<b>NT instruction note 1 of 2021/22</b>	Paragraph 4.1
<b>Public Service Act</b>	Section 30 (1)

## Office of The Premier

(Vote number 1)

Annual Financial Statements for the year ended 31 March 2023

### Appropriation Statement

Figures in Rand thousand

		2022/2023						2021/2022		
		Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
<b>Appropriation per programme</b>										
<b>Programme</b>										
Programme 1 Administration	1	145,613	-	11,053	156,666	156,606	60	99.96 %	148,881	148,767
Programme 2 Institutional Development	2	83,728	-	(2,273)	81,455	81,154	301	99.63 %	70,187	69,799
Programme 3 Policy and Governance	3	132,485	-	(8,780)	123,705	119,386	4,319	96.51 %	134,836	133,542
<b>Programme subtotal</b>		<b>361,826</b>	-	-	<b>361,826</b>	<b>357,146</b>	<b>4,680</b>	<b>98.71 %</b>	<b>353,904</b>	<b>352,108</b>
<b>Total</b>		<b>361,826</b>	-	-	<b>361,826</b>	<b>357,146</b>	<b>4,680</b>	<b>98.71 %</b>	<b>353,904</b>	<b>352,108</b>

#### Reconciliation with statement of financial performance

<b>Add:</b>									
Departmental revenue				-				205	
<b>Actual amounts per statement of financial performance (total revenue)</b>				<b>361,826</b>				<b>354,109</b>	
<b>Add:</b>									
<b>Actual amounts per statement of financial performance (total expenditure)</b>						<b>357,146</b>			<b>352,108</b>

## Office of The Premier

(Vote number 1)

Annual Financial Statements for the year ended 31 March 2023

### Appropriation Statement

Figures in Rand thousand

				2022/2023			2021/2022		
	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	151,581	-	(2,256)	149,325	149,056	269	99.82 %	138,037	137,951
Social contributions	21,940	-	3	21,943	21,889	54	99.75 %	20,144	20,045
	<b>173,521</b>	<b>-</b>	<b>(2,253)</b>	<b>171,268</b>	<b>170,945</b>	<b>323</b>	<b>99.81 %</b>	<b>158,181</b>	<b>157,996</b>
<b>Goods and services</b>									
Administrative fees	2,944	-	(413)	2,531	2,502	29	98.85 %	1,142	1,079
Advertising	9,280	-	(3,991)	5,289	5,288	1	99.98 %	6,592	6,566
Minor assets	-	-	544	544	544	-	100.00 %	83	80
Audit costs: External	5,700	-	692	6,392	6,392	-	100.00 %	5,571	5,571
Catering: Departmental activities	2,317	-	(567)	1,750	1,726	24	98.63 %	1,425	1,281
Communication	12,280	-	6,875	19,155	19,155	-	100.00 %	18,373	18,357
Computer services	1,756	-	235	1,991	1,991	-	100.00 %	1,287	1,289
Consultants: Business and advisory services	17,511	-	(9,973)	7,538	3,840	3,698	50.94 %	12,157	12,117
Legal services	645	-	4,177	4,822	4,822	-	100.00 %	4,672	4,656
Contractors	412	-	86	498	497	1	99.80 %	1,349	1,332
Fleet services	3,140	-	(332)	2,808	2,808	-	100.00 %	2,651	2,649
Consumable supplies	1,163	-	357	1,520	1,531	(11)	100.72 %	2,094	2,073
Consumable: Stationery, printing and office supplies	2,294	-	(879)	1,415	1,412	3	99.79 %	2,539	2,539
Operating leases	1,200	-	153	1,353	1,353	-	100.00 %	940	940
Property payments	7,027	-	(260)	6,767	6,767	-	100.00 %	9,478	9,477
Transport provided: Departmental activity	805	-	(97)	708	706	2	99.72 %	906	851
Travel and subsistence	28,809	-	6,323	35,132	35,014	118	99.66 %	17,857	17,041
Training and development	2,032	-	192	2,224	2,221	3	99.87 %	2,044	2,045
Operating payments	1,258	-	(563)	695	687	8	98.85 %	129	112
Venues and facilities	11,771	-	1,670	13,441	13,434	7	99.95 %	2,293	2,163

## Office of The Premier

(Vote number 1)

Annual Financial Statements for the year ended 31 March 2023

### Appropriation Statement

Figures in Rand thousand

	2022/2023							2021/2022	
	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 (continued)</b>									
Rental and hiring	3,112	-	(2,314)	798	794	4	99.50 %	956	955
	<b>115,456</b>	-	<b>1,915</b>	<b>117,371</b>	<b>113,484</b>	<b>3,887</b>	<b>96.69 %</b>	<b>94,538</b>	<b>93,173</b>
<b>Total current payments</b>	<b>288,977</b>	-	<b>(338)</b>	<b>288,639</b>	<b>284,429</b>	<b>4,210</b>	<b>98.54 %</b>	<b>252,719</b>	<b>251,169</b>
<b>Transfers and subsidies</b>									
<b>Provinces and municipalities</b>									
<b>Provinces</b>									
Provincial Revenue Funds	32	-	(9)	23	23	-	100.00 %	32	24
<b>Public corporations and private enterprises</b>									
<b>Public corporations</b>									
Other transfers to public corporations	62,000	-	-	62,000	61,546	454	99.27 %	82,000	81,953
<b>Households</b>									
Social benefits	1,444	-	65	1,509	1,507	2	99.87 %	2,115	1,971
Other transfers to households	1,500	-	(154)	1,346	1,345	1	99.93 %	750	709
	<b>2,944</b>	-	<b>(89)</b>	<b>2,855</b>	<b>2,852</b>	<b>3</b>	<b>99.89 %</b>	<b>2,865</b>	<b>2,680</b>
<b>Total transfers and subsidies</b>	<b>64,976</b>	-	<b>(98)</b>	<b>64,878</b>	<b>64,421</b>	<b>457</b>	<b>99.30 %</b>	<b>84,897</b>	<b>84,657</b>
<b>Payments for capital assets</b>									
<b>Machinery and equipment</b>									
Transport equipment	1,000	-	(1,000)	-	-	-	- %	1,692	1,691
Other machinery and equipment	6,873	-	1,382	8,255	8,243	12	99.85 %	14,551	14,546
	<b>7,873</b>	-	<b>382</b>	<b>8,255</b>	<b>8,243</b>	<b>12</b>	<b>99.85 %</b>	<b>16,243</b>	<b>16,237</b>
Software and other intangible assets	-	-	54	54	53	1	98.15 %	20	20
<b>Total payments for capital assets</b>	<b>7,873</b>	-	<b>436</b>	<b>8,309</b>	<b>8,296</b>	<b>13</b>	<b>99.84 %</b>	<b>16,263</b>	<b>16,257</b>
Payments for financial assets	-	-	-	-	-	-	- %	25	25
<b>Total</b>	<b>361,826</b>	-	-	<b>361,826</b>	<b>357,146</b>	<b>4,680</b>	<b>98.71 %</b>	<b>353,904</b>	<b>352,108</b>

# Office of The Premier

(Vote number 1)

