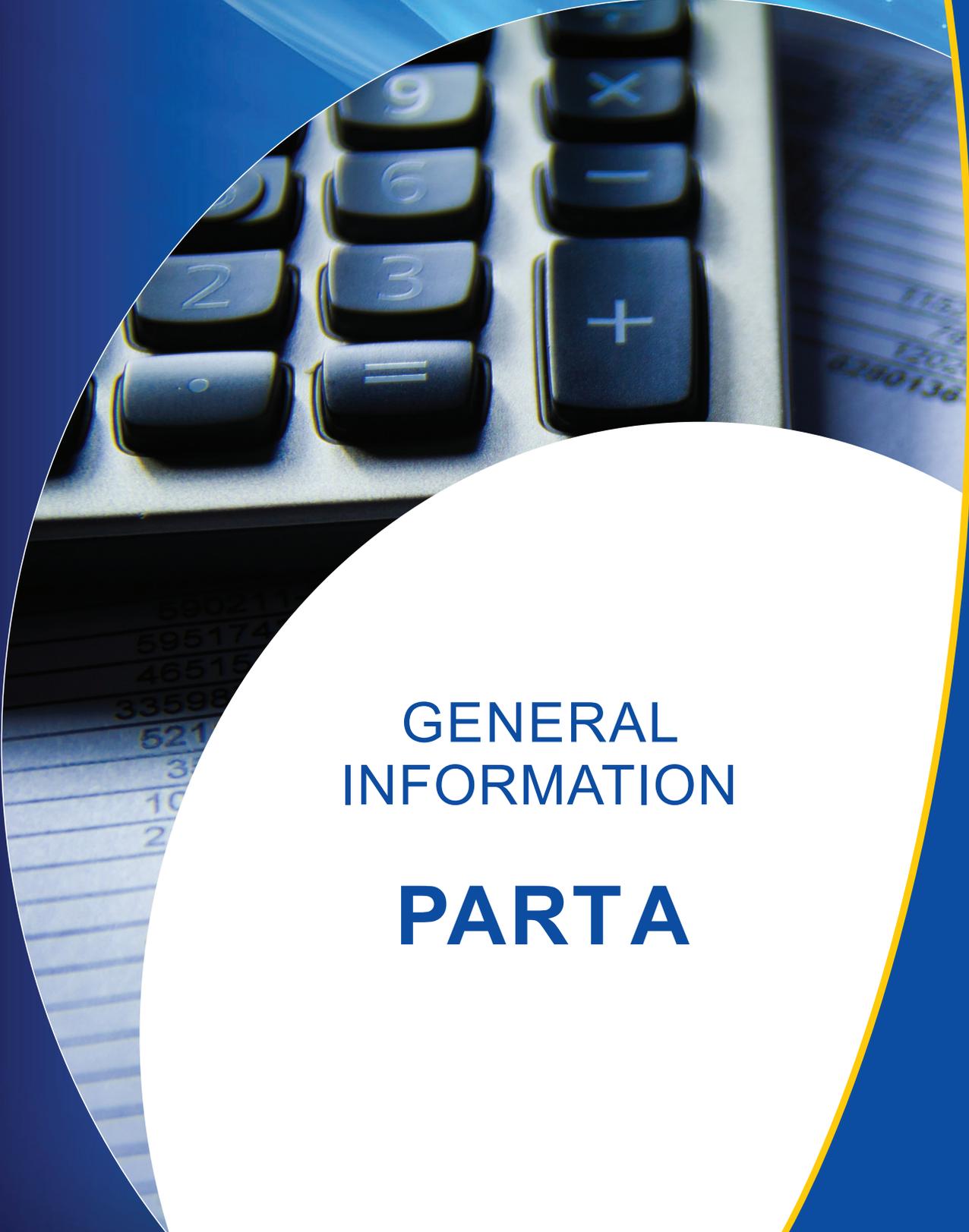


DEPARTMENT OF FINANCE
VOTE NO 03
MPUMALANGA PROVINCE
ANNUAL REPORT
2013/2014 FINANCIAL YEAR



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GENERAL
INFORMATION

PARTA

1. DEPARTMENT OF FINANCE GENERAL INFORMATION

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Postal address: Private bag x11205
Nelspruit
1200

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Fax number: 027 13 766 9449
Email address: hodfinance@mpg.gov.za
Website address: <http://finance.Mpu.gov.za>

2. LIST OF ABBREVIATIONS/ACRONYMS

AFS	Annual Financial Statements
AGSA	Auditor General of South Africa
BBBEE	Broad Based Black Economic Empowerment
BAS	Basic Accounting System
CFO	Chief Financial Officer
CoGTA	Department of Cooperative Governance and Traditional Affairs
CRDP	Comprehensive Rural Development Programme
DEDET	Department of Economic Development Environment and Tourism
DoE	Department of Education
DPSA	Department of Public Service and Administration
EPRE	Estimates of Provincial Revenue and Expenditure
ERM	Enterprise Risk Management
EXCO	Executive Committee
FMCMM	Financial Management Capability Maturity Model
HANIS	Home Affairs National Identification System
HOD	Head of the Department
HRD	Human Resource Development
ICT	Information Communication Technology
IDIP	Infrastructure Delivery Improvement Programme
IDMS	Infrastructure Delivery Management System
IGCC	Inter-Governmental Cash Coordination
IIA	Institute of Internal Auditors
IT	Information Technology
IYM	In-Year-Monitoring
LED	Local Economic Development
LGMTEC	Local Government Medium Term Expenditure Committee
LOGIS	Logistical Information System
MEC	Member of the Executive Council
MFMA	Municipal Finance Management Act, 2003 (Act No. 56 of 2003)
MPG	Mpumalanga Provincial Government
MTEC	Medium Term Expenditure Committee
MTEF	Medium Term Expenditure Framework
MTSF	Medium Term Strategic Framework
MUNIMEC	Municipality and MEC
NATIS	National Traffic Information System
N/A	Not applicable
NDP	National Development Plan
NMIR	National Minimum Information Requirements
NPI's	Non Profit Institutions
NPO's	Non Profit Organisations
OTP	Office of the Premier
PAB	Patient Administration and Billing
PERO	Provincial Economic Review and Outlook
PERSAL	Personnel Salary System
PFMA	Public Finance Management Act, 1999 (Act No. 1 of 1999)
PGDS	Provincial Growth and Development Strategy
PGITO	Provincial Government Information Technology Officer
PMC	Provincial Management Committee
PPP	Public Private Partnership
PSCM	Provincial Supply Chain Management
StatsSA	Statistics South Africa
SCM	Supply Chain Management
SDIP	Service Delivery Improvement Plan
SER	Socio-Economic Review
SERO	Socio-Economic Review and Outlook
SITA	State Information Technology Agency
SONA	State of the Nation Address
SOPA	State of the Province Address
SSP	Strategic Support Plan
TR	Treasury Regulations

3. FOREWORD BY THE MEC



It gives me great pleasure to introduce the Annual Report for 2013/14 financial year to the people of Mpumalanga.

The report provides an overarching account of performance of various units of the Department in executing the Constitutional and legislative mandates, in particular the Public Finance Management Act (Act No 1 of 1999) and Municipal Finance Management Act (Act No.53 of 2003)

It summarises the performance of the Department of Finance in the context of established frameworks of services and support on physical and financial assets, audit and risk, financial governance and fiscal and budget management amongst others.

The key aspect of the programme of the Department includes providing strategic support and guidance to all Departments, Public Entities and Municipalities.

The overall objective of our service is to contribute to the government's programmes of defeating the triple challenges of poverty, inequality and unemployment amongst especially the youth in the Province.

This must be done despite the current world economy and the tight fiscal outlook which require all departments and public entities to spend the limited budget wisely and well.

We have determined the improvement areas that are non-negotiable such as the strengthening of the Governance structures and various levels of assurance providers in departments, public entities and municipalities.

The Department of Finance must prepare the Departments, Public Entities and Municipalities for an efficient audit process within the ambit of the legislation.

The measure of our success in this regard will be a reduction in the time spent by the Auditors during the audit process and total elimination of disclaimer of opinions in the Province.

The provincial government will look at the opportunities presented by the advancement in the Information and Communication Technology sector to free substantial resources for service delivery, while modernising the way the state provides services and communicate with the people.

I would like to take this opportunity to convey my sincere appreciation to the former MEC for Finance, Hon Madala Masuku for ably leading the Department during his tenure, and also the Head of Department, supported by a team of officials who assisted in executing this critical mandate of financial management in the Province.

HON SE KHOLWANE, MPL
MEC FOR FINANCE, ECONOMIC DEVELOPMENT AND TOURISM
31 JULY 2014

4. REPORT OF THE ACCOUNTING OFFICER



We greatly appreciate the opportunity to report on the performance of the Department of Finance.

The report encapsulates the financial and non-financial aspects of performance of the four (4) Programmes of the Department for the financial year ending 31 March 2014.

The end of the year report indicates that the Department had 311 officials against the total establishment of 333. The current staff establishment is however inadequate to provide for an expanded mandate and various responsibilities, especially as these relates to the Municipal Finance support.

The Department continues to play a strategic role in the governance structures, thereby enabling information sharing, compliance with the legislative requirements and allocation efficiencies in the Province. The key aspect of the programme of the Department includes providing strategic support and guidance to all Departments, public entities and municipalities on various Treasury mandates.

During the year under review, the MEC for Finance established a Finance MuniMEC as part of the efforts to elevate the governance and financial administration issues to the elected officials. This has also enabled the department to present a coherent approach to communication on and support to the municipalities as required by the intergovernmental relations system and the Municipal Finance Management Act.

During this period, the Department provided resources for and supported three Departments that were placed under intensified support, as well as continuing to facilitate capacity improvement through targeted retreats, workshops and training programmes. The support to the Departments of Community Safety, Security and Liaison; Health as well as Agriculture, Rural Development and Land Administration included deploying human and financial resources to improve the financial controls and to stabilise the cash flows.

The Department allocated R3 million to support targeted municipalities to improve their billing system. Although the amount was not adequate, progress is being made to mobilise resources to address the billing challenges that are experienced by the municipalities.

The Department held Retreat session to address the identified risks within the shared areas of operation such as Human Resource Management, addressing the high costs of litigation against the Provincial Government; and to assist in assimilating a stronger Internal Audit and Risk Management capacity in our quest to improve financial governance across Provincial Departments and municipalities.

In order to assist the Municipalities to compile credible budgets, the Department conducted the LGMTEC sessions. Furthermore, a co-ordinated Programme of support to address financial governance and related matters in municipalities was developed and implemented. This programme will be strengthened during the 2014/15 financial year.

In the period ahead, the Department will focus on strengthening the controls, including implementing budget resolutions and principles as encapsulated in the memorandum approving the 2014/15 provincial budget. Over and above monthly payroll verification, the Department will implement the Identity Verification Solution to mitigate the risk of potential payroll related fraud in the Provincial Government.

The Department will also improve its systems to enhance legislative compliance including on payment of invoices within 30 days in line with the applicable prescripts; and ensuring that all municipalities comply and meet the MFMA requirements.

A greater focus of the Department will include making significant progress on Supply Chain Management and continues to support Departments with efficient Information Technology solution that enables communication and service delivery.

The FMCMM analysis was done based on the results of the Provincial Departments and Public Entities. It is worth noting that the Departments and Public Entities are moving towards reaching or achieving level 3 of maturity, which is a commendable progress in our quest to move forward with credible systems of governance in the Province. While this can be reported in the context of the audit findings of the Auditor General, the Department must still take active steps to strengthen its retention strategy in order to respond to the turnover rate which is occasioned by the resignations and recruitment of departmental personnel by other Provinces and Departments.

I would like to convey my appreciation to the Management Team and officials who ensured that the Department maintain its record of clean audit for the fifth year in succession. As the Honourable MEC, Mr SE Kholwane directed, we must work together to eliminate the disclaimers of opinion, retain skills in the system and improve capacity in critical areas of our work, amongst others.

Overview of the financial results of the department

Departmental receipts

Departmental receipts	2012/2013			2013/2014		
	Estimate	Actual Amount Collected	(Over) / Under Collection	Estimate	Actual Amount Collected	(Over) / Under Collection
	R'000	R'000	R'000	R'000	R'000	R'000
Tax Receipts	-	-	-	-	-	-
Casino taxes	-	-	-	-	-	-
Horse racing taxes	-	-	-	-	-	-
Liquor licences	-	-	-	-	-	-
Motor vehicle licences	-	-	-	-	-	-
Sale of goods and services other than capital assets	2 303	3 332	(1029)	2 679	2 240	439
Transfers received	-	-	-	-	-	-
Fines, penalties and forfeits	-	-	-	-	-	-
Interest, dividends and rent on land	54 693	52 531	2 162	48 461	58 613	(10 152)
Sale of capital assets	115	195	(80)	-	19	(19)
Transactions in financial assets and liabilities	-	95	-	-	50	-
Total	57 169	56 153	1 016	51 199	60 922	(9 723)

The Department collected R60,922 million against the projected amount of R51,199 million of own revenue. The over collection is mainly on interest due to slow spending by Provincial Departments during the year which resulted to higher interest being accrued on invested amount.

Programme Expenditure

Programme Name	2012/2013			2013/2014		
	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	75 641	71 195	4 446	74 777	73 704	1 073
Sustainable Resource Management	38 630	35 565	3 065	44 894	44 489	405
Assets and Liabilities Management	110 545	107 617	2 928	106 352	106 036	316
Financial Governance	31 049	30 134	915	28 982	27 523	1 459
Total	255 865	244 511	11 354	255 005	251 752	3 253

In the overall the Department has spent R251,752 million or 98.7 per cent of its allocated budget of R255,005 million. The R3,253 million or 1.2 per cent underspending of the approved budget is mainly on Goods and Services due to non-performance of the Service provider appointed for preparation of Annual Financial Statements for Non-Profit Institutions and Non-Profit Organisations, outstanding contractual obligations (property payments, operating leases and audit fees) and these are accounted for as accruals in the Annual Financial Statements.

Virements

PROGRAMME 1: ADMINISTRATION

The Programme's budget was reduced by R174,800 on Compensation of Employees in order to defray over expenditure on Compensation of Employees in Programme 3. The over expenditure resulted from inadequate budgeting. An amount of R21,000 was reduced from statutory appropriation to fund Programme 3.

PROGRAMME 2: SUSTAINABLE RESOURCE MANAGEMENT

The Programme's budget was reduced by R129,000 on Compensation of Employees in order to defray over expenditure on Compensation of Employees in Programme 4. The over expenditure resulted from inadequate budgeting.

PROGRAMME 3: ASSETS AND LIABILITIES MANAGEMENT

The Programme received R195,000 on compensation of employees from Programme 1. The over expenditure resulted from inadequate budgeting. In addition this Programme received R1,050,000 on payment of Goods and Services from Programme 4 to defray over expenditure due to payment of SITA invoices that were higher than projected.

PROGRAMME 4: FINANCIAL GOVERNANCE

The Programme received R129,000 on Compensation of Employees from Programme 2. The excess expenditure resulted from inadequate budgeting. In addition this Programme received R1,097,000 on Payment of Capital Assets from Programme 4 to defray excess expenditure due to purchase of computers and laptops.

Roll Overs

The Department had a rollover amount of R25,000 which was a donation for the Mandela Day project.

Unauthorised, fruitless and wasteful expenditure

The Department did not incur any unauthorised, fruitless and wasteful expenditure.

Public Private Partnerships

The Department continued to provide advice, support and awareness on PPP to Municipalities and Departments. This support was provided in liaison with the National Treasury's PPP unit.

Discontinued activities/activities to be discontinued

There were no activities that were discontinued during the period under review.

New/proposed activities

The Department intervened in three Departments in terms of section 18(2)(g) of the PFMA.

Supply Chain Management

The Department has an approved Supply Chain policy in place and has appointed all three bids committees in line with applicable legislations. The Department experienced non-performance by an appointed service provider and the matter was addressed with the service provider concerned.

Gifts and Donations

The Department donated groceries to destitute families for the Mandela Day legacy project.

Exemptions and deviations received from the National Treasury

The Department did not receive exemptions and deviations from the National Treasury.

Events after the reporting date

There were no events after the reporting date.

Other

There are no other matters to report on.

Approval and Sign Off

The Annual Financial Statements have been approved by the Accounting Officer.



