

# ANNUAL REPORT 2021/22

## PROVINCIAL TREASURY MPUMALANGA PROVINCE VOTE NO. 3



provincial treasury  
MPUMALANGA PROVINCE  
REPUBLIC OF SOUTH AFRICA

Let's Grow Mpumalanga together

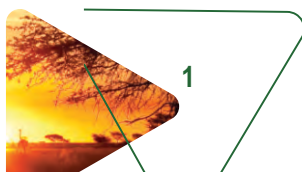




# 2021/22

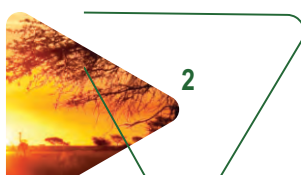
## ANNUAL REPORT

### PROVINCIAL TREASURY

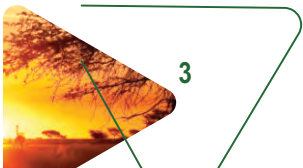



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## **PART A:** GENERAL INFORMATION

1. DEPARTMENT GENERAL INFORMATION



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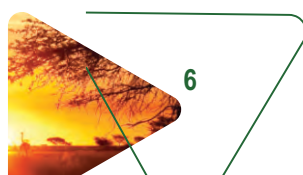
@MPTreasury



Mpumalanga Provincial Treasury

## 2. LIST OF ABBREVIATIONS/ACRONYMS

AFS	Annual Financial Statements
AGSA	Auditor General of South Africa
AIDS	Acquired Immunodeficiency Syndrome
AO	Accounting Officer
BBBEE	Broad Based Black Economic Empowerment
CFO	Chief Financial Officer
DORA	Division of Revenue Act
DPSA	Department of Public Service and Administration
DTI	Department of Trade and Industries
EHW	Employee Health and Wellness
ERM	Enterprise Risk Management
EU	European Union
EXCO	Executive Council
GIAMA	Government Immovable Asset Management Act
HIV	Human Immune Virus
HPT	Head: Provincial Treasury
HR	Human Resource
ICT	Information Communication Technology
IT	Information Technology
IYM	In-Year Monitoring
LED	Local Economic Development
LOGIS	Logistical Information System
MEC	Member of Executive Council
MFMA	Municipal Finance Management Act
MPL	Member of Provincial Legislature
MTEC	Medium Term Expenditure Committee
MTEF	Medium Term Expenditure Framework
MTSF	Medium Term Strategic Framework
NT	National Treasury
OHS	Occupational Health and Safety
OTP	Office of the Premier
PPPFA	Preferential Procurement Policy Framework Act
PAIA	Promotion of Access to Information Act
PAJA	Promotion of Administrative Justice Act
PERSAL	Personnel Salary System
PFMA	Public Finance Management Act
PILIR	Policy on incapacity and ill health retirement
PMDS	Performance Management and Development System
PMTCT	Prevention of Mother to Child Transmission
POPIA	Protection of Personal Information Act
PPP	Public Private Partnership
PSA	Public Service Act
PSA	Public Service Association
PSAA	Public Service Administration Act
PSCBC	Public Service Commission's Bargaining Council
PSWMW	Public Service Women Management Week
REMC	Risk and Ethics Management Committee
SCA	Supreme Court of Appeal
SCM	Supply Chain Management
SCOPA	Select Committee on Public Accounts
SDIP	Service Delivery Improvement Plan
SHEQ	Safety Healthy and Environment Quality
SITA	State Information Technology Agency
SMME	Small Medium and Micro Enterprises
SMS	Senior Management Services
TR	Treasury Regulations
TVET	Technical Vocational Education and Training





### 3. FOREWORD BY THE MEC



We are beholden to the Constitution of the Republic of South Africa to realize the rights accorded to the people of Mpumalanga. As a public sector institution, we are expected to provide policy advice and support to departments, public entities and municipalities anchored on the expectations of the Finance Management legislation and related policies and regulations.

The Provincial Treasury's primary mandate is to prepare the provincial budget, enhance fiscal discipline, manage assets and liabilities, and promote sound financial governance in the Province. This Annual Report provides an account of how the institution executed this mandate during the 2021/22 financial year.

The institution performed its mandate in the backdrop of a challenging socio-economic landscape characterized by low growth amid the rising cost of living and devastation brought by the global health pandemic on the people of Mpumalanga. Despite the continuing fiscal constraints, the Provincial Treasury supported public sector institutions to deliver their mandatory service as contained in the provincial programme of action for the 2021/22 financial year.

Much progress has been made since the start of the 2019 electoral mandate and term of administration, but more still needs to be done to drive fiscal efficiencies and improve governance across the public sector in the Province. Work is underway at both the provincial and local government spheres to improve the budgeting and implementation of systems of internal controls.

In 2022, we set targets to ensure continuity of strategic support to all public sector institutions to maintain sound resources management. We have further set ourselves revised targets to improve financial governance across the public sector in the Province. Accordingly, the Provincial Treasury will keep a close eye on the risks to the fiscal outlook and promote efficiencies in managing budgets internally and throughout the administration. In addition, the Department will monitor spending closely and enforce accurate reporting on the budget implementation in both the PFMA and MFMA institutions in the Province.

We will continue to enhance our municipal support and oversight through Finance MuniMEC and other mandated engagements to improve Municipalities' capacity to budget and report appropriately on finance-related matters.

I want to convey my appreciation to the Portfolio Committee for *holding our hand* throughout the financial year. I would also like to thank the Head Official, Ms Gugu Mashiteng, management and all officials of the Provincial Treasury who continue to make it possible for us to provide concise policy direction on financial matters within the Province.

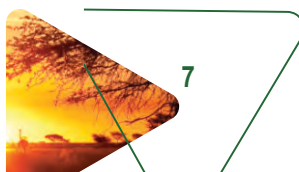
We are indeed indebted to all governance institutions and structures that supported us in an endeavour to foster accountability and integrity in programme delivery and in decision processes entrusted to the Provincial Treasury.

We remain committed to the objective of building a department that is capable, resourced and committed to fulfilling its founding principles of transparency, fairness, and responsiveness in the execution of our public duty.

Let's Grow Mpumalanga together.

A handwritten signature in black ink, appearing to read 'PV Mkhathshwa', written over a horizontal line.

**MR PV MKHATSHWA (MPL)**  
**MEC for Finance, Economic Development and Tourism**  
**Date : 16 / 08 / 2022**





## 4. REPORT OF THE ACCOUNTING OFFICER



### Overview of the operations of the department

During the 2021/22 financial year, the Provincial Treasury focused on strengthening the internal capacity and providing enabling environment for continued service delivery in the midst of the restrictions imposed on us by the pandemic.

This period was also characterised by the continued focus on the fiscal impact of development, through supporting efficiency measures in government spending and maintaining an appropriate balance between investment and consumption budget.

The Provincial Treasury also provided reliable technology support and interlinked financial system support to the Provincial Department, including through the implementation of the business process automation (BPA) project. The BPA will in the long run eradicate the risk of paper environment and misplaced records, improve efficiencies in the system and enable timeous preparation of financial statements for accounting purposes.

The Department has also scaled up capacity development and strategic support to Departments, Public Entities and Municipalities on financial management and good governance during the year under review. The 2020/21 audit outcomes of both PFMA and MFMA institutions reflect change.

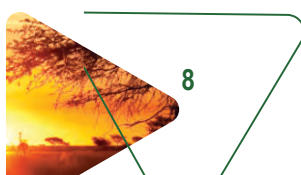
The Provincial Treasury has also provided support to Departments, Public Entities and Municipalities on implementation of various finance legislation, including the Supply Chain Management Policy Framework. We have further provided training on supply chain management and the operations of bid committees for Departments, Public Entities and Municipalities to enhance decision-making in the awarding of tenders.

### Overview of the financial results of the department

#### Departmental receipts

Departmental receipts	2020/2021			2021/2022		
	Estimate	Actual Amount Collected	(Over)/Under Collection	Estimate	Actual Amount Collected	(Over)/Under Collection
	R'000	R'000	R'000	R'000	R'000	R'000
Sale of goods and services other than capital assets	2 800	991	1 809	2 800	2 751	49
Transfers received	-	-	-	-	-	-
Fines, penalties and forfeits	-	-	-	-	-	-
Interest, dividends and rent on land	123 311	97 240	26 071	129 895	143 300	(13 405)
Sale of capital assets	-	19	(19)	-	48	(48)
Financial transactions in assets and liabilities	13	63	(50)	13	252	(239)
<b>Total</b>	<b>126 124</b>	<b>98 313</b>	<b>27 811</b>	<b>132 708</b>	<b>146 351</b>	<b>(13 643)</b>

The Provincial Treasury collected R146 351 which is 110.3 percent of the planned target of R132 708 000. The over collection is attributed to the interest accrued on the PMG and Revenue Fund accounts due to inadequate spending by the Provincial Treasury and the provincial departments respectively.



## Programme Expenditure

Programme Name	2020/21			2021/22		
	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	89 153	88 936	217	108 786	107 956	830
Sustainable Resource Management	46 475	46 472	3	82 151	82 149	2
Assets and Liabilities	213 268	213 237	31	215 859	213 539	2 320
Financial Governance	26 474	26 473	1	30 061	30 061	-
<b>Total</b>	<b>375 370</b>	<b>375 118</b>	<b>252</b>	<b>436 857</b>	<b>433 705</b>	<b>3 152</b>

The Provincial Treasury has spent R433 705 000 which is 99.3 percent of the allocated budget of R436 857 000. The total amount of R3 152 000 underspending was mainly on payments for capital assets.

### Programme 1: Administration

The Programme's budget was reduced by R3 409 000, which was mainly on the allocation for compensation of employees.

### Programme 2: Sustainable Resource Management

The Programme's budget was increased by R277 000, which was mainly on the allocation for goods and services.

### Programme 3: Assets and Liabilities Management

The Programme's budget reduced by R25 000, which was mainly on the allocation for goods and services.

### Programme 4: Financial Governance

The Programme's budget was increased by R3 157 000, which was mainly on the allocation for goods and services

### Virements/Roll-Overs

The Provincial Treasury utilised savings appropriated under two main divisions within the vote to defray excess expenditure under another two main divisions within the same vote.

The reasons for the virement were to defray the excess expenditure for the two main divisions under goods and services.

### Unauthorised, Irregular, Fruitless, and Wasteful Expenditures

The Provincial Treasury did not incur any unauthorised, irregular, fruitless and wasteful expenditure during the financial year under review.

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

The Provincial Treasury aims to improve its systems to enhance the support to Provincial Departments, Municipalities and Public Entities on sound financial and administrative management, efficient and effective management and operations systems and procurement systems that deliver value for money. The Provincial Treasury will continue to support Provincial Departments in maximizing collection and generating own revenue through training workshops, convening of revenue forums, and monitoring of cash offices. The focus by Provincial Treasury is to support municipalities with improvement in the following areas: Development of funded budgets

- Improved revenue management
- Improved role of oversight through training of relevant municipal structures and committees
- Improvement of the control environment

The introduction of Financial Management reforms in government entrusts Provincial Treasuries with the responsibility of ensuring that the Government's physical and financial assets, as well as its liabilities, are well managed. The Provincial Treasury, working closely with other Departments, Public Entities and municipalities, will contribute to efforts aimed to improve service delivery to the people of the Mpumalanga Province. The implementation of appropriate supply chain management practices including their governance framework will contribute to poverty alleviation, job creation and economic development as well as infrastructure development, which includes proper roads, housing, schools, and hospitals, amongst others.

### **Public Private Partnerships**

The Provincial Treasury provided advice and support on Public Private Partnerships to Departments, Public Entities and Municipalities. This support is provided in liaison with the National Treasury's Public Private Partnerships unit.

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

There are no discontinued activities to be discontinued.

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

The department has initiated the Provincial Staff Verification projects in order to validate the Compensation of Employees spending and to curb any fictitious employees. The project is estimated to be R30 Million.

The Provincial Treasury introduced the Business Processes Automation project for the Mpumalanga Provincial Government, commencing with e-Leave (Human Resources Management), Invoice Tracking (Supply Chain Management) and the Automated Financial Statements (Financial Reporting). The budget for the above systems is currently within the Assets and Liabilities Management Programme

### **Supply Chain Management**

The Provincial Treasury has an approved Supply Chain Management Policy, and all Bid Committees were appointed in line with applicable prescripts and legislation.

All processes and systems are in place to prevent unauthorised, irregular, fruitless and wasteful expenditures.

The Provincial Treasury has complied with the *Broad-Based Black Economic Empowerment Amendment*, 2013 (Act 46 of 2013) in awarding bids during the year under review.

The Provincial Treasury continues monitoring compliance with Local Content Regulations through the 2011 Preferential Procurement Policy Framework Act (PPPFA) as amended. The Local Content Regulations empower the Department of Trade and Industries (DTI) to designate specific industries/sectors for Local Procurement by organs of state.

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

The Provincial Treasury did not receive any gifts or donations in kind from non-related parties.

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

The Provincial Treasury has not applied for exemptions from National Treasury for the financial year under review.

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

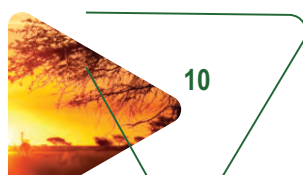
There were no events after the reporting date.

### **Other**

There are no material facts or circumstances, which may have an effect on the understanding of the financial state of affairs to report on.

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

I would like to convey my appreciation to the management and staff in the Provincial Treasury, and the assistance of the Audit Committee, Risk and Ethics Management Committee in the compilation of this Annual Report.



**Conclusion**

The Provincial Treasury will always strive to improve on performance to realise the objectives set for this administration.

**Approval and sign off**

I hereby, in my capacity as the Accounting Officer, approve the Annual Report for the 2021/22 financial year.



**MS GUGU MASHITENG**  
**Accounting Officer: Provincial Treasury**  
**Date: 31 May 2022**

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

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

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

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

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

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


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

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

The external auditors are engaged to express an independent opinion on the Annual Financial Statements.

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

Yours faithfully

  
**Ms GUGU MASHITENG**  
**Accounting Officer: Provincial Treasury**  
**Date: 31 May 2022**

## 6. STRATEGIC OVERVIEW

### 6.1. Vision

Leading in innovation and service excellence.

### 6.2. Mission

Enhance fiscal discipline, accountability and effective governance in PFMA and MFMA institutions through:

- Capable and professional workforce;
- Inter-governmental collaboration; and
- Sustainable funding and Equitable allocation and prudent financial management

### 6.3. Values

We are committing ourselves to serve with;

- Integrity;
- Diligence;
- Commitment;
- Collaboration;
- Transparency;
- Leadership

## 7. LEGISLATIVE AND OTHER MANDATES

### Constitution of the Republic of South Africa, 1996 (the Constitution)

The Constitution provides a framework for the improvement of the quality of life of all citizens. It does so by enshrining the rights of all people, which have to be respected, protected, promoted and fulfilled by the State.

The Department derives its mandate from the following key legislation:

### Division of Revenue Act (DORA)

The Act is passed annually to provide for the equitable division of revenue anticipated to be raised nationally among the national, provincial and local spheres of government for that particular financial year and provide for the reporting requirements for allocations pursuant to such division. The Act further permits the withholding and the delaying of payments in certain circumstances; and also provides for liability for costs incurred in litigation in violation of the principles of co-operative governance and intergovernmental relations; and provides for matters connected therewith.

### Government Immovable Asset Management Act, 2007 (Act 19 of 2009) (GIAMA)

This Act provide for a uniform framework for the management of an immovable asset that is held or used by a National or Provincial Department; to ensure the coordination of the use of an immovable asset with the service delivery objectives of a National or Provincial Department; to provide for issuing of guidelines and minimum standards in respect of immovable asset management by a National or Provincial Department; and to provide for matters incidental thereto.

### Mpumalanga Appropriation Act

The Act is passed annually

- to provide for the appropriation of money from the Provincial Revenue Fund for the requirements of the Province for the financial year in question;
- to prescribe conditions for the spending of funds withdrawn for the following financial year before the commencement of the Act for the financial year in question; and
- to provide for matters incidental thereto.

### **Mpumalanga Adjustment Appropriation Act**

The Act is also passed annually and it effects adjustments to the appropriation of money from the Provincial Revenue Fund for the requirements of the Province in respect of a financial year in question and to provide for matters incidental thereto.

### **Municipal Finance Management Act, 2003 (Act No. 56 of 2003) (MFMA)**

This Act sets out the responsibilities of the Provincial Treasury with regard to local government finances and fiscal powers as delegated by the National Treasury.

### **Preferential Procurement Policy Framework Act, 2000, (Act No.5 of 2000) (PPPFA)**

The Act gives effect to section 217(3) of the Constitution by providing a framework for the implementation of the procurement policy contemplated in section 217(2) of the Constitution; and to provide for matters connected therewith. Regulations in terms of the PPPFA were declared invalid (please see summary in 3 below). On 10 March 2020, draft Preferential Procurement Regulations were published for public comments.

### **Promotion of Access to Information Act, 2000 (Act No. 2 of 2000) (PAIA)**

The Act gives effect to the Constitutional right of access to any information held by the State and any information that is held by another person and that is required for the exercise or protection of any rights; and to provide for matters connected therewith.

### **Promotion of Administrative Justice Act, 2000 (Act No. 3 of 2000) (PAJA)**

The Act serves to give effect to the right to administrative action that is lawful, reasonable and procedurally fair and to the right to written reasons for administrative action as contemplated in section 33 of the Constitution of the Republic of South Africa, 1996, and to provide for matters incidental thereto.

### **Protection of Personnel Information Act, 2013 (Act No. 4 of 2013) (POPIA)**

The Protection of Personal Information Act 4 of 2013 aims:

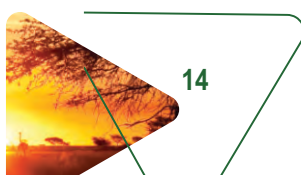
- to promote the protection of personal information processed by public and private bodies;
- to introduce certain conditions so as to establish minimum requirements for the processing of personal information;
- to provide for the establishment of an Information Regulator to exercise certain powers and to perform certain duties and functions in terms of this Act and the Promotion of Access to Information Act, 2000;
- to provide for the issuing of codes of conduct;
- to provide for the rights of persons regarding unsolicited electronic communications and automated decision making;
- to regulate the flow of personal information across the borders of the Republic; and
- to provide for matters connected therewith

### **Public Finance Management Act, 1999 (Act 1 No. of 1999) (PFMA)**

This Act regulates financial management in the National and Provincial spheres of government to ensure that all revenue, expenditure, assets and liabilities of those spheres are managed efficiently and effectively; to provide for the responsibilities of persons entrusted with financial management in the Treasury and to provide for matters connected therewith.

### **Public Service Act, 1994 (Act No. 103 of 1994) as amended (PSA)**

The Act makes provision for the organisation and administration of the public service of the Republic, the regulation of the conditions of employment, terms of office, discipline, retirement and discharge of members of the public service, and matters connected therewith.





### Public Service Regulations, 2016

The Public Service Regulations were issued by the Department of Public Service and Administration in terms of and in compliance with section 41 of the Public Service Act, No. 103 of 1994 to prescribe any matter that requires or is permitted to be prescribed by the Act.

### State Liability Act, 1957 (Act No. 20 of 1957)

The Act consolidates the law relating to the liability of the State in respect of acts of its servants.

### Treasury Regulations

The Treasury Regulations were issued by the National Treasury in terms of Section 76 of the Public Finance Management Act, No. 1 of 1999.

### UPDATES TO RELEVANT COURT RULINGS

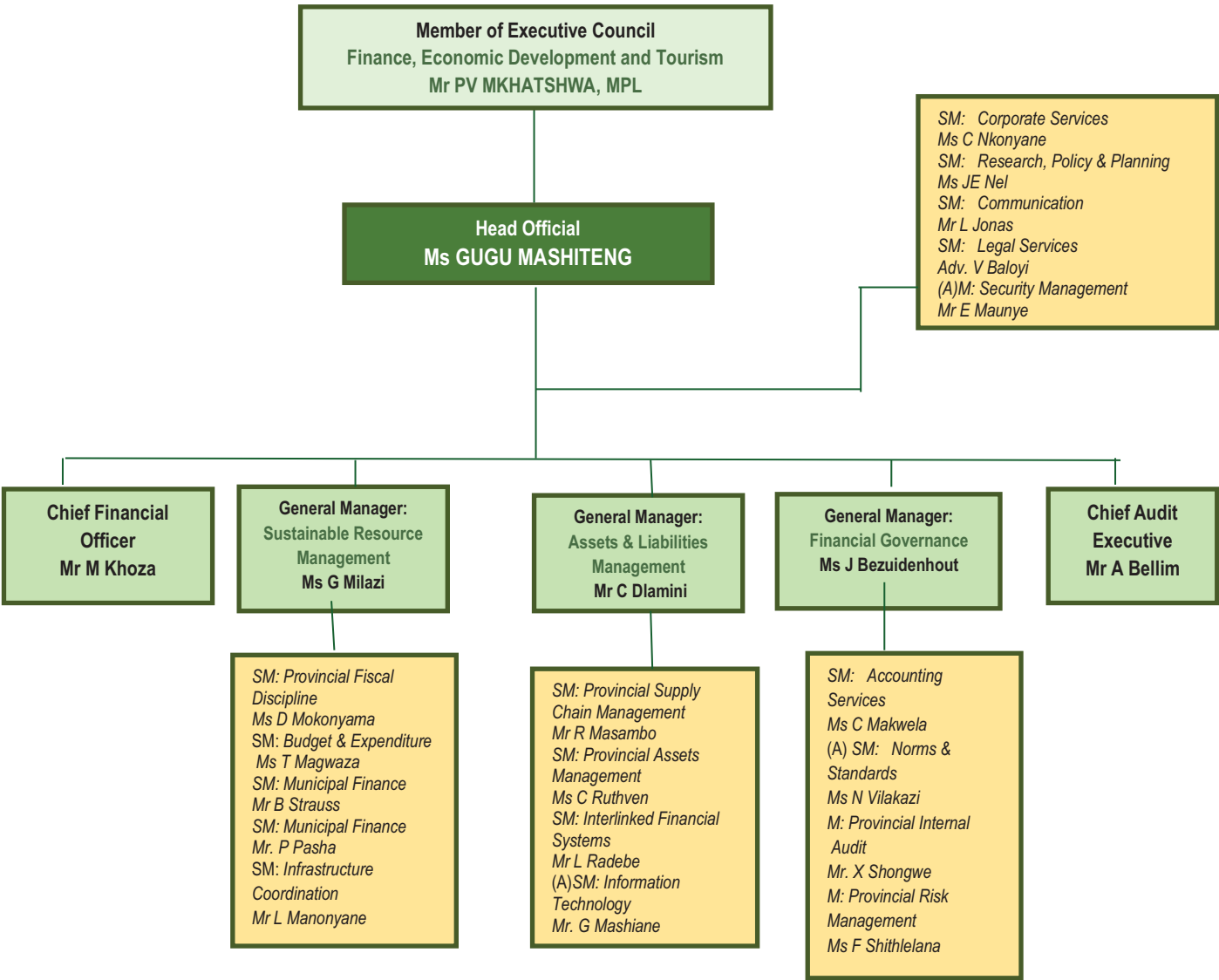
For their period under review, on 16 February 2022 the Constitutional Court in the case of *Minister of Finance v Afribusiness NPC [2022] ZACC 4* handed down judgment in the application for leave to appeal against a judgement and order of the Supreme Court of Appeal (SCA). The application was brought by the Minister of Finance against Afribusiness, and concerned the validity of the Preferential Procurement Regulations, 2017 (the Regulations) made by the Minister in January of 2017, in terms of section 5 of the Preferential Procurement Policy Framework Act, 2000. In this regard, the SCA held that the Minister's promulgation of the Regulations 3(b), 4 and 9 of the 2017 Regulations was unlawful, and further in that the entirety of the 2017 Regulations was declared invalid. The appeal was dismissed, and the declaration of invalidity was suspended for 12 months. Following the latter, the National Treasury has since sought for a confirmation in order to establish whether the 2017 Regulations:-

- remain valid until 15 February 2023, unless repealed sooner; or
- are no longer valid from 16 February 2022 (being the date of the Constitutional Court judgment).

Pending the above and in an effort to proactively curtail the risk of awarding tenders based on regulations that may no longer be valid, on 25 February 2022 the National Treasury advised organs of state that while awaiting the outcome of the Constitutional Court's clarity,

- tenders advertised before 16 February 2022 be finalised in terms of the 2017 Regulations;
- tenders advertised on or after 16 February 2022 be held in abeyance; and
- no new tender be advertised.

8. ORGANISATIONAL STRUCTURE



9. ENTITIES REPORTING TO THE MEC

There are no entities reporting to the MEC for Finance, Economic Development and Tourism in terms of the Provincial Treasury's responsibilities.