Annual Financial Statements for the year ended 31 March 2023

## Appropriation Statement

Figures in Rand thousand

				2022/2023			2021/2022		
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
<b>1. Programme 1 Administration</b>									
<b>Sub programme</b>									
Premier Support	27,052	-	9,443	36,495	36,482	13	99.96 %	27,550	27,548
Executive Council Support	6,983	-	(286)	6,697	6,695	2	99.97 %	5,839	5,838
Director-General Support	52,668	-	(7,650)	45,018	44,995	23	99.95 %	41,685	41,589
Financial Management	58,910	-	9,546	68,456	68,434	22	99.97 %	73,807	73,792
<b>Subtotal</b>	<b>145,613</b>	<b>-</b>	<b>11,053</b>	<b>156,666</b>	<b>156,606</b>	<b>60</b>	<b>99.96 %</b>	<b>148,881</b>	<b>148,767</b>
<b>Economic classification</b>									
<b>Current payments</b>									
<b>Compensation of employees</b>									
Salaries and wages	63,736	-	135	63,871	63,839	32	99.95 %	58,743	58,739
Social contributions	9,673	-	(701)	8,972	8,952	20	99.78 %	8,192	8,183
	<b>73,409</b>	<b>-</b>	<b>(566)</b>	<b>72,843</b>	<b>72,791</b>	<b>52</b>	<b>99.93 %</b>	<b>66,935</b>	<b>66,922</b>
<b>Goods and services</b>									
Administrative fees	1,337	-	(615)	722	721	1	99.86 %	318	310
Advertising	830	-	(830)	-	-	-	- %	320	317
Minor assets	-	-	544	544	544	-	100.00 %	83	80
Audit costs: External	5,700	-	692	6,392	6,392	-	100.00 %	5,571	5,571
Catering: Departmental activities	835	-	(124)	711	711	-	100.00 %	434	429
Communication	9,885	-	9,014	18,899	18,899	-	100.00 %	15,909	15,925
Computer services	1,060	-	447	1,507	1,507	-	100.00 %	1,086	1,087
Consultants: Business and advisory services	8,014	-	(5,507)	2,507	2,506	1	99.96 %	4,140	4,132
Legal services	-	-	-	-	-	-	- %	4,330	4,330
Contractors	370	-	46	416	416	-	100.00 %	1,220	1,216
Fleet services	3,140	-	(332)	2,808	2,808	-	100.00 %	2,651	2,649
Consumable supplies	1,090	-	76	1,166	1,182	(16)	101.37 %	1,488	1,484
Consumable: Stationery, printing and office supplies	1,710	-	(699)	1,011	1,010	1	99.90 %	1,723	1,723

## Office of The Premier

(Vote number 1)

Annual Financial Statements for the year ended 31 March 2023

### Appropriation Statement

Figures in Rand thousand

	2022/2023							2021/2022	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
Operating leases	1,200	-	153	1,353	1,353	-	100.00 %	940	940
Property payments	7,027	-	(260)	6,767	6,767	-	100.00 %	9,478	9,477
Transport provided: Departmental activity	-	-	137	137	137	-	100.00 %	15	14
Travel and subsistence	15,629	-	8,285	23,914	23,909	5	99.98 %	12,584	12,596
Training and development	17	-	643	660	660	-	100.00 %	578	579
Operating payments	528	-	(309)	219	219	-	100.00 %	16	1
Venues and facilities	5,256	-	17	5,273	5,272	1	99.98 %	1,200	1,213
Rental and hiring	400	-	(54)	346	345	1	99.71 %	-	-
	<b>64,028</b>	-	<b>11,324</b>	<b>75,352</b>	<b>75,358</b>	<b>(6)</b>	<b>100.01 %</b>	<b>64,084</b>	<b>64,073</b>
<b>Total current payments</b>	<b>137,437</b>	-	<b>10,758</b>	<b>148,195</b>	<b>148,149</b>	<b>46</b>	<b>99.97 %</b>	<b>131,019</b>	<b>130,995</b>
<b>Transfers and subsidies</b>									
<b>Provinces and municipalities</b>									
<b>Provinces</b>									
Provincial Revenue Funds	32	-	(9)	23	23	-	100.00 %	32	24
<b>Households</b>									
Social benefits	271	-	(132)	139	138	1	99.28 %	1,567	1,491
<b>Total transfers and subsidies</b>	<b>303</b>	-	<b>(141)</b>	<b>162</b>	<b>161</b>	<b>1</b>	<b>99.38 %</b>	<b>1,599</b>	<b>1,515</b>
<b>Payments for capital assets</b>									
<b>Machinery and equipment</b>									
Transport equipment	1,000	-	(1,000)	-	-	-	- %	1,692	1,691
Other machinery and equipment	6,873	-	1,382	8,255	8,243	12	99.85 %	14,551	14,546
	<b>7,873</b>	-	<b>382</b>	<b>8,255</b>	<b>8,243</b>	<b>12</b>	<b>99.85 %</b>	<b>16,243</b>	<b>16,237</b>
Software and other intangible assets	-	-	54	54	53	1	98.15 %	20	20
<b>Total payments for capital assets</b>	<b>7,873</b>	-	<b>436</b>	<b>8,309</b>	<b>8,296</b>	<b>13</b>	<b>99.84 %</b>	<b>16,263</b>	<b>16,257</b>
<b>Total</b>	<b>145,613</b>	-	<b>11,053</b>	<b>156,666</b>	<b>156,606</b>	<b>60</b>	<b>99.96 %</b>	<b>148,881</b>	<b>148,767</b>

## Office of The Premier

(Vote number 1)

Annual Financial Statements for the year ended 31 March 2023

### Appropriation Statement

Figures in Rand thousand

				2022/2023			2021/2022		
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
<b>2. Programme 2 Institutional Development</b>									
<b>Sub programme</b>									
Strategic Human Resource	46,535	-	725	47,260	46,972	288	99.39 %	35,017	34,687
Information Communication Technology	2,812	-	115	2,927	2,925	2	99.93 %	8,691	8,682
Legal Services	3,445	-	(436)	3,009	3,006	3	99.90 %	3,535	3,533
Communication Services	27,671	-	(2,932)	24,739	24,732	7	99.97 %	19,691	19,650
Programme Support	3,265	-	255	3,520	3,519	1	99.97 %	3,253	3,247
<b>Subtotal</b>	<b>83,728</b>	<b>-</b>	<b>(2,273)</b>	<b>81,455</b>	<b>81,154</b>	<b>301</b>	<b>99.63 %</b>	<b>70,187</b>	<b>69,799</b>
<b>Economic classification</b>									
<b>Current payments</b>									
<b>Compensation of employees</b>									
Salaries and wages	49,306	-	(2,075)	47,231	46,998	233	99.51 %	43,967	43,949
Social contributions	6,256	-	933	7,189	7,178	11	99.85 %	6,629	6,574
	<b>55,562</b>	<b>-</b>	<b>(1,142)</b>	<b>54,420</b>	<b>54,176</b>	<b>244</b>	<b>99.55 %</b>	<b>50,596</b>	<b>50,523</b>
<b>Goods and services</b>									
Administrative fees	990	-	(27)	963	960	3	99.69 %	311	298
Advertising	8,239	-	(3,301)	4,938	4,937	1	99.98 %	5,687	5,666
Catering: Departmental activities	764	-	(363)	401	399	2	99.50 %	160	152
Communication	114	-	78	192	192	-	100.00 %	86	85
Computer services	420	-	64	484	484	-	100.00 %	201	202
Consultants: Business and advisory services	1,516	-	(840)	676	662	14	97.93 %	6,531	6,500
Legal services	645	-	4,177	4,822	4,822	-	100.00 %	342	326
Contractors	25	-	55	80	79	1	98.75 %	28	28
Consumable supplies	69	-	263	332	327	5	98.49 %	580	579
Consumable: Stationery, printing and office supplies	534	-	(138)	396	395	1	99.75 %	816	816

## Office of The Premier

(Vote number 1)