MS NZ Nkamba
Accounting Officer
Date: 30 July 2014

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

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

- All information and amounts disclosed throughout the annual report are consistent.
- The Annual Report is complete, accurate and is free from any omissions.
- The Annual Report has been prepared in accordance with the guidelines on the annual report as issued by the National Treasury.
- The Annual Financial Statements (Part E) have been prepared in accordance with the modified cash standard and the relevant frameworks and guidelines issued by the National Treasury.
- The Accounting Officer is responsible for the preparation of the Annual Financial Statements and for the judgements made in this information.
- The Accounting Officer is responsible for establishing, and implementing a system of internal control that has been designed to provide reasonable assurance as to the integrity and reliability of the performance information, the human resources information and the Annual Financial Statements.
- The external auditors are engaged to express an independent opinion on the Annual Financial Statements.

In my opinion, the annual report fairly reflects the operations, the performance information, the human resources information and the financial affairs of the Department for the financial year ended 31 March 2014.

Yours faithfully,



MS NZ Nkamba
Accounting Officer
Date: 30 July 2014

Vision

A dynamic Department leading in service excellence

Mission

The equitable allocation and optimal utilization of provincial resources to ensure a quality and better life for all through:

- Quality financial advice and support to Departments, Public Entities and Municipalities
 - Efficient financial management and fiscal discipline
 - Effective monitoring of resource utilization

Values

We commit ourselves to the following core values:

- **Batho Pele and Ubuntu principles**
- **Dedication:** To perform our tasks in a dedicated manner to ensure accelerated and quality service delivery
 - **Excellence:** To perform our responsibilities with professional excellence
- **Integrity:** To conduct business in a consistent, objective, honest, fair, just and trustworthy manner
 - **Accountability:** To be accountable in the performance of our duties



7. LEGISLATIVE AND OTHER MANDATES

The Department derives its mandate from the following key legislations:

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.

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 also 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 No. 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.

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.

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.

Public Finance Management Act, 1999 (Act No. 1 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

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.

Treasury Regulations

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

List of legislation tabled in the Mpumalanga Provincial Legislature during the 2013/14 financial year:

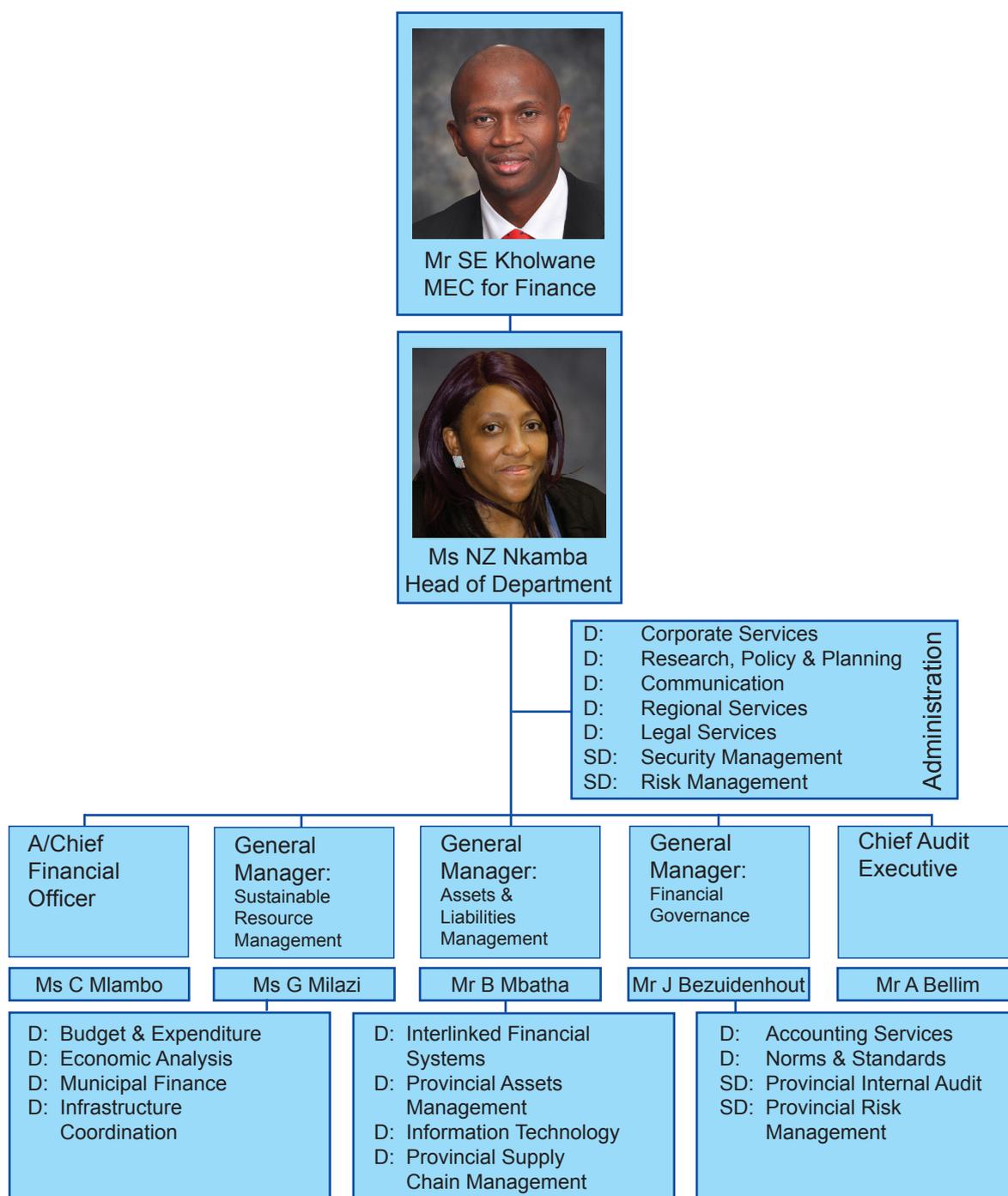
Mpumalanga Adjustment Appropriation Act, 2013 (Act No. 3 of 2013)

The Act provides for the appropriation of additional money for the requirements of the Mpumalanga Province in respect of the financial year ending 31 March 2014 (2013/14).

Mpumalanga Appropriation Act, 2013 (Act No. 2 of 2013)

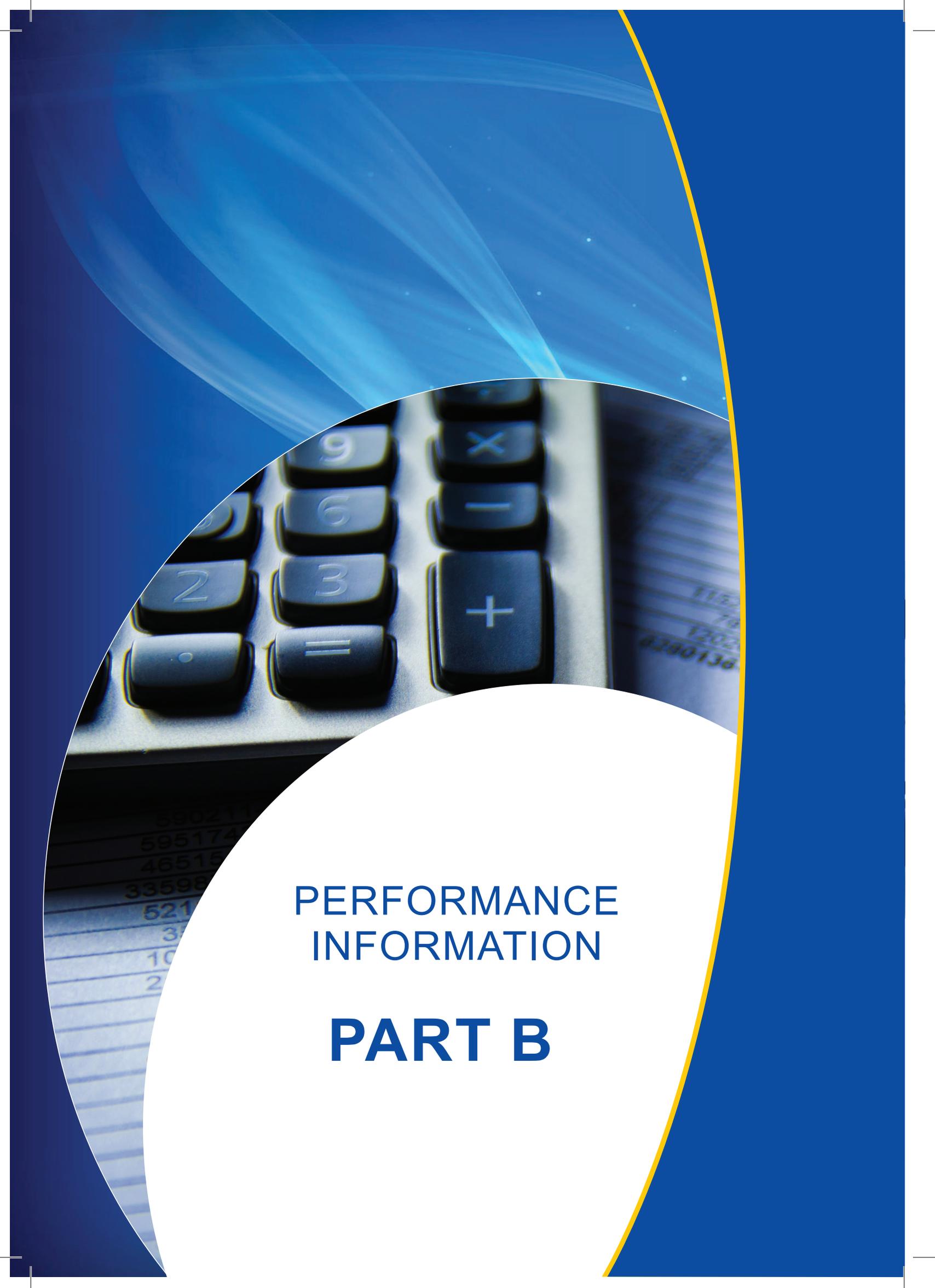
The Act provides for the appropriation of money from the Provincial Revenue Fund for the requirements of the Province in the 2013/14 financial year; and to provide for subordinate matters incidental thereto

8. ORGANISATIONAL STRUCTURE



9. ENTITIES REPORTING TO THE MEC

There are no entities that reports to the MEC for Finance in the Province.



PERFORMANCE
INFORMATION

PART B

1. AUDITOR GENERAL'S REPORT: PRE-DETERMINED 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 Pre-determined objectives is included in the report to management, with material findings being reported under the Pre-determined Objectives heading in the Report on other legal and regulatory requirements section of the auditor's report.

Refer to page 75 of the Report of the Auditor General, published as Part E: Financial Information.

2. OVERVIEW OF DEPARTMENTAL PERFORMANCE

2.1 Service Delivery Environment

The Department has 333 permanent funded posts and 311 are filled and thus leaving the Department with 22 vacancies or a 6.6% vacancy rate and therefore within the 10% benchmark as per the DPSA requirements.

As a result of a pattern of non-compliance on amongst others human resource management matters, as reflected in the audit outcomes, the Department held a Human Resource Retreat Session targeting all Human Resource practitioners across the provincial administration in October 2013. The retreat was used to share best practices and stimulate commitment to do things differently including putting in place internal controls and also ensuring compliance with applicable legislative framework.

The Department has partnered with the Department of Home Affairs to obtain connectivity to HANIS interface for the purpose of verifying the identity of personnel including their citizenship, using the biometric - online fingerprint verification system.

The Communication Strategy and Plan for the 2013/14 financial year was approved and implemented. The strategy provides the context and objectives underpinning communication activities, with specific focus on key Departmental programmes.

The Department has introduced budget principles to guide how budgets should be configured so that cost containment is achieved upfront and funds are not appropriated to areas that are "non-core" in nature. Specific efficiencies are designed to improve spending and provision of services. In line with the budget process Medium Term Expenditure Committee (MTEC) discussions were held.

In order to assist Municipalities to compile credible budgets, the Department conducted the LGMTEC sessions. The Department also implemented the co-ordinated Programme of Action for municipalities during the 2013/14 financial year. Furthermore, a process plan has been developed to assist in ensuring that municipalities comply and meet the section 71 reports deadlines as per the MFMA requirements.

The Department supported and monitored the delivery of infrastructure by Provincial Departments and Public Entities. This includes support to Departments with the implementation of IDMS, which entails the preparation of budgets two years in advance in accordance to Infrastructure Grant Reform processes and general funding of infrastructure.

The Department assisted/supported Departments and Municipalities with relevant socio-economic information and advice to inform the provincial and municipal planning and budget processes, including participation in training of IDP/LED managers.

The Department focused on strengthening of controls which include:

- The maintenance of the fraud prevention system namely Safety web and Luminet;
- Supporting Departments in the interpretation and implementation of the Asset Management framework;
- Monitoring and supporting that appropriate SCM governance practices are implemented; and
- Monitoring compliance in terms of legislation pertaining to the 30 day payment cycle by all institutions.

In general, there has been a significant improvement on the part of Provincial Government institutions on the legislative requirement for payment of contractors for services rendered within the 30 days period. The Department has fully complied with the Treasury Regulations on payment of invoices within 30 days in line with the applicable prescripts.

A Retreat Session was successfully held with Provincial Departments to collectively devise an integrated approach on managing litigation within the Provincial Government Institutions.

The Luminet system was installed to mitigate cyber fraud. The Department assisted Municipalities on IT governance related matters.



Several guidelines were developed to improve their governance processes resulting in improvements on bookkeeping and treatment of books of accounts at the provincial government level.

Some of the challenges experienced with municipalities are non-submission of monthly reports, monthly reconciliation are not done and submission of budgets that are not credible.

In order to improve governance, the department has developed a tool to monitor compliance with the ERM framework and guidelines to assess the effectiveness of Risk Management Committees with the intention of assisting stakeholders to move from their current maturity level to a higher level on Risk management processes within the Province.

The Department provided support on internal audit function through training sessions that were organised for all Chief Audit Executives (CAEs) in Municipalities, Departments and Entities to address challenges faced by CAEs in the Province.

2.2 Service Delivery Improvement Plan

The Department has completed a service delivery improvement plan. The tables below highlight the service delivery plan and the achievements to date.

Main services and standards

Main services	Beneficiaries	Current/actual standard of service	Desired standard of service	Actual achievement
Promote effective and optimal financial resource allocation for Provincial government, as well as to ensure efficient budget and expenditure management and accurate financial reporting for Provincial government	Provincial Departments, Provincial Legislature, Cabinet, National Treasury and Public Entities	<ul style="list-style-type: none"> • 300 copies of Estimates of Provincial Revenue and Expenditure (Main appropriation) print and distributed • 300 copies of Adjusted Estimates print and distribute • Place Expenditure Estimates on Provincial Treasury website • Place Mpumalanga Provincial Expenditure Estimates on National Treasury web 	<ul style="list-style-type: none"> • 300 copies of Estimates of Provincial Revenue and Expenditure (Main appropriation) • 300 copies of Adjusted Estimates • Placing Expenditure Estimates on Provincial Treasury website • Placing Mpumalanga Provincial Expenditure Estimates on National Treasury website 	<ul style="list-style-type: none"> • Estimates of Provincial Revenue and Expenditure (Main appropriation) printed and distributed • 300 copies of Adjusted Estimates printed and distributed • Placed Expenditure Estimates on Provincial Treasury website • Placed Mpumalanga Provincial Expenditure Estimates on National Treasury website

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

Current/actual arrangements	Desired arrangements	Actual achievements
<ul style="list-style-type: none"> • We consult with a wide range of stakeholders through conducting annual budget workshop, one-on-one meetings and MTEC hearings • Each client Department has a dedicated programme officer who can be contacted for assistance and • guidance on budget and reporting matters • Advise Cabinet, at least monthly, on budget and reporting matters • Consult Finance Portfolio Committee on budgeting and reporting matters 	<ul style="list-style-type: none"> • Expand support to sector Portfolio Committees • Advise Cabinet, at least monthly, on budget and reporting matters 	<ul style="list-style-type: none"> • Support provided to sector Portfolio Committees • Cabinet advised monthly, on budget and reporting matters • Finance Portfolio Committee on budgeting and reporting matters consulted

Service delivery information tool

Current/actual information tools	Desired information tools	Actual achievements
<ul style="list-style-type: none"> Budget Statements posted on the website IYM submitted to National Treasury 	<ul style="list-style-type: none"> Post the Budget Statements on the Treasury website Submit the Budget Statements to National Treasury electronically for posting on website Our offices are easily accessible to disabled people, e.g. the elevator has been adapted to allow easy access to the control buttons 	<ul style="list-style-type: none"> Budget Statements posted on the website 12 IYM submitted to National Treasury Offices are easily accessible to disabled people, e.g. the elevator has been adapted to allow easy access to the control buttons

Complaints mechanism

Current/actual complaints mechanism	Desired complaints mechanism	Actual achievements
<ul style="list-style-type: none"> Complaints are addressed through telephone, fax and electronic mail 	<ul style="list-style-type: none"> Addressing of all complaints received through telephone, fax and electronic mail 	<ul style="list-style-type: none"> No complaints were received

2.3 Organisational environment

The Department has an approved organogram with 433 posts and which organogram is currently under review in order to adequately respond to the mandate, which focuses on the role of Treasury in the implementation of MFMA to delegated Municipalities.