## **PART B:** PERFORMANCE INFORMATION

## 1. AUDITOR GENERAL'S REPORT: PREDETERMINED OBJECTIVES

The AGSA currently performs certain audit procedures on the performance information to provide reasonable assurance in the form of an audit conclusion. The audit conclusion on the performance against predetermined objectives is included in the report to management, with material findings being reported under the Predetermined Objectives heading in the Report on other legal and regulatory requirements section of the auditor's report.

Refer to page 77 of the Report of the Auditor General, published as Part E: Financial Information.

## 2. OVERVIEW OF DEPARTMENTAL PERFORMANCE

### 2.1 Service Delivery Environment

The Provincial Treasury monitors the usage of all resources (budgets) allocated to Provincial Departments, Municipalities and Public Entities. The Provincial Treasury's programmes are aligned to the national priorities especially Priority 1 *"A Capable, Ethical and Developmental State"* with focus on the outcome: "Improved Governance and Accountability".

In the year under review, the Provincial Treasury operated with a total of 310 posts, which comprises of 296 permanent posts and 14 non-permanent posts inclusive of interns and learners. By March 2022 only three (3) officials were appointed to act in higher positions in accordance with Regulation 63 (1) of the Public Service Regulation, 2016 and the posts are advertised to enable filling and eliminate the acting appointments.

The COVID-19 pandemic national lockdown affected the functioning of the Provincial Treasury and stakeholders. The Provincial Treasury was able to achieve the planned targets for the 2021/22 financial year, with only two areas of under achieving. The nationwide lockdown affected the availability of stakeholders and the Provincial Treasury officials had to perform monitoring of the implementation of recommendations by clients through virtual visits in some instances.

The economy of the country is slowly recovering from the COVID 19 devastation. The revenue collecting Departments were greatly affected by the pandemic. Provincial Treasury continued to support Provincial Departments in maximizing collection and generation of own revenue through training workshops, revenue forums and monitoring of cash offices. The Provincial Treasury assisted departments with budget and expenditure issues and monitored the projects that were implemented by the departments. The infrastructure projects were affected by the adjusted lockdown regulations as work on the projects was not going as quick as planned and expected. The progress on the implementation of projects was compromised.

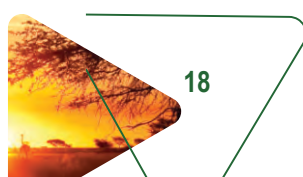
In order to improve public confidence and transparency in municipal budgeting and reporting, the Provincial Treasury supported municipalities to implement the Municipal Standard Chart of Accounts (MSCOA). The introduction of MSCOA ensures consistency in recording of financial information. The financial viability of some municipalities remains an area of concern during the financial year 2021/22.

During the past year, the programme focused on improving compliance to reporting provisions as set out by National Treasury including on monitoring the payment of suppliers within 30 days in Departments, municipalities and Public Entities, training of practitioners in all spheres of government and creation and establishment of bid committees. The Provincial Treasury provided support on the utilisation of the systems to all Departments.

The support provided to the public sector institution added to improvement of audit outcomes in both Votes and Municipalities, specifically Thaba Chweu, Dr Pixley ka Isaka Seme, Govan Mbeki and Msukaligwa.

### 2.2 Service Delivery Improvement Plan

The Provincial Treasury 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
Monitor and support all Departments, Municipalities and Public Entities adhering to compliance on payment of suppliers within 30 days after receipt of an invoice	Provincial Departments, Municipalities and Public Entities	100% Compliance	100% Compliance	Monitored 30-day payment of suppliers after receipt of valid invoices
Support and monitor all departments, municipalities and public entities adhering to supply chain frameworks on submission of procurement plans and adherence to schedules	Provincial Departments, Municipalities and Public Entities	100% compliance by Departments  (12 Votes, 4 Public Entities and 20 Municipalities)	100% compliance by Departments  (12 Votes, 4 Public Entities and 20 Municipalities)	100% submission of procurement plans by Departments, Public Entities and Municipalities

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

Current /actual information tool	Desired information tools	Actual achievements
Availability of a Complaints system.	Availability of a Complaints system.	Availability of a Complaints system through submissions in writing and website.
Presentations, Guidelines, policies and procedures and Provincial Treasury circulars.	Presentations, Guidelines, policies and procedures and Provincial Treasury circulars available and utilised.	Made available guidelines, policies and circulars to institutions including publishing such on the Internet and Intranet.

### Complaints mechanism

Current/actual complaints mechanism	Desired complaints mechanism	Actual achievements
Complaints are addressed through telephone and email.	Addressing of all complaints received through telephone and email.	No complaints were received for Provincial Treasury.

## 2.3 Organisational environment

The Provincial Treasury has an approved organisational structure of 433 posts. The process of revising the current organisational structure was completed and submission forwarded to the Office of the Premier, the Provincial Treasury is awaiting approval thereof.

The Provincial Treasury experienced high labour turnover in both administrative and core functions, due to resignations, retirement, deaths, interdepartmental transfer, and internal promotion. Inadequate staffing has a potential to paralyze operations with dire implications to service delivery and work overload to the existing workforce, as a result an approval was obtained to advertise and fill replacement posts.

In the year under review, the Provincial Treasury operated with a total of 310 posts, which comprises of 296 permanent posts and 14 non-permanent posts inclusive of interns and learners. By March 2022 only three (3) officials were appointed to act in higher positions



in accordance with Regulation 63 (1) of the Public Service Regulation, 2016 and the posts are advertised to enable filling and eliminate the acting appointments.

The Provincial Treasury started the year working at a reduced staff complement due to the national lockdown restrictions, however, with the easing of the restrictions, a hybrid model was implemented in order to ensure continued delivery of government service. The Provincial Treasury further put in place response plans to manage the impact of COVID-19 in the workplace including the procurement of the required Personal Protective Equipment for all its employees.

In an effort to ensure that annual performance plans and general operations are not halted, the Provincial Treasury migrated to a virtual platform (Microsoft Teams) to conduct meetings, workshops and sharing of documents as part of mitigating strategy to curb the spread of COVID-19.

In addition to the above, the Provincial Treasury coordinated four (4) Skills Development Programmes which were facilitated on virtual platform, namely: Public Sector Risk Management, Hazard Identification and Risk Assessment, Intermediate Microsoft Word and Intermediate Microsoft Excel. The coordination of skills development programmes was slightly hampered by the impact of COVID-19 in that most training providers were not ready to deliver training programmes on virtual platform.

## 2.4 Key policy developments and legislative changes

For the period under review, on 16 February 2022 the Constitutional Court in the case of *Minister of Finance v Afribusiness NPC [2022] ZACC 4* handed down judgment in the application for leave to appeal against a judgement and order of the Supreme Court of Appeal (SCA). The application was brought by the Minister of Finance against Afribusiness, and concerned the validity of the Preferential Procurement Regulations, 2017 (the Regulations) made by the Minister in January of 2017, in terms of section 5 of the Preferential Procurement Policy Framework Act, 2000. In this regard, the SCA held that the Minister's promulgation of the Regulations 3(b), 4 and 9 of the 2017 Regulations was unlawful, and further in that the entirety of the 2017 Regulations was declared invalid. The appeal was dismissed, and the declaration of invalidity was suspended for 12 months. Following the latter, the National Treasury has since sought for a confirmation in order to establish whether the 2017 Regulations: -

- remain valid until 15 February 2023, unless repealed sooner; or
- are no longer valid from 16 February 2022 (being the date of the Constitutional Court judgment).

Pending the above and in an effort to proactively curtail the risk of awarding tenders based on regulations that may no longer be valid, on 25 February 2022, the National Treasury advised organs of state that while awaiting the outcome of the Constitutional Court's clarity,

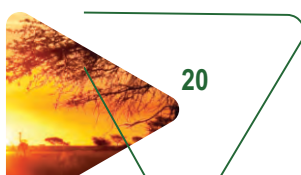
- tenders advertised before 16 February 2022 be finalised in terms of the 2017 Regulations;
- tenders advertised on or after 16 February 2022 be held in abeyance; and no new tender be advertised.

The promulgation of Regulations issued in terms of the Disaster Management Act, 2002 (Act No. 57 of 2002) were still in place, which necessitated the Provincial Treasury like any other employer to review its policy on Safety, Health, Environment, Risk and Quality (SHERQ) and to incorporate measures to manage and mitigate the spread of COVID-19 in the workplace during 2021/22 financial year.

## 3. ACHIEVEMENT OF INSTITUTIONAL IMPACTS AND OUTCOMES

The Provincial Treasury supports and monitors the usage of resources allocated to Provincial Departments, Municipalities and Public Entities. The Provincial Treasury's programmes are aligned to the national priorities, specifically Priority 1 "A Capable, Ethical and Developmental State" with focus on the outcome "Improved Governance and Accountability". The Provincial Treasury is making progress on its Strategic target to ensure the achievement of financially viable government institutions.

The audit for PFMA and MFMA audits were finalised during the year. There was a 10.3% (R 5.7 billion of the adjusted budget of R 55 billion) for the province of infrastructure investment for the period under review in the Province, and the Provincial Government managed to collect 120% of its revenue target for the period.



4. INSTITUTIONAL PROGRAMME PERFORMANCE INFORMATION

4.1 Programme 1: Administration

The Programme is responsible for political, financial and administrative management of the Provincial Treasury. The Programme provides effective and efficient administrative support to all line functions in the Provincial Treasury.

The Programme consists of the following Sub-Programmes:

- a) Office of the MEC
- b) Management Services: Office of the Head: Provincial Treasury
- c) Financial Management: Office of the CFO
- d) Internal Audit

List of institutional outcomes

- a) Improved financial performance and governance in PFMA and MFMA institutions.

Outcomes, Outputs, Output Indicators, Targets and Actual Achievements

For the year under review the Administration Programme through the Offices of the Executive Authority and Accounting Officer provided strategic direction to ensure that the Provincial Treasury effectively and efficiently carries out its mandate. The planned outputs and output indicators targets were achieved even though there was a National Lockdown due to COVID-19.

There was also improvement on the implementation of the Risk Management Strategy and improved compliance to the Risk Management Framework which ensured that identified risks were steadily brought to be within acceptable and reasonable risk tolerance levels.

The Provincial Treasury prides itself with an independent, effective and proactive internal audit function which ensures that all emerging issues are identified and addressed accordingly. Through the Office of the Chief Financial Officer, the Provincial Treasury maintained sound financial management. The Planning Unit continued to monitor institutional performance to ensure that spending is in accordance with planned activities.

Table 4.1.1

Programme 1 : Administration								
Outcome	Output	Output Indicator	Audited Actual Performance 2019/2020	Audited Actual Performance 2020/2021	Planned Annual Target 2021/2022	Actual Achievement 2021/2022	Deviation from planned target to Actual Achievement 2021/2022	Reasons for deviations
Office of the MEC								
Improved financial performance and governance in PFMA and MFMA institutions	Provide policy and political directive in order to achieve provincial objectives	Number of Annual Report tabled	1 Report	1 Report	1 Report	1 Report	N/A	N/A
		Number of Appropriation Bills tabled	3 Bills	4 Bills	2 Bills	3 Bills	1 additional bill	Additional budget appropriated to the Province
		Number of Policy and Budget Statement tabled	1 Statement	1 Statement	1 Statement	1 Statement	N/A	N/A



Programme 1 : Administration								
Outcome	Output	Output Indicator	Audited Actual Performance 2019/2020	Audited Actual Performance 2020/2021	Planned Annual Target 2021/2022	Actual Achievement 2021/2022	Deviation from planned target to Actual Achievement 2021/2022	Reasons for deviations
Management Services : Office of the Head Provincial Treasury								
Improved financial performance and governance in PFMA and MFMA institutions	Unqualified audit opinion	Unqualified audit opinion on predetermined objectives	New Indicator	New Indicator	1 Audit Opinion	1 Audit Opinion	N/A	N/A
		Number of Approved Risk Register	1 Reports	1 Register	1 Register	1 Register	N/A	N/A
Financial Management Office of the Chief Financial Officer								
Improved financial performance and governance in PFMA and MFMA institutions	Sound financial management in Provincial Treasury	Unqualified audit opinion on financial information	New Indicator	New Indicator	1	1	N/A	N/A
		Percentage of suppliers paid within 30 days of receipt of valid invoices	98.9%	100%	100%	100%	N/A	N/A
Internal Audit								
Improved financial performance and governance in PFMA and MFMA institutions	Improved risk management, governance and internal controls	Number of approved Internal Audit Plans	1 Approved Audit Plan	1 Internal Audit Plan	1 Internal Audit Plan	1 Internal Audit Plan	N/A	N/A

#### Linking performance with budgets

- The Programme has spent R107 956 000 which is 99.2 percent of its total budget allocated.

#### Sub-programme expenditure

Sub- Programme Name	2020/21			2021/22		
	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
Member of the Executive Council	-	-	-	-	-	-
Management Services	39 902	39 895	7	46 041	46 068	(27)
Financial Management	44 474	44 265	209	57 585	56 728	857
Internal Audit	4 777	4 776	1	5 160	5 160	-
<b>Total</b>	<b>89 153</b>	<b>88 936</b>	<b>217</b>	<b>108 786</b>	<b>107 956</b>	<b>830</b>

Strategy to overcome areas of under performance

- All planned targets were achieved

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

- Not Applicable for the Programme.

Reporting on the Institutional Response to the COVID-19 Pandemic

As part of addressing COVID-19 responsiveness the Occupational Health and Safety Committee has been actively monitoring compliance to COVID-19 protocols, amongst others by conducting regular workplace inspections which resulted in an action plan developed to mitigate the spread of COVID-19 in the workplace through its consistent meetings. Sufficient personal protective equipment was made available to all employees of the Provincial Treasury in compliance with the provisions of Regulation 5 issued in terms of section 27(2) of the Disaster Management Act, 2002 (Act No. 57 of 2002). In view of the COVID-19 pandemic the Provincial Treasury reviewed its policy on Safety, Health, Environment, Risk and Quality (SHERQ) to incorporate measures to manage and mitigate the spread of COVID-19 in the workplace. Further, the risk assessment was updated to give effect to the minimum measures as required by relevant prescripts. The ultimate defence in containing the spread of COVID-19 is the adherence to social distancing as a result the Provincial Treasury has been operating on hybrid model of remote working and physically coming to the office monitored through rotational schedules developed by all units.

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

Budget Programme	Intervention	Geographic location (Province/ District/local municipality) (Where Possible)	No. of beneficiaries (Where Possible)	Disaggregation of Beneficiaries (Where Possible)	Total budget allocation per intervention (R'000)	Budget spent per intervention	Contribution to the Ouput in the APP (where applicable)	Immediate outcomes
N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

4.2. Programme 2: Sustainable Resource Management

The Programme exists to promote optimal and effective provincial and municipal fiscal policy in line with applicable financial management prescripts.

The programme consists of the following Sub-Programmes:

- a) Provincial Administration Fiscal Discipline
- b) Budget and Expenditure Management
- c) Municipal Finance
- d) Infrastructure Co-ordination

List of institutional outcomes

- a) Improved financial performance and governance in PFMA and MFMA institutions

Outcomes, outputs, output indicators, targets and actual achievements

The province operated from a better fiscal position in the year under view. With the relaxation of the Covid restrictions the province got additional funding from National Treasury. The province received additional funds of R1,1 billion to cushion the impact of the cash allowances on Compensation of Employees budget of all Departments. An additional R549 million was received in the province in the year under review for the

Presidential Youth Employment Initiative under review. The Funds were allocated to the Social Services Sector Departments and the Department of Community Safety Security and Liaison. The Province had to pass a second adjustment budget because the Department of Public Works Roads and Transport received additional funding of R43 million from the sector because of good performance on the Provincial Roads Maintenance Grant when compared to other provinces. Overall the province's expenditure outcome of 99 percent has improved compared to the previous financial year.

The programme provided support to 12 votes in respect of own revenue collection. The programme achieved all its deliverables as planned. R2 043 billion was collected against a budget of R1 705 billion. Department of Community Safety Security and Liaison will remain a priority for Provincial Treasury as the department has the biggest potential for own revenue generation. Special attention will be given to the Mpumalanga Economic Regulator and the Department of Health. The programme produced the Annual Financial Statements for the Revenue fund and received a clean audit outcome.

Infrastructure Coordination was greatly affected by the Covid-19 regulations as implementation of the projects were delayed. Despite all the challenges the programme managed to achieve all its planned targets. The programme used to provide support to six infrastructure departments, but in the year under review the Department of Human Settlements was added to the portfolio of Departments. National Treasury has automated the IRM reporting and province handled the transition well and is now using the e-web to Report to National Treasury.

**Table 4.2.1**

Programme 2 : Sustainable Resource Management								
Outcome	Output	Output Indicator	Audited Actual Performance 2019/2020	Audited Actual Performance 2020/2021	Planned Annual Target 2021/2022	*Actual Achievement 2021/2022	Deviation from planned target to Actual Achievement 2021/2022	Reasons for deviations
Provincial Administration Fiscal Discipline								
Improved financial performance and governance in PFMA and MFMA institutions	Sustainable revenue collection	Percentage of own revenue collection in the Province	New indicator	0.57% achieved  (114% actual own revenue collection  Own revenue amounted to R 1,705 Billion of the revised budget of budgeted R1,491 Billion)	0.5%  (Planned R 1,705 billion)	0.7%  (120% actual own revenue collection  Own revenue amounted to R 2,043 Billion of the of budget R1,705 Billion)	0.2%	Increase in renewal of motor vehicle licences and casino taxes which resulted in over collection of revenue
		Unqualified audit opinion on revenue fund financial statements	1 Set	1 Set	1 Set	1 Set	N/A	N/A
Budget and Expenditure Management								
Improved financial performance and governance in PFMA and	Allocation of Provincial budget	Number of Estimates of Provincial Revenue Expenditure documents Prepared	2 Documents	4 Documents	2 Documents	3 Documents	1 documents	Additional budget appropriated to the Province

Programme 2 : Sustainable Resource Management								
Outcome	Output	Output Indicator	Audited Actual Performance 2019/2020	Audited Actual Performance 2020/2021	Planned Annual Target 2021/2022	*Actual Achievement 2021/2022	Deviation from planned target to Actual Achievement 2021/2022	Reasons for deviations
MFMA institutions								
		Number of Appropriation Bills Prepared	3 Bills	4 Bills	2 Bills	3 Bills	1 additional bill	Additional budget appropriated to the Province
Municipal Finance								
Improved financial performance and governance in PFMA and MFMA institutions	Financial viable municipalities	Number of Municipalities draft budgets analysed and feedback provided	Analysed 19 draft budgets and provide feedback	19 Draft Budgets	19 Municipalities	19 Municipalities	N/A	N/A
		Number of municipalities issued with feedback on Mid-year Budget performance assessments	19 Municipalities	19 Municipalities	19 Municipalities	19 Municipalities	N/A	N/A
Infrastructure Coordination								
Improved financial performance and governance in PFMA and MFMA institutions	Coordinate delivery of infrastructure in the Province	Analysis of Infrastructure Reporting Model	12 Reports	12 Reports	12 Reports	12 Reports	N/A	N/A
		Analysis of user Asset Management plans	6 Plans	6 Plans	6 Plans (Departments of Education, Health, Culture Sport and Recreation, Social Service, Public Works Roads and Transport, Agriculture, Rural Development , Land and Environmental Affairs)	9 Plans	3 Plans (Departments of Human Settlements, Cooperative Governance and Traditional Affairs and DPTWRT-Custodian Asset Management Plan)	The over achievement is as a result of improvement on submission of UAM plans by departments as departments are encouraged to submit.

### Linking performance with budgets

- The Programme has spent R82 149 000 which is 100.0 percent of its total budget allocated

### Sub-programme expenditure

Sub- Programme Name	2020/21			2021/22		
	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	1 562	1 561	1	1 637	1 636	1
Provincial Administration Fiscal Discipline	10 005	10 005	-	9 970	9 970	-
Budget and Expenditure Management	9 361	9 361	-	12 197	12 196	1
Municipal Finance	20 864	20 863	1	52 455	52 455	-
Infrastructure Co-Ordination	4 683	4 682	1	5 892	5 892	-
<b>Total</b>	<b>46 475</b>	<b>46 472</b>	<b>3</b>	<b>82 151</b>	<b>82 149</b>	<b>2</b>

### Strategy to overcome areas of under performance

- All planned targets were achieved.

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

- Not Applicable for the Programme

### 4.3. Programme 3: Assets and Liabilities Management

The Programme is responsible for the monitoring of and support on Assets, Liabilities, Supply Chain Management, Transversal Systems as well as provisioning of Information Technology Services to Departments, Public Entities and Municipalities in Mpumalanga Province

The programme consists of the following Sub-programmes:

- Provincial Supply Chain Management
- Public Sector Liabilities
- Physical Assets Management
- Interlinked Financial Systems
- Information Technology

### List of institutional outcomes

- Improved financial performance and governance in PFMA and MFMA institutions

### Outcomes, outputs, output indicators, targets and actual achievements

During the past year, there has been an improvement with regard to compliance on the submission of reports, which includes procurement plans, and the 30 days' payment of suppliers after receipt of valid invoices however, there are challenges in the Departments of Health and Education, as these departments are not paying within specified timelines, which results in accruals at year end.

All twelve votes, four public entities and nineteen delegated municipalities submitted their procurement plans on time and the Provincial Treasury monitors adherence on a monthly basis. The Provincial Treasury provided support on the utilisation of the systems to all Departments. In this regard, the Provincial Treasury has introduced electronic leave, invoice tracking and system for preparation of financial statements (caseware).

**Table 4.3.1**

Programme 3 : Assets and Liabilities Management								
Outcome	Output	Output Indicator	Audited Actual Performance 2019/2020	Audited Actual Performance 2020/2021	Planned Annual Target 2021/2022	*Actual Achievement 2021/2022	Deviation from planned target to Actual Achievement 2021/2022	Reasons for deviations
Provincial Supply Chain Management								
Improved financial performance and governance in PFMA and MFMA institutions	Adherence to Supply Chain Management Framework	Percentage of institutions issued with feedback for compliance on Procurement plans	12 Votes 15 Municipalities and 4 Public Entities	100%	100%	100%	N/A	N/A
		Percentage of institutions monitored on 30 days payment to contracted service providers	12 Votes 20 Municipalities and 4 Public Entities	100%	100%	100%	N/A	N/A
		Percentage of institutions monitored on contract management	5 Votes and 12 municipalities	100%	100%	100%	N/A	N/A
Public Sector Liabilities Management								
Improved financial performance and governance in PFMA and MFMA institutions	Adherence to liability management prescripts	Number of PFMA and MFMA institutions issued with feedback for compliance on liabilities management	12 Votes, 9 Municipalities and 3 Public Entities	12 Votes, 11 Municipalities and 4 Public Entities	12 Votes, 10 Municipalities and 4 Public Entities	12 Votes, 10 Municipalities and 4 Public Entities	N/A	N/A
Physical Assets Management								
Improved financial performance and governance in PFMA and MFMA institutions	Adherence to asset management prescripts	Number of PFMA and MFMA institutions complying to assets management framework	6 Votes 2 Public Entities 7 Municipalities	6 Votes 2 Public Entities 7 Municipalities	6 Votes 2 Public Entities 8 Municipalities	6 Votes 2 Public Entities 8 Municipalities	N/A	N/A

Programme 3 : Assets and Liabilities Management								
Outcome	Output	Output Indicator	Audited Actual Performance 2019/2020	Audited Actual Performance 2020/2021	Planned Annual Target 2021/2022	*Actual Achievement 2021/2022	Deviation from planned target to Actual Achievement 2021/2022	Reasons for deviations
<b>Interlinked Financial Systems</b>								
Improved financial performance and governance in PFMA and MFMA institutions	Business continuity on transversal systems	Number of Votes supported on utilisation of transversal systems	12 Votes	12 Votes	12 Votes	12 Votes	N/A	N/A
<b>Information Technology</b>								
Improved financial performance and governance in PFMA and MFMA institutions	Business continuity on information communication technology services	Number of PFMA and MFMA institutions provided with IT Services	New Indicator	New Indicator	6 Votes and 9 Municipalities	6 Votes and 9 Municipalities	N/A	N/A

#### Linking performance with budgets

- The Programme has spent R213 539 000 which is 98.9 percent of its total budget allocated.

#### Sub-programme expenditure

Sub- Programme Name	2020/21			2021/22		
	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	255	255	-	1 303	1 303	-
Provincial Supply Chain Management	17 951	17 951	-	19 646	19 819	(173)
Public Sector Liabilities	5 314	5 314	-	4 721	4 721	-
Physical Assets Management	4 659	4 658	1	5 972	5 972	-
Interlinked Financial Systems	88 243	88 243	-	81 793	81 695	98
Information Technology	96 846	96 816	30	102 424	100 029	2 395
<b>Total</b>	<b>213 268</b>	<b>213 237</b>	<b>31</b>	<b>215 859</b>	<b>213 539</b>	<b>2 320</b>

#### Strategy to overcome areas of under performance

- All planned targets were achieved

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

- Not Applicable for the Programme





4.4. Programme 4: Financial Governance

This Programme serves to facilitate, monitor, support and provide professional advice to ensure good governance in the Province.