Annual Financial Statements for the year ended 31 March 2023

### Appropriation Statement

Figures in Rand thousand

	2022/2023							2021/2022	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
Transport provided: Departmental activity	80	-	(50)	30	28	2	93.33 %	-	-
Travel and subsistence	5,269	-	(925)	4,344	4,331	13	99.70 %	1,670	1,555
Training and development	1,955	-	(456)	1,499	1,498	1	99.93 %	1,466	1,466
Operating payments	307	-	9	316	309	7	97.78 %	1	-
Venues and facilities	4,551	-	259	4,810	4,808	2	99.96 %	400	400
Rental and hiring	15	-	21	36	33	3	91.67 %	10	10
	<b>25,493</b>	-	<b>(1,174)</b>	<b>24,319</b>	<b>24,264</b>	<b>55</b>	<b>99.77 %</b>	<b>18,289</b>	<b>18,083</b>
<b>Total current payments</b>	<b>81,055</b>	-	<b>(2,316)</b>	<b>78,739</b>	<b>78,440</b>	<b>299</b>	<b>99.62 %</b>	<b>68,885</b>	<b>68,606</b>
<b>Transfers and subsidies</b>									
<b>Households</b>									
Social benefits	1,173	-	197	1,370	1,369	1	99.93 %	527	459
Other transfers to households	1,500	-	(154)	1,346	1,345	1	99.93 %	750	709
	<b>2,673</b>	-	<b>43</b>	<b>2,716</b>	<b>2,714</b>	<b>2</b>	<b>99.93 %</b>	<b>1,277</b>	<b>1,168</b>
Payments for financial assets	-	-	-	-	-	-	- %	25	25
<b>Total</b>	<b>83,728</b>	-	<b>(2,273)</b>	<b>81,455</b>	<b>81,154</b>	<b>301</b>	<b>99.63 %</b>	<b>70,187</b>	<b>69,799</b>

## Office of The Premier

(Vote number 1)

Annual Financial Statements for the year ended 31 March 2023

### Appropriation Statement

Figures in Rand thousand

	2022/2023						2021/2022		
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
<b>3. Programme 3 Policy and Governance</b>									
<b>Sub programme</b>									
Special Programmes	78,716	-	(395)	78,321	77,862	459	99.41 %	95,041	94,470
Intergovernmental Relations	11,067	-	(2,320)	8,747	8,657	90	98.97 %	7,016	6,850
Provincial & Policy Management	41,240	-	(5,997)	35,243	31,478	3,765	89.32 %	32,566	32,062
Programme Support	1,462	-	(68)	1,394	1,389	5	99.64 %	213	160
<b>Subtotal</b>	<b>132,485</b>	<b>-</b>	<b>(8,780)</b>	<b>123,705</b>	<b>119,386</b>	<b>4,319</b>	<b>96.51 %</b>	<b>134,836</b>	<b>133,542</b>
<b>Economic classification</b>									
<b>Current payments</b>									
<b>Compensation of employees</b>									
Salaries and wages	38,539	-	(316)	38,223	38,219	4	99.99 %	35,327	35,263
Social contributions	6,011	-	(229)	5,782	5,759	23	99.60 %	5,323	5,288
	<b>44,550</b>	<b>-</b>	<b>(545)</b>	<b>44,005</b>	<b>43,978</b>	<b>27</b>	<b>99.94 %</b>	<b>40,650</b>	<b>40,551</b>
<b>Goods and services</b>									
Administrative fees	617	-	229	846	821	25	97.04 %	513	471
Advertising	211	-	140	351	351	-	100.00 %	585	583
Catering: Departmental activities	718	-	(80)	638	616	22	96.55 %	831	700
Communication	2,281	-	(2,217)	64	64	-	100.00 %	2,378	2,347
Computer services	276	-	(276)	-	-	-	- %	-	-
Consultants: Business and advisory services	7,981	-	(3,626)	4,355	672	3,683	15.43 %	1,486	1,485
Contractors	17	-	(15)	2	2	-	100.00 %	101	88
Consumable supplies	4	-	18	22	22	-	100.00 %	26	10
Consumable: Stationery, printing and office supplies	50	-	(42)	8	7	1	87.50 %	-	-
Transport provided: Departmental activity	725	-	(184)	541	541	-	100.00 %	891	837
Travel and subsistence	7,911	-	(1,037)	6,874	6,774	100	98.55 %	3,603	2,890
Training and development	60	-	5	65	63	2	96.92 %	-	-

## Office of The Premier

(Vote number 1)

Annual Financial Statements for the year ended 31 March 2023

### Appropriation Statement

Figures in Rand thousand

	2022/2023							2021/2022	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
Operating payments	423	-	(263)	160	159	1	99.38 %	112	111
Venues and facilities	1,964	-	1,394	3,358	3,354	4	99.88 %	693	550
Rental and hiring	2,697	-	(2,281)	416	416	-	100.00 %	946	945
	<b>25,935</b>	-	<b>(8,235)</b>	<b>17,700</b>	<b>13,862</b>	<b>3,838</b>	<b>78.32 %</b>	<b>12,165</b>	<b>11,017</b>
<b>Total current payments</b>	<b>70,485</b>	-	<b>(8,780)</b>	<b>61,705</b>	<b>57,840</b>	<b>3,865</b>	<b>93.74 %</b>	<b>52,815</b>	<b>51,568</b>
<b>Transfers and subsidies</b>									
Public corporations and private enterprises	62,000	-	-	62,000	61,546	454	99.27 %	82,000	81,953
Households	-	-	-	-	-	-	- %	21	21
<b>Total transfers and subsidies</b>	<b>62,000</b>	-	-	<b>62,000</b>	<b>61,546</b>	<b>454</b>	<b>99.27 %</b>	<b>82,021</b>	<b>81,974</b>
<b>Total</b>	<b>132,485</b>	-	<b>(8,780)</b>	<b>123,705</b>	<b>119,386</b>	<b>4,319</b>	<b>96.51 %</b>	<b>134,836</b>	<b>133,542</b>

# Office of The Premier

(Vote number 1)

Annual Financial Statements for the year ended 31 March 2023

## 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 annual financial statements.

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

Detail of these transactions can be viewed in note 1 Annual appropriation to the annual financial statements.

### 3. Detail on payments for financial assets

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

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

#### 4.1 Per programme

Figures in Rand thousand

	Final Appropriation	Actual Expenditure	Variance	Variance as a % of Final Appropriation
Programme 1 Administration	156,666	156,606	60	- %
There is no material variance under the programme.				
Programme2 Institutional Development	81,455	81,153	302	0.4 %
There is no material variance under the programme.				
Programme 3 Policy and Governance	123,705	119,386	4,319	3.5 %

The variance can be attributed to slow implementation of target and the remaining balance after the payment of applicants under the Youth Fund.

#### 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	171,268	170,944	324	- %
Goods and services	117,398	113,484	3,914	3 %
<b>Transfers and subsidies</b>				
Provinces and municipalities	23	23	-	- %
Public corporations and private enterprises	62,000	61,546	454	1 %
Households	2,855	2,851	4	- %
<b>Payments for capital assets</b>				
Machinery and equipment	8,255	8,243	12	- %
Intangible assets	54	53	1	2 %

Goods and Services-the variance can be attributed to slow implementation of priority targets, under Transfer and Subsidies is due to the remaining balance after the payment to applicants under the Youth Fund.

# Office of The Premier

(Vote number 1)

Annual Financial Statements for the year ended 31 March 2023

## Statement of Financial Performance

Figures in Rand thousand	Note(s)	2022/2023	2021/2022 Restated*
<b>Revenue</b>			
Annual appropriation	1	361,826	353,904
Departmental revenue	2	-	205
<b>Total revenue</b>		<b>361,826</b>	<b>354,109</b>
<b>Expenditure</b>			
Current expenditure		284,429	251,169
Transfers and subsidies		64,421	84,656
Expenditure for capital assets		8,296	16,258
Payments for financial assets		-	25
<b>Current expenditure</b>			
Compensation of employees	3	170,945	157,997
Goods and services	4	113,484	93,172
<b>Total current expenditure</b>		<b>284,429</b>	<b>251,169</b>
<b>Transfers and subsidies</b>			
Transfers and subsidies	6	64,421	84,656
<b>Expenditure for capital assets</b>			
Tangible assets	7	8,243	16,238
Intangible assets	7	53	20
<b>Total expenditure for capital assets</b>		<b>8,296</b>	<b>16,258</b>
Payments for financial assets	5	-	25
Total current expenditure		284,429	251,169
Total transfers and subsidies		64,421	84,656
Total expenditure for capital assets		8,296	16,258
Total payments for financial assets		-	25
Total revenue fund expenditure		-	-
<b>Total expenditure</b>		<b>357,146</b>	<b>352,108</b>
Total revenue		361,826	354,109
Total expenditure		(357,146)	(352,108)
<b>Surplus for the year</b>		<b>4,680</b>	<b>2,001</b>
<b>Reconciliation of Net Surplus/(Deficit) for the year</b>			
Voted funds			
Annual appropriation		4,680	1,796
		4,680	2,001
		-	(205)
		<b>4,680</b>	<b>1,796</b>
Voted funds			
Departmental revenue and NRF Receipts	12	-	205
<b>Surplus for the year</b>		<b>4,680</b>	<b>2,001</b>