After the PERSAL clean-up process that was initiated by the DPSA, the Department has 333 permanent funded posts and 311 are filled and thus leaving the Department with 22 vacancies or a 6.6% vacancy rate and therefore within the 10% benchmark as per the DPSA requirements.

The staff turnover experienced during this reporting period was a major challenge. Although the recruitment of personnel by other Departments and Provinces is not unique to the Department, it has implication to the overall operations of the Department. The Department will take steps to improve its retention strategy.

2.4 Key policy developments and legislative changes

National Treasury Instruction 1 of 2013/14 was introduced with the primary purpose to prescribe cost curtailment measures for Accounting Officers and for them to ensure appropriate expenditure control measures.

3. STRATEGIC OUTCOME ORIENTED GOALS

Strategic Goals	Progress towards achievement of goals
Administrative Support Services	Prompt, continuous, effective and efficient administrative support is provided to all line functions in the Department.
Maintain fiscal discipline in the Province	Quality advice and support on Provincial and Municipal Fiscal policy, Budget and expenditure management and economic impact of Provincial public policy and expenditure and Infrastructure Coordination is provided.
Assets and Liabilities support	Monitored and supported the implementation of Transversal Systems, Information Technology Services, Assets, Liabilities, Public Private Partnerships and Provincial Supply Chain management to Departments, Public Entities and Municipalities, to reach full PFMA compliance.
Efficient and effective financial corporate governance	Provided support to ensure efficient and effective financial and corporate governance in the Province in line with legislation.

4. PERFORMANCE INFORMATION BY PROGRAMME

4.1 Programme 1: Administration

This programme is responsible for the political, financial and administrative management of the Department. The programme provides effective and efficient administrative support to all line functions in the Department.

The sub-programmes are:

- Office of the MEC
- Office of the HOD
- Corporate Services
- Communication
- Security Management
- Legal Services
- Research, Policy and Planning
- Financial Management
- Internal Audit

Strategic Objectives of Programme 1: Administration

Set policy and political directives in order to achieve Provincial objectives
Translate policies and priorities into strategies for effective service delivery
Provide efficient and effective corporate services support to enable the Department to achieve its objectives
Provide effective communication services to the Department and stakeholders
Provide security management services to the Department
Provide continuous and prompt Legal support services to the Department
Support the Department to report on Departmental activities to achieve its objectives
Provide sound financial and supply chain management services to the Department
Provide efficient and effective internal audit services in the Department

Strategic objectives, performance indicators, planned targets and actual achievements

Strategic objectives

Programme 1: Administration					
Strategic objectives	Actual Achievement 2012//2013	Planned Target 2013/2014	Actual Achievement 2013/2014	Deviation from planned target to Actual Achievement for 2013/2014	Comment on deviations
Set policy and political directives in order to achieve Provincial objectives	Priorities and strategic directives provided	Provide priorities and strategic directives	Priorities and strategic directives provided	None	N/A
Translate policies and priorities into strategies for effective service delivery	Priorities and strategic directives implemented	Implement priorities and strategic directives	Priorities and strategic directives implemented	None	N/A
Provide effective and efficient corporate services support to enable the Department to achieve its objectives	Human resource and support services provided to the Department	Review and implement Human Resource Plan	Human Resource Plan reviewed and implemented	None	N/A
Provide effective Communication services to the Department and stakeholders	Communication strategy reviewed and implemented	Review and implement communication strategy	Communication strategy reviewed and implemented	None	N/A
Provide Security Management services to the Department	Security management services provided	Provide security management services	Security management services provided	None	N/A
Provide continuous and prompt Legal support services to the Department	Legal compliance by the Department	Legal compliance by the Department	Legal compliance by the Department	None	N/A
Support the Department to report on Departmental activities to achieve its objectives	APP compilation coordination	Coordinate the compilation of the APP and Departmental performance reports	APP and Departmental performance reports compilation coordinated	None	N/A
Provide sound Financial and Supply Chain Management services to the Department	Sound financial and supply chain management services provided	Sound financial and supply chain management services	Sound financial and supply chain management services provided	None	N/A
Provide efficient and effective internal audit services in the Department	Internal Audit plan implemented	Implement the approved Internal Audit plan	Internal Audit plan implemented	None	N/A

Reasons for all deviations

There were no deviations (refer to pg 19)

Performance indicators

Sub-programme: Office of the MEC					
Performance Indicator	Actual Achievement 2012/2013	Planned Target 2013/2014	Actual Achievement 2013/2014	Deviation from planned target to Actual Achievement for 2013/2014	Comment on deviations
Number of MUNIMEC meetings held	2 MUNIMEC meetings held	4 meetings	4 meetings	None	N/A
Number of Estimates of Provincial Revenue and Expenditure tabled	N/A	2 documents	2 documents	None	N/A
Number of Budget and Policy Statements tabled	NA	1 statement	1 statement	None	N/A

Sub-programme: Office of the HOD					
Performance Indicator	Actual Achievement 2012/2013	Planned Target 2013/2014	Actual Achievement 2013/2014	Deviation from planned target to Actual Achievement for 2013/2014	Comment on deviations
Number of performance reports submitted	4 performance reports submitted	4 reports	4 reports	None	N/A
Number of annual reports submitted	1 Annual report submitted	1 report	1 report	None	N/A
Number of Annual Performance plans submitted	1 Annual Performance plan submitted	1 plan	1 plan	None	N/A

Sub-programme: Corporate Services					
Performance Indicator	Actual Achievement 2012/2013	Planned Target 2013/2014	Actual Achievement 2013/2014	Deviation from planned target to Actual Achievement for 2013/2014	Comment on deviations
Number of Human Resource Implementation reports issued	N/A	2 reports	2 reports	None	N/A

Sub-programme: Communication					
Performance Indicator	Actual Achievement 2012/2013	Planned Target 2013/2014	Actual Achievement 2013/2014	Deviation from planned target to Actual Achievement for 2013/2014	Comment on deviations
Number of reports on implementation of communication strategy	4 quarterly reports compiled on implementation of strategy	4 reports	4 reports	None	N/A

Sub-programme: Security Services					
Performance Indicator	Actual Achievement 2012/2013	Planned Target 2013/2014	Actual Achievement 2013/2014	Deviation from planned target to Actual Achievement for 2013/2014	Comment on deviations
Number of reports on implementation of the security management framework	4 reports compiled on implementation of security management framework	4 reports	4 reports	None	N/A

Sub-programme: Legal Services					
Performance Indicator	Actual Achievement 2012/2013	Planned Target 2013/2014	Actual Achievement 2013/2014	Deviation from planned target to Actual Achievement for 2013/2014	Comment on deviations
Number of reports on legal compliance by the Department	12 reports on legal compliance by the Department submitted	12 reports	12 reports	None	N/A

Sub-programme: Research, Policy and Planning					
Performance Indicator	Actual Achievement 2012/2013	Planned Target 2013/2014	Actual Achievement 2013/2014	Deviation from planned target to Actual Achievement for 2013/2014	Comment on deviations
Number of strategic planning sessions coordinated	2 Strategic planning sessions coordinated	2 sessions	2 sessions	None	N/A
Number of quarterly review sessions coordinated	4 Quarterly review sessions coordinated	4 sessions	4 sessions	None	N/A
Number of monthly performance reports submitted	N/A	12 reports	12 reports	None	N/A

Sub-programme: Chief Financial Officer					
Performance Indicator	Actual Achievement 2012/2013	Planned Target 2013/2014	Actual Achievement 2013/2014	Deviation from planned target to Actual Achievement for 2013/2014	Comment on deviations
Number of financial reports submitted in compliance with relevant legislation	12 IYM reports submitted	12 IYM reports	12 IYM reports	None	N/A
	1 set of Annual Financial Statements submitted	1 set of Annual Financial Statements	1 set of Annual Financial Statements	None	N/A
Number of budget documents submitted in compliance with prescripts	4 budget documents submitted	4 documents	4 documents	None	N/A
% suppliers paid within 30 days of receipt of invoices	100% suppliers paid within 30 days of receipt of invoices	100%	100%	None	N/A
Number of risk registers compiled and approved	1 Risk Register compiled and approved	1 register	1 register	None	N/A

Sub-programme: Internal Audit					
Performance Indicator	Actual Achievement 2012/2013	Planned Target 2013/2014	Actual Achievement 2013/2014	Deviation from planned target to Actual Achievement for 2013/2014	Comment on deviations
Number of quarterly progress reports submitted on implementation of audit plan	4 Quarterly progress reports submitted	4 reports	4 reports	None	N/A
Number of Audit Committee meetings held	4 Audit Committee meetings held	4 meetings	5 meetings	1 special meeting held to discuss AFS and Annual Report	1 special meeting held with Audit Committee to discuss AFS and Annual Report

Reasons for all deviations

Internal Audit

A special meeting was held with the Audit Committee to discuss the Annual Financial Statements and Annual Report.

Strategy to overcome areas of under performance

There were no areas of underperformance.

Changes to planned targets

There were no changes to planned targets during the year.

Linking performance with budgets

Sub-programme expenditure

Sub-Programme Name	2012/2013			2013/2014		
	Final Appropriation	Actual Expenditure	(Over)/Under	Final Appropriation	Actual Expenditure	(Over)/Under
	R'000	R'000	R'000	R'000	R'000	R'000
Member of Executive Council	5 332	5 193	139	6 315	6 319	(4)
Management Services	30 207	28 130	2 077	29 513	29 221	292
Financial Management	36 284	34 193	2 091	35 156	34 527	629
Internal Audit	3 818	3 679	139	3 768	3 612	156
Total	75 641	71 195	4 446	74 777	73 704	1073

This programme has spent R73,704 million or 98.5 per cent of the allocated budget of R74,777 million. The underspending is mainly on goods and services due to outstanding property payments and operating leases as well as cost of travelling being lower than anticipated.

4.2 Programme 2: Sustainable Resource Management

The programme promotes optimal and effective Provincial resource allocation and utilization, efficient Provincial budget management, accurate financial reporting on Provincial revenue generation and maximization. It is tasked to provide quality and accurate socio-economic research reports to inform the Provincial budget and planning process, promote efficient planning. Another area of performance is the implementation and management of infrastructure by Provincial Departments and Municipalities, and lastly, it provides technical support to delegated Municipalities on the implementation of the MFMA.

The sub-programmes of Sustainable Resource Management are:

- Programme Support
- Provincial Administration Fiscal Discipline
- Municipal Finance
- Budget and Expenditure Management
- Infrastructure Co-ordination
- Economic Analysis

Strategic objectives of Programme 2
Manage and support planning and implementation of programme objectives
Support Provincial Votes and Public Entities to maximise and expand revenue generation and collection in the province
Provide support and monitor Municipalities on the implementation of the MFMA
Promote effective and optimal financial resource allocation and expenditure management for provincial government
Promote Provincial Efficiency in Financial Planning and Implementation of Infrastructure
Socio-economic research to inform Provincial budget and planning process



Strategic objectives, performance indicators, planned targets and actual achievements**Strategic objectives**

Programme 2: Sustainable Resource Management					
Strategic objectives	Actual Achievement 2012/2013	Planned Target 2013/2014	Actual Achievement 2013/2014	Deviation from planned target to Actual Achievement for 2013/2014	Comment on deviations
Manage and support planning and implementation of programme objectives	12 monthly performance reports on the programme analysed and submitted	12 reports	12 reports	None	N/A
Support Provincial Votes and Public Entities to maximise and expand revenue generation and collection in the province	12 Votes supported and monitored in terms of revenue management	Provide support and monitor 12 Votes in terms of revenue management	12 Votes supported and monitored in terms of revenue management	None	N/A
Provide support and monitor municipalities on the implementation of the MFMA	20 Municipalities supported and monitored on the implementation of the MFMA	Provide and support 20 municipalities on the implementation of the MFMA	20 Municipalities supported and monitored on the implementation of the MFMA	None	N/A
Promote effective and optimal financial resource allocation and expenditure management for provincial government	13 Votes supported and monitored through budget and strategic plan guides and updating Votes about reforms	Provide support and monitor 13 votes through budget and strategic plan guides and updating votes about reforms	13 Votes supported and monitored through budget and strategic plan guides and updating Votes about reforms	None	N/A
Promote Provincial Efficiency in Financial Planning and Implementation of Infrastructure	7 infrastructure Departments supported and monitored	Provide support and monitor 7 infrastructure Departments	7 infrastructure Departments supported and monitored	None	N/A
Socio-economic research to inform Provincial budget and planning process	Quality and accurate quarterly, bi-annual and annual economic research reports compiled	Compile quality and accurate quarterly, bi-annually and annual socio-economic research reports	Quality and accurate quarterly, bi-annual and annual economic research reports compiled	None	N/A

Sub-programme: Programme Support					
Performance Indicator	Actual Achievement 2012/2013	Planned Target 2013/2014	Actual Achievement 2013/2014	Deviation from planned target to Actual Achievement for 2013/2014	Comment on deviations
Number of monthly performance reports analysed and submitted	12 Monthly performance reports analysed and submitted	12 reports	12 reports	None	N/A

Sub-programme: Provincial Administration Fiscal Discipline					
Performance Indicator	Actual Achievement 2012/2013	Planned Target 2013/2014	Actual Achievement 2013/2014	Deviation from planned target to Actual Achievement for 2013/2014	Comment on deviations
Number of training workshops conducted on cash office management, revenue reforms and methods	4 workshops on cash office management, revenue reforms and methods conducted	4 workshops	4 workshops	None	N/A
Number of Votes' own revenue budgets analysed and feedback provided	12 Votes' own revenue budgets analysed and feedback provided	12 votes	12 votes	None	N/A
Number of Provincial tariff registers updated	1 Provincial tariff register reviewed, updated and maintained	1 register	1 register	None	N/A
Number of consolidated revenue reports compiled	12 consolidated revenue reports compiled	12 reports	12 reports	None	N/A
Number of Provincial revenue funds reports compiled	12 Provincial revenue fund reports compiled	16 reports	16 reports	None	N/A
Number of Financial Statements on Provincial Revenue Fund prepared and submitted to the Auditor-General	1 set of Financial Statements on Provincial Revenue Fund prepared and submitted to the Auditor-General	1 set	1 set	None	N/A

Sub-programme: Municipal Finance					
Performance Indicator	Actual Achievement 2012/2013	Planned Target 2013/2014	Actual Achievement 2013/2014	Deviation from planned target to Actual Achievement for 2013/2014	Comment on deviations
Number of quarterly performance reports compiled, tabled and published in terms of Legislation	4 quarterly performance reports in terms of Legislation compiled, tabled and published	4 reports	4 reports	None	N/A
Percentage of draft budgets analysed and feedback provided	100% draft budgets analysed and feedback provided	100%	100%	None	N/A
Number of LGMTEC engagements conducted	2 LGMTEC engagements co-ordinated	2 engagements	2 engagements	None	N/A
Number of training sessions conducted on reforms	4 workshops / training sessions conducted	4 training sessions	4 training sessions	None	N/A
Number of consolidated reports on government owed revenue compiled	4 consolidated reports on government owed revenue compiled	4 reports	4 reports	None	N/A
Number of municipalities assisted with data cleansing	N/A	6 municipalities	6 municipalities	None	N/A

Sub-programme: Budget and Expenditure Management					
Performance Indicator	Actual Achievement 2012/2013	Planned Target 2013/2014	Actual Achievement 2013/2014	Deviation from planned target to Actual Achievement for 2013/2014	Comment on deviations
Number of budget process schedules issued	1 Budget process schedule issued	1 schedule	1 schedule	None	N/A
Number of Estimates of Provincial Revenue Expenditure documents compiled	2 Estimates of Provincial Revenue Expenditure documents compiled	2 documents	2 documents	None	N/A
Number of budget circulars issued	2 budget circulars issued	2 circulars	2 circulars	None	N/A
Number of consolidated In-Year-Monitoring reports compiled and submitted	12 consolidated In-year-Monitoring reports compiled and submitted	12 consolidated reports	12 consolidated reports	None	N/A
Number of consolidated non-financial reports compiled and submitted	4 consolidated non-financial reports compiled and submitted	4 consolidated reports	4 consolidated reports	None	N/A
Number of MTEC Hearings conducted	1 MTEC hearing conducted with 13 Votes	1 engagement	1 engagement	None	N/A

Sub-programme: Infrastructure Co-ordination					
Performance Indicator	Actual Achievement 2012/2013	Planned Target 2013/2014	Actual Achievement 2013/2014	Deviation from planned target to Actual Achievement for 2013/2014	Comment on deviations
Percentage of Infrastructure Reporting Model analysis reports received and feedback provided	72 Infrastructure Reporting Model analysis reports issued and feedback provided	100%	100%	None	N/A
Number of capacity building sessions on construction practises conducted	7 workshops/ training sessions conducted	4 sessions	4 sessions	None	N/A
Number of User Asset Management Plan (Infrastructure plans) reviewed, feedback provided and submitted	14 User Asset Management Plan reviewed and feedback provided	14 Plans	14 Plans	None	N/A

Sub-programme: Economic Analysis					
Performance Indicator	Actual Achievement 2012/2013	Planned Target 2013/2014	Actual Achievement 2013/2014	Deviation from planned target to Actual Achievement for 2013/2014	Comment on deviations
Number of Provincial Economic Review and Outlook (PERO) reports compiled and published	1 Provincial Economic Review and Outlook report compiled and published	1 report	1 report	None	N/A
Number of updated Socio-Economic Review and Outlook (SERO) reports completed and communicated	2 Socio-Economic Review and Outlook (SERO) completed and communicated	2 reports	2 reports	None	N/A
Number of updated Provincial Bulletin reports completed	16 Provincial Bulletin reports completed	16 reports	16 reports	None	N/A
Number of Socio-Economic Outlook reports for Estimates of Provincial Revenue and Expenditure (EPRE) document compiled and tabled	1 Socio-Economic Outlook report for Estimates of Provincial Revenue and Expenditure (EPRE) document compiled and tabled	1 report	1 report	None	N/A
Number of economic research project reports completed (in line with Government priorities/ outcomes)	4 economic research projects reports completed	4 reports	4 reports	None	N/A
Number of Socio-Economic Review (SER) reports of Districts compiled	3 Socio-Economic Review and Profiles (SER) reports of Districts compiled	3 reports	3 reports	None	N/A
Number of updated Socio-Economic Profiles of Municipalities completed	42 Socio-Economic Profiles completed	42 profiles	42 profiles	None	N/A

Reasons for all deviations

There were no deviations.