The Programme consist of the following Sub-programmes:

- a) Accounting Services
- b) Norms and Standards
- c) Provincial Risk Management
- d) Provincial Internal Audit

List of institutional outcomes

- a) Improved financial performance and governance in PFMA and MFMA institutions.

Outcomes, outputs, output indicators, targets and actual achievements

The Programme has achieved the planned targets for the year. Despite the limited number of personnel and the vast responsibilities, there were over achievement on some targets within the sub-programmes.

The Programme has supported the public sector institutions in resolving the audit queries, monitored the audit action plans and evaluated the effectiveness of the risk and audit committees.

These performance has resulted in improvement of audit outcomes in both Votes and Municipalities, specifically Thaba Chweu, Dr Pixley ka Isaka Seme, Govan Mbeki and Msukaligwa.

Table 4.4.1

Programme 4 : Financial Governance								
Outcome	Output	Output Indicator	Audited Actual Performance 2019/2020	Audited Actual Performance 2020/2021	Planned Annual Target 2021/2022	*Actual Achievement 2021/2022	Deviation from planned target to Actual Achievement 2021/2022	Reasons for revisions to the Outputs / Output indicators / Annual Targets
Accounting Services								
Improved financial performance and governance in PFMA and MFMA institutions	Submission of AFS in terms of Legislation	Number of public institutions issued with feedback on financial statements analysed	12 Votes and 4 Public Entities	12 Votes 4 Public Entities 19 Municipalities	12 Votes 2 Public Entities 8 Municipalities	12 Votes 2 Public Entities 8 Municipalities	N/A	N/A
Norms and Standards								
Improved financial performance and governance in PFMA and MFMA institutions	Public institutions complying to legislation and prescripts	Number of public institutions issued with feedback on compliance to financial management legislation	8 Votes	5 Votes	6 Votes	6 Votes	N/A	N/A

Programme 4 : Financial Governance								
Outcome	Output	Output Indicator	Audited Actual Performance 2019/2020	Audited Actual Performance 2020/2021	Planned Annual Target 2021/2022	*Actual Achievement 2021/2022	Deviation from planned target to Actual Achievement 2021/2022	Reasons for revisions to the Outputs / Output indicators / Annual Targets
		Number of public institutions issued with feedback on compliance to information management prescripts	New indicator	New indicator	6 Municipalities	7 Municipalities	1 Municipality	The Municipality (Lekwa LM) was prioritised due to the significant findings raised by AGSA on records management
		Number of public sector institutions with analyzed audit action plans	12 Votes 4 Public Entities 18 Municipalities	12 Votes 3 Public Entities	12 Votes 2 Public Entities 10 Municipalities	12 Vote 3 Public Entities 5 Municipalities	1 Public Entity over-achievement 5 Municipalities (Dr JS Moroka LM, Victor Kanye LM, Emalahleni LM, Dipaliseng LM and Thaba Chweu LM) under achieved	The over-achievement with one Public Entity (MRTT) was due to a need raised by them. The under achievement on analysis of audit action plans was due to delays in conclusion of audit by AGSA which had an impact on the planned time frame to perform the activity.
Provincial Risk Management								
Improved financial performance and governance in PFMA and MFMA institutions	Effective risk management processes	Number of Enterprise Risk Management Frameworks (ERMF) issued to standardize Risk Management processes in public institutions	1 ERMF	1 ERMF	1 ERMF	1 ERMF	N/A	N/A

Programme 4 : Financial Governance								
Outcome	Output	Output Indicator	Audited Actual Performance 2019/2020	Audited Actual Performance 2020/2021	Planned Annual Target 2021/2022	*Actual Achievement 2021/2022	Deviation from planned target to Actual Achievement 2021/2022	Reasons for revisions to the Outputs / Output indicators / Annual Targets
		Number of public institutions issued with feedback on risk management processes	11 Votes 4 Public Entities 15 Municipalities	12 Votes 3 Public Entities 12 Municipalities	5 Votes 2 Public Entities 8 Municipalities	6 Votes 2 Public Entities 13 Municipalities	1 Vote 5 Municipalities	The overachievement recorded is due to the high number of requests and invitations received from stakeholders on attendance and providing of feedback on risk management processes
Provincial Internal Audit								
Improved financial performance and governance in PFMA and MFMA institution	Effective internal audit processes	Percentage of Internal audit plans for Public institutions analysed	100% of internal audit plans that were received, analysed	100% of internal audit plans that were received, analysed	100% of internal audit plans that were received, analysed	100% of internal audit plans that were received, analysed	N/A	N/A
		Number of evaluations performed on effectiveness of Audit Committees of public institutions	31 Evaluations for Votes and 16 evaluations for Public Entities	63 Evaluations :	18 Evaluations: 8 Votes 2 Public Entity 8 Municipalities	71 Evaluations: 26 Votes 37 Municipalities 8 Public Entities	53 Evaluations: 18 Votes 29 Municipalities 6 Public Entities	The overachievement recorded is due to the high number of requests and invitations received from stakeholders.

#### Linking performance with budgets

- The Programme has spent R30 061 000 which is 100.0 percent of its total budget allocated.

#### Sub-programme expenditure

Sub- Programme Name	2020/2021			2021/2022		
	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
Programme Support	2 037	2 037	-	7 946	7 946	-
Accounting Services	4 933	4 933	-	4 800	4 800	-
Norms and Standards	13 632	13 632	-	10 523	10 523	-
Provincial Risk Management	2 631	2 630	1	3 166	3 166	-
Provincial Internal Audit	3 241	3 241	-	3 626	3 626	-
<b>Total</b>	<b>26 474</b>	<b>26 473</b>	<b>1</b>	<b>30 061</b>	<b>30 061</b>	<b>-</b>

## Strategy to overcome areas of under performance

### Sub Programme: Norms and Standards

- Number of public sector institutions with analysed audit action plans
  - The Unit is committed in supporting Public Sector Institutions by ensuring that repetitive internal control deficiencies identified by AGSA are corrected to improve performance and compliance. The Unit will work with the Institutions to develop and implement preventative control measures to eliminate deficiencies.

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

- Not Applicable for the Programme

## 5. TRANSFER PAYMENTS

### 5.1. Transfer payments to public entities

There were no transfers made to public entities in the financial year under review.

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

The Provincial Treasury transferred R34 571 000 to six municipalities to assist them with revenue enhancement and audit improvement outcome.

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

Name of transferee	Type of organisation	Purpose for which the funds were used	Did the dept. comply with s 38 (1) (j) of the PFMA	Amount transferred (R'000)	Amount spent by the entity	Reasons for the funds unspent by the entity
Albert Luthuli Municipality	Municipality	Revenue enhancement and audit improvement outcome	Yes	10 000	0	Signed SLA on 17 February 2022 and project will only be concluded February 2023
Pixley Ka Seme Municipality	Municipality	Revenue enhancement and audit improvement outcome	Yes	3 000	0	Signed SLA on 17 January 2022 and project will only be concluded January 2023
Lekwa Municipality	Municipality	Revenue enhancement and audit improvement outcome	Yes	6 936	0	Signed SLA on 17 February 2022 and project will only be concluded February 2023
Emalahleni	Municipality	Revenue enhancement and	Yes	5 000	0	Signed SLA on 17 February

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
Municipality		audit improvement outcome				2022 and project will only be concluded February 2023
Thaba Chweu Municipality	Municipality	Revenue enhancement and audit improvement outcome	Yes	4 635	0	Signed SLA on 17 January 2022 and project will only be concluded January 2023
Govan Mbeki Municipality	Municipality	Revenue enhancement and audit improvement outcome	Yes	5000	0	Signed SLA on 17 February 2022 and project will only be concluded February 2023

## 6. CONDITIONAL GRANTS

The Provincial Treasury did not receive any conditional grant for the financial year.

## 7. DONOR FUNDS

The Provincial Treasury did not receive any donor fund for the financial year under review.

## 8. CAPITAL INVESTMENT

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

Infrastructure projects	2020/2021			2021/2022		
	Final Appropriation R'000	Actual Expenditure R'000	(Over)/Under Expenditure R'000	Final Appropriation R'000	Actual Expenditure R'000	(Over)/Under Expenditure R'000
New and replacement assets	865	3 398	(2 533)	24 253	18 332	5 921
<b>Total</b>	<b>865</b>	<b>3 398</b>	<b>(2 533)</b>	<b>24 253</b>	<b>18 332</b>	<b>5 921</b>

The background features a photograph of a sunset over a body of water, with a large tree in the foreground. This image is partially covered by several overlapping geometric shapes: a large yellow parallelogram, a smaller yellow parallelogram, a grey parallelogram, and a dark blue parallelogram. A dark green vertical bar is on the right side. Thin green lines with rounded corners are scattered across the page.

## **PART C:** GOVERNANCE



## 1. INTRODUCTION

Commitment by the Provincial Treasury to maintain the highest standards of governance is fundamental to the management of public finances and resources. Users need assurance that the department has good governance structures in place to effectively, efficiently and economically utilize the state resources, which is funded by the tax-payer. As such and in order keep up with the highest standards as set, the Provincial Treasury has well established governance structures such as the Audit Committee and Risk and Ethics Management Committee, which are tasked with a responsibility to ensure that risks are managed, internal controls are adequate and effective and governance principles are implemented.

## 2. RISK MANAGEMENT

The Provincial Treasury has an approved Risk Management Policy, Risk and Ethics Management Committee Charter and Risk Management Strategy. Risk assessments are conducted annually for all Programmes to identify risks that impact on the achievement of objectives. Progress made on addressing identified risk areas are evaluated on a quarterly basis, the quarterly reviews would also identify new or emerging risks to ensure that risks which were not covered during the Risk Assessment process are considered and monitored on a quarterly basis. Risk awareness workshops are conducted to create awareness of risk management to all levels in the Provincial Treasury. All Programmes are required to include the action plans to address high risk areas in the Annual Performance Plan.

The Provincial Treasury has a platform for reporting Emerging risks to ensure that risks which were not covered during the Risk Assessment process are considered and monitored on a quarterly basis.

A Risk and Ethics Management Committee (REMC) that advises management on the overall system of risk management has been established which comprises of an independent chairperson and selected members of Senior Management within the Provincial Treasury. The REMC executes its functions in line with its Terms of Reference to add value. The inclusion of the programme managers in the REMC has resulted in a more participative risk management process. As part of effective enterprise-wide risk management, the department has established fraud and corruption risk management measures.

The REMC chairperson updates the audit committee on a quarterly basis discussing risk identification reviews and mitigating plans, and the maturity of risk management in the department. The Audit Committee advises the Provincial Treasury on risk management and independently monitors the effectiveness of the system of risk management at Audit Committee meetings.

## 3. FRAUD AND CORRUPTION

The Provincial Treasury has an approved Fraud Prevention Policy and plan. Awareness sessions were conducted for the staff of the Provincial Treasury on the policy, plan and responsibilities of staff on fraud prevention as well as the reporting mechanisms.

An approved Whistle Blowing Policy is in place to guide staff on the processes to follow in reporting cases of suspected fraud and corruption. Confidential disclosures are managed via the Anti-Corruption Hotline 0800 701 701 managed by the Public Service Commission. Cases reported via the Hotline are referred to the Integrity Management Unit in the Office of the Premier that liaise with the Provincial Treasury on the investigation.

## 4. MINIMISING CONFLICT OF INTEREST

In order to minimise conflict of interest, the Mpumalanga Provincial Treasury derives guidance from relevant prescripts dealing with but not limited to the following: -

**Disclosure of Financial Interest:** The Provincial Treasury continued its program on minimising conflict of interest by raising awareness amongst officials on the importance of disclosing their interests and placed emphasis especially on designated officials. For the period under review, the department obtained a 100% compliance level for all categories of designated officials. CIPC and CSD checks were conducted for all officials in order to check if there are no officials conducting business with Government.

**Remunerative Work Outside their Employment in the Public Service:** Annual reminders were sent to officials to seek permission from the Executive Authority before any remunerative work outside their employment in the Public Service was performed including advocacy on the Public Service Regulations which came into effect from 1 August 2016. For the period under review, all SMS Members accordingly declared their financial interests through the e-disclosure system, including officials in the Office of the Chief Financial Officer, Provincial Supply Chain and Officials at salary levels 11 and 12. For the period under review, four (4) officials were granted permission to perform work outside the Public Service.

With the introduction of the structured approach to Ethics Management within the Public Service, matters relating to conflict of interests are now dealt within the ambit of Ethics Management. As a result of the latter, the Risk Management function has now been merged with the Ethics Management function and therefore aligns to the DPSA generic structure and ensuring compliance.



## 5. CODE OF CONDUCT

The Code of Conduct acts as a guide to employees as to 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. The Provincial Treasury adheres to the Code of Conduct and promotes high standard of professional ethics.

If there is an alleged breach of the Code of Conduct for employees, it is handled in terms of the Public Service Co-ordination Bargaining Council Resolution 1 of 2003 Disciplinary Code and Procedure (applicable to employees on salary levels 1 to 12) and the SMS Handbook (applicable to employees on salary levels 13 to 16).

During the period under review, there was only one case of misconduct and was concluded.

An awareness workshop was held on Code of Conduct in the Public Service including Management of the Spread of COVID-19 in an effort to heed the call to flatten the curve.

## 6. HEALTH SAFETY AND ENVIRONMENTAL ISSUES

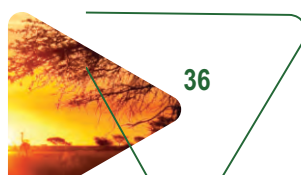
The Occupational Health and Safety Act, 1993 (Act 85 of 1993) as amended imposes the responsibility on the employer to provide and maintain, as far as reasonably practical, a healthy working environment that is safe and without risk to the health of its employees. In response to the outbreak of COVID-19 pandemic and the subsequent national lockdown restrictions the Occupational Health and Safety Committee was assigned an additional responsibility to monitor and mitigate the spreads of COVID-19 in the workplace. The Committee convened regular meetings to identify and mitigate possible risks through conducting regular workplace inspections, as a result of these proactive efforts the Provincial Treasury did not experience any high COVID-19 risk in all its offices.

It became critical to empower officials on the COVID-19 protocols as well as the behaviour of the virus in order to mitigate the spread in the workplace, as a result quarterly awareness sessions were held for all staff facilitated by professionals from the Department of Health.

## 7. PORTFOLIO COMMITTEES

### Meeting dates of the Portfolio Committee

- Vote3: Budget 2021/22: 28 May 2021: Received questions with no resolutions
- 1<sup>st</sup> Quarter Performance Report 2021/22: 24 August 2021
- 2<sup>nd</sup> Quarter Performance Report 2021/22: 26 November 2021
- 3<sup>rd</sup> Quarter Performance Report 2021/22: 3 March 2022: Received Questions with no resolutions



Resolution No	Resolutions	Response by Provincial Treasury
<b>1<sup>st</sup> Quarter Performance Report 2021/22</b>		
i.	The Provincial Treasury must ensure that implementation plans are finalized and implemented on time to ensure that there is no negative impact particularly on the support provided to municipalities. Furthermore, the Provincial Treasury must improve on its spending on Goods and Services whilst ensuring that there is value for money.	<ul style="list-style-type: none"> <li>• Management and Oversight structures (such as Audit Committee) of the Provincial Treasury closely monitor the achievement of targets in order to support stakeholders and also ensure that remedial actions are taken immediately where necessary.</li> <li>• The Provincial Treasury has controls in place to improve its spending mainly on goods and services, the cost drivers for Provincial Treasury is Computer Services and Consultants (Municipal Intervention, SITA Contractual Obligations and Business Process Automations including Operating and property payments)</li> </ul>
<b>2<sup>nd</sup> Quarter Performance Report 2021/22</b>		
i.	The department must submit a report outlining how the R40 000 000.00 will be utilised. Furthermore, the department must report on the findings of the staff verification process once it has been finalised	<ul style="list-style-type: none"> <li>• The amount of R40 million was earmarked specifically for the staff verification project. A service provider was appointed during January 2022 for an amount of R28 million. This includes the actual verification of staff members as well as the determination of excess educators and the financial implications of incapacity leave.</li> </ul>
ii.	The department must monitor the payments by the Department of Public Works, Roads and	<ul style="list-style-type: none"> <li>• Provincial Treasury established a Government Debt Forum to monitor the payment of Government Debt by Departments to municipalities after EXCO resolved that Departments should pay</li> </ul>

Resolution No	Resolutions	Response by Provincial Treasury
	Transport to the local municipalities to ensure that payment arrangements are honoured and that the debt are subsequently settled.	<p>their outstanding Government Debt.</p> <ul style="list-style-type: none"> <li>The Government Debt forum is convened monthly and also includes a senior manager from National Department of Public Works to monitor payments and to resolve disputes.</li> <li>Provincial Treasury issued a Circular in this regard to all municipalities and monitored the payments in this regard from Departments to municipalities.</li> <li>Provincial Treasury utilized the BAS system for monitoring of payments made by Departments.</li> <li>The total payments processed by Departments up to 31 December 2021 amounted to R1.147 Billion.</li> <li>Provincial Departments payments amounts to R685.4 Million</li> <li>National Departments payments amounts to R462 Million</li> <li>The remaining outstanding balance on the reported government debt as at 30 June 2020, which was R1 869 Billion, it is now an amount of R568 million as at 31 December 2021.</li> <li>The Provincial Department that was reported as the highest contributors to the outstanding debt is the Department of Public Works, Roads and Transport R169.7 million and the National Department with the highest reported debt is the Department of Rural Development and Land Reform with an amount of R139.3 million.</li> <li>Departments are starting to pay their current accounts and the outstanding debt is declining slowly.</li> </ul>

## 8. SCOPA RESOLUTIONS

Resolution No	Subject	Details	Response by Provincial Treasury	Resolved (Yes/No)
1.	Implementation of previous SCOPA resolutions on AR 2019/20	<p>i. <b>Audit Opinion:</b> The Accounting Officer must ensure that the Provincial Treasury maintains the clean audit opinion in the 2020/21 financial year. Furthermore, the Provincial Treasury must ensure that the municipal audit reports are analysed once the audits have been completed and that recommendations by the Provincial Treasury are implemented.</p> <p>ii. <b>Irregular Expenditure:</b> The Accounting Officer must ensure that internal controls are reviewed and strengthened to eliminate any risk of incurring irregular expenditure in future.</p>	<ul style="list-style-type: none"> <li>Provincial Treasury has retained its clean audit outcome in the 2020/21 financial year.</li> <li>Reports were analysed and feedback provided to municipalities.</li> </ul>	Yes
			<ul style="list-style-type: none"> <li>Provincial Treasury did not incur any irregular expenditure for the period review, an indication that strong internal controls are in place.</li> </ul>	Yes

## 9. PRIOR MODIFICATIONS TO AUDIT REPORTS

There were no prior modifications to the audit reports.

## 10. INTERNAL CONTROL UNIT

The Provincial Treasury does not have a formalised Internal Control Unit however, the Office of the CFO has assigned the various internal control checks to the responsible managers whilst the organisational structure is being reviewed.

## 11. INTERNAL AUDIT AND AUDIT COMMITTEES

The Internal Audit Unit and Audit Committee derive their mandate from the Internal Audit Charter and Audit Committee Charter.

### ***Key activities and objectives of the internal audit:***

The Internal Audit Unit conducts its activities as per the Internal Audit Plan that is based on the risk assessment and approved by the Audit Committee.

The Internal Audit Unit exists to provide assurance and consulting activity to the Provincial Treasury to add value and improve operations to enable the Provincial Treasury to achieve its strategic goals and objectives.

### ***Summary of audit work done:***

The Internal Audit Unit reports quarterly to the Audit Committee on the progress of work conducted in accordance with the approved Internal Audit Plan.

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

- (a) Performance Information and Financial Statement Reviews
- (b) Regional Office Reviews
- (c) Control Environment
- (d) Key Controls Review
- (e) Asset Management
- (f) Financial and Supply Chain Management
- (g) Follow-up Reviews

### ***Key activities and objectives of the Audit Committee:***

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

The table below discloses relevant information on the Audit Committee members:

Name	Qualifications	Internal or external	If internal, position in the department	Date appointed	Date Resigned	No. of Meetings attended
Ms Thabsile Idah Ranape <b>Chairperson</b>	B Tech: Public Management National Diploma: Public Management and Administration Diploma: State Finance	External	N/A	01/04/2017	N/A	5
Ms JS Masite	B Com Degree, Certified Internal Auditor, Certified Fraud Examiner (CFE), Chartered Internal Auditor, Qualification in Internal Audit Leadership, Chartered Government Internal Auditor	External	N/A	01/11/2019	N/A	4
Mr M Mathabathe	National Diploma Internal Audit, Advanced Diploma Accounting Sciences B-Tech Internal Auditing, Post Grad Diploma Internal Auditing, Certified Internal Auditor, Certified Information Systems Auditor and Certified Information Security Manager.	External	N/A	01/11/2019	N/A	5
Mr DJ Ngobeni	B Com Degree Post Grad Diploma Accounting Post Grad Diploma Applied Accounting Science	External	N/A	01/11/2020	N/A	5
Ms TL Khoza	B Com Degree Post Grad Diploma Accounting Post Grad Diploma Applied Accounting Science CA (SA)	External	N/A	01/11/2020	N/A	4

## REPORT OF THE AUDIT COMMITTEE

We are pleased to present our report for the financial year ended 31 March 2022.

### Audit Committee Responsibility

The Audit Committee reports that it has complied with its responsibilities arising from Section 38(1) (a) (ii) of the Public Finance Management Act, Act 1 of 1999 and Treasury Regulation 3.1.13. The Audit Committee also reports that it has adopted appropriate formal terms of reference as its Audit Committee Charter. We have regulated our affairs in compliance with this charter and have discharged all responsibilities as contained therein, except that we have not reviewed changes in accounting policies and practices.

### The Effectiveness of Internal Control

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

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

- Performance Information and Financial Statements Reviews;
- Regional Office Review;
- Control Environment;
- Key Controls Review;
- Asset Management;
- Financial and Supply Chain Management; and
- Follow-up Reviews.

The following were areas of concern:

- Failure by the Department of Public Works, Roads and Transport to attend timeously to Occupational Health and Safety matters impacting the Provincial Treasury;
- Non-adherence to the timelines in the procurement plan;
- Movement of assets not reflected on LOGIS and disposal of assets from the asset register;
- Inadequate monitoring, supervision, and review of the usage of government vehicles; and
- Performance information management.

From the various reports from the Internal Audit unit, some matters were reported indicating deficiencies in the system of internal control. In order to address deficiencies noted, the Audit Committee will monitor progress made by management with implementing action plans to address those deficiencies.

### In-Year Management and Monthly and Quarterly Reports

The Provincial Treasury has been reporting monthly and quarterly as required by the PFMA.

### Evaluation of Financial Statements

We have reviewed the Annual Financial Statements prepared by the Provincial Treasury.

### Auditor-General South Africa's Report

We have reviewed the Provincial Treasury's implementation plan regarding audit issues raised in the previous year and are satisfied that the matters have been adequately resolved.

We note the issue of non-compliance on the procurement of goods and services without obtaining three quotations as it related to the recruitment advertisements and individual training programs of officials as raised by the Auditor-General. We note that the Accounting Officer approved the deviation for media services on the basis of efficiencies derived from utilizing one National Newspaper and Regional Newspapers for each Region. We further note that for training expenditure the officials identified the service provider that best addressed their personal development needs as per their personal development plans, these training application forms were approved by the Accounting Officer or duly delegated manager. The Audit Committee is of the view that the non-compliance issues raised by the Auditor-General were not malicious on the part of the Provincial Treasury. National Treasury Instruction Note No 3 of 2016/2017 has since been repealed and replaced with National Treasury Instruction Note No 3 of 2021/2022 effective from 01 April 2022 giving the Accounting Officer the power to approve deviations.

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

#### **Independence of the Audit Committee**

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

#### **Internal Audit**

The Audit Committee is satisfied that the Internal Audit function is operating effectively and that it has addressed the risks pertinent to the Provincial Treasury in its audits.

#### **Appreciation**

The Audit Committee values the dedication of the management team and staff of the Provincial Treasury to achieve an unqualified audit opinion. The Audit Committee appreciates the assistance and cooperation of management in the discharge of its responsibility.