# Office of The Premier

(Vote number 1)

Annual Financial Statements for the year ended 31 March 2023

## Statement of Financial Position as at 31 March 2023

Figures in Rand thousand	Note(s)	2022/2023	2021/2022 Restated*
<b>Assets</b>			
<b>Current Assets</b>			
Cash and cash equivalents	8	1,314	395
Prepayments and advances	9	42	42
Receivables	10	3,486	3,492
		<b>4,842</b>	<b>3,929</b>
<b>Non-Current Assets</b>			
Non-Current Assets		-	-
Current Assets		4,842	3,929
<b>Total Assets</b>		<b>4,842</b>	<b>3,929</b>
<b>Liabilities</b>			
<b>Current Liabilities</b>			
Voted funds to be surrendered to the Revenue Fund	11	4,680	1,796
Departmental revenue and NRF Receipts to be surrendered to the Revenue Fund	12	156	2,133
Payables	14	6	-
		<b>4,842</b>	<b>3,929</b>
<b>Non-Current Liabilities</b>			
Non-Current Liabilities		-	-
Current Liabilities		4,842	3,929
<b>Total Liabilities</b>		<b>4,842</b>	<b>3,929</b>
Assets		4,842	3,929
Liabilities		(4,842)	(3,929)
		-	-

# Office of The Premier

(Vote number 1)

Annual Financial Statements for the year ended 31 March 2023

## Statement of Changes in Net Assets

Figures in Rand thousand	Note	2022/2023	2021/2022 Restated*
<b>Capitalisation reserves</b>			
Opening balance		-	-
Transfers:			
Movement in Equity		-	-
Movement in operational funds		-	-
Other movements		-	-
<b>Closing balance</b>		-	-
<b>Recoverable revenue</b>			
Opening balance		-	-
Transfers:			
Irrecoverable amounts written off	5.2	-	-
Debts revised		-	-
Debts recovered (incl in dept receipts)		-	-
Debts raised		-	-
<b>Closing balance</b>		-	-
<b>Retained funds</b>			
Opening balance		-	-
Transferred from voted funds to be surrendered (Parliament/Legislatures ONLY)		-	-
Utilised during the year		-	-
Other		-	-
<b>Closing balance</b>		-	-
<b>Revaluation reserves</b>			
Opening balance		-	-
Revaluation adjustment		-	-
Transfers		-	-
Other		-	-
<b>Closing balance</b>		-	-

# Office of The Premier

(Vote number 1)

Annual Financial Statements for the year ended 31 March 2023

## Cash Flow Statement

Figures in Rand thousand	Note(s)	2022/2023	2021/2022 Restated*
<b>Cash flows from operating activities</b>			
<b>Receipts</b>			
Annual appropriated funds received	1.1	361,826	353,904
Departmental revenue received	2	294	672
Interest received	2.2	1,099	616
		<b>363,219</b>	<b>355,192</b>
Net (increase)/ decrease in working capital		12	(926)
Surrendered to Revenue Fund		(5,166)	(3,269)
Current payments		(284,429)	(251,169)
Payments for financial assets		-	(25)
Transfers and subsidies paid		(64,421)	(84,656)
Total receipts		363,219	355,192
Total payments		(354,004)	(340,045)
<b>Net cash flow available from operating activities</b>	15	<b>9,215</b>	<b>15,147</b>
<b>Cash flows from investing activities</b>			
Payments for capital assets	7	(8,296)	(16,258)
Proceeds from sale of capital assets	2.3	-	1,698
<b>Net cash flows from investing activities</b>		<b>(8,296)</b>	<b>(14,560)</b>
Net increase/ (decrease) in cash and cash equivalents		919	587
Cash and cash equivalents at beginning of year		395	(192)
<b>Cash and cash equivalents at the end of the year</b>	16	<b>1,314</b>	<b>395</b>

# Office of The Premier

(Vote number 1)

Annual Financial Statements for the year ended 31 March 2023

## Accounting Policies

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### Summary of significant accounting policies

The annual 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 annual financial statements present fairly the department's primary and secondary information.

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

Where appropriate and meaningful, additional information has been disclosed to enhance the usefulness of the annual 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 annual financial statements have been prepared in accordance with the Modified Cash Standards.

#### 2. Going concern

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

#### 3. Presentation currency

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

#### 4. Rounding

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

#### 5. Foreign currency translation

Cash flows arising from foreign currency transactions are translated into South African 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 annual financial statements. Where necessary figures included in the prior period annual 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 annual 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.

# Office of The Premier

(Vote number 1)

Annual Financial Statements for the year ended 31 March 2023

## Accounting Policies

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### 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.

Appropriated funds are measured at the amounts receivable.

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

#### 7.2 Departmental revenue

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

Departmental revenue is measured at the cash amount received.

In-kind donations received are recorded in the notes to the annual financial statements on the date of receipt and are measured at fair value.

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 annual financial statements when:

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

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

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

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

### 8. Expenditure

#### 8.1 Compensation of employees

##### 8.1.1 Salaries and wages

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

##### 8.1.2 Social contributions

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

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

# Office of The Premier

(Vote number 1)

Annual Financial Statements for the year ended 31 March 2023

## Accounting Policies

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### 8. Expenditure (continued)

#### 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.

Donations made in kind are recorded in the notes to the annual financial statements on the date of transfer and are measured at cost or fair value.

#### 8.3 Accruals and payables not recognised

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

#### 8.4 Leases

##### 8.4.1 Operating leases

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

The operating lease commitments are recorded in the notes to the annual 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. Finance lease payments received are recognised as departmental revenue.

The finance lease commitments are recorded in the notes to the annual 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 annual financial statements on the date of receipt and is measured at fair value.

CARA Funds are recognised when receivable and measured at the amounts receivable.

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.

# Office of The Premier

(Vote number 1)

Annual Financial Statements for the year ended 31 March 2023

## Accounting Policies

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### 10. Cash and cash equivalents (continued)

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

### 11. Prepayments and advances

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

Prepayments and advances are initially and subsequently measured at cost.

### 12. Loans and receivables

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

### 13. Investments

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

### 14. Financial assets

#### 14.1 Financial assets (not covered elsewhere)

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

At the reporting date, a department shall measure its financial assets at cost, less amounts already settled or written-off, except for recognised loans and receivables, which are measured at cost plus accrued interest, where interest is charged, less amounts already settled or written-off.

#### 14.2 Impairment of financial assets

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

# Office of The Premier

(Vote number 1)

Annual Financial Statements for the year ended 31 March 2023

## Accounting Policies

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### 16. Capital assets (continued)

#### 16.2 Movable capital assets

Movable capital assets are initially recorded in the notes to the annual 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 -.

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

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 annual 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 annual 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 -.

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

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

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

#### 16.4 Project costs: Work-in-progress

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

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

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

### 17. Provisions and contingents

#### 17.1 Provisions

Provisions are recorded in the notes to the annual 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 annual 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.

# Office of The Premier

(Vote number 1)

Annual Financial Statements for the year ended 31 March 2023

## Accounting Policies

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### 17. Provisions and contingents (continued)

#### 17.3 Contingent assets

Contingent assets are recorded in the notes to the annual 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 annual 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 measured at the amount of the confirmed unauthorised expenditure.