Strategy to overcome areas of under performance

There were no areas of underperformance.

Changes to planned targets

There were no changes to planned targets during the year.

Linking performance with budgets**Sub-programme expenditure**

Sub- Programme Name	2012/2013			2013/2014		
	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	2 448	2 143	305	6 051	5 992	59
Economic Analysis	3 398	3 339	59	3 228	3 186	42
Municipal Fiscal Discipline	5 074	4 945	129	5 588	5 588	-
Provincial Administration Fiscal Discipline	4 901	4 359	542	4 627	4 586	41
Budget and Expenditure Management	7 515	7 489	26	7 976	7 825	151
Municipal Finance	12 277	10 637	1 640	14 228	14 166	62
Infrastructure Co-ordination	3 017	2 653	364	3 196	3 146	50
Total	38 630	35 565	3 065	44 894	44 489	405

This programme has spent R44,489 million or 99.1 per cent of the allocated budget of R44,894 million. The underspending is mainly on goods and services due to travelling cost being lower than anticipated.

4.3 Programme 3: Assets and Liabilities Management

The Assets and Liabilities programme is responsible for monitoring and providing support on Transversal Systems, Information Technology service, Assets, Liabilities, Public Private Partnerships and Provincial Supply Chain management to Departments, municipalities and Public Entities.

The sub-programmes of Assets and Liabilities Management are:

- Programme Support
- Financial Asset Management
- Physical Asset Management
- Provincial Supply Chain Management
- Public Sector Liabilities
- Interlinked Financial Systems
- Information Technology

Strategic objective of Programme 3
Manage and support planning and implementation of programme objectives
Management of provincial financial assets
Monitor and support provincial physical assets
Provide guidance on implementation of Supply Chain Management framework
Public Private Partnership coordination
Facilitate the management of public sector liabilities
Support votes on the utilisation of financial systems
Provide Information Communication Technology (ICT) services to Votes

Strategic objectives, performance indicators planned targets and actual achievements**Strategic objectives**

Programme 3: Assets and Liabilities Management					
Strategic objectives	Actual Achievement 2012/2013	Planned Target 2013/2014	Actual Achievement 2013/2014	Deviation from planned target to Actual Achievement for 2013/2014	Comment on deviations
Manage and support planning and implementation of programme objectives	12 monthly performance reports on the programme analysed and submitted	12 reports	12 reports on the programme analysed and submitted	None	N/A
Management of provincial financial assets	12 Votes in terms of provincial financial assets monitored and supported	12 votes	12 Votes in terms of provincial financial assets monitored and supported	None	N/A
Monitor and support provincial physical assets	12 Votes, 20 delegated Municipalities and 4 Public Entities monitored and supported in terms of asset management	Monitor and support 12 votes, 20 delegated municipalities and 4 public entities	12 Votes, 20 delegated Municipalities and 4 Public Entities monitored and supported	None	N/A
Provide guidance on implementation of Supply Chain Management framework	12 Votes, 20 delegated Municipalities and 4 Public Entities monitored and supported in terms of supply chain management	Monitor and support 12 votes, 20 municipalities and 4 public entities	12 Votes, 20 delegated Municipalities and 4 Public Entities monitored and supported	None	N/A
Public Private Partnership coordination	Support on PPP projects provided	Identify possible PPP projects in votes and municipalities	Possible PPP projects in votes and municipalities were identified	None	N/A
Facilitate the management of public sector liabilities	12 Votes, 20 delegated Municipalities and 4 Public Entities monitored and supported in terms of public sector liabilities	Monitor and support 12 votes, 20 delegated municipalities and 4 public entities	12 Votes, 20 delegated Municipalities and 4 Public Entities monitored and supported	None	N/A
Support votes on the utilisation of financial systems	Operational efficiency of 12 Votes improved	12 votes supported	12 votes supported	None	N/A
Provide Information Communication Technology (ICT) services to Votes	ICT services provided to improve operational efficiency in 12 Votes	Provide ICT services to 12 votes	Provided ICT services to 12 votes	None	N/A

Reasons for all deviations

There were no deviations.

Performance indicators

Sub-programme: Programme Support					
Performance Indicator	Actual Achievement 2012/2013	Planned Target 2013/2014	Actual Achievement 2013/2014	Deviation from planned target to Actual Achievement for 2013/2014	Comment on deviations
Number of monthly performance reports submitted	12 monthly performance reports on the Programme analysed and submitted	12 reports	12 reports	None	N/A

Sub-programme: Financial Asset Management					
Performance Indicator	Actual Achievement 2012/2013	Planned Target 2013/2014	Actual Achievement 2013/2014	Deviation from planned target to Actual Achievement for 2013/2014	Comment on deviations
Percentage of transfers in line with approved appropriation	100% cash transferred in line with approved budget appropriation	100%	100%	None	N/A
Number of Votes provided with banking services responsive to their needs	12 Votes provided with banking services responsive to their needs	12 Votes	12 votes	None	N/A
Number of reports issued in terms of debt and cash management	8 quarterly reports on 12 Votes issued	8 reports	8 reports	None	N/A

Sub-programme: Physical Asset Management					
Performance Indicator	Actual Achievement 2012/2013	Planned Target 2013/2014	Actual Achievement 2013/2014	Deviation from planned target to Actual Achievement for 2013/2014	Comment on deviations
Number of reports compiled on the compliance of asset management norms and standards	12 reports compiled and issued	12 reports	12 reports	None	N/A
Number of remedial action plans pertaining to asset management issues monitored in votes, municipalities and public entities on FMCMM results and audit outcomes	N/A	12 votes, 20 delegated municipalities and 4 public entities	12 votes, 20 municipalities and 4 public entities	During the 4th quarter the compliance assessment in municipalities could not be done.	Compliance assessment in municipalities could not be completed due to late submission of Municipal actions plans which were only received on 2 April 2014.
Number of workshops held to capacitate asset officials	6 Workshops conducted	6 workshops in votes and public entities and 2 in municipalities	6 workshops in votes and 2 in municipalities	None	N/A
Number of workshops conducted to capacitate asset officials of Health (PFMA project)	N/A	8 workshops	7 workshops	One workshop was postponed from December 2013 and could not take place before the end of the financial year on request from the Department of Health	The workshop will be conducted from 19 to 23 May 2014

Sub-programme: Provincial Supply Chain Management					
Performance Indicator	Actual Achievement 2012/2013	Planned Target 2013/2014	Actual Achievement 2013/2014	Deviation from planned target to Actual Achievement for 2013/2014	Comment on deviations
Number of reports compiled and issued to Votes, Municipalities and Public Entities on SCM frameworks	4 reports compiled and issued.	4 reports	4 reports	None	N/A
Number of votes where the e-procurement system to be rolled out	4 report issued on the utilising of electronic procurement system	5 votes	5 votes	None	N/A
Number of SCM road shows conducted	2 SCM road shows conducted	2 road shows	2 roadshows	None	N/A
Number of workshops on SCM practices conducted	8 workshops on SCM practices conducted	8 workshops	8 workshops	None	N/A
Number of SCM/ Asset management practitioners from votes, public entities and municipalities enrolled in a certification programme	25 SCM /Asset management practitioners enrolled	25 practitioners	25 practitioners	None	N/A
Number of remedial action plans pertaining to supply chain management issues monitored in votes, municipalities and public entities on FMCMM results and audit outcomes	N/A	12 votes, 20 delegated municipalities and 4 public entities	12 votes, 20 delegated municipalities and 4 public entities	None	N/A
Number of reports compiled on SCM (Treasury Reg. 8.2.3) compliance	4 reports	12 reports	12 reports	None	N/A
Number of PPP awareness sessions conducted	2 PPP awareness sessions conducted	1 session	1 session	None	N/A

Sub-programme: Public Sector Liabilities					
Performance Indicator	Actual Achievement 2012/2013	Planned Target 2013/2014	Actual Achievement 2013/2014	Deviation from planned target to Actual Achievement for 2013/2014	Comment on deviations
Number of reports on compliance to liability management guidelines	24 reports on Votes, 20 reports on Municipalities and 4 reports on Public Entities compiled	48 reports	48 reports	None	N/A
Number of Votes, municipalities and Public Entities monitored FMCMM results and audit outcomes	N/A	12 votes, 20 delegated municipalities and 4 public entities	12 votes, 20 delegated municipalities and 4 public entities	None	N/A
Number of liabilities management workshops conducted	2 workshops held	2 workshops	2 workshops	None	N/A

Sub-programme: Interlinked Financial Systems					
Performance Indicator	Actual Achievement 2012/2013	Planned Target 2013/2014	Actual Achievement 2013/2014	Deviation from planned target to Actual Achievement for 2013/2014	Comment on deviations
Number of reports of Votes provided with business support on financial systems	4 reports compiled and issued	4 reports	4 reports	None	N/A
Number of training sessions conducted on financial systems	94 training sessions	65 sessions	65 sessions	None	N/A
Number of Votes, monitored on remedial action plans pertaining financial systems on FMCMM results and audit outcomes	N/A	12 votes	12 votes	None	N/A

Sub-programme: Information Technology					
Performance Indicator	Actual Achievement 2012/2013	Planned Target 2013/2014	Actual Achievement 2013/2014	Deviation from planned target to Actual Achievement for 2013/2014	Comment on deviations
Percentage Up-time of ICT Network infrastructure	97,4% Up-time of ICT Network maintained	98%	98%	None	N/A
Percentage of calls responded to in 8 working hours	99% of calls logged responded to within 12 hours	100%	100%	None	N/A
Number of votes and municipalities supported on IT Governance (FMCMM, IT Audit outcomes, IT Risk assessment)	N/A	12 Votes and 20 delegated municipalities	12 Votes and 20 delegated municipalities	None	N/A

Reasons for all deviations

Physical Asset Management

- Compliance assessment in municipalities could not be completed due to late submission of Municipal actions plans which were only received on 2 April 2014.
- One workshop for Health to capacitate asset officials was postponed from December 2013 and could not take place before the end of the financial year on request from the Department of Health.

Strategy to overcome areas of under performance

Physical Asset Management

- Assessment of Municipalities Audit Action plans will be done during the first quarter of 2014/15 financial year
- The workshop to capacitate Assets Management officials of Department of Health was done from 19-23 May 2014.

Changes to planned targets

There were no changes to planned targets during the year.

Linking performance with budgets

Sub-programme expenditure

Sub- Programme Name	2012/2013			2013/2014		
	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	1 967	1 818	149	1 950	1 842	108
Provincial Supply Chain Management	14 767	14 036	731	16 105	16 095	10
Financial Asset Management	1 899	1 841	58	2618	2 578	40
Public Sector Liabilities	2 662	2 520	142	3 513	3 499	14
Physical Assets Management	4 442	4 265	177	4 496	4 481	15
Interlinked Financial Systems	9 611	9 598	13	11 480	11 414	66
Information Technology	75 197	73 539	1 658	66190	66 127	63
Total	110 545	107 617	2 928	106 352	106 036	316

This programme has spent R106,036 million or 99.7 percent of the allocated budget of R106,352 million. The underspending is mainly on goods and services due to travelling cost being lower than anticipated.

4.4 Programme 4: Financial Governance

This Programme facilitates, monitors, supports and provides professional advice to ensure good governance in the Province.

The sub-programmes of Financial Governance are:

- Programme Support
- Accounting Services
- Norms and Standard
- Risk Management
- Provincial Internal Audit

Strategic objectives of Programme 4
Manage and support planning and implementation of programme objectives
Provide support and monitor public sector institutions in terms of accounting standards
Promote accountability in public sector institutions through substantive reflection of financial activities
Improve the systems of internal controls in public sector institutions
Facilitate the effective implementation of risk management processes
Improve the effectiveness of Internal Audit processes

Strategic objectives, performance indicators planned targets and actual achievements**Strategic objectives**

Programme 4: Financial Governance					
Strategic objectives	Actual Achievement 2012/2013	Planned Target 2013/2014	Actual Achievement 2013/2014	Deviation from planned target to Actual Achievement for 2013/2014	Comment on deviations
Manage and support planning and implementation of programme objectives	Analysed and submitted 12 monthly performance reports on the Programme	12 reports	12 reports	None	N/A
Provide support and monitor public sector institutions in terms of accounting standards	Supported , trained, analysed and reviewed 12 Votes, 20 Municipalities and 4 Public Entities in terms of accounting standards, financial statements and legislations	Support, train, analyse and review 12 votes and 20 municipalities and 4 public entities	Supported , trained, analysed and reviewed 12 Votes, 20 Municipalities and 4 Public Entities	None	N/A
Promote accountability in public sector institutions through substantive reflection of financial activities	1 set of consolidated financial statements compiled	Compile 1 set of consolidated financial statements	1 set of consolidated financial statements compiled	None	N/A
Improve the systems of internal controls in public sector institutions	Identified, analysed and monitored High risk areas in 10 Votes, 16 Municipalities and 3 Public Entities	Assess and monitor the implementation of Action Plans to address FMCMM and audit outcomes in 12 votes, 20 municipalities and 4 public entities	Assessed and monitored the implementation of Action Plans to address FMCMM and audit outcomes in 12 votes, 20 municipalities and 4 public entities	None	N/A
Facilitate the effective implementation of risk management processes	Guidance and support provided to 12 Votes, 20 Municipalities and 4 Public Entities on enterprise risk management processes	Provide guidance and support 12 votes, 6 municipalities and 4 public entities on Enterprise Risk Management Processes	Guidance and support provided in 12 votes, 6 municipalities and 4 public entities on Enterprise Risk Management Processes	None	N/A
Improve the effectiveness of Internal Audit processes	Guidance and support provided to 12 Votes, 20 Municipalities and 4 Public Entities on internal audit processes	Provide guidance and support 12 votes, 20 municipalities and 4 public entities on Internal Audit processes	Guidance and support provided in 12 votes, 20 municipalities and 4 public entities on Internal Audit processes	None	N/A

Reasons for all deviations

There were no deviations.