**Ms. Thabsile Idah Ranape**  
**Chairperson of the Audit Committee**  
**Mpumalanga Provincial Treasury**  
**Date: 30/08/2022**



13. B-BBEE COMPLIANCE PERFORMANCE INFORMATION

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

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 the issuing of licences, concessions, or other authorisations in respect of economic activity in terms of any law?	No	Provincial Treasury does not have the criteria for issuing of licences, concessions, and any other economic activity as this does not form part of Provincial Treasury's mandate
Developing and implementing a preferential procurement policy?	Yes	The Provincial Treasury has a Supply Chain Management Policy and currently does implement the Preferential Procurement Policy Framework (PPPFA) as amended
Determining qualification criteria for the sale of state-owned enterprises?	No	The Provincial Treasury does not sell any state-owned enterprises
Developing criteria for entering into partnerships with the private sector?	No	The Provincial Treasury does not enter into any PPP only provided support to other stakeholders in the application process to the National Treasury
Determining criteria for the awarding of incentives, grants, and investment schemes in support of Broad Based Black Economic Empowerment?	No	Provincial Treasury does not award incentives , grants and investment schemes in support of Broad-Based Black Economic Empowerment

The background features a large, abstract composition. On the left, a photograph of a sunset over a field with a large tree is partially covered by several overlapping, semi-transparent geometric shapes in shades of yellow and orange. To the right of this, there are several dark green geometric elements: a vertical bar at the top right, a thin line forming a large, open, angular shape, and another thin line forming a smaller, open, angular shape below it. The text 'PART D: HUMAN RESOURCE MANAGEMENT' is positioned in the lower right area, overlapping the green line shape.

## **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 Department had two hundred and ninety-six (296) staff complement as at 31 March 2022. The high standard of performance in the Provincial Treasury emanates from the commitment, diligence, and often-selfless efforts of its employees despite human capacity challenges. The modern people management landscape has shifted significantly in recent years and requires complex navigation between ranges of competing variables.

Apart from the fact that these variables are inter-dependent and inter-related, they are also governed by stringent rules and regulations, which prove difficult when retention and attraction initiatives are explored. These include balancing service delivery imperatives, the attraction and retention of critical and scarce skills, workforce empowerment, career management/development, succession planning, employment equity and creating an enabling environment where employees can thrive.

The Provincial Treasury is expected to work hard with limited human capital and have a positive impact in rendering quality service delivery to the Province. Consistent effort of the workforce has again resulted in remarkable achievements and service delivery improvement during the period under review.

The corporate Services unit continued to monitor the implementation of a range of people management compliance indicators and provided management with regular updates on various accurate people management information to enable sound decision-making. These indicators include among others, staff establishment information, headcount, leave liability, status on labour-related cases, employee health and wellness related cases, vacancy rates, staff mobility, records management and employment equity issues.

Human Resource Priorities for the year under review and the impact thereof;

Human Resource Priorities	The impact
Attracting and recruiting the best and skilled workforce	Improved organizational
Retaining and developing a modern responsive and professional workforce	Reduced personnel turnover
Ensure proper implementation of exit interviews	Improved retention strategy
Provision of accurate HR information	Informed decision-making
Proper management of sick leave	Maximum performance and reduced leave liability
Entrench, instil discipline, and implement the code of conduct	Well behaved and disciplined employees
Ensure capacity building for all employees	Improved operational efficiency. Enhanced employee performance. Achievement of organizational targets.
Proper implementation and management of Performance Management and Development System	Healthy and productive workforce. Reduced absenteeism rate.

a) Workforce Planning and key strategies to attract and recruit skilled and capable workforce.

The Provincial Treasury has acquired a number of personnel with requisite skills, knowledge and attributes to perform the work through the workforce planning process. Through this process, the Provincial Treasury assesses its workforce profile against current and future organizational needs. The main purpose of the assessment is to identify the extent of the current workforce in addressing key people management outcomes that would guarantee service continuity and value. The workforce plan is therefore aligned to the vision and mission of the department's strategic plan.

The Provincial Treasury has identified and funded a number of vacant positions to be filled in the year under review to improve the workforce capacity of the organization and enhance the performance.

## **b) Employee Performance Management**

The purpose of performance management is to enhance performance by encouraging individual commitment, accountability, and motivation. All employees are required to complete a performance agreement before 31 May each year. The performance agreement is actually a binding contract between the employer and employee containing the projects, programmes, activities expectations and standards for the required delivery. The performance management process requires that a Mid-Term review and annual assessment be conducted within the stipulated period, the operational targets and achievements must be linked to the performance agreement entered into between both parties. This is an ongoing consultative process to be properly managed to avoid any disputes that can occur from the performance management process.

In case of performance shortfalls from the set targets, gaps are addressed through the management of poor performance as outlined in the performance management policy. The process is developmental in nature, however, those that have been identified as poor performers in terms of the legislative framework are required to be subjected to a developmental intervention or alternatively to disciplinary action. All employees at salary level 2-14 were assessed in accordance with the Performance Management and Development System and those who qualified for performance rewards were paid accordingly.

## **c) Employee Health and Wellness Programmes**

The Employee Health and Wellness Programme (EHW) follows a holistic approach to manage employee well-being and is largely preventative in nature, offering both primary and secondary services. The Employee Health and Wellness Committee convened quarterly meetings to monitor compliance to strategic framework on health and wellness and to recommend support programmes aimed at promoting health and productivity among employees.

Conducted COVID-19 Awareness Workshops to all employees to create awareness on the impact of adhering/ not adhering to the covid-19 regulations as issued by the Minister for Public Service and Administration.

Conducted the Mental Health Awareness workshop on bullying in the Workplace to create awareness among employees.

Employee Health and Wellness programmes were implemented, namely awareness workshop on retirement planning targeting all eligible employees and awareness workshop on Management of Personal Finances.

Hosted sessions of Gender Based Violence to create awareness and offer assistance programmes to employees. Commemoration of World AIDS Day through exhibition to promote awareness on HIV/AIDS.

Health and productivity awareness programmes were implemented, namely; Women's Health and Coordinated Eye Test Screening to all officials. Donated Sanitary Dignity Towels as part of the Provincial Sanitary Dignity Towels Campaign.

Coordinated the Public Service Women Management Week (PSWMW) for all females at Senior Management Level.

## **d) Highlights of Achievements**

Developed and submitted a successive MTEF Human Resource Plan as well as the Human Resource Plan Implementation Progress Report in compliance with the Public Service Regulations, 2016 as amended.

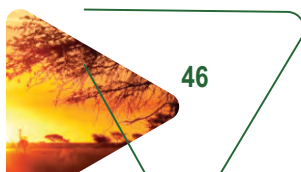
Mentored thirty-two (32) Interns and Learners participating in the developmental programmes, (Internship and Learnership Programmes).

Implemented all training needs interventions as approved in the Workplace Skills Plan for the year under review.

Managed the devastating impact of COVID-19 within the department by providing necessary information and revised regulations to all employees as issued by the Minister for Public Service and Administration.

### **Challenges experienced during the period under review:**

- Unable to fill specialized positions (Information Technology) due to insufficient applications received.
- Delays in submission of beneficiaries' information from families of the deceased employees and this resulted in not paying the leave gratuity on time.



3. HUMAN RESOURCES OVERSIGHT STATISTICS

3.1 Personnel related expenditure

The following tables summarises the final audited personnel related expenditure by programme and by salary bands. In particular, it provides an indication of the following:

- amount spent on personnel
- amount spent on salaries, overtime, homeowner's allowances, and medical aid.

Table 3.1.1 Personnel expenditure by programme for the period 1 April 2021 and 31 March 2022

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	107 956	63 866	724	457	59	480
Sustainable Resource Management	82 149	45 032	12	600	55	883
Assets and Liabilities Management	213 539	60 086	242	0	28	691
Financial Governance	30 061	21 662	193	5 857	72	866
Total	433 705	190 646	1 171	6 914	44	644

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

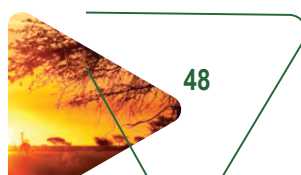
Salary band	Personnel expenditure (R'000)	% of total personnel cost	No. of employees	Average personnel cost per employee (R'000)
Lower skilled (Levels 1-2)	3 833	2,0	22	174
Skilled (level 3-5)	6 524	3,4	20	326
Highly skilled production (levels 6-8)	40 818	21,4	89	459
Highly skilled supervision (levels 9-12)	115 043	60,3	132	872
Senior and Top management (levels 13-16)	22 322	11,7	19	1 175
Contract (Level 6-8)	1 184	0,6	7	169
Contract (Level 9-12)	479	0,3	0	0
Contract Other	443	0,2	7	63
Total	190 646	100	296	644

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

Programme	Salaries		Overtime		Home Owners Allowance		Medical Aid	
	Amount (R'000)	Salaries as a % of personnel costs	Amount (R'000)	Overtime as a % of personnel costs	Amount (R'000)	HOA as a % of personnel costs	Amount (R'000)	Medical aid as a % of personnel costs
PR1 Administration	53 141	83.2	3	0	1 720	2.6	3 652	5.5
PR2 Sustainable Resource Management	39 332	87.3	0	0	604	1.3	949	2.0
PR3 Assets and Liabilities Management	50 449	84.0	0	0	1 260	2.0	2 868	4.5
PR4 Financial Governance	18 551	85.6	21	0.10	379	1.6	767	3.3
<b>Total</b>	<b>161 473</b>	<b>84.7</b>	<b>24</b>	<b>0.10</b>	<b>3 962</b>	<b>2.0</b>	<b>8 236</b>	<b>4.1</b>

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

Salary band	Salaries		Overtime		Home Owners Allowance		Medical Aid	
	Amount (R'000)	Salaries as a % of personnel costs	Amount (R'000)	Overtime as a % of personnel costs	Amount (R'000)	HOA as a % of personnel costs	Amount (R'000)	Medical aid as a % of personnel costs
Skilled (level 1-2)	2 891	75.4	0	0	197	5.10	475	12.2
Skilled (level 3-5)	4 795	73.5	0	0	409	6.10	750	11.3
Highly skilled production (levels 6-8)	32 197	78.9	0	0	1 442	3.40	3 100	7.3
Highly skilled supervision (levels 9-12)	99 345	86.4	21	0	1 572	1.30	3 668	3.0
Senior management (level 13-16)	20 270	90.8	0	0	342	1.50	243	1.0
Contract, (levels 6-8)	1 125	95.0	3.00	0.20	0.0	0	0	0
Contract, (level 9-12)	415	86.6	0	0	0.0	0	0	0
Contract, Other	436	98.0	0	0	0.0	0	0	0
<b>Total</b>	<b>161 473</b>	<b>84.7</b>	<b>24.0</b>	<b>0</b>	<b>3 962</b>	<b>2</b>	<b>8 236</b>	<b>4.1</b>





### 3.2 Employment and Vacancies

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

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

This information is presented in terms of three key variables:

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

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

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

Programme	Number of posts on approved establishment	Number of posts filled	Vacancy Rate	Number of employees additional to the establishment
PR1 Administration	166	133	19.87	14
PR2 Sustainable Resource Management	59	51	13.55	0
PR3 Assets and Liabilities Management	157	87	44.58	0
PR4 Financial Governance	51	25	50.98	0
<b>Total</b>	<b>433</b>	<b>296</b>	<b>31.63</b>	<b>14</b>

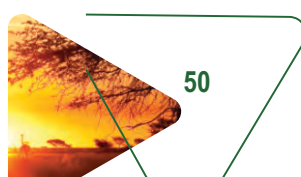
Table 3.2.2 Employment and vacancies by salary band as on 31 March 2022

Salary band	Number of posts on approved establishment	Number of posts filled	Vacancy Rate	Number of employees additional to the establishment
Lower skilled (1-2)	22	22	0	0
Skilled (3-5)	71	27	62.0	7
Highly skilled production (6-8)	129	96	25.6	7
Highly skilled supervision (9-12)	190	132	30.5	0
Senior management (13-16)	21	19	9.5	0
<b>Total</b>	<b>433</b>	<b>296</b>	<b>31.6</b>	<b>14</b>



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

Critical occupation	Number of posts on approved establishment	Number of posts filled	Vacancy Rate	Number of employees additional to the establishment
Administrative Related, Permanent	94	63	33.0	0
Cleaners in Offices Workshops Hospitals ETC., Permanent	18	11	38.9	0
Communication and Information Related, Permanent	6	3	50.0	0
Finance and Economics Related, Permanent	45	21	53.3	0
Financial and Related Professionals, Permanent	38	38	0	0
Financial Clerks and Credit Controllers, Permanent	3	3	0	0
Human Resources Related, Permanent	18	16	11.1	7
Information Technology Related, Permanent	40	31	22.5	0
Legal Related, Permanent	2	2	0	0
Light Vehicle Drivers, Permanent	5	1	80.0	0
Logistical Support Personnel, Permanent	53	34	35.8	0
Material-Recording and Transport Clerks, Permanent	5	1	80.0	0
Messengers Porters and Deliverers, Permanent	1	1	0.	0
Administrative Policy and Related Officers, Permanent	1	1	0	0
Other Occupations, Permanent	52	34	34.6	0
Risk Management and Security Services, Permanent	2	1	50.0	0
Secretaries & Other Keyboard Operating Clerks, Permanent	29	9	68.9	0
Senior Managers, Permanent	21	19	9.5	0
Youth Workers, Permanent	0	7	0	7
<b>Total</b>	<b>433</b>	<b>296</b>	<b>31.6</b>	<b>14</b>



Notes

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

3.3 Filling of SMS Posts

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

Table 3.3.1 SMS post information as on 31 March 2022

SMS Level	Total number of funded SMS posts	Total number of SMS posts filled	% of SMS posts filled	Total number of SMS posts vacant	% of SMS posts vacant
Director-General/ Head of Department	1	1	100	0	0
Salary Level 16	0	0	0	0	0
Salary Level 15	0	0	0	0	0
Salary Level 14	3	3	100	0	0
Salary Level 13	17	15	88.2	2	11.8
Total	21	19	90.5	2	9.5

Table 3.3.2 SMS post information as at 30 September 2021

SMS Level	Total number of funded SMS posts	Total number of SMS posts filled	% of SMS posts filled	Total number of SMS posts vacant	% of SMS posts vacant
Director-General/ Head of Department	1	1	100	0	0
Salary Level 16	0	0	0	0	0
Salary Level 15	0	0	0	0	0
Salary Level 14	3	3	100	0	0
Salary Level 13	17	13	76.5	4	23.5
Total	21	17	81.0	4	19.0

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

SMS Level	Advertising	Filling of Posts	
	Number of vacancies per level advertised in 6 months of becoming vacant	Number of vacancies per level filled in 6 months of becoming vacant	Number of vacancies per level not filled in 6 months but filled in 12 months
Director-General/ Head of Department	0	0	0
Salary Level 16	0	0	0
Salary Level 15	0	0	0
Salary Level 14	0	0	0
Salary Level 13	4	2	0
<b>Total</b>	<b>4</b>	<b>2</b>	<b>0</b>

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

Reasons for vacancies not advertised within six months
N/A

Reasons for vacancies not filled within twelve months
No suitable candidate was found (Directors: Information Technology and Norms and Standards), position to be re-advertised during 2022/23 reporting period.

#### Notes

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

Table 3.3.5 Disciplinary steps taken for not complying with the prescribed timeframes for filling SMS posts within 12 months for the period 1 April 2021 and 31 March 2022

Reasons for vacancies not advertised within six months
N/A

Reasons for vacancies not filled within six months
N/A

#### Notes

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

### 3.4 Job Evaluation

Within a nationally determined framework, executing authorities may evaluate or re-evaluate any job in his or her organisation. In terms of the Regulations all vacancies on salary levels 9 and higher must be evaluated before they are filled. The following table

summarises the number of jobs that were evaluated during the year under review. The table also provides statistics on the number of posts that were upgraded or downgraded.

Table 3.4.1 Job Evaluation by Salary band for the period 1 April 2021 and 31 March 2022

Salary band	Number of posts on approved establishment	Number of Jobs Evaluated	% of posts evaluated by salary bands	Posts Upgraded		Posts downgraded	
				Number	% of posts evaluated	Number	% of posts evaluated
Lower Skilled (Levels1-2)	22	0	0	0	0	0	0
Skilled (Levels 3-5)	71	0	0	0	0	0	0
Highly skilled production (Levels 6-8)	129	0	0	2	66.7	0	0
Highly skilled supervision (Levels 9-12)	190	3	1.6	0	0	0	0
Senior Management Service Band A	17	0	0	0	0	0	0
Senior Management Service Band B	3	0	0	0	0	0	0
Senior Management Service Band C	1	0	0	0	0	0	0
Senior Management Service Band D	0	0	0	0	0	0	0
Total	433	3	0.7	2	66.7	0	0

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

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

Gender	African	Asian	Coloured	White	Total
Female	4	0	0	0	5
Male	3	0	0	0	3
Total	7	0	0	0	7

Employees with a disability	None
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The following table summarises the number of cases where remuneration bands exceeded the grade determined by job evaluation. Reasons for the deviation are provided in each case.

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

Occupation	Number of employees	Job evaluation level	Remuneration level	Reason for deviation
Senior Manager	3	13	14	Retention Strategy
Total number of employees whose salaries exceeded the level determined by job evaluation				3
Percentage of total employed				1%

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

Table 3.4.4 Profile of employees who have salary levels higher than those determined by job evaluation for the period 1 April 2021 and 31 March 2022

Gender	African	Asian	Coloured	White	Total
Female	2	0	0	0	2
Male	1	0	0	0	1
Total	3	0	0	0	3

Employees with a disability	0	0	0	0	0
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### 3.5 Employment Changes

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

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

Salary band	Number of employees at beginning of period-1 April 2021	Appointments and transfers into the department	Terminations and transfers out of the department	Turnover rate
Lower skilled ( Levels 1-2)	22	4	0	0
Skilled (Levels3-5)	28	1	2	7.1
Highly skilled production (Levels 6-8)	90	8	6	6.7
Highly skilled supervision (Levels 9-12)	128	23	7	5.5
Senior Management Service Bands A	10	2	0	0
Senior Management Service Bands B	5	0	0	0
Senior Management Service Bands C	0	0	0	0
Senior Management Service Bands D	0	0	0	0
Contracts (Levels 3-5)	8	8	9	112.5
Contracts (Levels 6-8)	23	9	25	108.7
Contracts (Levels 9-12)	1	0	1	100
Total	315	55	50	15.9

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

Critical occupation	Number of employees at beginning of period-April 2021	Appointments and transfers into the department	Terminations and transfers out of the department	Turnover rate
Administrative Related Permanent	64	5	1	1.6
Cleaners in offices workshops Hospitals ETC. Permanent	12	1	1	8.3
Communication and Information Related Permanent	3	0	0	0
Engineers and Related Professionals Permanent	0	1	0	0
Finance and Economics Related Permanent	23	0	1	4.3
Financial and Related Professionals Permanent	36	19	2	5.6
Financial Clerks and Credit Controllers Permanent	2	1	0	0
Human Resources Related Permanent	31	10	26	83.9
Information Technology Related Permanent	32	0	1	3.1
Legal Related Permanent	0	2	0	0
Light Vehicle Drivers Permanent	1	0	0	0
Logistical Support Personnel Permanent	31	3	1	3.2
Material-Recording and Transport Clerks Permanent	1	0	0	0
Messengers Porters and Deliverers Permanent	1	1	0	0
Administrative Policy and Related Officers Permanent	1	0	0	0
Other Occupations Permanent	48	0	4	8.3
Risk Management and Security Services Permanent	1	0	0	0
Secretaries & Other Keyboard Operating Clerks Permanent	10	0	1	10
Senior Managers Permanent	10	2	1	10
Youth Workers Contract	8	10	11	137.5
<b>TOTAL</b>	<b>315</b>	<b>55</b>	<b>50</b>	<b>15.9</b>

#### Notes

- The CORE classification, as prescribed by the DPSA, should be used for completion of this table.
- Critical occupations are defined as occupations or sub-categories within an occupation –

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

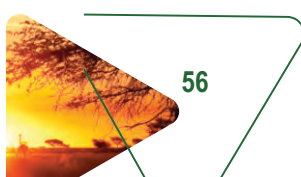
The table below identifies the major reasons why staff left the department.

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

Termination Type	Number	% of Total Resignations
Death	4	8
Resignation	6	12
Expiry of contract	34	68
Dismissal – operational changes	0	0
Dismissal – misconduct	0	0
Dismissal – inefficiency	0	0
Discharged due to ill-health	0	0
Retirement	6	12
Transfer to other Public Service Departments	0	0
Other	0	0
<b>Total</b>	<b>50</b>	<b>100</b>
<b>Total number of employees who left as a % of total employment</b>	<b>15.9</b>	

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

Occupation	Employees 1 April 2021	Promotions to another salary level	Salary level promotions as a % of employees by occupation	Progressions to another notch within a salary level	Notch progression as a % of employees by occupation
Administrative Related Permanent	64	1	1.6	65	101.6
Cleaners in offices workshops Hospitals ETC. Permanent	12	0	0	11	91.7
Communication and Information Related Permanent	3	0	0	3	100
Engineers and Related Professionals Permanent	0	0	0	2	0
Finance and Economics Related Permanent	23	3	13.0	23	100





Occupation	Employees 1 April 2021	Promotions to another salary level	Salary level promotions as a % of employees by occupation	Progressions to another notch within a salary level	Notch progression as a % of employees by occupation
Financial and Related Professionals Permanent	36	7	19.4	38	105.6
Financial Clerks and Credit Controllers Permanent	2	0	0	2	100
Human Resources Related Permanent	31	3	9.7	6	19.4
Information Technology Related Permanent	32	1	3.1	31	96.9
Legal Related Permanent	0	0	0	4	0
Light Vehicle Drivers Permanent	1	0	0	1	100
Logistical Support Personnel Permanent	31	1	3.2	34	109.7
Material-Recording and Transport Clerks Permanent	1	0	0	1	100
Messengers porters and Deliverers Permanent	1	0	0	1	100
Administrative Policy and Related Officers Permanent	1	0	0	1	100
Other Occupations Permanent	48	3	6.3	48	100
Risk Management and Security Services Permanent	1	0	0	1	100
Secretaries & Other Keyboard Operating Clerks Permanent	10	1	10	9	90.0
Senior Managers Permanent	10	0	0	14	140.0
Youth Workers Contract	8	0	0	0	0
<b>TOTAL</b>	<b>315</b>	<b>20</b>	<b>6.3</b>	<b>295</b>	<b>93.7</b>

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

Salary Band	Employees 1 April 2021	Promotions to another salary level	Salary bands promotions as a % of employees by salary level	Progressions to another notch within a salary level	Notch progression as a % of employees by salary bands
Lower skilled ( Levels 1-2)	22	0	0	22	100
Skilled (Levels3-5)	28	0	0	20	71.4
Highly skilled production (Levels 6-8)	90	1	1.10	93	103.3

Salary Band	Employees 1 April 2021	Promotions to another salary level	Salary bands promotions as a % of employees by salary level	Progressions to another notch within a salary level	Notch progression as a % of employees by salary bands
Highly skilled supervision (Levels 9-12)	128	17	13.30	133	103.9
Senior Management (Level 13-16)	15	2	13.30	27	180.0
Skilled (Levels 3-5), Contract	8	0	0	0	0
Highly skilled production (Levels 6-8), Contract	23	0	0	0	0
Highly skilled supervision (Levels 9-12), Contract	1	0	0	0	0
<b>Total</b>	<b>315</b>	<b>20</b>	<b>6.30</b>	<b>295</b>	<b>93.7</b>

### 3.6 Employment Equity

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

Occupational category	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Legislators, senior officials and managers	2	0	1	1	5	0	0	1	10
Professionals	47	2	0	5	62	0	0	2	118
Technicians and associate professionals	39	0	0	0	58	0	1	0	98
Clerks	4	0	0		9	0	0	0	13
Service and sales workers	0	0	0	0	1	0	0	0	1
Skilled agriculture and fishery workers	0	0	0	0	0	0	0	0	0
Craft and related trades workers	0	0	0	0	0	0	0	0	0
Plant and machine operators and assemblers	1	0	0	0	0	0	0	0	1
Elementary occupations	25	0	0	1	28	0	0	1	55
<b>Total</b>	<b>118</b>	<b>2</b>	<b>1</b>	<b>7</b>	<b>163</b>	<b>0</b>	<b>1</b>	<b>4</b>	<b>296</b>
<b>Employees with disabilities</b>	<b>3</b>	<b>0</b>	<b>0</b>	<b>1</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1</b>	<b>5</b>

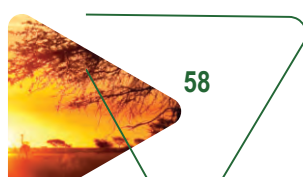


Table 3.6.2 Total number of employees (including employees with disabilities) in each of the following occupational bands as on 31 March 2022

Occupational band	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top Management	0	0	0	0	1	0	0	0	1
Senior Management	7	0	1	1	6	0	0	3	18
Professionally qualified and experienced specialists and mid-management	63	1	0	6	61	0	0	1	132
Skilled technical and academically qualified workers, junior management, supervisors, foreman and superintendents	35	1	0	0	52	0	1	0	89
Semi-skilled and discretionary decision making	6	0	0	0	14	0	0	0	20
Unskilled and defined decision making	6	0	0	0	16	0	0	0	22
Contract (Skilled Technical),	1	0	0	0	13	0	0	0	14
<b>Total</b>	<b>118</b>	<b>2</b>	<b>1</b>	<b>7</b>	<b>163</b>	<b>0</b>	<b>1</b>	<b>4</b>	<b>296</b>