Unauthorised expenditure is recognised in the statement of changes in net assets until such time as the expenditure is either:

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

Unauthorised expenditure recorded in the notes to the annual financial statements comprise of:

- unauthorised expenditure that was under assessment in the previous financial year;
- unauthorised expenditure relating to previous financial year and identified in the current year; and
- unauthorised expenditure incurred in the current year.

### 19. Fruitless and wasteful expenditure

Fruitless and wasteful expenditure receivables are recognised in the statement of financial position when recoverable. The receivable is measured at the amount that is expected to be recovered and is de-recognised when settled or subsequently written-off as irrecoverable.

Fruitless and wasteful expenditure is recorded in the notes to the annual financial statements when and at amounts confirmed, and comprises of:

- fruitless and wasteful expenditure that was under assessment in the previous financial year;
- fruitless and wasteful expenditure relating to previous financial year and identified in the current year; and
- fruitless and wasteful expenditure incurred in the current year.

### 20. Irregular expenditure

Losses emanating from irregular expenditure are recognised as a receivable in the statement of financial position when recoverable. The receivable is measured at the amount that is expected to be recovered and is de-recognised when settled or subsequently written-off as irrecoverable.

Irregular expenditure is recorded in the notes to the annual financial statements when and at amounts confirmed and comprises of:

- irregular expenditure that was under assessment in the previous financial year;
- irregular expenditure relating to previous financial year and identified in the current year; and
- irregular expenditure incurred in the current year.

### 21. Changes in accounting estimates and errors

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

# Office of The Premier

(Vote number 1)

Annual Financial Statements for the year ended 31 March 2023

## Accounting Policies

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### 21. Changes in accounting estimates and errors (continued)

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 annual 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 annual 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 annual 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 Mpumalanga Government Administration are recorded in the notes to the annual financial statements when the transaction is not at arm's length.

The number of individuals and the full compensation of key management personnel is recorded in the notes to the annual 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.

# Office of The Premier

(Vote number 1)

Annual Financial Statements for the year ended 31 March 2023

## Accounting Policies

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### 29. Public-Private Partnerships (continued)

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 annual financial statements.

### 30. Employee benefits

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

Accruals and payables not recognised for employee benefits are measured at cost or fair value at the reporting date.

The provision for employee benefits is measured as the best estimate of the funds required to settle the present obligation at the reporting date.

### 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.

# Office of The Premier

(Vote number 1)

Annual Financial Statements for the year ended 31 March 2023

## Notes to the Annual Financial Statements

Figures in Rand thousand Note 2022/2023 2021/2022

### 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	2022/2023		2021/2022	
	Final budget	Actual funds received	Final budget	Appropriation received
<b>Programmes</b>				
Programme 1 Administration	156,666	156,666	148,881	148,881
Programme 2 Institutional Development	81,455	81,455	70,187	70,187
Programme 3 Policy and Governance	123,705	123,705	134,836	134,836
<b>Total</b>	<b>361,826</b>	<b>361,826</b>	<b>353,904</b>	<b>353,904</b>

### 2. Departmental revenue

Sales of goods and services other than capital assets	2.1	186	176
Interest, dividends and rent on land	2.2	1,099	616
Sales of capital assets	2.3	-	1,698
Transactions in financial assets and liabilities	2.4	108	496
<b>Total revenue collected</b>		<b>1,393</b>	<b>2,986</b>
Less: Own revenue included in appropriation	12	1,393	2,781
<b>Departmental revenue collected</b>		<b>-</b>	<b>205</b>

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

Sales by market establishment	91	88
Other sales	95	88
<b>Sales of goods and services produced by the department</b>	<b>186</b>	<b>176</b>

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

Interest	1,099	616
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#### 2.3 Sales of capital assets

##### Tangible assets

Machinery and equipment	-	1,698
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#### 2.4 Transactions in financial assets and liabilities

Receivables	10	9
Other receipts including recoverable revenue	98	487
<b>Total</b>	<b>2</b>	<b>496</b>

Other receipts including recoverable revenue comprises of receivables of previous years expenditure and unallocated credits.

# Office of The Premier

(Vote number 1)

Annual Financial Statements for the year ended 31 March 2023

## Notes to the Annual Financial Statements

Figures in Rand thousand	Note(s)	2022/2023	2021/2022
<b>3. Compensation of employees</b>			
<b>3.1 Salaries and wages</b>			
Basic salary		113,952	103,682
Performance award		-	967
Service based		434	116
Compensative/circumstantial		6,198	6,940
Other non-pensionable allowances		28,472	26,245
<b>Total</b>		<b>149,056</b>	<b>137,950</b>
Other non-pensionable allowances comprises of capital remuneration, housing allowance, non-pensionable allowance and service bonus.			
<b>3.2 Social contributions</b>			
<b>Employer contributions</b>			
Pension		14,547	13,280
Medical		7,268	6,697
Bargaining council		27	25
Insurance		47	45
<b>Total</b>		<b>21,889</b>	<b>20,047</b>
<b>Total compensation of employees</b>		<b>170,945</b>	<b>157,997</b>
Average number of employees		258	225

Average number of employees include 17 interns and 241 permanent personnel.

## 4. Goods and services

Administrative fees		3,012	1,080
Advertising		5,311	6,566
Minor assets	4.1	544	80
Catering		1,676	1,280
Communication		19,155	18,356
Computer services	4.2	1,991	1,288
Consultants: Business and advisory services		3,817	10,661
Legal services		4,822	6,112
Contractors		497	1,333
Audit cost - external	4.3	6,392	5,571
Fleet services		2,808	2,649
Consumables	4.4	2,943	4,611
Operating leases		1,353	940
Property payments	4.5	6,767	9,476
Rental and hiring		786	955
Transport provided as part of the departmental activities		706	852
Travel and subsistence	4.6	35,014	17,042
Venues and facilities		12,982	2,162
Training and development		2,221	2,045
Other operating expenditure	4.7	687	113
<b>Total</b>		<b>113,484</b>	<b>93,172</b>

Other operating expenditure comprises of courier services, laundry services, non-life insurance, printing and publication, professional bodies and resettlement costs.

# Office of The Premier

(Vote number 1)

Annual Financial Statements for the year ended 31 March 2023

## Notes to the Annual Financial Statements

Figures in Rand thousand	Note(s)	2022/2023	2021/2022
<b>4. Goods and services (continued)</b>			
<b>4.1 Minor assets</b>			
<b>Tangible assets</b>			
Machinery and equipment		498	80
<b>Intangible assets</b>			
Software		47	-
<b>Total</b>	<b>4</b>	<b>544</b>	<b>80</b>
<b>4.2 Computer services</b>			
SITA computer services		1,778	1,288
External computer service providers		213	-
<b>Total</b>	<b>4</b>	<b>1,991</b>	<b>1,288</b>
<b>4.3 Audit cost - external</b>			
Regularity audits		6,392	5,571
<b>4.4 Consumables</b>			
Uniform and clothing		323	115
Household supplies		680	848
Building material and supplies		246	644
IT consumables		120	139
Other consumables		162	326
<b>Consumable supplies</b>		<b>1,531</b>	<b>2,072</b>
Stationery, printing and office supplies		1,412	2,539
<b>Total</b>	<b>4</b>	<b>2,943</b>	<b>4,611</b>
Other consumables comprises of gifts and awards, medical supplies, bag and accessories.			
<b>4.5 Property payments</b>			
Municipal services		5,944	8,875
Other		823	601
<b>Total</b>	<b>4</b>	<b>6,767</b>	<b>9,476</b>
Other comprises of cleaning services.			
<b>4.6 Travel and subsistence</b>			
Local		28,939	16,774
Foreign		6,075	268
<b>Total</b>	<b>4</b>	<b>35,014</b>	<b>17,042</b>

# Office of The Premier

(Vote number 1)