Performance indicators

Sub-programme: Programme Support					
Performance Indicator	Actual Achievement 2012/2013	Planned Target 2013/2014	Actual Achievement 2013/2014	Deviation from planned target to Actual Achievement for 2013/2014	Comment on deviations
Number of monthly performance reports analysed and submitted	Analysed and submitted 12 monthly performance reports on the Programme	12 reports	12 reports	None	N/A

Sub-programme: Accounting Standards					
Performance Indicator	Actual Achievement 2012/2013	Planned Target 2013/2014	Actual Achievement 2013/2014	Deviation from planned target to Actual Achievement for 2013/2014	Comment on deviations
Number of Votes, Municipalities and Public Entities supported with regards to preparation of financial statements	12 Votes, 20 Municipalities and 4 Public Entities supported with regards to preparation of Annual Financial Statements (AFS)	12 votes, 20 municipalities and 4 public entities	12 votes, 20 municipalities and 4 public entities	None	N/A
Number of training sessions conducted on accounting standards, other legislations and Financial Statements	Training sessions were conducted on accounting standards, other legislation and Annual Financial Statements: 1 in Departments, 1 in Municipalities 1 in Public Entities	Training sessions: 1 in Departments; 1 in municipalities and 1 in public entities	Training sessions: 1 in Departments; 1 in municipalities and 1 in public entities	None	N/A
Number of Departments' trial balances analysed and committed	12 Votes' Trial Balances analysed and commented on	12 votes and 10 municipalities	12 votes and 10 municipalities	None	N/A
Number of consolidated annual financial statements compiled	1 set of consolidated financial statements compiled	1 set	1 set	None	N/A

Sub-programme: Norms and Standards					
Performance Indicator	Actual Achievement 2012/2013	Planned Target 2013/2014	Actual Achievement 2013/2014	Deviation from planned target to Actual Achievement for 2013/2014	Comment on deviations
Number of Votes, Public Entities and Municipalities assessed and monitored on FCM and audit outcomes	Assessed and monitored the implementation of action plans to address High risk areas in 10 Votes, 16 Municipalities and 3 Public Entities	12 votes, 20 municipalities and 4 public entities	12 votes, 20 municipalities and 4 public entities	None	N/A

Sub-programme: Risk Management					
Performance Indicator	Actual Achievement 2012/2013	Planned Target 2013/2014	Actual Achievement 2013/2014	Deviation from planned target to Actual Achievement for 2013/2014	Comment on deviations
Number of Guidelines on Enterprise Risk Management (ERM) developed, reviewed, issued and implementation monitored	1 Guideline on Fraud Risk Management developed	1 Enterprise Risk Management (ERM) framework in 4 Departments, 2 public entities and 6 municipalities	1 Enterprise Risk Management (ERM) framework in 9 Departments, 2 public entities and 11 municipalities	The over achievement is due to more invitations and requests received from Departments and Municipalities	The unit will continue to provide hands-on-support to improve governance within the province
Number of Guidelines on Risk Management processes developed, reviewed and issued and monitored of implementation	Develop and issued 1 Guideline on Fraud Risk Management	1 Guideline	1 Guideline	None	N/A
		Monitor implementation Fraud Risk Management guideline in 4 Departments, 2 public entities and 6 municipalities	1 Enterprise Risk Management (ERM) framework in 9 Departments, 2 public entities and 11 Municipalities.	The over achievement is due to more invitations and requests received from Departments and Municipalities.	The unit will continue to provide hands-on support to improve governance within the province.
Number of training sessions facilitated on Enterprise Risk Management	4 Training sessions on Enterprise Risk Management facilitated	2 training sessions	5 training sessions	The over achievement is due to more invitations and requests received from Departments and Municipalities	The unit will continue to provide hands-on-support to improve governance within the province
Number of risk management awareness and assessment session conducted	Departments assessed on the effective implementation of Enterprise Risk Management	6 sessions	12 sessions	The over achievement is due to more requests received from Municipalities	The unit will continue to provide hands-on-support to improve governance within the province
Number of votes and public entities assessed and monitored on effective implementation of enterprise risk management	Assessed 4 Departments on effective implementation of Enterprise Risk Management	4 votes and 2 public entities	4 votes and 2 public entities	None	N/A

Sub-programme: Provincial Internal Audit					
Performance Indicator	Actual Achievement 2012/2013	Planned Target 2013/2014	Actual Achievement 2013/2014	Deviation from planned target to Actual Achievement for 2013/2014	Comment on deviations
Percentage of Internal Audit plans assessed	Assessed 100% of Internal audit plans submitted by Votes, Municipalities and Public Entities and provided feedback	100% plans submitted	100% plans submitted	None	N/A

Number of guidelines to improve internal audit processes in the province	Develop and issue 1 guideline on effective report writing	1 guideline	1 guideline	None	N/A
Number of training sessions conducted on internal audit	1 Training session/ Workshop conducted	1 training session	1 training session	None	N/A

Reasons for all deviations

Risk Management:

- The over achievement on Enterprise Risk Management Framework is due to more invitations and requests received from Departments and Municipalities;
- The over achievement on Guidelines on Risk Management is due to more invitations and requests received from Departments and Municipalities; and
- The over achievement on risk awareness sessions is due to more requests received from Municipalities

Strategy to overcome areas of under performance

There were no areas of under performance.

Changes to planned targets

There were no changes to planned targets during the year.

Linking performance with budgets

Sub-programme expenditure

Sub- Programme Name	2012/2013			2013/2014		
	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	5 225	4 993	232	6 453	6 080	373
Accounting Services	4 090	3 659	431	5 039	4 712	327
Norms and Standards	18 223	18 211	12	14 249	13 607	642
Risk Management	1 435	1 290	145	1 321	1 207	114
Provincial Internal Audit	2 076	1 981	95	1 920	1 917	3
Total	31 049	30 134	915	28 982	27 523	1 459

This programme has spent R27,523 million or 95.0 percent of the allocated budget of R28,982 million. The underspending is mainly on goods and services due to non-performance by a service provider appointed for the preparation of AFS for Non Profit Institution and Non Organisational Institution.

5. TRANSFER PAYMENTS

5.1. Transfer payments to public entities

Name of Public Entity	Services rendered by the public entity	Amount transferred to the public entity	Amount spent by the public entity	Achievements of the public entity
N/A				

5.2. Transfer payments to all organisations other than public entities

The table below reflects the transfer payments made for the period 1 April 2013 to 31 March 2014

Name of transferee	Type of organisation	Purpose for which the funds were used	Did the dept. comply with s 38 (1) (j) of the PFMA	Amount transferred R'000	Amount spent by the entity	Reasons for the funds unspent by the entity
Mbombela Local Municipality		Licence Fee	N/A	11	N/A	N/A
Msukaligwa Local Municipality		Data cleansing	Yes	500		
Dipaleseng Local Municipality		Data cleansing	Yes	500		
Bushbuckridge Local Municipality		Data cleansing	Yes	500		
Thembisile Hani Local Municipality		Data cleansing	Yes	500		
Thaba Chweu Local Municipality		Data cleansing	Yes	500		
Dr JS Moroka Local Municipality		Data cleansing	Yes	500		
Total				3 011		

The table below reflects the transfer payments which were budgeted for in the period 1 April 2013 to 31 March 2014, but no transfer payments were made.

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

6. CONDITIONAL GRANTS

The Department did not receive or issue any conditional grants for the financial year

7. DONOR FUNDS

7.1. Donor Funds Received

The table below reflects the Donor Fund received during the period 1 April 2013 to 31 March 2014:

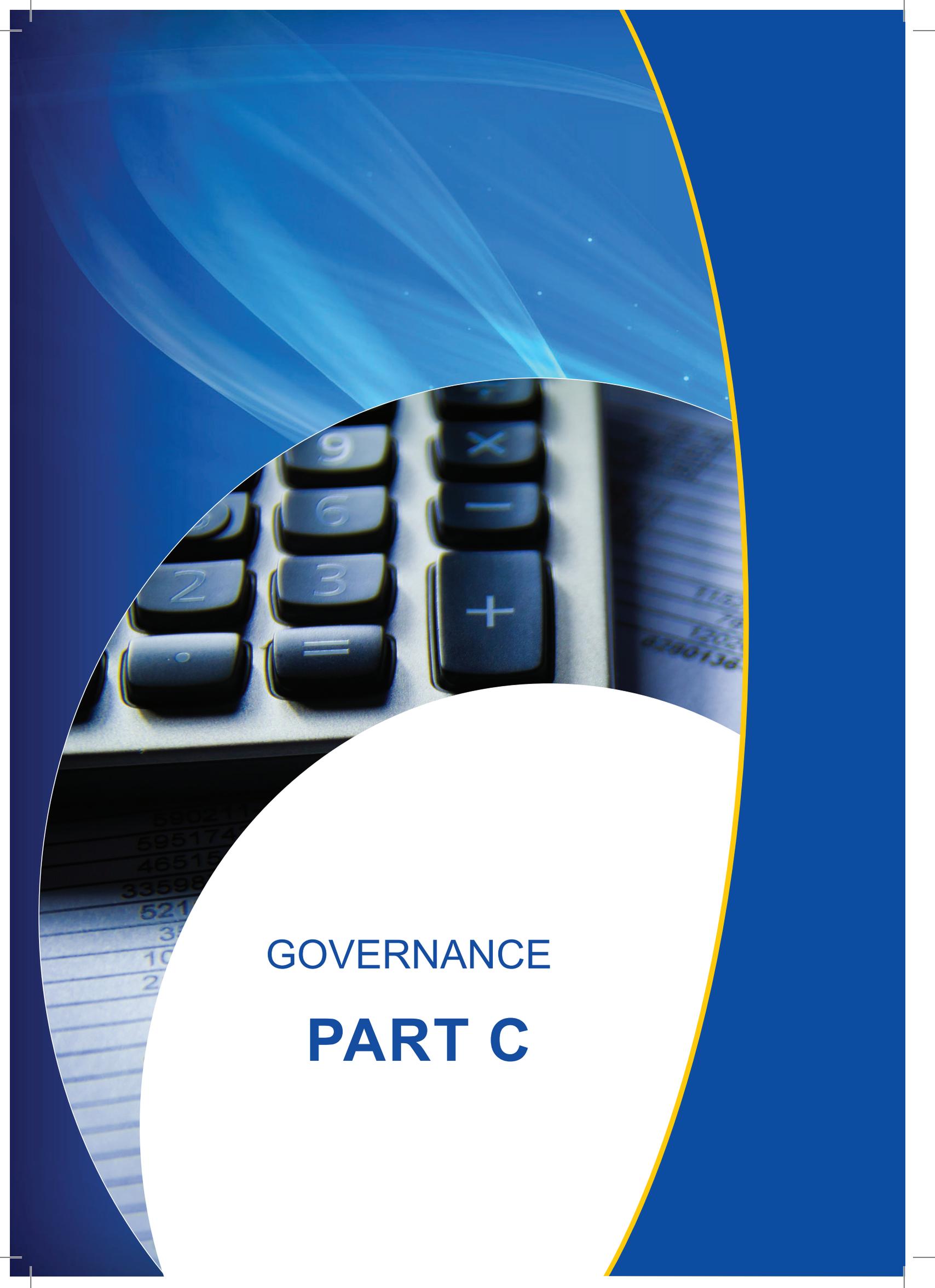
Name of donor	Standard Bank
Full amount of the funding	R25 000.00
Period of the commitment	2013/2014
Purpose of the funding	Mandela Day social responsibility
Expected outputs	None
Actual outputs achieved	None
Amount received in current period (R'000)	R25 000.00
Amount spent by the Department (R'000)	R25 000.00
Reasons for the funds unspent	None
Monitoring mechanism by the donor	None

8. CAPITAL INVESTMENT

8.1. Capital investment, maintenance and asset management plan

Infrastructure projects	2012/2013			2013/2014		
	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
New and replacement assets	7 187	5 980	1 207	5 061	4 876	185
• Existing infrastructure assets	-	-	-	-	-	-
• Upgrades and additions	-	-	-	-	-	-
• Rehabilitation, renovations and refurbishments	-	-	-	-	-	-
Maintenance and repairs	-	-	-	-	-	-
Infrastructure transfer	-	-	-	-	-	-
• Current	-	-	-	-	-	-
• Capital	-	-	-	-	-	-
Total	7 187	5 980	1 207	5 061	4 876	185

During the 2013/2014 financial year there were no material variance between the budgeted and actual expenditure for capital assets.



GOVERNANCE

PART C

1. INTRODUCTION

The Department has well established governance structures such as the Audit Committee and Risk 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.

The Internal Audit unit conducted an assessment of compliance with King III principles, and areas of improvement were noted for implementation by the management. The outcomes of Management Performance Assessment Tool (MPAT) evaluation which was conducted by the Department of Performance Monitoring and Evaluation in the Presidency were positive on the key performance areas of strategic planning, governance and accountability, human resource management and financial management. An MPAT remedial action plan was developed and approved to address issues raised during the evaluation.

2. RISK MANAGEMENT

- The Department has an approved Risk Management Policy, Risk Management Committee Charter and Risk Management Strategy.
- Risk assessments are conducted annually for all programmes to identify risks that may impact on the achievement of objectives. Progress made on identified risk areas are evaluated on a quarterly basis. The quarterly reviews are also utilised to identify new or emerging risks. Risk awareness workshops are conducted to create awareness of risk management to all levels in the Department.
- A Risk Management Committee that advises management on the overall system of risk management has been appointed. An external Chairperson was appointed during November 2013 to comply with the Provincial Risk Management Framework and to add value to risk management in the Department.
- The Audit Committee advises the Department on risk management and independently monitors the effectiveness of the system of risk management at Audit Committee meetings.
- The Department conducts quarterly risk evaluation sessions to monitor the management of risks. All programmes are required to include the action plans to address high risk areas in the annual performance plan. The risk is largely well managed.

3. FRAUD AND CORRUPTION

- The Department has an approved Fraud Prevention Policy and plan. Ongoing awareness sessions are conducted to raise awareness on the policy, plan and staff responsibilities to fraud prevention and reporting activities.
- An approved Whistle Blowing policy is in place and cases of suspected fraud and corruption are reported via the National Toll Free Hotline. Investigations are conducted for all reported cases by the Department and reports sent to the Integrity Management Unit in the Office of the Premier. Reports of the Integrity Management Unit are a standing item on the Audit Committee agenda.
- The Department uses the Internal Audit unit, Labour Relations or Security Management to investigate cases depending on their nature. The need for officials to make confidential disclosure about suspect fraud and corruption is promoted.
- Depending on the merit of each case, action is taken after advice from the Legal Services unit or State Attorneys.

4. MINIMISING CONFLICT OF INTEREST

The Department continued to minimise potential conflict of interest by raising awareness amongst the officials about the negative impact of non-disclosure to credibility of government programmes. Officials are reminded on an annual basis on the requirement to seek permission before any remunerative work outside the employment of the public service is performed, including monitoring of officials doing business with Government. It is also worthy to note in the latter regard that doing business with Government is strictly prohibited.

For the period under review, all SMS declared their financial interests through the e-disclosure system and in line with applicable prescripts and guidelines.

5. CODE OF CONDUCT

The Department continued to raise awareness amongst officials on the Code of Conduct through awareness workshops, and including distributing the Code to newly appointed officials. This was followed by issuing of circulars to all staff on the importance of adherence to the Code of Conduct and the consequences of non-adherence.

During the period under review, there were no cases of breach of the Code of Conduct reported or experienced.

6. HEALTH SAFETY AND ENVIRONMENTAL ISSUES

In compliance with the Occupational Health and Safety Act, 1993 (Act No 85 of 1993), the Department appointed Occupational Health and Safety (OHS) representatives and they were trained accordingly. Occupational Health and Safety committee was established to assist in monitoring compliance with the legislation. Awareness workshops on OHS were conducted to all officials. Ongoing inspections were conducted to identify occupational hazards and recommend remedial actions.

7. PORTFOLIO COMMITTEES

Meeting dates with Portfolio Committee:

- 16 May 2013 – Vote 3, Budget 2013/14;
- 12 September 2013 – Vote 3, 1st Quarter performance 2013, and
- 23 October 2013 - Annual Report 2012/13.