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

Occupational band	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top Management	0	0	0	0	0	0	0	0	0
Senior Management	1	0	0	0	1	0	0	0	2
Professionally qualified and experienced specialists and mid-management SL 11-12	1	0	0	0	4	0	0	0	5
Skilled technical and academically qualified workers, junior management, supervisors, foreman and superintendents SL 9-10	3	0	0	0	16	0	0	0	19
Semi-skilled and discretionary decision making SL 4-8	3	0	0	0	2	0	0	0	5
Unskilled and defined decision making SL 1-3	0	0	0	0	3	0	0	0	0

Occupational band	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
<b>Total</b>	<b>8</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>26</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>34</b>
<b>Employees with disabilities</b>	0	0	0	0	0	0	0	0	0

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

Occupational band	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top Management	0	0	0	0	1	0	0	0	1
Senior Management	11	0	1	1	10	0	0	5	28
Professionally qualified and experienced specialists and mid-management	72	1	0	6	70	0	0	1	150
Skilled technical and academically qualified workers, junior management, supervisors, foreman and superintendents	34	1	0	0	58	0	1	0	94
Semi-skilled and discretionary decision making	6	0	0	0	14	0	0	0	20
Unskilled and defined decision making	6	0	0	0	16	0	0	0	22
<b>Total</b>	<b>129</b>	<b>2</b>	<b>1</b>	<b>7</b>	<b>169</b>	<b>0</b>	<b>1</b>	<b>6</b>	<b>315</b>
<b>Employees with disabilities</b>	3	0	0	1	1	0	0	0	5

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

Occupational band	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top Management	0	0	0	0	0	0	0	0	0
Senior Management	0	0	0	0	0	0	0	0	0
Professionally qualified and experienced specialists and mid-management	6	0	0	0	2	0	0	0	8
Skilled technical and academically qualified workers, junior management, supervisors, foreman and superintendents	18	0	0	0	22	0	0	0	40
Semi-skilled and discretionary decision making	0	0	0	2	0	0	0	0	2
Unskilled and defined decision making	0	0	0	0	0	0	0	0	0
<b>Total</b>	<b>24</b>	<b>0</b>	<b>0</b>	<b>2</b>	<b>24</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>50</b>
<b>Employees with Disabilities</b>	0	0	0	0	0	0	0	0	0

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

Disciplinary action	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Final written warning	1	0	0	0	0	0	0	0	1

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

Occupational category	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Legislators, senior officials and managers	7	0	1	1	5	0	0	3	17
Professionals	30	0	0	0	23	0	0	0	53
Technicians and associate professionals	16	0	0	0	33	0	0	0	49
Clerks	0	0	0	0	0	0	0	0	0
Service and sales workers	0	0	0	0	0	0	0	0	0
Skilled agriculture and fishery workers	0	0	0	0	0	0	0	0	0
Craft and related trades workers	0	0	0	0	0	0	0	0	0
Plant and machine operators and assemblers	0	0	0	0	0	0	0	0	0
Elementary occupations	5	0	0	0	8	0	0	0	13
Elementary Occupations (Leaners and Interns)	1	0	0	0	14	0	0	0	15
<b>Total</b>	<b>59</b>	<b>0</b>	<b>0</b>	<b>1</b>	<b>89</b>	<b>0</b>	<b>0</b>	<b>2</b>	<b>150</b>
Employees with disabilities	0	0	0	0	0	0	0	0	0

3.7 Signing of Performance Agreements by SMS Members

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

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

SMS Level	Total number of funded SMS posts	Total number of SMS members	Total number of signed performance agreements	Signed performance agreements as % of total number of SMS members
Director-General/ Head of Department	1	1	1	100
Salary Level 16	0	0	0	0
Salary Level 15	0	0	0	0
Salary Level 14	3	3	3	100
Salary Level 13	17	13	13	100
<b>Total</b>	<b>21</b>	<b>17</b>	<b>17</b>	<b>100</b>

## Notes

- In the event of a National or Provincial election occurring within the first three months of a financial year all members of the SMS must conclude and sign their performance agreements for that financial year within three months following the month in which the elections took place. For example if elections took place in April, the reporting date in the heading of the table above should change to 31 July 2021.

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

Reasons
All SMS signed their performance agreement.

## Notes

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

Table 3.7.3 Disciplinary steps taken against SMS members for not having concluded Performance\_agreements as on 31 March 2021

Reasons
Not applicable.

## Notes

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

## 3.8 Performance Rewards

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

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

Race and Gender	Beneficiary Profile			Cost	
	Number of beneficiaries	Number of employees	% of total within group	Cost (R'000)	Average cost per employee
<b>African</b>					
Male	59	115	51.3	458	7 763
Female	80	162	50.0	481	6 013
<b>Asian</b>					
Male	1	1	100	9	9 000
Female	1	1	100	5	5 000
<b>Coloured</b>					
Male	1	2	50.0	6	6 000
Female	0	0		0	0
<b>White</b>					
Male	4	6	66.7	51	12 750

Race and Gender	Beneficiary Profile			Cost	
	Number of beneficiaries	Number of employees	% of total within group	Cost (R'000)	Average cost per employee
Female	2	4	50.0	19	9 500
People with disability	2	5	40.0	13	6 500
<b>Total</b>	<b>150</b>	<b>296</b>	<b>51.0</b>	<b>1 042</b>	<b>6 947</b>

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

Salary band	Beneficiary Profile			Cost		Total cost as a % of the total personnel expenditure
	Number of beneficiaries	Number of employees	% of total within salary bands	Total Cost (R'000)	Average cost per employee	
Lower Skilled (Levels 1-2)	5	22	22.7	10	2 000	0.3
Skilled (level 3-5)	14	20	70.0	35	2 500	0.5
Highly skilled production (level 6-8)	49	89	55.1	205	4 184	0.5
Highly skilled supervision (level 9-12)	71	132	53.8	689	9 704	0.6
Contract (level 3-5)	0	7	0	0	0	0
Contract (level 6-8)	0	7	0	0	0	0
<b>Total</b>	<b>139</b>	<b>277</b>	<b>50.5</b>	<b>939</b>	<b>6 755</b>	<b>0.5</b>

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

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	1	3	33.3	4	4 000
Messengers Porters and Deliverers	0	1	0	0	0
Risk Management and Security Services	1	1	100	15	15 000
Finance and Economics Related	15	20	75.0	107	7 133
Logistical Support Personnel	17	34	50.0	89	5 235



Critical occupation	Beneficiary Profile			Cost	
	Number of beneficiaries	Number of employees	% of total within occupation	Total Cost (R'000)	Average cost per employee
Other Occupations	24	43	55.8	171	7 125
Legal Related	0	2	0	0	0
Financial and Related Professionals	18	38	47.4	163	9 056
Administrative Related	29	64	45.3	198	6 828
Communication and Information Related	2	3	66.7	11	5 500
Secretaries & Other Keyboard Operating Clerks	5	9	55.6	15	3 000
Cleaners in Offices Workshops Hospitals	7	11	63.6	14	2 000
Human Resources Related	5	16	31.3	42	8 400
Material-Recording and Transport Clerks	0	1	0	0	0
Youth Workers	0	7	0	0	0
Senior Managers	9	10	90.0	79	8 778
Engineers and Related Professionals	0	1	0	0	0
Light Vehicle Drivers	1	1	100	3	3 000
Information Technology Related	16	31	51.6	131	8 188
<b>TOTAL</b>	<b>150</b>	<b>296</b>	<b>50.7</b>	<b>1 042</b>	<b>6 947</b>

#### Notes

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

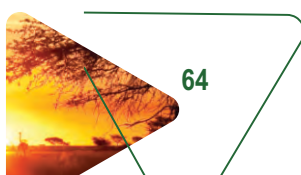


Table 3.8.4 Performance related rewards (cash bonus), by salary band for Senior Management Service for the period 1 April 2021 to 31 March 2022

Salary band	Beneficiary Profile			Cost		Total cost as a % of the total personnel expenditure
	Number of beneficiaries	Number of employees	% of total within salary bands	Total Cost (R'000)	Average cost per employee	
Band A	7	12	58.3	61	8 714	0.5
Band B	4	6	66.7	42	10 500	0.5
Band C	0	1	0	0	0	0
Band D	0	0	0	0	0	0
Total	11	19	57.9	103	9 363	0.4

3.9 Foreign Workers

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

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

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

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

Major occupation	01 April 2021		31 March 2022		Change	
	Number	% of total	Number	% of total	Number	% Change
N/A	0	0	0	0	0	0
Total	0	0	0	0	0	0

3.10 Leave utilisation

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

Table 3.10.1 Sick leave for the period 1 January 2021 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 Skills (Level 1-2)	6	66.7	3	5.8	2	4
Skilled (levels 3-5)	33	75.8	6	11.5	6	33
Highly skilled production (levels 6-8)	88	83.0	17	32.7	5	140
Highly skilled supervision (levels 9 - 12)	173	89.6	22	42.3	8	571
Top and Senior management (levels 13-16)	10	100	3	5.8	3	46
Contract, Highly skilled production (levels 6-8)	3	100	1	1.9	3	1
<b>Total</b>	<b>313</b>	<b>86.3</b>	<b>52</b>	<b>100</b>	<b>6</b>	<b>795</b>

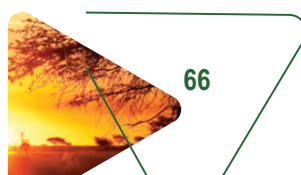
Table 3.10.2 Disability leave (temporary and permanent) for the period 1 January 2021 to 31 December 2022

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)	72	100	1	100	72	209
Senior management (Levels 13-16)	0	0	0	0	0	0
<b>Total</b>	<b>72</b>	<b>100</b>	<b>1</b>	<b>100</b>	<b>72</b>	<b>209</b>

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

Table 3.10.3 Annual Leave for the period 1 January 2021 to 31 December 2022

Salary band	Total days taken	Number of Employees using annual leave	Average per employee
Lower skilled (Levels 1-2)	243	19	13
Skilled Levels 3-5)	586	26	23
Highly skilled production (Levels 6-8)	2 021	88	23
Highly skilled supervision (Levels 9-12)	3 160	130	24
Senior management (Levels 13-16)	383	14	27



Salary band	Total days taken	Number of Employees using annual leave	Average per employee
Contract (Levels 6-8)	285	23	12
Contract (Levels 9-12)	30	1	30
Contract (Levels 3-5)	61	7	9
<b>Total</b>	<b>6 769</b>	<b>308</b>	<b>22</b>

Table 3.10.4 Capped leave for the period 1 January 2021 to 31 December 2022

Salary band	Total days of capped leave taken	Number of Employees using capped leave	Average number of days taken per employee	Average capped leave per employee as on 31 March 2022
Lower skilled (Levels 1-2)	0	0	0	0
Skilled Levels 3-5)	0	0	0	56
Highly skilled production (Levels 6-8)	0	0	0	56
Highly skilled supervision(Levels 9-12)	0	0	0	51
Senior management (Levels 13-16)	0	0	0	49
<b>Total</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>53</b>

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

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

Reason	Total amount (R'000)	Number of employees	Average per employee (R'000)
Annual - Discounting with Resignation (Work Days)	314	6	52
Annual - Discounting: Contract Expiry (Work Days)	82	24	3
Annual - Gratuity: Death/Retirement/Medical Retirement (Work)	727	14	52
Capped - Gratuity: Death/Retirement/Medical Retirement (Work)	1 917	12	160
<b>Total</b>	<b>3 040</b>	<b>44</b>	<b>69</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	N/A

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

Question	Yes	No	Details, if yes
1. Has the department designated a member of the SMS to implement the provisions contained in Part VI E of Chapter 1 of the Public Service Regulations, 2001? If so, provide her/his name and position.	Yes		Ms Cecilia Nkonyane
2. Does the department have a dedicated unit or has it designated specific staff members to promote the health and well-being of your employees? If so, indicate the number of employees who are involved in this task and the annual budget that is available for this purpose.	Yes		Three employees Operational Budget: (R120 000)
3. Has the department introduced an Employee Assistance or Health Promotion Programme for your employees? If so, indicate the key elements/services of this Programme.	Yes		Conduct one-on-one consultation. Referral to professionals. Support Groups. Conduct absence pattern analysis. Implement Health and Wellness Committee recommendations.
4. Has the department established (a) committee(s) as contemplated in Part VI E.5 (e) of Chapter 1 of the Public Service Regulations, 2001? If so, please provide the names of the members of the committee and the stakeholder(s) that they represent.	Yes		1. Ms TT Thwala : EHW 2. Mr BJ Hlatshwayo- (Gert Sibande Regional Office) 3. Ms BM Mkhonto- (Ehlanzeni Regional Office). 4. Ms L Nethononda- (Nkangala Regional Office). 5. Ms S Ngwenya-Norms and Standard 6. Ms N Gabela-NEHAW Rep 7. Ms SG Zitha- Head Office BEM 8. Mr K Sibanyoni- PSA Rep 9. Ms EY Mnisi –Health and Wellness 10. Ms A Mthombeni (KwaMhlanga Office) 11. Ms J Nel -Head Office (SMS) 12. Mr J Ntimane -Norms and Standards 13. Mr A Zulu - Transversal Services 14. Mr ZZ Mkhonto (Gert Sibande Region)
5. Has the department reviewed its employment policies and practices to ensure that these do not unfairly discriminate against employees on the basis of their HIV status? If so, list the employment policies/practices so reviewed.	Yes		HIV/AIDS & TB Management policy reviewed and approved
6. Has the department introduced measures to protect HIV-positive employees or those perceived to be HIV-positive from discrimination? If so, list the key elements of these measures.	Yes		Conducted awareness sessions on HIV/AIDS exhibition.
7. Does the department encourage its employees to undergo Voluntary Counselling and Testing? If so, list the results that you have you achieved.	Yes		Coordinate health screening on HIV/AIDS and other chronic diseases.
8. Has the department developed measures/indicators to monitor & evaluate the impact of its health promotion programme? If so, list these measures/indicators.		No	N/A

3.12 Labour Relations

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

Subject matter	Date
None	N/A

Notes

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

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

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

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

Outcomes of disciplinary hearings	Number	% of total
Correctional counselling	None	0
Verbal warning	None	0
Written warning	None	0
Final written warning	1	50
Suspended without pay	None	0
Fine	None	0
Demotion	None	0
Dismissal	None	0
Not guilty	None	0
Case withdrawn	1	50
Total	2	100

Notes

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

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

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

Type of misconduct	Number	% of total
Alleged abuse of power, authority and victimization	1	100
Total	1	100

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

Grievances	Number	% of Total
Number of grievances resolved	Nil	0
Number of grievances not resolved	Nil	0
<b>Total number of grievances lodged</b>	<b>0</b>	<b>0</b>

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

Disputes	Number	% of Total
Number of disputes upheld	Nil	0
Number of disputes dismissed	Nil	0
<b>Total number of disputes lodged</b>	<b>0</b>	<b>0</b>

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

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

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

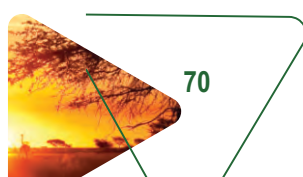
Number of people suspended	Nil
Number of people whose suspension exceeded 30 days	Nil
Average number of days suspended	Nil
<b>Cost of suspension(R'000)</b>	<b>Nil</b>

### 3.13 Skills Development

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

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

Occupational category	Gender	Number of employees as at 1 April 2021	Training needs identified at start of the reporting period			
			Learnerships	Skills Programmes & other short courses	Other forms of training	Total
Senior officials and managers	Female	8	0	8	0	08
	Male	9	0	9	0	09
Professionals	Female	64	0	30	0	30





Occupational category	Gender	Number of employees as at 1 April 2021	Training needs identified at start of the reporting period			
			Learnerships	Skills Programmes & other short courses	Other forms of training	Total
	Male	70	0	41	0	41
Technicians and associate professionals	Female	62	0	25	0	25
	Male	37	0	16	0	16
Clerks	Female	4	0	0	0	0
	Male	4	0	0	0	0
Service and sales workers	Female	0	0	0	0	0
	Male	0	0	0	0	0
Skilled agriculture and fishery workers	Female	0	0	0	0	0
	Male	0	0	0	0	0
Craft and related trades workers	Female	0	0	0	0	0
	Male	0	0	0	0	0
Plant and machine operators and assemblers	Female	0	0	0	0	0
	Male	0	0	0	0	0
Elementary occupations	Female	26	0	11	0	11
	Male	9	0	4	4	8
Sub Total	Female	164	0	74	0	74
	Male	129	0	70	4	74
<b>Total</b>		<b>293</b>	<b>0</b>	<b>144</b>	<b>4</b>	<b>148</b>

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

Occupational category	Gender	Number of employees as at 1 April 2021	Training provided within the reporting period			
			Learnerships	Skills Programmes & other short courses	Other forms of training	Total
Legislators, senior officials and managers	Female	8	0	8	0	8
	Male	9	0	9	0	9
Professionals	Female	64	0	30	0	30

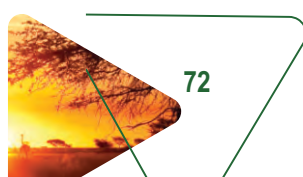
Occupational category	Gender	Number of employees as at 1 April 2021	Training provided within the reporting period			
			Learnerships	Skills Programmes & other short courses	Other forms of training	Total
	Male	70	0	41	0	41
Technicians and associate professionals	Female	62	0	25	0	25
	Male	37	0	16	0	16
Clerks	Female	4	0	0	0	0
	Male	4	0	0	0	0
Service and sales workers	Female	0	0	0	0	0
	Male	0	0	0	0	0
Skilled agriculture and fishery workers	Female	0	0	0	0	0
	Male	0	0	0	0	0
Craft and related trades workers	Female	0	0	0	0	0
	Male	0	0	0	0	0
Plant and machine operators and assemblers	Female	0	0	0	0	0
	Male	0	0	0	0	0
Elementary occupations	Female	26	0	11	0	11
	Male	9	0	4	4	8
Sub Total	Female	164	0	74	0	74
	Male	129	0	70	4	74
<b>Total</b>		<b>293</b>	<b>0</b>	<b>144</b>	<b>4</b>	<b>148</b>

### 3.14 Injury on duty

The following tables provide basic information on injury on duty.

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

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



3.15 Utilisation of Consultants

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

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

Table 3.15.1 Report on consultant appointments using appropriated funds for the period 1 April 2021 and 31 March 2022

Project title	Total number of consultants that worked on project	Duration (work days)	Contract value in Rand
None	None	None	None

Total number of projects	Total individual consultants	Total duration Work days	Total contract value in Rand
None	None	None	None

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

Project title	Percentage ownership by HDI groups	Percentage management by HDI groups	Number of consultants from HDI groups that work on the project
None	None	None	None

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

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

Total number of projects	Total individual consultants	Total duration Work days	Total contract value in Rand
None	None	None	None

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

Project title	Percentage ownership by HDI groups	Percentage management by HDI groups	Number of consultants from HDI groups that work on the project
None	None	None	None

### 3.16 Severance Packages

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

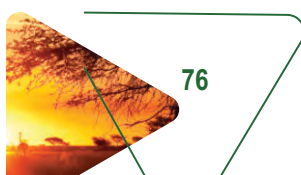
Salary band	Number of applications received	Number of applications referred to the MPSA	Number of applications supported by MPSA	Number of packages approved by department
Lower skilled (Levels 1-2)	0	0	0	0
Skilled Levels 3-5)	0	0	0	0
Highly skilled production (Levels 6-8)	0	0	0	0
Highly skilled supervision(Levels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



## **PART E:** FINANCIAL INFORMATION

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## REPORT OF THE AUDITOR GENERAL TO THE MPUMALANGA PROVINCIAL LEGISLATURE ON VOTE NO 3: MPUMALANGA PROVINCIAL TREASURY

### Report on the audit of the financial statements

#### Opinion

1. I have audited the financial statements of the Mpumalanga Provincial Treasury set out on pages 81 to 144 which comprise the appropriation statement, statement of financial position as at 31 March 2022, the 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 Mpumalanga Provincial Treasury as at 31 March 2022, and its financial performance and cash flows for the year then ended in accordance with the Modified Cash Standards (MCS) and the requirements of the Public Finance Management Act 1 of 1999 (PFMA) and the Division of Revenue Act 9 of 2021 (Dora).

#### Basis for opinion

3. I conducted my audit in accordance with the International Standards on Auditing (ISAs). My responsibilities under those standards are further described in the auditor-general's responsibilities for the audit of the financial statements section of my report.
4. I am independent of the department in accordance with the International Ethics Standards Board for Accountants' *International code of ethics for professional accountants (including International Independence Standards)* (IESBA code) as well as other ethical requirements that are relevant to my audit in South Africa. I have fulfilled my other ethical responsibilities in accordance with these requirements and the IESBA code.
5. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

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

6. The accounting officer is responsible for the preparation and fair presentation of the financial statements in accordance with the MCS and the requirements of the PFMA and Dora, and for such internal control as the accounting officer determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.
7. In preparing the financial statements, the accounting officer is responsible for assessing the department's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the appropriate governance structure either intends to liquidate the department or to cease operations, or has no realistic alternative but to do so.

#### Auditor- General's responsibilities for the audit of the financial statements

8. 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.
9. A further description of my responsibilities for the audit of the financial statements is included in the annexure to this auditor's report.



REPORT ON THE AUDIT OF THE ANNUAL PERFORMANCE REPORT

Introduction and scope

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

Programme	Pages in the annual performance report
Programme 3 – Asset and Liabilities Management	26 – 28

13. I performed procedures to determine whether the reported performance information was properly presented and whether performance was consistent with the approved performance planning documents. I performed further procedures to determine whether the indicators and related targets were measurable and relevant, and assessed the reliability of the reported performance information to determine whether it was valid, accurate and complete.
14. I did not identify material findings on the usefulness and reliability of the reported performance information for the following programme:
- Programme 3 – assets and liabilities management.

REPORT ON THE AUDIT OF COMPLIANCE WITH LEGISLATION

Introduction and scope

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

Procurement and contract management

17. Some of the goods and services were procured without obtaining at least three written price quotations in accordance with Treasury Regulation 16A6.1, paragraph 3.3.1 of Practice Note 8 of 2007/08 and paragraph 3.2.1 of SCM instruction note 2 of 2021/22.

**Other information**

- 18. The accounting officer is responsible for the other information. The other information comprises the information included in the annual report; the other information does not include the financial statements, the auditor's report and those selected programme presented in the annual performance report that have been specifically reported in this auditor's report.
- 19. My opinion on the financial statements and findings on the reported performance information and compliance with legislation do not cover the other information and I do not express an audit opinion or any form of assurance conclusion on it.
- 20. In connection with my audit, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements and the selected programme presented in the annual performance report, or my knowledge obtained in the audit, or otherwise appears to be materially misstated.
- 21. If, based on the work I have performed, I conclude that there is a material misstatement in this other information, I am required to report that fact.
- 22. I have nothing to report in this regard.

**Internal control deficiencies**

- 23. I considered internal controls relevant to my audit of the financial statements, reported performance information and compliance with applicable legislation; however, my objective was not to express any form of assurance on it. The matters reported below are limited to the significant internal control deficiencies that resulted in the findings on the annual performance report and the findings on compliance with legislation included in this report.
- 24. The non-compliance with legislation identified could have been prevented had compliance been properly monitored and reviewed. Monitoring and corrective controls in place to prevent noncompliance with applicable legislation were not adequate.

*Auditor-General*

Mbombela  
31 August 2022



AUDITOR - GENERAL  
SOUTH AFRICA

*Auditing to build public confidence*

## ANNEXURE – AUDITOR-GENERAL'S RESPONSIBILITY FOR THE AUDIT

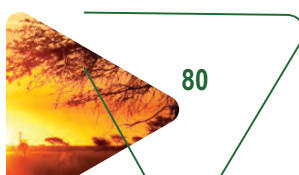
1. As part of an audit in accordance with the ISAs, I exercise professional judgement and maintain professional scepticism throughout my audit of the financial statements and the procedures performed on reported performance information for selected programmes and on the department's compliance with respect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

### Financial statements

2. In addition to my responsibility for the audit of the financial statements as described in this auditor's report, I also:
  - identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error; design and perform audit procedures responsive to those risks; and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control.
  - obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the department's internal control.
  - evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the accounting officer.
  - conclude on the appropriateness of the accounting officer's use of the going concern basis of accounting in the preparation of the financial statements. I also conclude, based on the audit evidence obtained, whether a material uncertainty exists relating to events or conditions that may cast significant doubt on the ability of the Mpumalanga Provincial Treasury to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements about the material uncertainty or, if such disclosures are inadequate, to modify my opinion on the financial statements. My conclusions are based on the information available to me at the date of this auditor's report. However, future events or conditions may cause a department to cease operating as a going concern.
  - evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and determine whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

### Communication with those charged with governance

3. I communicate with the accounting officer regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.
4. I also provide the accounting officer with a statement that I have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on my independence and, where applicable, actions taken to eliminate threats or safeguards applied.