Annual Financial Statements for the year ended 31 March 2023

## Notes to the Annual Financial Statements

Figures in Rand thousand	Note(s)	2022/2023	2021/2022
<b>4. Goods and services (continued)</b>			
<b>4.7 Other operating expenditure</b>			
Professional bodies, membership and subscription fees		181	111
Resettlement costs		221	-
Other		285	2
<b>Total</b>	<b>4</b>	<b>687</b>	<b>113</b>
Other compromises of laundry services, non-life insurance, courier and delivery.			
<b>4.8 Remuneration of members of a commission or committee (Included in Consultants: Business and advisory services)</b>			
<b>5. Payments for financial assets</b>			
Other material losses written off	5.1	-	25
<b>5.1 Other material losses written off</b>			
<b>Nature of losses</b>			
Debtors written off		-	25
<b>5.2 Debts written off</b>			
<b>5.3 Details of theft</b>			
<b>6. Transfers and subsidies</b>			
Provinces and municipalities	29	23	24
Public corporations and private enterprises	Annexure 1D	61,546	81,953
Households	Annexure 1G	2,852	2,679
<b>Total</b>		<b>64,421</b>	<b>84,656</b>
<b>6.1 Donations made in kind (not included in the main note)</b>			
Grootboom Primary School-Computer Equipment and Office Equipment		704	-
Mhlathi Primary School-Computer Equipment, Furniture & Office Equipment and Other Machinery and Equipment		599	-
Sibukosetu High School-Computer Equipment, Furniture & Office Equipment		350	-
Nelsville Combined School-Computer Equipment, Furniture & Office Equipment		126	-
Sethuthukile High School-Computer Equipment, Furniture & Office Equipment and Other Machinery & Equipment		767	-
<b>Total</b>	<b>Annexure 1J</b>	<b>2,546</b>	<b>-</b>

# Office of The Premier

(Vote number 1)

Annual Financial Statements for the year ended 31 March 2023

## Notes to the Annual Financial Statements

Figures in Rand thousand

	Note(s)	2022/2023	2021/2022
<b>7. Expenditure for capital assets</b>			
<b>Tangible assets</b>			
Machinery and equipment	26	8,243	16,238
<b>Intangible assets</b>			
Software	27	53	20

### 7.1 Analysis of funds utilised to acquire capital assets - 2022/2023

Figures in Rand thousand	Voted funds	Total
<b>Tangible assets</b>		
Machinery and equipment	8,243	8,243
<b>Intangible assets</b>		
Software	53	53
<b>Total</b>	<b>8,296</b>	<b>8,296</b>

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

Figures in Rand thousand	Voted funds	Total
<b>Tangible assets</b>		
Machinery and equipment	16,238	16,238
<b>Intangible assets</b>		
Software	20	20
<b>Total</b>	<b>16,258</b>	<b>16,258</b>

## 8. Cash and cash equivalents

Consolidated paymaster general account	1,314	(31,222)
Cash receipts	-	31,617
<b>Total</b>	<b>1,314</b>	<b>395</b>

## 9. Prepayments and advances

Travel and subsistence	42	42
<b>Analysis of total prepayments and advances</b>		
Current prepayments and advances	42	42

## 10. Receivables

Figures in Rand thousand	Note	2022/2023		2021/2022	
		Current	Total	Current	Total
Recoverable expenditure	10.2	1,625	1,625	1,637	1,637
Staff debt	10.3	1,440	1,440	1,434	1,434
Other receivables	10.4	421	421	421	421
<b>Total</b>		<b>3,486</b>	<b>3,486</b>	<b>3,492</b>	<b>3,492</b>

# Office of The Premier

(Vote number 1)

Annual Financial Statements for the year ended 31 March 2023

## Notes to the Annual Financial Statements

Figures in Rand thousand	Note(s)	2022/2023	2021/2022
<b>10. Receivables (continued)</b>			
Other receivables compromises of supplier debtor.			
<b>10.1 Claims recoverable</b>			
<b>10.2 Recoverable expenditure (disallowance accounts)</b>			
Sal:Income Tax		1,549	1,637
Sal: GEHS		76	-
<b>Total</b>	<b>10</b>	<b>1,625</b>	<b>1,637</b>
<b>10.3 Staff debt</b>			
Employees		42	46
Ex-employees		1,398	1,388
<b>Total</b>	<b>10</b>	<b>1,440</b>	<b>1,434</b>
<b>10.4 Other receivables</b>			
Supplier Debtors		421	421
<b>11. Voted funds to be surrendered to the Revenue Fund</b>			
Opening balance		1,796	2,235
Transferred from statement of financial performance (as restated)		4,680	1,796
Paid during the year		(1,796)	(2,235)
<b>Closing balance</b>		<b>4,680</b>	<b>1,796</b>
<b>12. Departmental revenue and NRF Receipts to be surrendered to the Revenue Fund</b>			
Opening balance		2,133	181
Transferred from statement of financial performance (as restated)		-	205
Own revenue included in appropriation	2	1,393	2,781
Paid during the year		(3,370)	(1,034)
<b>Closing balance</b>		<b>156</b>	<b>2,133</b>

# Office of The Premier

(Vote number 1)

Annual Financial Statements for the year ended 31 March 2023

## Notes to the Annual Financial Statements

Figures in Rand thousand	Note(s)	2022/2023	2021/2022
<b>13. Bank overdraft</b>			
<b>14. Payables - current</b>			
Clearing accounts	14.1	6	-
<b>14.1 Clearing accounts</b>			
Sal: Pension Fund		6	-
<b>14.2 Other payables</b>			
<b>15. Net cash flow available from operating activities</b>			
Net surplus as per Statement of Financial Performance		4,680	2,001
<b>Add back non cash/ cash movements not deemed operating activities</b>			
(Increase)/ decrease in receivables		6	(1,047)
(Increase)/ decrease in prepayments and advances		-	135
Increase/ (decrease) in payables – current		6	(14)
Proceeds from sale of capital assets		-	(1,698)
Expenditure on capital assets		8,296	16,258
Surrenders to Revenue Fund		(5,166)	(3,269)
Own revenue included in appropriation		1,393	2,781
<b>Net cash flow generated by operating activities</b>		<b>9,215</b>	<b>15,147</b>
<b>16. Reconciliation of cash and cash equivalents for cash flow purposes</b>			
Consolidated paymaster general account		1,314	(31,222)
Cash receipts		-	31,617
<b>Total</b>		<b>1,314</b>	<b>395</b>
<b>17. Contingent liabilities and contingent assets</b>			
<b>17.1 Contingent liabilities</b>			
<b>Liable to</b>	<b>Nature</b>		
Claims against the department		Annexure 3B	50,492
			50,492

The contingent liabilities consists of claims against the department by four(4) litigant namely Markohill, Mr Nyako Champ Mamaro, SP Xulu and MV Mahlalela which are currently before courts hence the Office its uncertain on how the courts will conclude on this matters on both amount and timing.

### 18. Capital commitments

The Office does not have capital commitments to disclose for the current financial year.

# Office of The Premier

(Vote number 1)

Annual Financial Statements for the year ended 31 March 2023

## Notes to the Annual Financial Statements

Figures in Rand thousand	Note(s)	2022/2023	2021/2022
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### 19. Accruals and payables not recognised

#### 19.1 Accruals

Figures in Rand thousand		2022/2023		2021/2022
Listed by economic classification	30 Days	30+ Days	Total	Total
Goods and services	3,955	4,186	8,141	9,557

#### Listed by programme level

Programme 1 Administration			5,689	7,301
Programme 2 Institutional Development			1,289	1,735
Programme 3 Policy and Governance			1,163	521
<b>Total</b>			<b>8,141</b>	<b>9,557</b>

#### 19.2 Payables not recognised

Figures in Rand thousand		2022/2023		2021/2022
Listed by economic classification	30 Days	30+ Days	Total	Total
Goods and services	16,990	15,074	32,064	15,029

#### Listed by programme level

Programme 1 Administration			15,075	15,029
Programme 2 Institutional Development			16,989	-
<b>Total</b>			<b>32,064</b>	<b>15,029</b>

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

Confirmed balances with other departments	Annexure 5	2,127	264
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### 20. Employee benefits

Leave entitlement		35,937	11,771
Service bonus		4,324	3,891
Performance awards		-	-
Capped leave commitments		7,291	7,037
Other		105	182
<b>Total</b>		<b>47,657</b>	<b>22,881</b>

Other compromises of long term service awards that are due to be paid in the 2023/24 financial year. At this stage the department is not able to reliably measure the long term portion of the long service awards.