Matters raised by the Portfolio Committee

Resolution No.	Resolutions	Response by the Department
1	The Department, through its Performance Improvement Plan, must ensure that capacity in Departments; public entities and municipalities is enhanced to the fullest.	<p>The Department has introduced retreats in line with the Going Back to Basics Programme. This capacity building initiatives was in line with 2013 improvement plan.</p> <p>The Provincial Treasury, through its Legal Services unit, conducted Litigation retreat with all Departments' legal services, supply chain and labour units.</p> <p>The Sustainable Resource Management Programme provided training on new reforms issued by National Treasury to CFOs, Budget officers in Departments, Municipalities and Public entities.</p> <p>The quarterly meetings were scheduled with the CFOs to discuss issues on reconciliations; budgets and revenue enhancement are discussed.</p> <p>The Asset and Liabilities Programme provided training on supply chain management, asset management, financial systems which includes BAS, LOGIS and PERSAL to officials in Departments, municipalities and public entities. Support on Information Technology Governance matters was provided to provincial Departments and Municipalities. All these included performing interventions based on the audit outcomes.</p> <p>The Financial Governance Programme provided training on Internal Audit, Risk Management, Accounting standards, Annual Financial Statements and relevant legislation to all Departments, Municipalities and Public entities.</p>
2	The Department, through the Finance MUNIMEC, must continue to ensure that the Executive oversight and political accountability on financial management at municipal level is strengthened	<p>Finance MUNIMECs meetings were held on a quarterly basis as follows: First Finance MUNIMEC was held on 26 April 2013 Technical MUNIMEC was held on 6 August 2013 Next Finance MUNIMEC was held on 15 August 2013?</p> <p>Budget engagements both at technical and Political level were convened to discuss the outcome of assessment of tabled and adopted municipal budgets.</p> <p>The following are some of the best practices Finance MUNIMEC has shared that have resulted in the Department obtaining a clean audit which are:</p> <ol style="list-style-type: none"> 1. Effective oversight structures such as Audit Committee, Internal Audit and management committees; 2. Implementation of recommendations of above governance structures by oversight structures; 3. Committed and competent officials; 4. Financial statements submitted for auditing have adequate and reliable supporting documentation as well as schedules to support the amounts reported; 5. Strong leadership – definition and interpretation cleared as well as benefits that are derived from strong and focused leadership; 6. Very focused and inclusive management; 7. Various forums have been established to address challenges, identify solutions and agree on best practices. These include the Internal Audit Forum, Audit Committee Chairpersons Forum, CFO Forum and Information Technology Forum, Asset Management Forum, amongst others, and 8. A District coordination approach has been agreed upon which will be presented to the COGTA MUNIMEC.

Resolution No.	Resolutions	Response by the Department
		<p>9. Finance MUNIMEC has agreed on various strategies to address the causes of the audit findings. Municipalities are being assisted to complete these plans and also supported where challenges are experienced.</p> <p>10. Finance MUNIMEC has agreed that the way to a clean audit is not a logical path but best practices that result in obtaining a clean audit, as indicated earlier. Every official in all public organisations need to be committed to their duties, they have to uphold the highest ethical values and support the governance structures in their organisations.</p>
3	The Department must provide the Provincial Revenue Enhancement Strategy that will enhance revenue generation in the province, to the Committee once it is finalised.	The draft Provincial Revenue Enhancement Strategy is available and will be presented to the Committee once consultations are finalized.
4	The Department must ensure that the extension of another 18 months to capacitate MMS, CFOs and Supply Chain Practitioners at municipal level will be fully utilised.	<p>Minimum Competency requirements</p> <p>The Provincial Treasury has conducted workshops with each municipality that did not respond to the special merit case and assisted the municipalities in complying with the National Treasury requirements. There is currently 100 percent compliance in applications for special merit case.</p> <p>The province is expected to report to National Treasury on the progress made by municipalities in achieving the unit standards. The dates are: 2 April 2013, 2 July 2013, 2 October 2013, 2 January 2014, 2 April 2014, 30 June 2014</p>
5	The Department must improve on establishing Public Private Partnerships in the province; because it is an instrument that can enhance service delivery in the province and benefit the poor communities.	<p>The Department continued to provide support to Departments and municipalities with projects already registered with National Treasury.</p> <p>The Mpumalanga Provincial Government is constitutionally obliged to provide infrastructure and services to the people of the province with limited budgets, limited human capacity and expertise, with greater exposure to risks which it is unable to effectively manage.</p> <p>Therefore, the Provincial Treasury saw it necessary to invite the National Treasury to come and share with the PMC on what are PPPs, their benefits, some of the projects concluded and those that are currently being implemented including the legislative environment that governs them.</p> <p>The following are some of the projects in the Province registered with National Treasury</p> <ul style="list-style-type: none"> • Graskop / Sabie Resort a project of the Thaba Chweu Municipality. Feasibility studies have been concluded and a decision to move into procurement is required; • Revitalization of Pilgrims Rest a project of the Department of Economic Development, Environment and Tourism. The project was since suspended; • Office accommodation for the Department of Public Works, Roads and Transport, and • Tertiary Hospital, a project of the Department of Health currently feasibility studies are being carried out. <p>The Department of Finance will host a workshop on PPP to raise awareness and interest to implement PPPs. A benchmarking exercise is currently underway to look at best practice models across the country. Presentations on the PPP framework were made to the Provincial Management Committee (PMC) and the Cluster on Economy, Investment and Economy on 13 May 2013.</p>

8. SCOPA RESOLUTIONS

The Department attended meeting with the Select Committee on Public Accounts (SCOPA) on 14 June 2013.

See next page for reported progress on the Resolutions of the Select Committee on Public Accounts of the 4th Mpumalanga Provincial Legislature: Department of Finance on Municipal Audit Outcomes for 2009/10 and 2010/11

Resolution No.	Subject	Details	Response by the Department	Resolved (Yes/No)
3.1.1	Memorandum of understanding signed between the Department of Finance and Cooperative Governance and Traditional Affairs.	1. The Accounting Officers (HOD for CoGTA and Finance) must ensure that all prescripts of the MFMA and other legislation are adhered to by all municipalities.	Workshops were held for any new reforms that are introduced by National Treasury and scheduled workshops for the Chief Financial Officers are held at regular intervals. Support is provided at 2 levels. <ul style="list-style-type: none"> Each municipality is allocated an Analyst and a Specialist to assist with hands on support. There are scheduled visits to deal with specific areas in line with MFMA Calendar. 	Yes
		2. The Accounting Officers (HODs for CoGTA and Finance) must ensure the proper implementation of the MoU of the Departments and filter it down to all municipalities.	Both Departments are jointly collaborating and assisting municipalities. Mid-year reviews and budget engagements were conducted jointly by both Departments. There is still room for improvement.	Yes
		3. The Accounting Officers (HOD for CoGTA and Finance) must develop systems and mechanism that will ensure that Operation Clean Audit achieve its objectives..	The two Departments with the District Municipalities are representatives of the Operation Clean Audit Coordinating Committee that was established to support municipalities with specific challenges. The following initiatives were implemented by the Department of Co-operative Governance and Traditional Affairs, the Provincial Treasury and District Municipalities to support Municipalities <ul style="list-style-type: none"> Officials attend Risk Committee and Audit Committee meetings and provide guidance to these Committees in order to improve oversight and decision-making; Officials assist Municipalities with risk assessments and compilation of risk management plans; Comprehensive guidelines on risk management, internal audit and audit committees have been compiled and all officials in Municipalities trained on the implementation thereof; Internal audit plans, reports and quarterly progress reports are assessed and recommendations are made to Municipal Managers on areas of improvement; Municipalities are assisted with job descriptions, short-listing of candidates and interviews; Municipalities are assisted with development of Risk management and Internal Audit enabling documents; Municipalities are invited to attend the Provincial Risk Management and Internal audit forums for sharing of best practices; Training is provided on risk management, internal audit, Supply Chain Management, budget and Asset management processes to build capacity within the Province; Evaluation of Asset Management action plans and reports and recommendations are provided in order to address gaps that may be identified; Provincial Treasury has extended the Provincial Government Information Technology Officers (PGITO) Forum meetings to municipalities for the sharing information and best practices on ICT; Evaluate municipalities' IT audit outcomes and provide recommendations and hands-on support to address gaps that may exist; Analyse trial balances to identify possible misallocation of transactions for rectification before year-end; Integrated support plan developed by Provincial Treasury and Department of Co-operative Governance and Traditional Affairs is baseline document that is used to support municipalities; Facilitated a mid-term performance review session per municipality in all three districts; 	Yes

Resolution No.	Subject	Details	Response by the Department	Resolved (Yes/No)
			<ul style="list-style-type: none"> • Rolled out a monitoring and support programme on Asset Management and supported Lekwa, Dipaleseng and Mkhondo Local Municipalities; • Budget assessments were done for all the municipalities; • Gert Sibande and Nkangala District Municipalities rolled out support programmes and appointed service providers to support their local municipalities, and • Ehlanzeni District Municipality also supports the local municipalities with, amongst others, GRAP implementation, compilation of annual financial statements and governance issues. 	
		4. The Accounting Officers (HOD for CoGTA and Finance) develop systems and mechanism that will ensure that municipalities do not regress in audit opinion and ensure improvement for all municipalities.	<ul style="list-style-type: none"> • Refer to response on par. 3 above 	Yes
		5. The Accounting Officers (HOD for CoGTA and Finance) ensure that section 47 and section 71 reports are tabled in the Legislature respectively.	<p>The consolidated s71 reports were submitted to the Office of the Honourable Speaker on a quarterly basis. The Department has provided technical support on the compilation of s71 reports to municipalities. Ongoing technical support is also provided through municipal specialists per district.</p> <p>There is still room for improvement as municipalities still fail to submit s71 reports.</p> <p>Matter is elevated at Finance MuniMEC.</p> <p>Non-compliance letters written to Executive Authorities in Municipalities.</p>	Yes
		6. The Accounting Officers (HOD for CoGTA and Finance) must ensure that there was minimum use of consultants and when they are used there must be provision of evidence that skills were transferred to personnel of the Department that have used the services of consultants or service providers.	Whenever requested, the Departments were assisting municipalities to compile terms of references before consultants are appointed and ensure that transfer of skills is one of the requirements.	Yes
		7. The Accounting Officers (HOD for CoGTA and Finance) must ensure that there is appropriate monitoring of IDPs and SDBIPs in all municipalities.	In collaboration with COGTA municipalities were monitored and supported to ensure compliance with IDPs and SDBIPs, reviews are done through engagements with municipalities to provide comments, advice and assistance to align the IDP and the SDBIP.	Yes

Resolution No.	Subject	Details	Response by the Department	Resolved (Yes/No)																		
		8. The Accounting Officers (HOD for CoGTA and Finance) must ensure that CFO and Municipal Managers resume their functions with diligence and without failure.	The Department has conducted workshops for all s 56 and s 57 managers on the Financial Management Systems of delegations to municipalities. Workshops are planned for any new reforms that are introduced by National Treasury and scheduled workshops for the Chief Financial Officers are held at regular intervals. Also refer to response on par. above	Yes																		
3.2.1	Clean Audit Outcomes	1. The Accounting Officers (HOD for CoGTA and Finance) must put systems in place to ensure that municipalities progress in their audit outcomes.	Refer to response on par. 3	Yes																		
		2. The Accounting Officers (HOD for CoGTA and Finance) must develop mechanism and systems for low capacity municipalities to attract and retain the requisite personnel with the necessary expertise and skills.	Municipal specialists have been deployed to assist low capacity municipalities with financial management skills and expertise.																			
		3. The Accounting Officers (HOD for CoGTA and Finance) must quantify and qualify the assistance by the deployed teams to municipalities as well as the work done by the Municipal Specialist deployed in municipalities.	<p>Treasury has the following resources which are distributed across the three districts</p> <table border="1" style="margin-left: 20px;"> <thead> <tr> <th></th> <th>Ehlanzeni</th> <th>Gert Sibande</th> <th>Nkangala</th> </tr> </thead> <tbody> <tr> <td>Manager</td> <td>2</td> <td>2</td> <td>2</td> </tr> <tr> <td>Assistant Managers</td> <td>4</td> <td>3</td> <td>3</td> </tr> <tr> <td>Specialist</td> <td>2</td> <td>3</td> <td>3</td> </tr> <tr> <td>Total</td> <td>8</td> <td>8</td> <td>8</td> </tr> </tbody> </table> <p>The work done by the specialist is mainly of a support nature to the municipalities. They analyse the reports produced the municipality. They also provide training on a one-to-one basis at the municipalities on budgets, reconciliations and production of financial reports. Specialists assist municipalities' readiness for the regulatory audit and identify areas that require urgent attention. Specialists are allocated specific municipalities so that Provincial Treasury can always be kept abreast with municipalities' challenges. Specialists work closely and transfer skills to Treasury officials that are deployed with them in the various institutions.</p>		Ehlanzeni	Gert Sibande	Nkangala	Manager	2	2	2	Assistant Managers	4	3	3	Specialist	2	3	3	Total	8	8
	Ehlanzeni	Gert Sibande	Nkangala																			
Manager	2	2	2																			
Assistant Managers	4	3	3																			
Specialist	2	3	3																			
Total	8	8	8																			

		4. The Accounting Officers both the Department of Finance and CoGTA must ensure that it assist municipalities to progress but not regress and report all municipalities that stubbornly refuse the support and assistance of the Departments.	Refer to response on par. 3.	Yes
		5. The Accounting Officers (HOD for CoGTA and Finance) must ensure the strengthening of Audit Committees in all municipalities.	Refer to response on par. 3.	Yes
3.3.1	Unqualified Audit Outcomes with matters of emphasis	1. The Accounting Officers must put measures & systems to ensure that municipalities with unqualified audit opinion don't regress but improve to achieve objectives of Operation Clean Audit 2014.	Refer to response on par. 3.	Yes
3.4	Predetermined objectives			
3.4.1(c)	Compliance	1. The Executive Authorities (CoGTA and Finance) must ensure that all municipalities comply with legislations governing municipalities.	The Executive Authority was provided with reports from the following Provincial Treasury units: Municipal Finance, Financial Governance, Assets and Liabilities Management on compliance with Legislation governing municipalities. MUNIMEC play a monitoring role and assistance to Municipalities as well as ensuring compliance with all legislations. Workshops are convened to keep municipalities abreast with any reforms to current legislation.	Yes
3.5	Unauthorised, irregular, and fruitless and wasteful expenditure for all municipalities			
3.5.1 (a)	Unauthorised expenditure	The Accounting Officers (HOD for CoGTA and Finance) must provide a comprehensive report on why each municipality incurred the unauthorised expenditure.	Provincial Treasury was monitoring budget performance through s71 reports of municipalities and will inform CoGTA in the event that unauthorized expenditure is discovered. The two Departments are working towards finding ways to identify unauthorized expenditure to monitor compliance with the MFMA.	Yes
3.5.1 (b)	Irregular expenditure	The Accounting Officers (HOD for CoGTA and Finance) must provide a comprehensive report on how each municipality incurred and treated the irregular expenditure.	CoGTA and Provincial Treasury will assess AFS's and AG reports for irregular expenditure and provide a comprehensive report on how each municipality incurred and treated the irregular expenditure.	Yes

Resolution No.	Subject	Details	Response by the Department	Resolved (Yes/No)
3.5.1 (c)	Fruitless and wasteful expenditure	The Accounting Officers (HOD for CoGTA and Finance) must provide a comprehensive report on how each municipality incurred and treated the fruitless and wasteful expenditure.	CoGTA and Provincial Treasury assessed AFS's and AG reports for fruitless and wasteful expenditure and provide a comprehensive report on how each municipality incurred and treated the fruitless and wasteful expenditure.	Yes
3.6.1	Assistance provided by consultants relating to financial statements	The Accounting Officers (HOD for CoGTA and Finance) must ensure that the municipal experts and financial experts deployed to various municipalities also transfer skills to officials in the municipalities they are deployed in.	Municipal Specialists have assisted officials within finances in municipalities to perform financial reconciliations through hands on training.	Yes
3.8.1	Current assets	The Executive Authorities (CoGTA and Finance) must ensure that the Accounting Officers (CoGTA and Finance) assist municipalities with their revenue enhancement strategies.	A generic model for a revenue enhancement strategy was developed for municipalities.	Yes
3.9.1	Current liabilities	The Executive Authorities (CoGTA and Finance) ensure that the Accounting Officers (CoGTA and Finance) develop measure to assist municipalities with their creditors' reconciliation; reconciliation and clearing of suspense account, correct valuation of VAT liability.	Municipalities are provided the support, mechanism and guidance through assistance and support of the Municipal Specialists.	Yes
3.10.1	Awards to state officials (Tender awarded to state officials)	The Executive Authorities must ensure that Provincial Treasury conduct an investigation to the matter of irregular awards of contracts to State Officials, Councillors and Close Family Members and submit its report to the Committee.	The recommendation was accepted and in this regard the Provincial Treasury will closely collaborate with Internal Audit to carry out the function. Where this is detected the companies will also be included in the list for restricted companies.	Yes
3.11.1	Uncompetitive or unfair procurement processes	Provincial Treasury must continuously support municipalities to build supply chain capacity through training municipal officials.	Provincial Treasury will continue stepping up efforts to ensure that officials in municipalities are trained in supply chain management, including on contract management.	Yes

Resolution No.	Subject	Details	Response by the Department	Resolved (Yes/No)
3.14.1	Human Resource Management	The Accounting Officers (HOD for CoGTA and Finance) must ensure that Municipal Managers devise strategies to capacitate employees lacking the requisite competencies to perform their duties.	Municipalities were given extension to submit applications for special merit cases and to date all municipalities have submitted their applications and 12 have been granted approval while 9 are still awaiting approval. Support is provided to municipalities to ensure that they all comply with the minimum competency regulations.	Yes

9. PRIOR MODIFICATIONS TO AUDIT REPORTS

Nature of qualification, disclaimer, adverse opinion and matters of non-compliance	Financial year in which it first arose	Progress made in clearing / resolving the matter
N/A	N/A	N/A

10. INTERNAL CONTROL UNIT

The Department does not have an Internal Control Unit but has an Internal Audit Unit that conducts its work in accordance with an approved Internal Audit Plan based on the risks assessment conducted.