# Appropriation Statement

for the year ended 31 March 2022

Figures in Rand thousand		2021/2022					2020/2021	
		Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation
							Final Appropriation	Actual Expenditure
Appropriation per programme								
Programme								
Programme 1-Administration	1	112,195	-	(3,409)	108,786	107,956	89,153	88,936
Programme 2- Sustainable Resource Management	2	81,874	-	277	82,151	82,149	46,475	46,472
Programme 3- Assets and Liabilities	3	215,884	-	(25)	215,859	213,539	213,268	213,237
Programme 4- Financial Governance	4	26,904	-	3,157	30,061	30,061	26,474	26,473
Programme subtotal		436,857	-	-	436,857	433,705	375,370	375,118
Programme subtotal		436,857	-	-	436,857	433,705	375,370	375,118
Total		436,857	-	-	436,857	433,705	375,370	375,118
Reconciliation with statement of financial performance								
Add:								
Departmental revenue					135,904		89,638	
Actual amounts per statement of financial performance (total revenue)					572,761		465,008	
Actual expenditure						433,705		375,118
Add:								
Actual amounts per statement of financial performance (total expenditure)						433,705		375,118

# Appropriation Statement

for the year ended 31 March 2022

Figures in Rand thousand							2020/2021	
2021/2022							Final Appropriation	Actual Expenditure
Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation		
Appropriation per economic classification								
Economic classification								
Current payments								
Compensation of employees	-	1,030	165,066	165,065	1	100.00 %	157,100	157,084
Salaries and wages	-	(1,032)	25,581	25,581	-	100.00 %	25,967	25,951
Social contributions	-	(2)	190,647	190,646	1	100.00 %	183,067	183,035
Goods and services								
Administrative fees	-	(21)	401	401	-	100.00 %	150	147
Advertising	-	-	731	730	1	99.86 %	545	545
Minor assets	-	(146)	149	146	3	97.99 %	-	10
Audit costs: External	-	-	4,477	4,477	-	100.00 %	4,779	4,779
Catering: Departmental activities	-	(6)	370	370	-	100.00 %	133	128
Communication	-	(143)	4,808	4,806	2	99.96 %	3,268	3,266
Computer services	-	(2,237)	131,784	134,463	(2,679)	102.03 %	148,685	146,123
Consultants: Business and advisory services	-	3,039	6,914	6,914	-	100.00 %	1,032	1,030
Contractors	-	167	2,657	2,659	(2)	100.08 %	3,174	3,174
Agency and support / outsourced services	-	-	12	12	-	100.00 %	145	145
Fleet services	-	81	2,548	2,549	(1)	100.04 %	1,787	1,787
Consumable supplies	-	(14)	2,787	2,787	-	100.00 %	1,671	1,671
Consumable: Stationery, printing and office supplies	-	(440)	1,784	1,783	1	99.94 %	894	884
Operating leases	-	(440)	7,649	7,649	-	100.00 %	7,126	7,126
Property payments	-	(1,026)	6,406	6,406	-	100.00 %	5,497	5,497
Transport provided: Departmental activity	-	-	-	-	-	- %	7	7
Travel and subsistence	-	1,075	7,757	7,757	-	100.00 %	4,051	3,900
Training and development	-	7	1,171	1,171	-	100.00 %	353	339
Operating payments	-	31	537	537	-	100.00 %	902	900

# Appropriation Statement

for the year ended 31 March 2022

Figures in Rand thousand									
2021/2022									
2020/2021									

# Appropriation Statement

for the year ended 31 March 2022

Figures in Rand thousand							2020/2021	
2021/2022							Final Appropriation	Actual Expenditure
Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation		
Appropriation per economic classification (continued)								
Transport equipment	-	-	876	876	-	100.00 %	827	827
Other machinery and equipment	-	-	23,377	17,456	5,921	74.67 %	9	9
	-	-	24,253	18,332	5,921	75.59 %	836	836
Software and other intangible assets	-	-	-	-	-	- %	29	2,562
Machinery and equipment	-	-	24,253	18,332	5,921	75.59 %	836	836
Intangible assets	-	-	-	-	-	- %	29	2,562
Total payments for capital assets	-	-	24,253	18,332	5,921	75.59 %	865	3,398
Total current payments	374,420	-	374,420	377,094	(2,674)	100.71 %	367,554	364,781
Total transfers and subsidies	38,184	-	38,184	38,279	(95)	100.25 %	6,955	6,941
Total payments for capital assets	24,253	-	24,253	18,332	5,921	75.59 %	865	3,398
Total	436,857	-	436,857	433,705	3,152	99.28 %	375,374	375,120



# Appropriation Statement

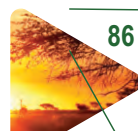
for the year ended 31 March 2022

Figures in Rand thousand		2021/2022					2020/2021			
		Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
1.	Programme 1- Administration									
	Sub programme									
	1.1 Management services	45,471	-	570	46,041	46,068	(27)	100.06 %	39,902	39,895
	1.2 Financial Management	61,598	-	(4,013)	57,585	56,728	857	98.51 %	44,474	44,265
	1.3 Internal Audit	5,126	-	34	5,160	5,160	-	100.00 %	4,777	4,776
	Subtotal	112,195	-	(3,409)	108,786	107,956	830	99.24 %	89,153	88,936
	Economic classification									
	Current payments									
	Compensation of employees	56,132	-	(1,468)	54,664	54,665	(1)	100.00 %	50,483	50,468
	Salaries and wages	9,797	-	(596)	9,201	9,201	-	100.00 %	8,688	8,672
	Social contributions	65,929	-	(2,064)	63,865	63,866	(1)	100.00 %	59,171	59,140
	Goods and services									
	Administrative fees	296	-	(14)	282	282	-	100.00 %	113	111
	Advertising	731	-	-	731	730	1	99.86 %	545	545
	Minor assets	155	-	(6)	149	146	3	97.99 %	-	10
	Audit costs: External	4,477	-	-	4,477	4,477	-	100.00 %	4,779	4,779
	Catering: Departmental activities	234	-	(5)	229	229	-	100.00 %	133	128
	Communication	3,503	-	(149)	3,354	3,353	1	99.97 %	2,114	2,113
	Computer services	25	-	(3)	22	22	-	100.00 %	21	21
	Consultants: Business and advisory services	468	-	(11)	457	457	-	100.00 %	779	777
	Contractors	1,244	-	28	1,272	1,273	(1)	100.08 %	575	575
	Agency and support / outsourced services	12	-	-	12	12	-	100.00 %	145	145
	Fleet services	2,467	-	81	2,548	2,549	(1)	100.04 %	1,787	1,787
	Consumable supplies	1,683	-	(14)	1,669	1,669	-	100.00 %	1,506	1,506
	Consumable: Stationery, printing and office supplies	2,224	-	(440)	1,784	1,783	1	99.94 %	894	884

# Appropriation Statement

for the year ended 31 March 2022

Figures in Rand thousand									
	2021/2022						2020/2021		
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
Operating leases									
Property payments	7,432	-	(1,026)	6,406	6,406	-	100.00 %	5,497	5,497
Travel and subsistence	2,005	-	675	2,680	2,680	-	100.00 %	1,303	1,156
Training and development	645	-	79	724	723	1	99.86 %	221	207
Operating payments	386	-	(26)	360	361	(1)	100.28 %	558	557
Venues and facilities	532	-	(74)	458	458	-	100.00 %	225	225
	36,608	-	(1,345)	35,263	35,259	4	99.99 %	28,321	28,149
Compensation of employees	65,929	-	(2,064)	63,865	63,866	(1)	100.00 %	59,171	59,140
Goods and services	36,608	-	(1,345)	35,263	35,259	4	99.99 %	28,321	28,149
Total current payments	102,537	-	(3,409)	99,128	99,125	3	100.00 %	87,492	87,289
Transfers and subsidies									
Provinces and municipalities	23	-	-	23	23	-	100.00 %	17	4
Departmental agencies and accounts	646	-	-	646	646	-	100.00 %	652	652
Households	1,448	-	-	1,448	1,467	(19)	101.31 %	164	164
Provinces and municipalities	23	-	-	23	23	-	100.00 %	17	4
Departmental agencies and accounts	646	-	-	646	646	-	100.00 %	652	652
Households	1,448	-	-	1,448	1,467	(19)	101.31 %	164	164
Total transfers and subsidies	2,117	-	-	2,117	2,136	(19)	100.90 %	833	820
Payments for capital assets									
Machinery and equipment	7,541	-	-	7,541	6,695	846	88.78 %	827	827
Machinery and equipment	7,541	-	-	7,541	6,695	846	88.78 %	827	827
Total current payments	102,537	-	(3,409)	99,128	99,125	3	100.00 %	87,492	87,289
Total transfers and subsidies	2,117	-	-	2,117	2,136	(19)	100.90 %	833	820
Total payments for capital assets	7,541	-	-	7,541	6,695	846	88.78 %	827	827
Total	112,195	-	(3,409)	108,786	107,956	830	99.24 %	89,152	88,936




# Appropriation Statement

for the year ended 31 March 2022

Figures in Rand thousand		2021/2022					2020/2021		
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
1.1 Management services									
Economic classification									
Current payments									
Compensation of employees									
Salaries and wages	33,868	-	(894)	32,974	32,981	(7)	100.02 %	29,607	29,606
Social contributions	5,481	-	(293)	5,188	5,190	(2)	100.04 %	4,676	4,675
	39,349	-	(1,187)	38,162	38,171	(9)	100.02 %	34,283	34,281
Goods and services									
Administrative fees	84	-	-	84	84	-	100.00 %	33	32
Advertising	731	-	-	731	730	1	99.86 %	528	528
Minor assets	12	-	(12)	-	-	-	- %	-	-
Catering: Departmental activities	188	-	-	188	188	-	100.00 %	107	107
Communication	381	-	-	381	380	1	99.74 %	267	266
Consultants: Business and advisory services	157	-	-	157	157	-	100.00 %	188	188
Contractors	1,154	-	28	1,182	1,183	(1)	100.08 %	421	421
Agency and support / outsourced services	12	-	-	12	12	-	100.00 %	145	145
Consumable supplies	43	-	-	43	43	-	100.00 %	389	389
Consumable: Stationery, printing and office supplies	55	-	-	55	55	-	100.00 %	55	55
Property payments	538	-	800	1,338	1,338	-	100.00 %	1,619	1,619
Travel and subsistence	405	-	818	1,223	1,223	-	100.00 %	705	702
Training and development	367	-	122	489	488	1	99.80 %	146	146
Operating payments	162	-	-	162	163	(1)	100.62 %	72	72
Venues and facilities	442	-	1	443	443	-	100.00 %	130	130
	4,731	-	1,757	6,488	6,487	1	99.98 %	4,805	4,800
Compensation of employees	39,349	-	(1,187)	38,162	38,171	(9)	100.02 %	34,283	34,281
Goods and services	4,731	-	1,757	6,488	6,487	1	99.98 %	4,805	4,799
Total current payments	44,080	-	570	44,650	44,658	(8)	100.02 %	39,087	39,080

## for the year ended 31 March 2022



# Appropriation Statement

for the year ended 31 March 2022

Figures in Rand thousand										2020/2021		
										Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
										Variance	Actual Expenditure	
											Final Appropriation	
										Virement		
										Shifting of Funds		
										Adjusted Appropriation		

# Appropriation Statement

for the year ended 31 March 2022

Figures in Rand thousand									
	2021/2022							2020/2021	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
1.2 Financial Management (continued)									
Transfers and subsidies									
Provinces and municipalities	23	-	-	23	23	-	100.00 %	17	4
Departmental agencies and accounts	-	-	-	-	-	-	- %	2	2
Households									
Social benefits	703	-	-	703	703	-	100.00 %	-	-
Provinces and municipalities	23	-	-	23	23	-	100.00 %	17	4
Departmental agencies and accounts	-	-	-	-	-	-	- %	2	2
Households	703	-	-	703	703	-	100.00 %	-	-
Total transfers and subsidies	726	-	-	726	726	-	100.00 %	19	6
Payments for capital assets									
Machinery and equipment	876	-	-	876	876	-	100.00 %	827	827
Transport equipment	6,665	-	-	6,665	5,819	846	87.31 %	-	-
Other machinery and equipment									
	7,541	-	-	7,541	6,695	846	88.78 %	827	827
Machinery and equipment	7,541	-	-	7,541	6,695	846	88.78 %	827	827
Total current payments	53,331	-	(4,013)	49,318	49,307	11	99.98 %	43,628	43,432
Total transfers and subsidies	726	-	-	726	726	-	100.00 %	19	6
Total payments for capital assets	7,541	-	-	7,541	6,695	846	88.78 %	827	827
Total	61,598	-	(4,013)	57,585	56,728	857	98.51 %	44,474	44,265

# Appropriation Statement

for the year ended 31 March 2022

Figures in Rand thousand		2021/2022					2020/2021		
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
1.3 Internal Audit									
Economic classification									
Current payments									
Compensation of employees									
Salaries and wages	3,910	-	40	3,950	3,950	-	100.00 %	3,792	3,792
Social contributions	626	-	-	626	626	-	100.00 %	598	598
	4,536	-	40	4,576	4,576	-	100.00 %	4,390	4,390
Goods and services									
Administrative fees	2	-	-	2	2	-	100.00 %	2	2
Advertising	-	-	-	-	-	-	- %	17	17
Communication	53	-	-	53	53	-	100.00 %	41	41
Computer services	25	-	(3)	22	22	-	100.00 %	21	21
Consultants: Business and advisory services	236	-	(1)	235	235	-	100.00 %	219	219
Travel and subsistence	86	-	(1)	85	85	-	100.00 %	40	40
Training and development	165	-	(1)	164	164	-	100.00 %	18	18
Operating payments	23	-	-	23	23	-	100.00 %	22	21
Venues and facilities	-	-	-	-	-	-	- %	7	7
	590	-	(6)	584	584	-	100.00 %	387	386
Compensation of employees	4,536	-	40	4,576	4,576	-	100.00 %	4,390	4,390
Goods and services	590	-	(6)	584	584	-	100.00 %	387	386
Total current payments	5,126	-	34	5,160	5,160	-	100.00 %	4,777	4,776
Total current payments	5,126	-	34	5,160	5,160	-	100.00 %	4,777	4,776
Total	5,126	-	34	5,160	5,160	-	100.00 %	4,777	4,776



# Appropriation Statement

for the year ended 31 March 2022

Figures in Rand thousand										2021/2022				2020/2021				
										Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
2.2. Programme 2- Sustainable Resource Management																		
Sub programme																		
Programme Support										1,593	-	44	1,637	1,636	1	99.94 %	1,562	1,561
Provincial Admin Fiscal Discipline										9,936	-	34	9,970	9,970	-	100.00 %	10,005	10,005
Budget and Expenditure										12,108	-	89	12,197	12,196	1	99.99 %	9,361	9,361
Municipal Finance										50,358	-	2,097	52,455	52,455	-	100.00 %	20,864	20,863
Infrastructure Coordination										7,879	-	(1,987)	5,892	5,892	-	100.00 %	4,683	4,682
Subtotal										81,874	-	277	82,151	82,149	2	100.00 %	46,475	46,472
Economic classification																		
Current pay ments																		
Compensation of employees										39,558	-	330	39,888	39,887	1	100.00 %	34,891	34,891
Salaries and wages										5,346	-	(200)	5,146	5,145	1	99.98 %	4,485	4,485
Social contributions										44,904	-	130	45,034	45,032	2	100.00 %	39,376	39,376
Goods and services																		
Administrative fees										15	-	(3)	12	12	-	100.00 %	10	10
Communication										594	-	1	595	595	-	100.00 %	397	397
Consultants: Business and advisory services										600	-	-	600	600	-	100.00 %	253	253
Travel and subsistence										1,101	-	94	1,195	1,195	-	100.00 %	677	677
Training and development										13	-	(1)	12	13	(1)	108.33 %	-	-
Operating payments										50	-	57	107	106	1	99.07 %	200	200
Venues and facilities										26	-	(1)	25	25	-	100.00 %	28	28
Compensation of employees										2,399	-	147	2,546	2,546	-	100.00 %	1,565	1,565
Goods and services										44,904	-	130	45,034	45,032	2	100.00 %	39,376	39,376
Total current payments										2,399	-	147	2,546	2,546	-	100.00 %	1,565	1,565
Total current payments										47,303	-	277	47,580	47,578	2	100.00 %	40,941	40,941

# Appropriation Statement

for the year ended 31 March 2022

Figures in Rand thousand	2021/2022					2020/2021			
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
Transfers and subsidies									
Provinces and municipalities	34,571	-	-	34,571	34,571	-	100.00 %	5,000	5,000
Households	-	-	-	-	-	-	- %	536	536
Provinces and municipalities	34,571	-	-	34,571	34,571	-	100.00 %	5,000	5,000
Households	-	-	-	-	-	-	- %	536	536
Total transfers and subsidies	34,571	-	-	34,571	34,571	-	100.00 %	5,536	5,536
Total current payments	47,303	-	277	47,580	47,578	2	100.00 %	40,941	40,937
Total transfers and subsidies	34,571	-	-	34,571	34,571	-	100.00 %	5,536	5,536
Total	81,874	-	277	82,151	82,149	2	100.00 %	46,477	46,473

# Appropriation Statement

for the year ended 31 March 2022

Figures in Rand thousand									
2021/2022									
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
2.1 Programme Support									
Economic classification									
Current payments									
Compensation of employees									
Salaries and wages	1,368	-	41	1,409	1,409	-	100.00 %	1,380	1,379
Social contributions	140	-	1	141	141	-	100.00 %	139	139
	1,508	-	42	1,550	1,550	-	100.00 %	1,519	1,518
Goods and services									
Administrative fees	1	-	1	2	2	-	100.00 %	1	1
Communication	23	-	-	23	23	-	100.00 %	22	22
Travel and subsistence	61	-	1	62	61	1	98.39 %	20	20
	85	-	2	87	86	1	98.85 %	43	43
Compensation of employees	1,508	-	42	1,550	1,550	-	100.00 %	1,519	1,518
Goods and services	85	-	2	87	86	1	98.85 %	43	43
Total current payments	1,593	-	44	1,637	1,636	1	99.94 %	1,562	1,561
Total current payments	1,593	-	44	1,637	1,636	1	99.94 %	1,562	1,561
Total	1,593	-	44	1,637	1,636	1	99.94 %	1,562	1,561

# Appropriation Statement

for the year ended 31 March 2022

Figures in Rand thousand										2021/2022			2020/2021					
										Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
2.2.2.2 Provincial Admin Fiscal Discipline																		
Economic classification																		
Current payments																		
Compensation of employees																		
Salaries and wages	8,438	-	22	8,460	8,460	-	1,207	1,207	-	100.00 %	8,511	8,511	100.00 %	8,511	8,511			
Social contributions	1,207	-	-	1,207	1,207	-	-	-	-	100.00 %	1,222	1,222	100.00 %	1,222	1,222			
	9,645	-	22	9,667	9,667	-	-	-	-	100.00 %	9,733	9,733	100.00 %	9,733	9,733			
Goods and services																		
Administrative fees	2	-	-	2	2	-	125	125	-	100.00 %	7	7	100.00 %	7	7			
Communication	125	-	-	125	125	-	176	176	-	100.00 %	95	95	100.00 %	95	95			
Travel and subsistence	164	-	12	176	176	-	-	-	-	100.00 %	90	90	100.00 %	90	89			
Venues and facilities	-	-	-	-	-	-	-	-	-	- %	28	28	- %	28	28			
	291	-	12	303	303	-	-	-	-	100.00 %	220	220	100.00 %	220	219			
Compensation of employees	9,645	-	22	9,667	9,667	-	-	-	-	100.00 %	9,733	9,733	100.00 %	9,733	9,733			
Goods and services	291	-	12	303	303	-	-	-	-	100.00 %	219	219	100.00 %	219	219			
Total current payments	9,936	-	34	9,970	9,970	-	-	-	-	100.00 %	9,952	9,952	100.00 %	9,952	9,952			
Transfers and subsidies																		
Households	-	-	-	-	-	-	-	-	-	- %	54	54	- %	54	53			
Households	-	-	-	-	-	-	-	-	-	- %	54	54	- %	54	53			
Total current payments	9,936	-	34	9,970	9,970	-	-	-	-	100.00 %	9,952	9,952	100.00 %	9,952	9,952			
Total transfers and subsidies	-	-	-	-	-	-	-	-	-	- %	54	54	- %	54	53			
Total	9,936	-	34	9,970	9,970	-	-	-	-	100.00 %	10,005	10,005	100.00 %	10,005	10,005			

# Appropriation Statement

for the year ended 31 March 2022

Figures in Rand thousand		2021/2022					2020/2021		
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
2.2.3 Budget and Expenditure									
Economic classification									
Current payments									
Compensation of employees									
Salaries and wages	10,592	-	62	10,654	10,654	-	100.00 %	7,750	7,750
Social contributions	1,244	-	(30)	1,214	1,213	1	99.92 %	881	881
	11,836	-	32	11,868	11,867	1	99.99 %	8,631	8,631
Goods and services									
Administrative fees	1	-	(1)	-	-	-	- %	-	-
Communication	154	-	2	156	156	-	100.00 %	75	75
Travel and subsistence	67	-	(1)	66	67	(1)	101.52 %	43	43
Operating payments	50	-	57	107	106	1	99.07 %	130	130
	272	-	57	329	329	-	100.00 %	248	248
Compensation of employees	11,836	-	32	11,868	11,867	1	99.99 %	8,631	8,631
Goods and services	272	-	57	329	329	-	100.00 %	248	248
Total current payments	12,108	-	89	12,197	12,196	1	99.99 %	8,879	8,879
Transfers and subsidies									
Households	-	-	-	-	-	-	- %	483	483
Households	-	-	-	-	-	-	- %	483	483
Total current payments	12,108	-	89	12,197	12,196	1	99.99 %	8,879	8,879
Total transfers and subsidies	-	-	-	-	-	-	- %	483	483
Total	12,108	-	89	12,197	12,196	1	99.99 %	9,361	9,361

# Appropriation Statement

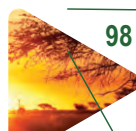
for the year ended 31 March 2022

Figures in Rand thousand		2021/2022					2020/2021		
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
2.2.4 Municipal Finance									
Economic classification									
Current payments									
Compensation of employees									
Salaries and wages	12,302	-	2,132	14,434	14,434	-	100.00 %	13,322	13,322
Social contributions	2,021	-	(120)	1,901	1,901	-	100.00 %	1,667	1,667
	14,323	-	2,012	16,335	16,335	-	100.00 %	14,989	14,989
Goods and services									
Administrative fees	4	-	(1)	3	3	-	100.00 %	2	2
Communication	226	-	-	226	226	-	100.00 %	160	160
Consultants: Business and advisory services	600	-	-	600	600	-	100.00 %	253	253
Travel and subsistence	634	-	86	720	720	-	100.00 %	390	389
Operating payments	-	-	-	-	-	-	- %	70	70
	1,464	-	85	1,549	1,549	-	100.00 %	875	874
Compensation of employees	14,323	-	2,012	16,335	16,335	-	100.00 %	14,989	14,989
Goods and services	1,464	-	85	1,549	1,549	-	100.00 %	875	874
Total current payments	15,787	-	2,097	17,884	17,884	-	100.00 %	15,864	15,863
Transfers and subsidies									
Provinces and municipalities									
Municipalities									
Municipal bank accounts	34,571	-	-	34,571	34,571	-	100.00 %	5,000	5,000
Municipalities	34,571	-	-	34,571	34,571	-	100.00 %	5,000	5,000
Provinces and municipalities	34,571	-	-	34,571	34,571	-	100.00 %	5,000	5,000
Total current payments	15,787	-	2,097	17,884	17,884	-	100.00 %	15,864	15,863
Total transfers and subsidies	34,571	-	-	34,571	34,571	-	100.00 %	5,000	5,000
Total	50,358	-	2,097	52,455	52,455	-	100.00 %	20,864	20,863