# Office of The Premier

(Vote number 1)

Annual Financial Statements for the year ended 31 March 2023

## Notes to the Annual Financial Statements

Figures in Rand thousand

	Note(s)	2022/2023	2021/2022
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### 21. Lease commitments

#### 21.1 Operating leases

##### 2022/2023

Figures in Rand thousand	Machinery and equipment	Total
Not later than 1 year	1,363	1,363
Later than 1 year and not later than 5 years	3,537	3,537
<b>Total lease commitments</b>	<b>4,900</b>	<b>4,900</b>

##### 2021/2022

Figures in Rand thousand	Machinery and equipment	Total
Not later than 1 year	139	139
Later than 1 year and not later than 5 years	730	730
<b>Total lease commitments</b>	<b>869</b>	<b>869</b>

### 22. Unauthorised, Irregular and Fruitless and wasteful expenditure

Irregular expenditure	82	9,161
Fruitless and wasteful expenditure	361	16
<b>Total</b>	<b>443</b>	<b>9,177</b>

### 23. Related party transactions

#### Payments made

Transfers	61,546	81,953
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#### Year end balances arising from revenue/payments

Receivables from related parties	26,637	40,741
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#### In kind goods and services provided/received

##### List in kind goods and services between the department and the related party

All departments under the common control of the Mpumalanga Provincial Legislature are all related parties. During the year under review the Office of the Premier received accommodation services free of charge from the Department of Public Works, Roads and Transport which are related party. Pursuant to a determination and approval by the Provincial Treasury, the Office of the Premier provide services for the Audit Committee and Internal Audit through the shared services in the Office of the Premier, to the following Provincial departments: Department of Human Settlement; Department of Culture, Sports & Recreation; Department of Community Safety and Liason; and Department of Co-operative Governance and Traditional Affairs. The Department was responsible for funding the shared Internal Audit Committees and Audit Committee of the shared services, however the services were provided free of charge to the above mentioned departments.

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The Office of the Premier has entered into a Memorandum of Understanding with MEGA to disburse funds of the Premier Youth Development Fund to beneficiaries.

# Office of The Premier

(Vote number 1)

Annual Financial Statements for the year ended 31 March 2023

## Notes to the Annual Financial Statements

Figures in Rand thousand	Note(s)	2022/2023	2021/2022
<b>24. Key management personnel</b>			
Political office bearers (provide detail below)		2,396	2,282
Level 15 to 16		6,204	6,056
Level 14 (incl. CFO if at a lower level)		12,863	11,584
Other lower than level 14		3,344	2,039
Family members of key management personnel		937	706
<b>Total</b>		<b>25,744</b>	<b>22,667</b>

### 25. Provisions

CM Churchill	-	7,595
Churchill Taxing Master	1,511	1,511
<b>Total</b>	<b>1,511</b>	<b>9,106</b>

The High court has determined the final amount owed to CM Churchill hence it was reclassified to payables not recognised.

#### 25.1 Reconciliation of movement in provisions - 2022/2023

Figures in Rand thousand	Churchill Quantum	Churchill Taxing Master	Total provisions
Opening balance	7,595	1,511	9,106
Increase in provision	-	-	-
Settlement of provision	(7,595)	-	(7,595)
Unused amount reversed	-	-	-
Reimbursement expected from third party	-	-	-
Change in provision due to change in estimation of inputs	-	-	-
<b>Closing balance</b>	<b>-</b>	<b>1,511</b>	<b>1,511</b>

#### 25.2 Reconciliation of movement in provisions - 2021/2022

Figures in Rand thousand	Churchill Quantum	Churchill Taxing Master	Total provisions
Opening balance	7,595	1,511	9,106
Settlement of provision	-	-	-
Unused amount reversed	-	-	-
Reimbursement expected from third party	-	-	-
Change in provision due to change in estimation of inputs	-	-	-
<b>Closing balance</b>	<b>7,595</b>	<b>1,511</b>	<b>9,106</b>

## Office of The Premier

(Vote number 1)

Annual Financial Statements for the year ended 31 March 2023

### Notes to the Annual Financial Statements

Figures in Rand thousand Note(s) 2022/2023 2021/2022

#### 26. Movable tangible capital assets

##### Movement in movable tangible capital assets per asset register for the year ended 31 March 2023

Figures in Rand thousand	Opening balance	Additions	Disposals	Closing balance
<b>Machinery and equipment</b>				
Transport assets	9,757	-	-	9,757
Computer equipment	23,027	4,759	1,594	26,192
Furniture and office equipment	11,993	3,081	246	14,828
Other machinery and equipment	5,796	403	297	5,902
	<b>50,573</b>	<b>8,243</b>	<b>2,137</b>	<b>56,679</b>

Other machinery and equipment comprises of kitchen appliances, photographic equipment and audio visual equipment.

##### Movable tangible capital assets under investigation

Figures in Rand thousand	Number	Value
<b>Included in the above total of the movable tangible capital assets per the asset register are assets that are under investigation:</b>		
Machinery and equipment	16	714

#### 26.1 Movement for 2021/2022

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

Figures in Rand thousand	Opening balance	Additions	Disposals	Closing balance
<b>Machinery and equipment</b>				
Transport assets	13,377	1,691	5,311	9,757
Computer equipment	16,166	6,861	-	23,027
Furniture and office equipment	6,277	5,716	-	11,993
Other machinery and equipment	5,663	133	-	5,796
	<b>41,483</b>	<b>14,401</b>	<b>5,311</b>	<b>50,573</b>

#### 26.2 Minor assets

##### Movement in minor capital assets per the asset register for the year ended as at 31 March 2023

Figures in Rand thousand	Intangible assets	Machinery and equipment	Total
Opening balance	2	4,453	4,455
Additions	-	544	544
Disposals	-	410	410
<b>Total minor capital assets</b>	<b>2</b>	<b>4,587</b>	<b>4,589</b>

Figures in Rand thousand	Machinery and equipment	Total
Number of minor assets at cost	3,514	3,514

##### Minor capital assets under investigation

# Office of The Premier

(Vote number 1)

Annual Financial Statements for the year ended 31 March 2023

## Notes to the Annual Financial Statements

Figures in Rand thousand	Note(s)	2022/2023	2021/2022
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### 26. Movable tangible capital assets (continued)

Figures in Rand thousand

Number

Value

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

Machinery and equipment

27

61

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

Figures in Rand thousand	Intangible assets	Other machinery and equipment	Total
Opening balance	2	4,359	4,361
Additions	-	94	94
<b>Total minor capital assets</b>	<b>2</b>	<b>4,453</b>	<b>4,455</b>

### 27. Intangible capital assets

#### Movement in intangible capital assets per asset register for the year ended 31 March 2023

Figures in Rand thousand	Opening balance	Additions	Closing balance
Software	60,478	142	60,620

The Office is intending to donate the CIMMS system to Department of Justice and Solicitor General.