11. INTERNAL AUDIT AND AUDIT COMMITTEES

The Department has an Internal Audit Unit that conducts its activities as per the approved Internal Audit Charter. The activities of the Internal Audit Unit are defined in the approved three year and Annual Operational Internal Audit Plan. The Internal Audit Plan is prepared based on the risk assessment which is conducted annually by the Department. The Internal Audit reports that were issued focused on three areas: Governance, Risk Management and Controls.

The Internal Audit Unit conducted all the specified audits indicated in the approved annual operational internal audit plan.

An Internal Audit retreat was held during August 2013 with Internal Audit Units from Provincial Departments and Public Entities to share ideas on how to improve the effectiveness of internal audit units.

The Department has appointed an Audit Committee that consists only of external members. The term of the Audit Committee expired at the end of October 2013, two members were retained for continuity and two additional members were appointed with effect from 1 November 2013.

The Audit Committee has adopted and approved the Audit Committee Charter to guide its activities and oversight on the Department.

The attendance of the Audit Committee meetings by the Audit Committee is contained in the table below.

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
Mr Kingsley Chisale	ACCA, CIA, BCOM, CFE	External	N/A	27/10/2008	N/A	5
Ms Nontle Jaxa	B Com Acc B Compt Hons MBA	External	N/A	27/10/2008	N/A	5
Mr Hangalakani Hlomane	BSc: Maths Sciences Masters: IT	External	N/A	01/11/2013	N/A	1
Mr Sam Mthembu	FAP(IAC)SA BCom (Accounting) MBL	External	N/A	01/11/2013	N/A	1
Mr Albert Dzuguda	B Comm, B Com Hons	External	N/A	27/10/2008	31/10/2013	4
Mr Khulekani Buthelezi	B.Comm Dip: Accounting (ACCA)	External	N/A	27/10/2008	31/10/2013	1

12. AUDIT COMMITTEE REPORT

Report of the Audit Committee

We are pleased to present our report for the financial year ended 31 March 2014.

Audit Committee Responsibility

The Audit Committee reports that it has complied with its responsibilities as prescribed by section 38(1)(a) of the Public Finance Management Act 1999, (Act No. 1 of 1999) (PFMA) and Treasury Regulation (TR) 3.1. The Audit Committee has for the period under review adopted a formal terms of reference by way of the Audit Committee Charter, has regulated its affairs in compliance with the charter and has discharged all of its responsibilities as contained therein.

The Effectiveness of Internal Control

We are confident that the system of internal control applied by the Department over financial risk and risk management is effective, efficient and transparent. In line with the PFMA and King III Report on Corporate Governance requirements, Internal Audit provided the Audit Committee and management with assurance whether internal controls are adequate and effective. This was achieved by means of the risk management process, as well as the identification of corrective actions and suggested enhancements to the control processes.

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

- Performance information and financial statement reviews;
- Revenue Fund Financial Statements;
- Regional offices reviews;
- Control environment;
- Municipal Finance;
- Information technology and interlinked financial systems;
- Financial and supply chain management; and
- Asset management

The following were areas of concern:

- Non and late submission of performance management and development system documentation;
- Departmental Policies review delays;
- Municipal specialists oversight, continuity and contract management;
- Unsecured access to patch rooms;
- Annual procurement plan deficiencies;
- Reconciling of assets and movement of assets without following proper procedures and updating of the asset register, and
- The delay to fill vacant position of the Chief Financial Officer.

From the various reports of the Internal Auditors, it was noted that some matters were reported indicating deficiencies to the system of internal control. In order to address deficiencies noted management is required to compile comprehensive action plans. The Plan is continuously implemented to ensure that these issues are corrected in the forthcoming financial year. The Audit Committee will effectively monitor progress made in this regard.

Risk Management

Reports on the risk management processes were presented during the quarterly meetings of the Audit Committee. The Internal Audit unit provided assurance on the adequacy and effectiveness of the risk management process based on the audits executed. The risk management process of the department is mostly effective. There were no major incidents or losses attributable to the failure of risk management in the department.

In-Year Management and Monthly and Quarterly Reports

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

Evaluation of Financial Statements

The Audit Committee has:

- Reviewed and discussed the audited Annual Financial Statements to be included in the Annual Report with the Auditor-General and the Accounting Officer;
- Reviewed the Auditor-General's Management Report and managements responses thereto;
- Reviewed that there are no changes to the accounting policies and practices;
- Reviewed the Department's compliance with legal and regulatory provisions;
- Reviewed the information on pre-determined objectives to be included in the Annual Report.
- Reviewed the internal audit report on the midterm interim financial statement and is satisfied that management has addressed issues raised.

Independence of the Audit Committee

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

Internal Audit

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

Auditor-General's Report

We have reviewed the Department's implementation plan for audit issues raised in the prior-year audit report and we are satisfied that the matters have been adequately resolved.

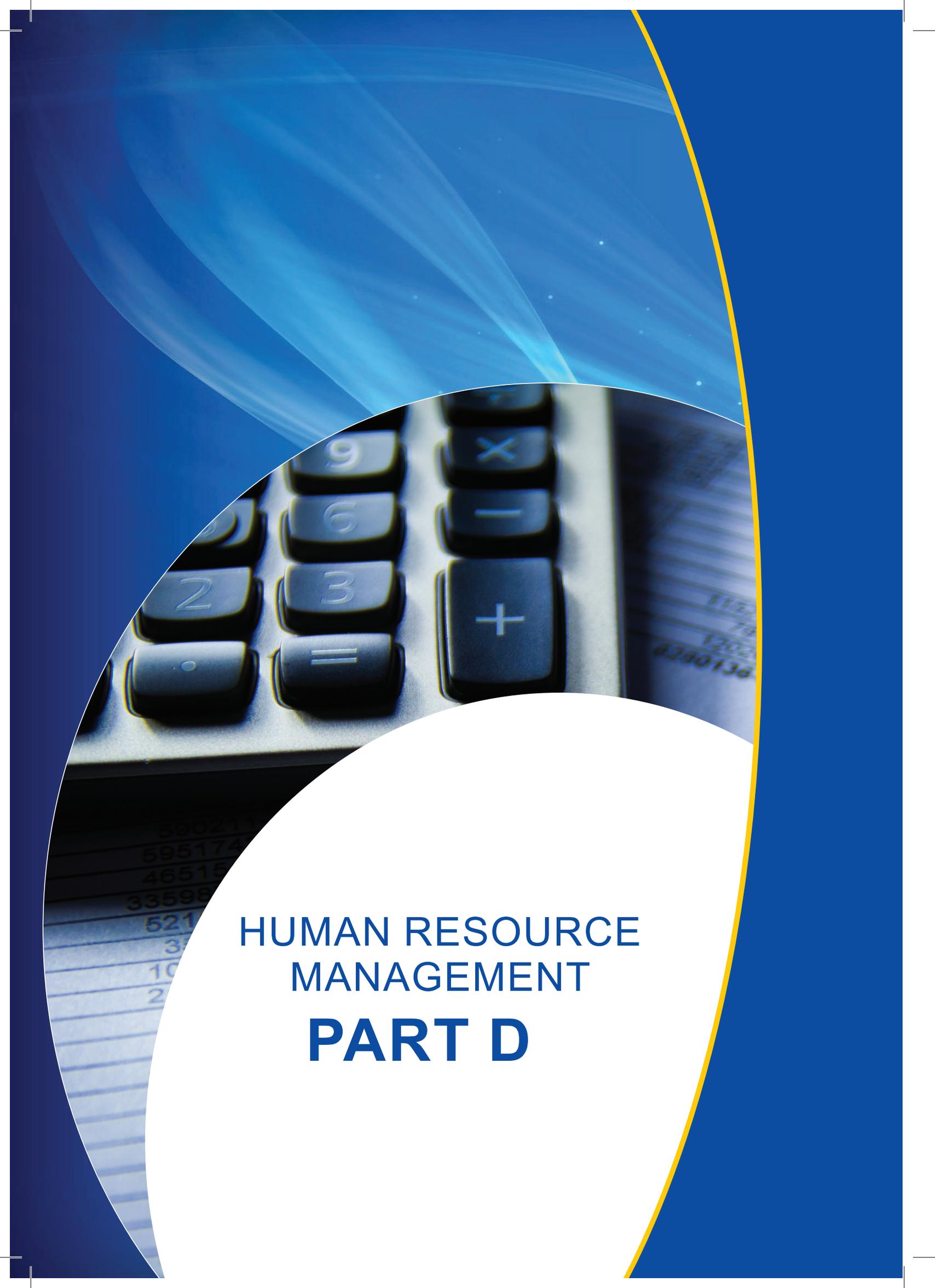
The Audit Committee concurs and accepts the Auditor-General's conclusion on the annual financial statements and is of the opinion that the audited annual financial statements be accepted when read together with the report of the Auditor-General. The Audit Committee recommended that the Annual Financial Statements be approved at the meeting of 24 July 2014.

Appreciation

The Audit Committee appreciates the assistance and cooperation of management in assisting it in the discharge of its responsibility.



Kingsley Juliano Chisale
Chairperson of the Audit Committee
Mpumalanga Department of Finance
Date: 31/07/2014



HUMAN RESOURCE
MANAGEMENT
PART D

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 has an approved organogram with 433 posts and is currently in the processes of reviewing the current organogram in order to adequately respond to the mandate, which focuses the role of Treasury in the implementation of MFMA to delegated Municipalities.

The Department has 333 permanent funded posts and 311 are filled and thus leaving the Department with 22 vacancies or a 6.6% vacancy rate and therefore within the 10% benchmark as per the DPSA requirements.

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 2013 to 31 March 2014

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	73 704	43 411	795	406	58.9	339
Sustainable resource management	44 489	30 875	166	3 398	69.4	468
Assets & liabilities management	106 036	45 387	920	424	42.8	421
Financial governance	27 523	16 255	180	3,642	58.7	416
Total	251 752	135 928	2 061	7 870	54	399

Table 3.1.2 Personnel costs by salary band for the period 1 April 2013 to 31 March 2014

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)	2 295	1.6	19	121
Skilled (Levels 3-5)	5 332	3.6	32	167
Highly skilled production (Levels 6-8)	27 440	18.5	98	280
Highly skilled supervision (Levels 9-12)	73 123	49.3	140	522
Senior management (Levels 13-16)	21 249	14.4	22	966
Contract (Levels 1-2)	1 539	1	30	51
Contract (Levels 9-12)	717	0.5	1	717
Contract	4 233	2.9	9	470
Total	135 928	92.8	351	387

Table 3.1.3 Salaries, Overtime, Home Owners Allowance and Medical Aid by programme for the period 1 April 2013 to 31 March 2014

Programme	Salaries		Overtime		Home Owners Allowance		Medical Aid	
	Amount (R'000)	Salaries as a % of personnel costs	Amount (R'000)	Overtime as a % of personnel costs	Amount (R'000)	HOA as a % of personnel costs	Amount (R'000)	Medical aid as a % of personnel costs
Administration	32 000	68.9	242	0.5	1 452	3.1	2 158	4.6
Sustainable resource manage	20 874	60.2	79	0.2	462	1.3	700	2
Assets & liabilities man	34 168	69.6	63	0.1	844	1.7	1 641	3.3
Financial gover-nance	12 524	70.1	13	0.1	313	1.8	490	2.7
TOTAL	99 566	67.3	397	0.3	3 071	2.1	4 989	3.4

Table 3.1.4 Salaries, Overtime, Home Owners Allowance and Medical Aid by salary band for the period 1 April 2013 to 31 March 2014

Salary band	Salaries		Overtime		Home Owners Allowance		Medical Aid	
	Amount (R'000)	Salaries as a % of personnel costs	Amount (R'000)	Overtime as a % of personnel costs	Amount (R'000)	HOA as a % of personnel costs	Amount (R'000)	Medical aid as a % of personnel costs
Lower skilled (Levels 1-2)	1 446	62.8	0	0	205	8.9	305	13.2
Skilled (Levels 3-5)	3 605	67.3	22	0.4	347	6.5	441	8.2
Highly skilled production (Levels 6-8)	19 219	67.7	172	0.6	1 043	3.7	1 690	6
Highly skilled supervision (Levels 9-12)	55 618	68.1	202	0.2	982	1.2	2 261	2.8
Senior manage-ment (Levels 13-16)	17 447	75.9	0	0	494	2.1	291	1.3
Contract (Levels 1-2)	1 539	99.6	0	0	0	0	0	0
Contract (Levels 9-12)	692	90.7	0	0	0	0	0	0
Abnormal Appointment	0	0	0	0	0	0	0	0
TOTAL	99 566	67.3	397	0.3	3 071	2.1	4 989	3.4

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

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 2014

Programme	Number of posts on approved establishment	Number of posts filled	Vacancy Rate	Number of employees additional to the establishment
Administration: Permanent	141	129	8.5	0
Sustainable Resource Management: Permanent	69	66	4.3	6
Assets and Liabilities Management: Permanent	114	108	5.3	6
Financial Governance: Permanent	42	39	7.1	6
TOTAL	366	342	6.6	18

Note: 366 includes: 333 permanent posts, 32 interns and 1 contract worker

342 includes: 311 permanent filled 31 interns

Table 3.2.2 Employment and vacancies by salary band as on 31 March 2014

Salary band	Number of posts on approved establishment	Number of posts filled	Vacancy Rate	Number of employees additional to the establishment
Lower skilled (Levels 1-2): Permanent	19	19	0	0
Skilled (Levels 3-5): Permanent	35	32	8.6	0
Highly skilled production (Levels 6-8): Permanent	104	98	5.8	0
Highly skilled supervision (Levels 9-12): Permanent	152	140	7.9	0
Senior management (Levels 13-16): Permanent	25	22	12	0
Contract (Levels 1-2): Permanent	30	30	0	18
Contract (Levels 9-12): Permanent	1	1	0	0
Total	366	342	6.6	18

Note: 366 includes: 333 permanent posts, 32 interns and 1 contract worker

342 includes: 311 permanent filled 31 interns

Table 3.2.3 Employment and vacancies by critical occupations as on 31 March 2014

Critical occupation	Number of posts on approved establishment	Number of posts filled	Vacancy Rate	Number of employees additional to the establishment
Administrative related, Permanent	59	56	5.1	0
Cleaners in offices workshops hospitals etc., Permanent	14	14	0	0
Communication and information related, Permanent	4	4	0	0
Computer system designers and analysts., Permanent	1	1	0	0
Engineering sciences related, Permanent	2	1	50	0
Finance and economics related, Permanent	108	101	6.5	18
Head of Department/chief executive officer, Permanent	1	1	0	0
Human resources related, Permanent	10	9	10	0
Information technology related, Permanent	29	27	6.9	0
Light vehicle drivers, Permanent	1	1	0	0
Logistical support personnel, Permanent	28	26	7.1	0
Messengers porters and deliverers, Permanent	3	3	0	0
Other administrative policy and related officers, Permanent	2	2	0	0
Other occupations, Permanent	82	77	6.1	0
Risk management and security services, Permanent	1	0	100	0
Secretaries & other keyboard operating clerks, Permanent	15	13	13.3	0
Senior managers, Permanent	6	6	0	0
TOTAL	366	342	6.6	18

Note: 366 includes: 333 permanent posts, 32 interns and 1 contract worker

342 includes: 311 permanent filled 31 interns

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 2014

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	19	17	89,5	2	10,5
Total	23	21	91,3	2	8,7

Table 3.3.2 SMS post information as on 30 September 2013

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	19	17	89,5	2	10,5
Total	23	21	91,3	2	8,7

Table 3.3.3 Advertising and filling of SMS posts for the period 1 April 2013 to 31 March 2014

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	19	17	89,5	2	10,5
Total	23	21	91,3	2	8,7

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 2013 to 31 March 2014

Reasons for vacancies not advertised within six months
For the period under review two posts were advertised within six months .