# Appropriation Statement

for the year ended 31 March 2022

Figures in Rand thousand		2021/2022					2020/2021		
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
2.5 Infrastructure Coordination									
Economic classification									
Current payments									
Compensation of employees									
	6,858	-	(1,927)	4,931	4,930	1	99.98 %	3,928	3,928
Salaries and wages	734	-	(51)	683	683	-	100.00 %	576	576
Social contributions	7,592	-	(1,978)	5,614	5,613	1	99.98 %	4,504	4,504
Goods and services									
Administrative fees	7	-	(2)	5	5	-	100.00 %	-	-
Communication	66	-	(1)	65	65	-	100.00 %	45	45
Travel and subsistence	175	-	(4)	171	171	-	100.00 %	134	133
Training and development	13	-	(1)	12	13	(1)	108.33 %	-	-
Venues and facilities	26	-	(1)	25	25	-	100.00 %	-	-
	287	-	(9)	278	279	(1)	100.36 %	179	178
Compensation of employees									
	7,592	-	(1,978)	5,614	5,613	1	99.98 %	4,504	4,504
Goods and services	287	-	(9)	278	279	(1)	100.36 %	179	178
Total current payees	7,879	-	(1,987)	5,892	5,892	-	100.00 %	4,683	4,682
Total current payments									
	7,879	-	(1,987)	5,892	5,892	-	100.00 %	4,683	4,682
Total	7,879	-	(1,987)	5,892	5,892	-	100.00 %	4,683	4,682





# Appropriation Statement

for the year ended 31 March 2022

Figures in Rand thousand									
2021/2022									

# Appropriation Statement

for the year ended 31 March 2022

Figures in Rand thousand							2020/2021	
2021/2022							Final Appropriation	Actual Expenditure
Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
Venues and facilities								
140,223	-	(2,070)	138,153	140,833	(2,680)	101.94 %	153,793	151,229
Compensation of employees	-	2,045	60,088	60,086	2	100.00 %	58,993	58,993
Goods and services	-	(2,070)	138,153	140,833	(2,680)	101.94 %	153,793	151,229
Total current payments	-	(25)	198,241	200,919	(2,678)	101.35 %	212,786	210,222
Transfers and subsidies								
Households	-	-	906	983	(77)	108.50 %	444	444
Households	-	-	906	983	(77)	108.50 %	444	444
Payments for capital assets								
Machinery and equipment	-	-	16,712	11,637	5,075	69.63 %	9	9
Software and other intangible assets	-	-	-	-	-	- %	29	2,562
Machinery and equipment	-	-	16,712	11,637	5,075	69.63 %	9	9
Intangible assets	-	-	-	-	-	- %	29	2,562
Total pay ments for capital assets	-	-	16,712	11,637	5,075	69.63 %	38	2,571
Total current payments	-	(25)	198,241	200,919	(2,678)	101.35 %	212,786	210,222
Total transfers and subsidies	-	-	906	983	(77)	108.50 %	444	444
Total payments for capital assets	-	(25)	16,712	11,637	5,075	69.63 %	38	2,571
Total	-	(25)	215,859	213,539	2,320	98.93 %	213,268	213,237

# Appropriation Statement

for the year ended 31 March 2022

Figures in Rand thousand		2021/2022						2020/2021		
		Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
3.1	Programme Support									
Economic classification										
Current payments										
Compensation of employees										
Salaries and wages		1,113	-	27	1,140	1,140	-	100.00 %	222	222
Social contributions		111	-	-	111	111	-	100.00 %	25	25
		1,224	-	27	1,251	1,251	-	100.00 %	247	247
Goods and services										
Administrative fees		2	-	(1)	1	1	-	100.00 %	-	-
Communication		23	-	3	26	26	-	100.00 %	8	8
Travel and subsistence		22	-	3	25	25	-	100.00 %	-	-
		47	-	5	52	52	-	100.00 %	8	8
Compensation of employees		1,224	-	27	1,251	1,251	-	100.00 %	247	247
Goods and services		47	-	5	52	52	-	100.00 %	8	8
Total current payments		1,271	-	32	1,303	1,303	-	100.00 %	255	255
Total current payments		1,271	-	32	1,303	1,303	-	100.00 %	255	255
Total		1,271	-	32	1,303	1,303	-	100.00 %	255	255

# Appropriation Statement

for the year ended 31 March 2022

Figures in Rand thousand										2021/2022		2020/2021						
										Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
3.2 Provincial Supply Chain Management																		
Economic classification																		
Current payments																		
Compensation of employees										15,445	-	117	15,562	15,560	2	99.99 %	14,147	14,147
Salaries and wages										2,777	-	(49)	2,728	2,728	-	100.00 %	2,980	2,980
Social contributions										18,222	-	68	18,290	18,288	2	99.99 %	17,127	17,127
Goods and services																		
Administrative fees										29	-	-	29	29	-	100.00 %	4	4
Catering: Departmental activities										23	-	(1)	22	22	-	100.00 %	-	-
Communication										164	-	2	166	166	-	100.00 %	147	147
Contractors										50	-	(1)	49	49	-	100.00 %	-	-
Transport provided: Departmental activity										-	-	-	-	-	-	- %	7	7
Travel and subsistence										553	-	124	677	677	-	100.00 %	412	412
Training and development										68	-	-	68	68	-	100.00 %	51	51
Venues and facilities										120	-	-	120	120	-	100.00 %	-	-
										1,007	-	124	1,131	1,131	-	100.00 %	621	621
Compensation of employees										18,222	-	68	18,290	18,288	2	99.99 %	17,127	17,127
Goods and services										1,007	-	124	1,131	1,131	-	100.00 %	621	621
Total current payments										19,229	-	192	19,421	19,419	2	99.99 %	17,748	17,748
Transfers and subsidies																		
Households										225	-	-	225	400	(175)	177.78 %	203	203
Households										225	-	-	225	400	(175)	177.78 %	203	203
Total current payments										19,229	-	192	19,421	19,419	2	99.99 %	17,748	17,748
Total transfers and subsidies										225	-	-	225	400	(175)	177.78 %	203	203
Total										19,454	-	192	19,646	19,819	(173)	100.88 %	17,951	17,951

# Appropriation Statement

for the year ended 31 March 2022

Figures in Rand thousand		2021/2022					2020/2021			
		Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
3.3.3 Public Sector Liabilities	Economic classification									
	Current payments									
	Compensation of employees									
	Salaries and wages	3,899	-	2	3,901	3,901	-	100.00 %	4,563	4,563
	Social contributions	538	-	-	538	538	-	100.00 %	624	624
		4,437	-	2	4,439	4,439	-	100.00 %	5,187	5,187
	Goods and services									
	Communication	42	-	-	42	42	-	100.00 %	52	52
	Travel and subsistence	215	-	14	229	229	-	100.00 %	75	75
	Training and development	11	-	-	11	11	-	100.00 %	-	-
		268	-	14	282	282	-	100.00 %	127	127
	Compensation of employees	4,437	-	2	4,439	4,439	-	100.00 %	5,187	5,187
	Goods and services	268	-	14	282	282	-	100.00 %	127	127
	Total current payments	4,705	-	16	4,721	4,721	-	100.00 %	5,314	5,314
Total current payments	4,705	-	16	4,721	4,721	-	100.00 %	5,314	5,314	
Total	4,705	-	16	4,721	4,721	-	100.00 %	5,314	5,314	

# Appropriation Statement

for the year ended 31 March 2022

Figures in Rand thousand		2021/2022						2020/2021	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
3.4 Physical Assets Management									
Economic classification									
Current payments									
Compensation of employees									
Salaries and wages	4,810	-	20	4,830	4,830	-	100.00 %	3,893	3,893
Social contributions	623	-	-	623	623	-	100.00 %	524	524
	5,433	-	20	5,453	5,453	-	100.00 %	4,417	4,417
Goods and services									
Administrative fees	4	-	-	4	4	-	100.00 %	1	1
Communication	93	-	-	93	93	-	100.00 %	64	64
Travel and subsistence	372	-	50	422	422	-	100.00 %	177	176
	469	-	50	519	519	-	100.00 %	242	241
Compensation of employees	5,433	-	20	5,453	5,453	-	100.00 %	4,417	4,417
Goods and services	469	-	50	519	519	-	100.00 %	242	241
Total current payments	5,902	-	70	5,972	5,972	-	100.00 %	4,659	4,658
Total current payments	5,902	-	70	5,972	5,972	-	100.00 %	4,659	4,658
Total	5,902	-	70	5,972	5,972	-	100.00 %	4,659	4,658

# Appropriation Statement

for the year ended 31 March 2022

Figures in Rand thousand		2021/2022						2020/2021		
		Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
3.5 Interlinked Financial Systems										
Economic classification										
Current payments										
Compensation of employees										
Salaries and wages	8,664	-	1	8,665	8,665	-	100.00 %	10,145	10,145	
Social contributions	1,340	-	(1)	1,339	1,339	-	100.00 %	1,412	1,412	
	10,004	-	-	10,004	10,004	-	100.00 %	11,557	11,557	
Goods and services										
Administrative fees	14	-	(1)	13	13	-	100.00 %	5	5	
Catering: Departmental activities	54	-	-	54	54	-	100.00 %	-	-	
Communication	121	-	-	121	121	-	100.00 %	123	123	
Computer services	74,864	-	(4,790)	70,074	70,074	-	100.00 %	76,078	76,078	
Travel and subsistence	778	-	(28)	750	750	-	100.00 %	445	445	
Training and development	91	-	-	91	91	-	100.00 %	-	-	
Operating payments	-	-	-	-	-	-	- %	28	28	
Venues and facilities	8	-	-	8	8	-	100.00 %	7	7	
	75,930	-	(4,819)	71,111	71,111	-	100.00 %	76,686	76,686	
Compensation of employees	10,004	-	-	10,004	10,004	-	100.00 %	11,557	11,557	
Goods and services	75,930	-	(4,819)	71,111	71,111	-	100.00 %	76,686	76,686	
Total current payments	85,934	-	(4,819)	81,115	81,115	-	100.00 %	88,243	88,243	
Transfers and subsidies										
Households	678	-	-	678	580	98	85.55 %	-	-	
Households	678	-	-	678	580	98	85.55 %	-	-	
Total current payments	85,934	-	(4,819)	81,115	81,115	-	100.00 %	88,243	88,243	
Total transfers and subsidies	678	-	-	678	580	98	85.55 %	-	-	
Total	86,612	-	(4,819)	81,793	81,695	98	99.88 %	88,243	88,243	



# Appropriation Statement

for the year ended 31 March 2022

Figures in Rand thousand		2021/2022						2020/2021	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
3.6 Information Technology									
Economic classification									
Current payments									
Compensation of employees									
Salaries and wages	15,565	-	1,925	17,490	17,490	-	100.00 %	17,319	17,319
Social contributions	3,158	-	3	3,161	3,161	-	100.00 %	3,139	3,139
	18,723	-	1,928	20,651	20,651	-	100.00 %	20,458	20,458
Goods and services									
Administrative fees	7	-	-	7	7	-	100.00 %	5	5
Minor assets	140	-	(140)	-	-	-	- %	-	-
Communication	174	-	-	174	174	-	100.00 %	127	126
Computer services	59,132	-	2,556	61,688	64,367	(2,679)	104.34 %	72,586	70,024
Contractors	1,196	-	140	1,336	1,337	(1)	100.07 %	2,599	2,599
Consumable supplies	1,118	-	-	1,118	1,118	-	100.00 %	165	165
Travel and subsistence	589	-	70	659	659	-	100.00 %	475	475
Training and development	142	-	(70)	72	72	-	100.00 %	62	62
Operating payments	4	-	-	4	4	-	100.00 %	90	90
	62,502	-	2,556	65,058	67,738	(2,680)	104.12 %	76,109	73,546
Compensation of employees	18,723	-	1,928	20,651	20,651	-	100.00 %	20,458	20,458
Goods and services	62,502	-	2,556	65,058	67,738	(2,680)	104.12 %	76,109	73,546
Total current payments	81,225	-	4,484	85,709	88,389	(2,680)	103.13 %	96,567	94,004
Transfers and subsidies									
Households	3	-	-	3	3	-	100.00 %	241	241
Households	3	-	-	3	3	-	100.00 %	241	241
Payments for capital assets									
Machinery and equipment	16,712	-	-	16,712	11,637	5,075	69.63 %	9	9
Software and other intangible assets	-	-	-	-	-	-	- %	29	2,562

# Appropriation Statement

for the year ended 31 March 2022

Figures in Rand thousand	2021/2022				2020/2021	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Expenditure as % of final appropriation
Machinery and equipment	16,712	-	-	16,712	11,637	69.63 %
Intangible assets	-	-	-	-	-	- %
Total pay ments for capital assets	16,712	-	-	16,712	11,637	69.63 %
Total current payments	81,225	-	4,484	85,709	88,389	103.13 %
Total transfers and subsidies	3	-	-	3	3	100.00 %
Total payments for capital assets	16,712	-	-	16,712	11,637	69.63 %
Total	97,940	-	4,484	102,424	100,029	97.66 %
					96,846	
					29	
					9	
					2,562	
					38	
					96,567	
					241	
					38	
					2,571	
					96,816	

# Appropriation Statement

for the year ended 31 March 2022

Figures in Rand thousand									
2021/2022							2020/2021		
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
4. Programme 4- Financial Governance									
Sub programme									
Programme Support	4,858	-	3,088	7,946	7,946	-	100.00 %	2,037	2,037
Accounting Services	4,595	-	205	4,800	4,800	-	100.00 %	4,933	4,933
Norms and Standards	10,697	-	(174)	10,523	10,523	-	100.00 %	13,632	13,632
Risk Management	3,149	-	17	3,166	3,166	-	100.00 %	2,631	2,630
Provincial Internal Audit	3,605	-	21	3,626	3,626	-	100.00 %	3,241	3,241
Subtotal	26,904	-	3,157	30,061	30,061	-	100.00 %	26,474	26,473
Economic classification									
Current payments									
Compensation of employees	18,850	-	76	18,926	18,927	(1)	100.01 %	21,437	21,437
Salaries and wages	2,923	-	(189)	2,734	2,735	(1)	100.04 %	4,090	4,090
Social contributions	21,773	-	(113)	21,660	21,662	(2)	100.01 %	25,527	25,527
Goods and services									
Administrative fees	55	-	(2)	53	53	-	100.00 %	12	11
Catering: Departmental activities	65	-	-	65	65	-	100.00 %	-	-
Communication	237	-	-	237	236	1	99.58 %	236	236
Consultants: Business and advisory services	2,807	-	3,050	5,857	5,857	-	100.00 %	-	-
Travel and subsistence	1,047	-	73	1,120	1,120	-	100.00 %	487	487
Training and development	194	-	(1)	193	193	-	100.00 %	19	19
Operating payments	66	-	-	66	66	-	100.00 %	26	25
Venues and facilities	70	-	150	220	220	-	100.00 %	28	28
	4,541	-	3,270	7,811	7,810	1	99.99 %	808	806
Compensation of employees	21,773	-	(113)	21,660	21,662	(2)	100.01 %	25,527	25,527
Goods and services	4,541	-	3,270	7,811	7,810	1	99.99 %	806	805
Total current payments	26,314	-	3,157	29,471	29,472	(1)	100.00 %	26,333	26,332

# Appropriation Statement

for the year ended 31 March 2022

Figures in Rand thousand	2021/2022						2020/2021		
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
Transfers and subsidies									
Households	590	-	-	590	589	1	99.83 %	141	141
Households	590	-	-	590	589	1	99.83 %	141	141
Total current payments	26,314	-	3,157	29,471	29,472	(1)	100.00 %	26,333	26,332
Total transfers and subsidies	590	-	-	590	589	1	99.83 %	141	141
Total	26,904	-	3,157	30,061	30,061	-	100.00 %	26,474	26,473

# Appropriation Statement

for the year ended 31 March 2022

Figures in Rand thousand		2021/2022					2020/2021		
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
4.1 Programme Support									
Economic classification									
Current payments									
Compensation of employees									
Salaries and wages	1,796	-	39	1,835	1,835	-	100.00 %	1,793	1,793
Social contributions	229	-	-	229	229	-	100.00 %	223	223
	2,025	-	39	2,064	2,064	-	100.00 %	2,016	2,016
Goods and services									
Administrative fees	1	-	(1)	-	-	-	- %	-	-
Communication	23	-	-	23	23	-	100.00 %	17	17
Consultants: Business and advisory services	2,807	-	3,050	5,857	5,857	-	100.00 %	-	-
Travel and subsistence	2	-	-	2	2	-	100.00 %	-	-
Training and development	-	-	-	-	-	-	- %	4	4
	2,833	-	3,049	5,882	5,882	-	100.00 %	21	21
Compensation of employees	2,025	-	39	2,064	2,064	-	100.00 %	2,016	2,016
Goods and services	2,833	-	3,049	5,882	5,882	-	100.00 %	21	21
Total current payments	4,858	-	3,088	7,946	7,946	-	100.00 %	2,037	2,037
Total current payments	4,858	-	3,088	7,946	7,946	-	100.00 %	2,037	2,037
Total	4,858	-	3,088	7,946	7,946	-	100.00 %	2,037	2,037

# Appropriation Statement

for the year ended 31 March 2022

Figures in Rand thousand											
2021/2022											
2020/2021											

# Appropriation Statement

for the year ended 31 March 2022

Figures in Rand thousand							2020/2021	
2021/2022							Final Appropriation	Actual Expenditure
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	
4.3 Norms and Standards								
Economic classification								
Current payments								
Compensation of employees	8,217	-	(1)	8,216	8,216	-	100.00 %	10,609
Salaries and wages	1,549	-	(189)	1,360	1,361	(1)	100.07 %	2,567
Social contributions	9,766	-	(190)	9,576	9,577	(1)	100.01 %	13,176
Goods and services								
Administrative fees	-	-	-	-	-	-	- %	1
Communication	87	-	-	87	87	-	100.00 %	91
Travel and subsistence	254	-	16	270	270	-	100.00 %	223
	341	-	16	357	357	-	100.00 %	315
Compensation of employees	9,766	-	(190)	9,576	9,577	(1)	100.01 %	13,176
Goods and services	341	-	16	357	357	-	100.00 %	315
Total current payments	10,107	-	(174)	9,933	9,934	(1)	100.01 %	13,491
Transfers and subsidies								
Households	590	-	-	590	589	1	99.83 %	141
Households	590	-	-	590	589	1	99.83 %	141
Total current payments	10,107	-	(174)	9,933	9,934	(1)	100.01 %	13,491
Total transfers and subsidies	590	-	-	590	589	1	99.83 %	141
Total	10,697	-	(174)	10,523	10,523	-	100.00 %	13,632



# Appropriation Statement

for the year ended 31 March 2022

Figures in Rand thousand		2021/2022				2020/2021			
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
4.4 Risk Management									
Economic classification									
Current payments									
Compensation of employees									
Salaries and wages	2,270	-	(1)	2,269	2,269	-	100.00 %	2,153	2,153
Social contributions	304	-	-	304	304	-	100.00 %	315	315
	2,574	-	(1)	2,573	2,573	-	100.00 %	2,468	2,468
Goods and services									
Administrative fees	15	-	-	15	15	-	100.00 %	3	3
Communication	35	-	-	35	35	-	100.00 %	32	32
Travel and subsistence	437	-	19	456	456	-	100.00 %	119	119
Training and development	74	-	(1)	73	73	-	100.00 %	-	-
Operating payments	14	-	-	14	14	-	100.00 %	9	9
	575	-	18	593	593	-	100.00 %	163	162
Compensation of employees	2,574	-	(1)	2,573	2,573	-	100.00 %	2,468	2,468
Goods and services	575	-	18	593	593	-	100.00 %	163	162
Total current payments	3,149	-	17	3,166	3,166	-	100.00 %	2,631	2,630
Total current payments	3,149	-	17	3,166	3,166	-	100.00 %	2,631	2,630
Total	3,149	-	17	3,166	3,166	-	100.00 %	2,631	2,630

# Appropriation Statement

for the year ended 31 March 2022

Figures in Rand thousand									
2021/2022							2020/2021		
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
4.5 Provincial Internal Audit									
Economic classification									
Current payments									
Compensation of employees									
Salaries and wages	2,891	-	(1)	2,890	2,890	-	100.00 %	2,729	2,729
Social contributions	369	-	-	369	369	-	100.00 %	401	401
	3,260	-	(1)	3,259	3,259	-	100.00 %	3,130	3,130
Goods and services									
Administrative fees	12	-	(1)	11	11	-	100.00 %	2	2
Catering: Departmental activities	43	-	-	43	43	-	100.00 %	-	-
Communication	32	-	-	32	32	-	100.00 %	31	31
Travel and subsistence	139	-	23	162	162	-	100.00 %	64	64
Training and development	43	-	-	43	43	-	100.00 %	-	-
Operating payments	13	-	-	13	13	-	100.00 %	14	14
Venues and facilities	63	-	-	63	63	-	100.00 %	-	-
	345	-	22	367	367	-	100.00 %	111	111
Compensation of employees	3,260	-	(1)	3,259	3,259	-	100.00 %	3,130	3,130
Goods and services	345	-	22	367	367	-	100.00 %	111	111
Total current payments	3,605	-	21	3,626	3,626	-	100.00 %	3,241	3,241
Total current payments	3,605	-	21	3,626	3,626	-	100.00 %	3,241	3,241
Total	3,605	-	21	3,626	3,626	-	100.00 %	3,241	3,241

# Notes to the Appropriation Statement

for the year ended 31 March 2022

## 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	108,786	107,956	830	0.8 %
Programme 2- Sustainable Resource Management	82,151	82,149	2	- %
Programme 3- Assets and Liabilities	215,859	213,539	2,320	1.1 %
Programme 4- Financial Governance	30,061	30,061	-	- %

The variance in Administration is mainly for the Computer Hardwares and Systems (Laptops) that were not delivered by the end of March 2022

The material were not delivered variance in Assests and Liabilities Management is mainly on the Payments for Capital Assets (Computer Hardwares and Systems and Software) that could not be delivered by the end of March 2022. Under the Software the service provider declines due to under pricing for the Software that was procured during the financial year under review.

### 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	190,647	190,646	1	- %
Goods and services	183,773	186,448	(2,675)	(1)%
<b>Transfers and subsidies</b>				
Provinces and municipalities	34,594	34,594	-	- %
Departmental agencies and accounts	646	646	-	- %
Households	2,944	3,039	(95)	(3)%
<b>Payments for capital assets</b>				
Machinery and equipment	24,253	18,332	5,921	24 %

The Variances in Goods and Services is mainly payments on Computer Services which entails SITA and Business Process Automation payments made for March. In Transfers and Subsidies the Over payments is mainly for the Leave Gratuity for the officials that passed on during the third quarter of the financial year under review and the payments had to be made in March after the High Court appointed the executor. For Payments for Capital Assets the under expenditure is as a results of the supplier failing to deliver services as a results of under quaoing and some items that could not be delivered in March of the financial year.

# Statement of Financial Performance

for the year ended 31 March 2022

Figures in Rand thousand	Note	2021/2022	2020/2021
Revenue			
Annual appropriation	1	436,857	375,370
Departmental revenue	2	135,904	89,638
Total revenue		572,761	465,008
Expenditure			
Current expenditure			
Compensation of employees	3	190,646	183,035
Goods and services	4	186,448	181,744
Total current expenditure		377,094	364,779
Transfers and subsidies			
Transfers and subsidies	5	38,279	6,941
Expenditure for capital assets			
Tangible assets	6	18,332	836
Intangible assets	6	-	2,562
Total expenditure for capital assets		18,332	3,398
Total expenditure		433,705	375,118
Surplus for the year		139,056	89,890
Reconciliation of Net Surplus/(Deficit) for the year			
Voted funds			
Annual appropriation		3,152	252
		3,152	252
Departmental revenue and NRF Receipts	10	135,904	89,638
Surplus for the year		139,056	89,890

# Statement of Financial Position

for the year ended 31 March 2022

Figures in Rand thousand	Note	2021/2022	2020/2021
Assets			
Current Assets			
Cash and cash equivalents	7	5,752	2,007
Receivables	8	832	786
		6,584	2,793
Total Assets		6,584	2,793
Liabilities			
Current Liabilities			
Voted funds to be surrendered to the Revenue Fund	9	3,152	252
Departmental revenue and NRF Receipts to be surrendered to the Revenue Fund	10	2,642	1,772
Payables	11	40	34
		5,834	2,058
Total Liabilities		5,834	2,058
		750	735
Represented by :			
Recoverable revenue		750	735

# Statement of Changes in Net Assets

for the year ended 31 March 2022

Figures in Rand thousand	Note	2021/2022	2020/2021
Recoverable revenue			
Opening balance		735	715
Transfers:			
Debts recovered (incl in dept receipts)		15	20
Closing balance		750	735

# Cash Flow Statement

for the year ended 31 March 2022

Figures in Rand thousand	Note	2021/2022	2020/2021
Cash flows from operating activities			
Receipts			
Annual appropriated funds received	1.1	436,857	375,370
Departmental revenue received	2	3,003	1,054
Interest received	2.2	143,300	97,240
		583,160	473,664
Net (increase)/decrease in working capital		(40)	50
Surrendered to Revenue Fund		(145,733)	(99,557)
Current payments		(377,094)	(364,779)
Transfers and subsidies paid		(38,279)	(6,941)
Net cash flow available from operating activities	12	22,014	2,437
Cash flows from investing activities			
Payments for capital assets	6	(18,332)	(3,398)
Proceeds from sale of capital assets	2.3	48	19
Net cash flows from investing activities		(18,284)	(3,379)
Cash flows from financing activities			
Increase/(decrease) in net assets		15	20
Cash and cash equivalents at beginning of period		2,007	2,929
Net increase/(decrease) in cash and cash equivalents		3,745	(922)
Cash and cash equivalents at the end of the year	13	5,752	2,007



# Accounting Policies

for the year ended 31 March 2022

## 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 Standard.

### 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).

### 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.

# Accounting Policies

for the year ended 31 March 2022

## 7. Revenue

### 7.1 Appropriated funds

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

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

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

### 7.2 Departmental revenue

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

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

### 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.

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

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

## 8. Expenditure

### 8.1 Compensation of employees

#### 8.1.1 Salaries and wages

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

#### 8.1.2 Social contributions

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

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

### 8.2 Other expenditure

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

### 8.3 Accruals and payables not recognised

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

# Accounting Policies

for the year ended 31 March 2022

## 8. Expenditure (continued)

### 8.4 Leases

#### 8.4.1 Operating leases

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

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

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.