#### Intangible capital assets under investigation

Figures in Rand thousand

Number

Value

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

Software

7

201

#### 27.1 Movement for 2021/2022

#### Movement in intangible capital assets per asset register for the year ended 31 March 2022

Figures in Rand thousand	Opening balance	Additions	Closing balance
Software	60,458	20	60,478

## Office of The Premier

(Vote number 1)

Annual Financial Statements for the year ended 31 March 2023

### Notes to the Annual Financial Statements

Figures in Rand thousand	Note(s)	2022/2023	2021/2022
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#### 28. Prior period errors

##### 28.1 Correction of prior period errors

Figures in Rand thousand	Note	2021/2022 Amount bef error correction	Prior period error
<b>Expenditure: (e.g. Compensation of employees, Goods and services, Tangible capital assets, etc.)</b>			
Remuneration of a commission or committee	4.8	1,994	(1,994)

The remuneration of a commission or committee was erroneously included in the previous financial year.

Figures in Rand thousand	Note	Amount bef error correction	2021/2022 Prior period error	Restated amount
<b>Liabilities: (e.g. Payables current, Voted funds to be surrendered, Commitments, Provisions, etc.)</b>				
Accruals	19.1	6,227	3,330	9,557
Key Management Personnel	24	19,796	2,871	22,667
Contigent Liabilities and Contigent Assets	16	59,204	(8,712)	50,492
Provisions	25	7,595	1,511	9,106
<b>Net effect</b>		<b>92,822</b>	<b>(1,000)</b>	<b>91,822</b>

The prior period error for Accruals was caused by ommiting previous years invoices from travel agencies, cleaning services and media service from a service providers.

The Key Management Personnel prior period error was caused by ommiting special advisors to the Premier in the previous year disclosure.

The Contigent Liabilities and Contigent Assets prior period error was caused by the erroneus inclusion of Bakhusele Business Solution through merely citing the Premier in the summons though there are not any financial implications to the Office. The prior period error for Privions was caused by the omission of Notice of Taxation in relation to the court case between Churchill and the Office.

## Office of The Premier

(Vote number 1)

Annual Financial Statements for the year ended 31 March 2023

### Notes to the Annual Financial Statements

Figures in Rand thousand

#### 29. Statement of conditional grants paid to the provinces

Figures in Rand thousand

Name of Grant	Grant allocation		Transfer	2021/2022	
	Division of Revenue Act	Total Available	Actual Transfer	Division of Revenue Act	Actual Transfer

##### Summary by province

Mpumalanga	23	23	23	32	24
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##### Summary by grant

Name of grant - 1	32	32	23	32	24
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##### 1. Name of grant - 1

Mpumalanga	32	32	23	32	24
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National Departments are reminded of the DORA requirements to indicate any re-allocations by the National Treasury or the transferring department, certify that all transfers in terms of this Act were deposited into the primary bank account of a province or, where appropriate, into the CPD account of a province as well as indicate the funds utilised for the administration of the receiving officer.

#### 30. COVID 19 Response Expenditure

Goods and services	-	237
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**Office of The Premier**

(Vote number 1)

Annual Financial Statements for the year ended 31 March 2023

**Annexures to the Annual Financial Statements**

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## Office of The Premier

(Vote number 1)

Annual Financial Statements for the year ended 31 March 2023

### Annexures to the Annual Financial Statements

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#### Annexure 1D

##### Statement of transfers/ subsidies to public corporations and private enterprises

Figures in Rand thousand	Transfer allocation		Expenditure		2021/2022	
	Adjusted budget	Total available	Actual transfer	% of Available funds transferred	Final budget	Actual transfer
<b>Public corporations</b>						
<b>Transfers</b>						
Mpumalanga Economic Growth Agency	62,000	62,000	61,546	99.3 %	82,000	81,953

Departments are required to include a summary of expenditure per conditional grant to aid in the identification of under- / over spending of such funds and to allow the department to provide an explanation for the variance.

## Office of The Premier

(Vote number 1)

Annual Financial Statements for the year ended 31 March 2023

### Annexures to the Annual Financial Statements

#### Annexure 1G

##### Statement of transfers to households

Figures in Rand thousand	Transfer allocation		Expenditure		2021/2022	
	Adjusted budget	Total available	Actual transfer	% of Available funds transferred	Final budget	Actual transfer
Households						
<b>Transfers</b>						
Injury on duty	112	112	112	100 %	50	7
Severance package	412	412	412	100 %	1,400	1,337
Leave gratuity	985	985	982	100 %	665	625
Bursaries non-employees	1,346	1,346	1,346	100 %	750	710
	<b>2,855</b>	<b>2,855</b>	<b>2,852</b>		<b>2,865</b>	<b>2,679</b>

# Office of The Premier

(Vote number 1)

Annual Financial Statements for the year ended 31 March 2023

## Annexures to the Annual Financial Statements

### Annexure 1J

#### Statement of gifts, donations and sponsorships made

Figures in Rand thousand	2022/2023	2021/2022
Nature of gifts, donations and sponsorships made		
<b>Made in kind</b>		
Grootboom Primary School-Computer Equipment and Office Equipment	704	-
Mhlathi Primary School-Computer Equipment, Furniture & Office Equipment and Other Machinery and Equipment	599	-
Sibukosetfu High School-Computer Equipment, Furniture & Office equipment	350	-
Nelsville Combined School-Computer Equipment, Furniture & Office Equipment	126	-
Sethuthukile High School-Computer Equipment, Furniture & Office Equipment and Other Machinery & Equipment	767	-
<b>Total</b>	<b>2,546</b>	<b>-</b>

# Office of The Premier

(Vote number 1)

Annual Financial Statements for the year ended 31 March 2023

## Annexures to the Annual Financial Statements

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### Annexure 3B

#### Statement of contingent liabilities as at 31 March 2023

Figures in Rand thousand	Opening balance 01 April 2022	Closing balance 31 March 2023
Nature of liabilities		
<b>Claims against the department</b>		
Markohill	32	32
Mr Nyako Champ Mamaro	6,853	6,853
SP Xulu	3,210	3,210
MV Mahlalela	40,397	40,397
<b>Subtotal</b>	<b>50,492</b>	<b>50,492</b>

## Office of The Premier

(Vote number 1)

Annual Financial Statements for the year ended 31 March 2023

### Annexures to the Annual Financial Statements

#### Annexure 4

##### Claims recoverable

Government entity	Confirmed balance outstanding		Unconfirmed balance outstanding	Total	
	2022/2023	2021/2022		2022/2023	2021/2022
Figures in Rand thousand					
<b>Department</b>					
Department of Economic Development and Tourism	104	33	-	104	33
Department of Public Works, Roads and Transport	-	63	861	861	63
The Presidency	290	2,335	-	290	2,335
Department of Military Veterans	-	-	381	381	-
<b>Subtotal</b>	<b>394</b>	<b>2,431</b>	<b>1,242</b>	<b>1,636</b>	<b>2,431</b>

## Office of The Premier

(Vote number 1)

Annual Financial Statements for the year ended 31 March 2023

### Annexures to the Annual Financial Statements

#### Annexure 5

##### Inter-government payables

Government entity	Confirmed balance outstanding		Total	
Figures in Rand thousand	2022/2023	2021/2022	2022/2023	2021/2022
<b>Departments</b>				
<b>Current</b>				
Department of Public Works, Roads and Transport	1,226	33	1,226	33
Department of Health	168	-	168	-
South African Police Services	401	161	401	161
Department of Agriculture, Rural Development, Land and Environmental Affairs	272	-	272	-
Department of Justice and Constitutional Development	60	70	60	70
<b>Subtotal</b>	<b>2,127</b>	<b>264</b>	<b>2,127</b>	<b>264</b>

The amount owed to Department of Justice and Correctional Development of R70 357.50 was omitted in the previous year.

# Office of The Premier

(Vote number 1)

Annual Financial Statements for the year ended 31 March 2023

## Annexures to the Annual Financial Statements

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### Annexure 11

#### COVID 19 response expenditure

##### Per quarter and in total

Figures in Rand thousand	2021/2022
Expenditure per economic classification	Total
<b>Goods and services</b>	
Cons Supp:Medical supplies	148
Cons Supp:Wash/clean detergent	87
Cons Supp:Uni/Prot clth&clothes	2
	<b>237</b>

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