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

### 9.2 Aid assistance paid

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

## 10. Cash and cash equivalents

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

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

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

## 11. Prepayments and advances

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

Prepayments and advances are initially and subsequently measured at cost.

## 12. Loans and receivables

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

# Accounting Policies

for the year ended 31 March 2022

## 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.

### 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.

# Accounting Policies

for the year ended 31 March 2022

## 16. Capital assets(continued)

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

Provincial Treasury does not have Infrastructure projects, hence there is no Work in progress to be accounted for. 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.

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

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

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

# Accounting Policies

for the year ended 31 March 2022

## 19. Fruitless and wasteful expenditure

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

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

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

## 20. Irregular expenditure

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

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

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

## 21. Changes in accounting policies, accounting estimates and errors

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

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

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

## 22. Events after the reporting date

Events after the reporting date that are classified as adjusting events have been accounted for in the 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

Provincial Treasury is not part of the Principal agent arrangement.

## 24. Departures from the MCS requirements

The management has concluded that the financial statements present fairly the department's primary and secondary information; that the department complied with the Standard.

## 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.

# Accounting Policies

for the year ended 31 March 2022

## 26. Recoverable revenue

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

## 27. Related party transactions

Related party transactions within the Minister/MEC's portfolio are recorded in the notes to the 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. The Provincial Treasury does not have inventories.

## 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.

Provincial Treasury does not have Public-Private Partnerships for the year under review.

## 30. Employee benefits

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

## 31. Transfers of functions

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

## 32. Mergers

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



# Notes to the Annual Financial Statements

for the year ended 31 March 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			2021/2022	2020/2021
	Final Appropriation	Actual Funds Received	Final Appropriation	Appropriation received
Programme 1-Administration	108,786	108,786	89,153	89,153
Programme 2- Sustainable Resource Management	82,151	82,151	46,475	46,475
Programme 3- Assets and Liabilities	215,859	215,859	213,268	213,268
Programme 4- Financial Governance	30,061	30,061	26,474	26,474
<b>Total</b>	<b>436,857</b>	<b>436,857</b>	<b>375,370</b>	<b>375,370</b>

## 2. Departmental revenue

Sales of goods and services other than capital assets	2.1	2,751	991
Interest, dividends and rent on land	2.2	143,300	97,240
Sales of capital assets	2.3	48	19
Transactions in financial assets and liabilities	2.4	252	63
<b>Total revenue collected</b>		<b>146,351</b>	<b>98,313</b>
Less: Own revenue included in appropriation	10	10,447	8,675
<b>Departmental revenue collected</b>		<b>135,904</b>	<b>89,638</b>

The Departmental Revenue collected includes interest from the Paymaster General Account and the Inter-Governmental Cash Coordination (IGCC) account that the department received.

The Departmental Revenue includes the Own Revenue included in the Main Appropriation amounting to R 10 447 million

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

Sales by market establishment	11	11
Administrative fees	109	113
Other sales	2,631	867
<b>Sales of goods and services produced by the department</b>	<b>2,751</b>	<b>991</b>

Other sales refer to the sale of tender documents

### 2.2 Interest, dividends and rent on land

Interest	143,300	97,240
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This are the interest received from the Inter-Governmental Cash Coordination Account and the Paymaster General Account for the under review.

### 2.3 Sales of capital assets

Tangible assets		
Machinery and equipment	23	48
		19

The Sale of Capital Assets is mainly revenue collected from the Auction of the Obsolete assets (Computer Hardwares and Systems and Office Furnitures)

# Notes to the Annual Financial Statements

for the year ended 31 March 2022

Figures in Rand thousand	Note	2021/2022	2020/2021
2. Departmental revenue (continued)			
2.4 Transactions in financial assets and liabilities			
Receivables		87	63
Other receipts including recoverable revenue		165	-
<b>Total</b>	<b>2</b>	<b>252</b>	<b>63</b>
3. Compensation of employees			
3.1 Salaries and wages			
Basic salary		132,670	129,707
Performance award		1,042	1,590
Service based		142	116
Compensative/circumstantial		572	1,137
Other non-pensionable allowances		30,639	24,534
<b>Total</b>		<b>165,065</b>	<b>157,084</b>
3.2 Social contributions			
Employer contributions			
Pension		17,022	17,860
Medical		8,333	8,062
Bargaining council		30	29
Insurance		196	-
<b>Total</b>		<b>25,581</b>	<b>25,951</b>
<b>Total compensation of employees</b>		<b>190,646</b>	<b>183,035</b>
<b>Average number of employees</b>		<b>296</b>	<b>312</b>

The total number of employees is 296 that includes 14 Interns and learnership. The item for insurance was classified under goods and service in the 2020/21 financial year and classified to employers contribution in the 2021/22 financial year for tax implications, the amount is R 90 583.51 .

# Notes to the Annual Financial Statements

for the year ended 31 March 2022

Figures in Rand thousand	Note	2021/2022	2020/2021
4. Goods and services			
Administrative fees		401	147
Advertising		730	545
Minor assets	4.1	146	10
Catering		370	128
Communication		4,806	3,265
Computer services	4.2	134,463	146,123
Consultants: Business and advisory services	4.8	6,914	1,030
Contractors		2,659	3,174
Agency and support / outsourced services		12	145
Audit cost - external	4.3	4,477	4,779
Fleet services		2,549	1,787
Consumables	4.4	4,570	2,554
Operating leases		7,649	7,126
Property payments	4.5	6,406	5,497
Transport provided as part of the departmental activities		-	8
Travel and subsistence	4.6	7,757	3,900
Venues and facilities		831	288
Training and development		1,171	339
Other operating expenditure	4.7	537	899
<b>Total</b>		<b>186,448</b>	<b>181,744</b>

The variances in goods and services are mainly on Communication items that increased due to price increases and the communication services rendered for the department. Computer Services items decreased as the majority of the Licences were not yet due for renewal and the SITA services were low at the beginning of the financial year. Consultants: Business and Advisory Services increased due to the Staff Verification projects that the Mpumalanga Provincial Treasury is implementing on behalf of the Mpumalanga Provincial Government. Agency and Support the department did not have projects that required the outsourcing during the year hence the decline in spending. Fleet Services increased due to over utilisation of the GG Vehicles and the maintenance of the vehicles. Consumables increased during the year since the department had to replenish the stores and procure cleaning materials, Stationery and Toiletries for the financial year. Property Payments decreased due to Office Accommodation that expired mainly Ehlanzeni Regional Office that is currently in procurement process with the client department. Travel and Subsistence increased due to engagements the department had to provide to its clients (Municipalities, Departments and Public Entities). Under Venues and Facilities the department had to conduct workshops, awareness campaigns and stakeholder engagements, hence the increase in the Venues and Facilities for conference packages. Training and Development increased during the financial year due to the high volume of trainings provided for the departmental officials. Other Operating Expenditure includes Courier services and Professional bodies.

## 4.1 Minor assets

Tangible assets		
Machinery and equipment	146	10

## 4.2 Computer services

SITA computer services	58,886	42,758
External computer service providers	75,577	103,365
<b>Total</b>	<b>4</b>	<b>134,463</b>

The External Computer Services includes the payments for Business Process Automation Systems (E-Leave, Annual Financial Statements and Tracking Invoices) and the payments made to Microsoft for the operating systems.

## 4.3 Audit cost - external

Regularity audits	4,477	4,779
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# Notes to the Annual Financial Statements

for the year ended 31 March 2022

Figures in Rand thousand	Note	2021/2022	2020/2021
4. Goods and services (continued)			
4.4 Consumables			
Uniform and clothing		3	28
Household supplies		1,642	956
Communication accessories		-	3
IT consumables		1,137	158
Other consumables		5	516
Consumable supplies		2,787	1,661
Stationery, printing and office supplies		1,783	893
Total	4	4,570	2,554

Other consumables refers to gifts procured for ex-employees

## 4.5 Property payments

Municipal services		5,068	3,382
Other		1,338	2,115
Total	4	6,406	5,497

Other refers to cleaning and fumigation services

## 4.6 Travel and subsistence

Local		7,757	3,900
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## 4.7 Other operating expenditure

Professional bodies, membership and subscription fees		118	67
Resettlement costs		4	-
Other		415	832
Total	4	537	899

Other relates to payments of insurances for subsidies vehicles, Courier services, printing and publications

## 4.8 Remuneration of members of a commission or committee( Included in Consultant: Business and advisory services)

Name of Commission / Committee	No. of members		
Audit Committee	5	235	219
Risk and Ethics Committee (Chairperson)	1	68	42
Total	4	303	261

## 5. Transfers and subsidies

Provinces and municipalities	Annexure 1A	34,571	5,000
Departmental agencies and accounts	Annexure 1B	669	656
Households	Annexure 1G	3,039	1,285
Total		38,279	6,941

The Transfers and Subsidies increased due to the transfers made to Support Municipalities during the financial year and the increase in the payments of Leave Gratuities for the ex-employees.



# Notes to the Annual Financial Statements

for the year ended 31 March 2022

Figures in Rand thousand	Note	2021/2022	2020/2021
6. Expenditure for capital assets			
Tangible assets			
Machinery and equipment	23	18,332	836
Intangible assets			
Software	24	-	2,562
Total		18,332	3,398

The Payments for Capital Assets increased due to the procurement of Computer Hardware and Systems (Servers and Computers); Office Furniture and Motor Vehicles

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

Figures in Rand thousand	Voted funds	Total
Tangible assets		
Machinery and equipment	18,332	18,332

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

Figures in Rand thousand	Voted funds	Total
Tangible assets		
Machinery and equipment	836	836
Intangible assets		
Software	2,562	2,562
Total	3,398	3,398

## 7. Cash and cash equivalents

Consolidated paymaster general account	5,752	2,007
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## 8 Receivables

Figures in Rand thousand	Note	2021/2022 Current	Total	2020/2021 Current	Total
Claims recoverable	8.1	18	18	18	18
Staff debt	8.2	193	193	191	191
Other receivables	8.3	621	621	577	577
Total		832	832	786	786

Other Receivables relates to Ex-Employees that are indebted to Provincial Treasury. The Claims Recoverable is money owed by the South African Revenue Services.

### 8.1 Claims recoverable

Public entities	18	18
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# Notes to the Annual Financial Statements

for the year ended 31 March 2022

Figures in Rand thousand	Note	2021/2022	2020/2021
8. Receivables (continued)			
8.2 Staff debt			
Recovery for loss/Damage to to assets		165	191
Salary Overpayment		26	-
Subsistence Overpayment		2	-
Total	8	193	191
8.3 Other receivables			
Ex-employees: Tax Debts		3	3
Amount to be recovered from Irregular Expenditure		530	530
Ex-employees: Salary Overpayment		78	33
Recovery for loss/Damage to to assets		10	11
Total	8	621	577
Other Receivables relates to Ex-Employees that are debted to Provincial Treasury. The Claims Recoverable is money owed by the South African Revenue Services.			
9. Voted funds to be surrendered to the Revenue Fund			
Opening balance		252	630
Transferred from statement of financial performance (as restated)		3,152	252
Paid during the year		(252)	(630)
Closing balance		3,152	252
10. Departmental revenue and NRF Receipts to be surrendered to the Revenue Fund			
Opening balance		1,772	2,386
Transferred from statement of financial performance (as rested)		135,904	89,638
Own revenue included in appropriation	2	10,447	8,675
Paid during the year		(145,481)	(98,927)
Closing balance		2,642	1,772
11. Payables - current			
Other payables	11.2	40	34
Other refers to GEHS Refund for employee			
11.1 Clearing accounts			
11.2 Other payables			
GEHS Refund for employees		40	34
Other refers to GEHS Refund for employees			

# Notes to the Annual Financial Statements

for the year ended 31 March 2022

Figures in Rand thousand	Note	2021/2022	2020/2021
12. Net cash flow available from operating activities			
Net surplus as per Statement of Financial Performance		139,056	89,890
Add back non cash/cash movements not deemed operating activities			
(Increase)/decrease in receivables		(46)	16
Increase/(decrease) in payables – current		6	34
Proceeds from sale of capital assets		(48)	(19)
Expenditure on capital assets		18,332	3,398
Surrenders to Revenue Fund		(145,733)	(99,557)
Own revenue included in appropriation		10,447	8,675
Net cash flow generated by operating activities		22,014	2,437
13. Reconciliation of cash and cash equivalents for cash flow purposes			
Consolidated paymaster general account		5,752	2,007
Under Cash and Cash equivalents; the increase in due to funds to be surrendered and Revenue Accruals due to Provincial Treasury			
14. Contingent liabilities and contingent assets			
14.1 Contingent liabilities			
Liable to	Nature		
Claims against the department	Annexure 3B	3,962	3,962
Provincial Treasury is facing a potential additional payment claim amounting to R3 962 000.00 from Columbus Technologies regarding help desk bundles procured in 2010. The Plaintiff had requested that the parties settles the matter out of court and Provincial Treasury is defending the matter through the office of the State Attorneys. To date, Provincial Treasury awaits for response from State Attorney to resolve the matter hence the department is still uncertain about the timing and possibility of the payment.			
15. Capital commitments			
Machinery and equipment		972	2,681

The Capital Commitments for the year is mainly the Computer Hardwares and Systems ( Switches and Laptops) that were not delivered by the year end.

# Notes to the Annual Financial Statements

for the year ended 31 March 2022

## 16. Accruals and payables not recognised

### 16.1 Accruals

Figures in Rand thousand		2021/2022	2020/2021
Listed by economic classification	30 Days	Total	Total
Goods and services	5,105	5,105	5,933
Other	1,746	1,746	726
<b>Total</b>	<b>6,851</b>	<b>6,851</b>	<b>6,659</b>
Listed by programme level			
Administration		1,612	588
Sustainable Resources Management		209	138
Asset and Liabilities Management		4,612	5,793
Financial Governance		418	140
<b>Total</b>		<b>6,851</b>	<b>6,659</b>

Other Accruals relates to Salary related submissions for the financial year under review .

### 16.2 Payables not recognised

Figures in Rand thousand		2021/2022	2020/2021
Listed by economic classification	30+ Days	Total	Total
Goods and services	417	417	139
Listed by programme level			
Administration		417	3
Assets and Liabilities Management		-	136
<b>Total</b>		<b>417</b>	<b>139</b>

Included in the above totals are the following:

Confirmed balances with other departments	Annexure 5	290	174
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## 17. Employee benefits

Leave entitlement	14,193	17,319
Service bonus (Thirteenth cheque)	5,393	5,109
Performance awards	-	1,680
Capped leave commitments	5,847	7,841
Other	160	182
<b>Total</b>	<b>25,593</b>	<b>32,131</b>

Other is a Provision of Long Service award of officials that will complete 20, 30 and 40 years of service in the coming twelve months.

Curently at this stage the department is not able to reliably measure the long term portion of the long service awards as the amounts are determined by DPSA each financial Year.

Included in the leave entitlement is a negetive Leave balances amounting to R18 173.47

The Performance Awards is not provided for since the DPSA has withdrawn the Performance Incentives for the year under review.



# Notes to the Annual Financial Statements

for the year ended 31 March 2022

## 18. Lease commitments

### 18.1 Operating leases

2021/2022

Figures in Rand thousand	Buildings and other fixed structures	Machinery and equipment	Total
Not later than 1 year	6,221	1,381	7,602
Later than 1 year and not later than 5 years	27,851	973	28,824
Later than five years	18,318	-	18,318
Total lease commitments	52,390	2,354	54,744

2020/2021

Figures in Rand thousand	Buildings and other fixed structures	Machinery and equipment	Total
Not later than 1 year	5,989	1,035	7,024
Later than 1 year and not later than 5 years	27,040	1,111	28,151
Later than five years	25,350	-	25,350
Total lease commitments	58,379	2,146	60,525

The aforementioned rental shall escalate at a rate of seven (07) and (06) percent per annum on the first anniversary of the lease and in accordance with the period of occupation and every anniversary thereafter until termination of the agreement or continued occupation of the premises.

## 19. Accrued departmental revenue

Transactions in financial assets and liabilities	744	715
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### 19.1 Analysis of accrued departmental revenue

Opening balance	715	621
Add: Amounts recognised	29	94
Total	744	715

## 20. Irregular expenditure

### 20.1 Reconciliation of irregular expenditure

Opening balance	-	3,474
Less: Prior year amounts condoned	20.2	(3,474)
Closing balance	-	-

The Provincial Treasury did not incur any Irregular Expenditure under the financial year under review

# Notes to the Annual Financial Statements

for the year ended 31 March 2022

## 20. Irregular expenditure (continued)

### 20.2 Details of irregular expenditure condoned

## 21. Related party transactions

During the financial year 2021/2022, Provincial Treasury occupied building number four(4) upper and lower grounds in the Riverside Government Complex, a service provided by the Department of Public Works, Roads and Transport free of charge.

During the financial year 2021/2022, Provincial Treasury provided Information Technology services free of charge (Information Technology support, Network and Governance) to the following departments: Office of the Premier, Co-Operative Governance and Traditional Affairs, Culture, Sport and Recreation, Human Settlements, Agriculture, Rural Development, Land and Environmental Affairs, Economic Development and Tourism, Education, Community Safety, Security and Liaison, Public Works, Roads and Transport, Health and Social Development.

During the Financial year 2021/2022, Provincial Treasury received security services from the Department of Community Safety, Security and Liaison.

## 22. Key management personnel

	No. of Individuals	2021/2022	2020/2021
Officials:			
Level 15-16	1	1,345	-
Level 14 Including CFO	4	5,646	5,461
Other Lower than level 14	6	7,496	7,199
<b>Total</b>		<b>14,487</b>	<b>12,660</b>

The expenditure for the Member of Executive Council is not included since the MEC is for both the Department of Economic Development and Tourism and the Provincial Treasury. The MEC will be accounted for by DEDT

# Notes to the Annual Financial Statements

for the year ended 31 March 2022

## 23. Movable Tangible Capital Assets

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
Machinery and equipment				
Transport assets	8,867	876	-	9,743
Computer equipment	69,080	16,258	(1,164)	84,174
Furniture and office equipment	4,839	823	(107)	5,555
Other machinery and equipment	4,170	375	(219)	4,326
<b>Total movable tangible capital assets</b>	<b>86,956</b>	<b>18,332</b>	<b>(1,490)</b>	<b>103,798</b>

### 23.1 Movement for 2020/2021

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

Figures in Rand thousand	Opening balance	Additions	Disposals	Closing balance
Machinery and equipment				
Transport assets	8,395	472	-	8,867
Computer equipment	69,205	88	(213)	69,080
Furniture and office equipment	4,606	233	-	4,839
Other machinery and equipment	4,127	43	-	4,170
<b>Total movable tangible capital assets</b>	<b>86,333</b>	<b>836</b>	<b>(213)</b>	<b>86,956</b>

### 23.2 Minor assets

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

Figures in Rand thousand	Machinery and equipment	Total
Opening balance	6,590	6,590
Additions	343	343
Disposals	(296)	(296)
<b>Total minor assets</b>	<b>6,637</b>	<b>6,637</b>

Figures in Rand thousand	Machinery and equipment	Total
Number of R1 minor assets	3	3
Number of minor assets at cost	3,279	3,279
<b>Total number of minor assets</b>	<b>3,282</b>	<b>3,282</b>

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

Figures in Rand thousand	Machinery and equipment	Total
Opening balance	6,590	6,590
Additions	10	10
Disposals	(10)	(10)
<b>Total minor assets</b>	<b>6,590</b>	<b>6,590</b>

# Notes to the Annual Financial Statements

for the year ended 31 March 2022

Figures in Rand thousand	Machinery and equipment	Total		
Number of R1 minor assets	3	3		
23. Movable Tangible Capital Assets (continued)				
Number of minor assets at cost	3,255	3,255		
Total number of minor assets	3,258	3,258		
24. Intangible Capital Assets				
Movement in intangible capital assets per asset register for the year ended 31 March 2022				
Figures in Rand thousand	Opening balance	Closing balance		
Software	2,880	2,880		
24.1 Movement for 31 March 2021				
Movement in intangible capital assets per asset register for the year ended 31 March 2021				
Figures in Rand thousand	Opening balance	Prior period error	Additions	Closing balance
Software	388	(70)	2,562	2,880
24.1.1 Prior period error				
Relating to 2019/2020 (affecting the opening balance)				(70)
25. Immovable Tangible Capital Assets				
Movement in immovable tangible capital assets per asset register for the year ended 31 March 2022				
Figures in Rand thousand	Opening balance	Closing balance		
Buildings and other fixed structures				
Other fixed structures	24	24		
25.1 Movement for 2020/2021				
Movement in immovable tangible capital assets per asset register for the year ended 31 March 2021				
Figures in Rand thousand	Opening balance	Closing balance		
Buildings and other fixed structures				
Other fixed structures	24	24		
26. COVID 19 Response Expenditure				
Goods services	737	583		

# Unaudited Annexure to the Annual Financial Statements

for the year ended 31 March 2022

## Annexure 1A

Statement of conditional grants and other transfers paid to Municipalities

Figures in Rand thousand Name of municipality	Grant allocation		Transfer	Spent	2020/2021	
	DoRA and other transfers	Total Available	Actual Transfer	Amount received by municipali- ties	Division of Revenue Act	Actual Transfer
Msakaligwa Local Municipality	-	-	-	-	2,600	2,600
Govan Mbeki Local Municipality	5,000	5,000	5,000	5,000	500	500
Emalahleni Local Municipality	5,000	5,000	5,000	5,000	1,000	1,000
Thaba Chweu Local Municipality	4,635	4,635	4,635	4,635	900	900
Chief Albert Luthuli Local Municipality	10,000	10,000	10,000	10,000	-	-
Dr. Pixley Ka Isaka Seme Local Municipality	3,000	3,000	3,000	3,000	-	-
Lekwa Local Municipality	6,936	6,936	6,936	6,936	-	-
Total	34,571	34,571	34,571	34,571	5,000	5,000

# Unaudited Annexure to the Annual Financial Statements

for the year ended 31 March 2022

## Annexure 1B

Statement of transfers to Departmental Agencies and Accounts

Figures in Rand thousand Departmental agency / account	Transfer allocation		Transfer		2020/2021	
	Adjusted Appropriation	Total Available	Actual Transfer	% of Available funds Transferred	Final Appropriation	
South African Broadcasting Corporation	-	-	-	- %		2
PD: Vehicle Licences	23	23	23	100 %		4
Skills Development Levy	646	646	646	100 %		650
Total	669	669	669			656

# Unaudited Annexure to the Annual Financial Statements

for the year ended 31 March 2022

## Annexure 1G

Statement of transfers to Households

Figures in Rand thousand Households	Transfer Allocation		Expenditure		2020/2021
	Adjusted Appropriation Act	Total Available	Actual Transfer	% of Available funds Transferred	
Transfers					
Leave Gratuity	2,945	2,945	3,039	103 %	1,286

# Unaudited Annexure to the Annual Financial Statements

for the year ended 31 March 2022

## Annexure 3B

Statement of contingent liabilities as at 31 March 2022

Nature of liabilities	Opening	Closing
	Balance 01 April 2021	Balance 31 March 2022
Figures in Rand thousand		
Claims against the department Colombus Technologies	3,962	3,962



# Unaudited Annexure to the Annual Financial Statements

for the year ended 31 March 2022

## Annexure 5

Inter-Government payables				
Government Entity	Confirmed balance outstanding			Total
	2021/2022	2020/2021	2021/2022	2020/2021
Figures in Rand thousand				
Departments				
Current				
Department of Public Works, Roads and Transport	290	174	290	174

# Unaudited Annexure to the Annual Financial Statements

for the year ended 31 March 2022

## Annexure 11

COVID 19 Response Expenditure Per quarter and in total

Per quarter and in total Figures in Rand thousand	2021/2022						
	April	May	Jun	Subtotal Q1	Jul	Aug	Subtotal Q2
Expenditure per economic classification							
Goods services							
Consumables	-	-	75	75	136	108	151
							395



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