Reasons for vacancies not filled within six months
For the one post, the advert was withdrawn following a decision that the position must be filled through internal restructuring processes and for the other post, the post was not filled as the recommended candidates were found not to be suitable after failing the competency assessment tests. The post will be re-advertised in the new financial year 2014/2015.

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 2013 to 31 March 2014

Reasons for vacancies not advertised within six months
N/A

Reasons for vacancies not filled within six months
In all instances of failure to fill the posts within six months, there are no reasons warranting disciplinary steps to be taken.

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 2013 and 31 March 2014

Salary band	Number of posts on approved establishment	Number of Jobs Evaluated	% of posts evaluated by salary bands	Posts Upgraded		Posts downgraded	
				Number	% of posts evaluated	Number	% of posts evaluated
Lower skilled (Levels 1-2)	19	0	0	0	0	0	0
Contract (Levels 1-2)	30	0	0	0	0	0	0
Contract (Levels 9-12)	1	0	0	0	0	0	0
Skilled (Levels 3-5)	35	0	0	0	0	0	0
Highly skilled production (Levels 6-8)	104	0	0	0	0	0	0
Highly skilled supervision (Levels 9-12)	152	0	0	0	0	0	0
Senior Management Service Band A	17	0	0	0	0	0	0
Senior Management Service Band B	6	0	0	0	0	0	0
Senior Management Service Band C	1	0	0	0	0	0	0
Senior Management Service Band D	1	0	0	0	0	0	0
TOTAL	366	0	0	0	0	0	0

Note: 366 includes: 333 permanent posts, 32 interns and 1 contract worker

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 2013 to 31 March 2014

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

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

Table 3.4.3 Employees with salary levels higher than those determined by job evaluation by occupation for the period 1 April 2013 to 31 March 2014

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

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

Table 3.4.4 Profile of employees who have salary levels higher than those determined by job evaluation for the period 1 April 2013 to 31 March 2014

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

Employees with a disability	0	0	0	0	0
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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 2013 to 31 March 2014

Salary band	Number of employees at beginning of period-1 April 2013	Appointments and transfers into the Department	Terminations and transfers out of the Department	Turnover rate
Lower skilled (Levels 1-2), Permanent	19	0	0	0
Skilled (Levels 3-5), Permanent	33	0	2	6.1
Highly skilled production (Levels 6-8), Permanent	101	3	3	3
Highly skilled supervision (Levels 9-12), Permanent	143	2	7	4.9
Senior Management Service Band A, Permanent	16	0	0	0
Senior Management Service Band B, Permanent	5	0	0	0
Senior Management Service Band C, Permanent	1	0	0	0
Senior Management Service Band D, Permanent	1	0	0	0
Contract (Levels 1-2), Permanent	19	32	20	105.3
Contract (Levels 9-12), Permanent	1	0	0	0
TOTAL	339	37	32	9.4

Table 3.5.2 Annual turnover rates by critical occupation for the period 1 April 2013 to 31 March 2014

Critical occupation	Number of employees at beginning of period-April 2013	Appointments and transfers into the Department	Terminations and transfers out of the Department	Turnover rate
Administrative related, Permanent	56	0	1	1.8
Cleaners in offices workshops hospitals etc., Permanent	14	0	0	0
Communication and information related, Permanent	3	1	0	0
Computer system designers and analysts., Permanent	1	0	0	0
Engineering sciences related, Permanent	1	0	0	0
Engineers and related professionals, Permanent	1	0	1	100
Finance and economics related, Permanent	24	32	3	12.5
Financial and related professionals, Permanent	44	1	0	0
Financial clerks and credit controllers, Permanent	2	1	0	0
Head of Department/chief executive officer, Permanent	1	0	0	0
Human resources clerks, Permanent	1	0	0	0
Human resources related, Permanent	27	1	18	66.7
Information technology related, Permanent	19	0	1	5.3
Library mail and related clerks, Permanent	1	0	0	0
Light vehicle drivers, Permanent	1	0	0	0
Logistical support personnel, Permanent	25	1	2	8
Messengers porters and deliverers, Permanent	3	0	1	33.3
Other administrative policy and related officers, Permanent	2	0	0	0
Other information technology personnel., Permanent	10	0	1	10
Other occupations, Permanent	82	0	4	4.9
Secretaries & other keyboard operating clerks, Permanent	14	0	0	0
Senior managers, Permanent	7	0	0	0
TOTAL	339	37	32	9.4

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 2013 to 31 March 2014

Termination Type	Number	% of Total Resignations
Death, Permanent	2	6.3
Resignation, Permanent	7	21.9
Expiry of contract, Permanent	18	56.3
Retirement, Permanent	5	15.6
TOTAL	32	100
Total number of employees who left as a % of total employment	32	9.4

Table 3.5.4 Promotions by critical occupation for the period 1 April 2013 to 31 March 2014

Occupation	Employees 1 April 2013	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	56	0	0	47	83.9
Cleaners in offices workshops hospitals etc.	14	0	0	2	14.3
Communication and information related	3	0	0	2	66.7
Computer system designers and analysts.	1	0	0	1	100
Engineering sciences related	1	0	0	1	100
Engineers and related professionals	1	0	0	0	0
Finance and economics related	24	1	4.2	17	70.8
Financial and related professionals	44	2	4.5	33	75
Financial clerks and credit controllers	2	0	0	1	50
Head of Department/chief executive officer	1	0	0	0	0
Human resources clerks	1	0	0	1	100
Human resources related	27	0	0	7	25.9
Information technology related	19	1	5.3	15	78.9
Library mail and related clerks	1	0	0	0	0
Light vehicle drivers	1	0	0	0	0
Logistical support personnel	25	1	4	12	48
Messengers porters and deliverers	3	0	0	1	33.3
Other administrative policy and related officers	2	0	0	2	100
Other information technology personnel.	10	0	0	7	70
Other occupations	82	1	1.2	70	85.4
Secretaries & other keyboard operating clerks	14	1	7.1	9	64.3
Senior managers	7	0	0	7	100
TOTAL	339	7	2.1	235	69.3

Table 3.5.5 Promotions by salary band for the period 1 April 2013 to 31 March 2014

Salary Band	Employees 1 April 2013	Promotions to another salary level	Salary bands promotions as a % of employ- ees by salary level	Progressions to another notch within a salary level	Notch progres- sion as a % of employees by salary bands
Lower skilled (Levels 1-2), Permanent	19	0	0	7	36.8
Skilled (Levels 3-5), Permanent	33	0	0	5	15.2
Highly skilled production (Levels 6-8), Permanent	101	1	1	87	86.1
Highly skilled supervision (Levels 9-12), Permanent	143	6	4.2	118	82.5
Senior management (Levels 13-16), Permanent	23	0	0	18	78.3
Contract (Levels 1-2), Permanent	19	0	0	0	0
Contract (Levels 9-12), Permanent	1	0	0	0	0
TOTAL	339	7	2.1	235	69.3

3.6. Employment Equity

Table 3.6.1 Total number of employees (including employees with disabilities) in each of the following occupational categories as on 31 March 2014

Occupational category	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Legislators, senior officials and managers	11	0	1	1	6	0	0	3	21
Professionals	71	1	1	7	59	0	0	1	140
Technicians and associate professionals	34	0	0	0	33	0	1	1	69
Clerks	4	0	0	0	15	0	0	0	19
Plant and machine operators and assemblers	1	0	0	0	0	0	0	0	1
Elementary occupations	39	0	0	0	51	0	0	1	92
Total	160	1	2	8	164	0	1	6	342
Employees with disabilities	4	0	1	1	2	0	0	0	8

Table 3.6.2 Total number of employees (including employees with disabilities) in each of the following occupational bands as on 31 March 2014

Occupational category	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top Management, Permanent	1	0	0	0	1	0	0	0	2
Senior Management, Permanent	10	0	1	1	5	0	0	3	20
Professionally qualified and experienced specialists and mid-management, Permanent	71	1	1	7	59	0	0	1	140
Skilled technical and academically qualified workers, junior management, supervisors, foremen, Permanent	37	1	0	0	58	0	1	1	98
Semi-skilled and discretionary decision making, Permanent	15	0	0	0	17	0	0	0	32
Unskilled and defined decision making, Permanent	1	0	0	0	18	0	0	0	19
Contract (Professionally qualified), Permanent	0	0	0	1	0	0	0	0	1
Contract (Unskilled), Permanent	15	0	0	0	15	0	0	0	30
TOTAL	150	2	2	9	173	0	1	5	342

Table 3.6.3 Recruitment for the period 1 April 2013 to 31 March 2014

Occupational category	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Professionally qualified and experienced specialists and mid-management, Permanent	0	0	0	0	2	0	0	0	2
Skilled technical & academically qualified workers, junior management, supervisors, foremen, Permanent	3	0	0	0	0	0	0	0	3
Contract (Unskilled), Permanent	16	0	0	0	16	0	0	0	32
Total	19	0	0	0	18	0	0	0	37
Employees with disabilities	0	0	0	0	0	0	0	0	0

Table 3.6.4 Promotions for the period 1 April 2013 to 31 March 2014

Occupational category	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Senior Management, Permanent	9	0	1	1	5	0	0	2	18
Professionally qualified and experienced specialists and mid-management, Permanent	65	1	0	7	51	0	0	0	124
Skilled technical and academically qualified workers, junior management, supervisors, foremen, Permanent	30	1	0	0	55	0	2	0	88
Semi-skilled and discretionary decision making, Permanent	2	0	0	0	3	0	0	0	5
Unskilled and defined decision making, Permanent	0	0	0	0	7	0	0	0	7
TOTAL	106	2	1	8	121	0	2	2	242
Employees with disabilities	4	0	1	1	2	0	0	0	8

Table 3.6.5 Terminations for the period 1 April 2013 to 31 March 2014

Occupational category	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Professionally qualified and experienced specialists and mid-management, Permanent	2	1	0	1	2	0	0	1	7
Skilled technical and academically qualified workers, junior management, supervisors, foremen, Permanent	1	0	0	0	1	0	0	1	3
Semi-skilled and discretionary decision making, Permanent	0	0	0	0	2	0	0	0	2
Contract (Unskilled), Permanent	8	0	0	0	12	0	0	0	20
Total	11	1	0	1	17	0	0	2	32
Employees with Disabilities	0	0	0	0	0	0	0	0	0
Employees with disabilities	4	0	1	1	2	0	0	0	8

Table 3.6.6 Disciplinary action for the period 1 April 2013 to 31 March 2014

Disciplinary action	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Progressive discipline	4	0	0	0	3	0	0	0	7

Table 3.6.7 Skills development for the period 1 April 2013 to 31 March 2014

Occupational category	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Legislators, senior officials and managers	9	0	1	2	6	0	0	2	20
Professionals	6	0	0	0	7	0	0	0	13
Technicians and associate professional	20	0	0	0	16	0	0	0	36
Clerks	7	0	0	0	0	0	0	0	7
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
Elementary occupations	1	0	0	0	13	0	0	0	14
Total	43	0	0	0	42	0	0	2	90
Employees with disabilities	1	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 2014

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	19	17	17	100
Total	23	21	21	100

Table 3.7.2 Reasons for not having concluded Performance agreements for all SMS members as on 31 March 2014

Reasons
None

Table 3.7.3 Disciplinary steps taken against SMS members for not having concluded Performance agreements as on 31 March 2014

Reasons
None

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 2013 to 31 March 2014

Race and Gender	Beneficiary Profile			Cost	
	Number of beneficiaries	Number of employees	% of total within group	Cost (R'000)	Average cost per employee
African	103	171	60.2	865	8,402
African, Female	75	146	51.4	860	11 469
African, Male					
Asian	1	1	100	5	5 335
Asian, Female	1	1	100	28	27 540
Asian, Male					
Coloured	0	0	0	0	0
Coloured, Female	2	2	100	23	11 717
Coloured, Male					
White	2	5	40	36	17 964
White, Female	9	8	112.5	145	16 079
White, Male	5	8	62.5	59	11 807
Employees with a disability	198	342	57.9	2 022	10 210
TOTAL					

Table 3.8.2 Performance Rewards by salary band for personnel below Senior Management Service for the period 1 April 2013 to 31 March 2014

Salary band	Beneficiary Profile			Cost		
	Number of beneficiaries	Number of employees	% of total within Salary band	Total Cost (R'000)	Average cost per employee	Total cost as a % of the total personnel expenditure
Lower Skilled (Levels 1-2)	14	19	73.7	33	2,357	0.02
Skilled (level 3-5)	7	32	21.9	20	2,857	0.01
Highly skilled production (level 6-8)	64	98	65.3	349	5,453	0.26
Highly skilled supervision (level 9-12)	104	141	73.8	1344	12923	0.99
Contract (Levels 1-2)	0	30	0	0	0	0.00
Abnormal Appointment	0	9	0	0	0	0.00
Total	189	329	57.4	1 746	9 238	1.28

Table 3.8.3 Performance Rewards by critical occupation for the period 1 April 2013 to 31 March 2014

Critical occupation	Beneficiary Profile			Cost	
	Number of beneficiaries	Number of employees	% of total within occupation	Total Cost (R'000)	Average cost per employee
Administrative related	39	56	69.6	398	10 205
Cleaners in offices workshops hospitals etc.	11	14	78.6	27	2 455
Communication and information related	0	4	0	0	0
Computer system designers and analysts.	1	1	100	9	9 000
Engineering sciences related	0	1	0	0	0
Finance and economics related	15	54	27.8	165	11 000
Financial and related professionals	29	43	67.4	381	13 138
Financial clerks and credit controllers	2	4	50	22	11 000
Head of Department/chief executive officer	1	1	100	27	27 000
Human resources clerks	1	1	100	7	7 000
Human resources related	5	8	62.5	81	16 200
Information technology related	10	18	55.6	96	9 600
Library mail and related clerks	1	1	100	3	3 000
Light vehicle drivers	0	1	0	0	0
Logistical support personnel	11	26	42.3	78	7 091
Messengers porters and deliverers	1	2	50	2	2 000
Other administrative policy and related officers	1	2	50	5	5 000
Other information technology personnel.	7	9	77.8	74	10 429
Other occupations	53	77	68.8	504	9 509
Secretaries & other keyboard operating clerks	6	13	46.2	34	5 667
Senior managers	4	6	66.7	109	27 250
TOTAL	198	342	57.9	2 022	10 207

Table 3.8.4 Performance related rewards (cash bonus), by salary band for Senior Management Service for the period 1 April 2013 to 31 March 2014

Salary band	Beneficiary Profile			Cost		
	Number of beneficiaries	Number of employees	% of total within Salary band	Total Cost (R'000)	Average cost per employee	Total cost as a % of the total personnel expenditure
Band A	5	14	35.7	160	32 000	1.1
Band B	3	6	50	90	30 000	0.6
Band C	1	1	100	27	27 000	0.2
Band D	0	1	0	0	0	0.0
TOTAL	9	22	40.9	277	30 777	0.2

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 2013 to 31 March 2014

Salary band	01 April 2013		31 March 2014		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 2013 to 31 March 2014

Major occupation	01 April 2013		31 March 2014		Change	
	Number	% of total	Number	% of total	Number	% Change
Nil	0	0	0	0	0	0
Nil	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 2013 to 31 December 2013

Salary band	Total days	% Days with Medical certification	Number of Employees using sick leave	% of total employees using sick leave	Average days per employee	Estimated Cost (R'000)
Lower skilled (Levels 1-2)	119	79	17	8.2	7	35
Skilled (Levels 3-5)	139	79.9	21	10.1	7	60
Highly skilled production (Levels 6-8)	495	88.3	69	33.3	7	364
Highly skilled supervision (Levels 9-12)	563	88.3	85	41.1	7	821
Senior management (Levels 13-16)	88	95.5	15	7.2	6	293
TOTAL	1,404	87.1	207	100	7	1 573

Table 3.10.2 Disability leave (temporary and permanent) for the period 1 January 2013 to 31 December 2013

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

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 2013 to 31 December 2013

Salary band	Total days taken	Average per employee	Number of Employees using annual leave
Lower skilled (Levels 1-2)	490	26	19
Skilled (Levels 3-5)	793	24	33
Highly skilled production (Levels 6-8)	2429	24	103
Highly skilled supervision (Levels 9-12)	3415	23	151
Senior management (Levels 13-16)	554	25	22
Contract (Levels 9-12)	13	13	1
TOTAL	7,694	23	329

Table 3.10.4 Capped leave for the period 1 January 2013 to 31 December 2013

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 2014
Lower skilled (Levels 1-2)	9	1	9	55
Skilled (Levels 3-5)	1	1	1	110
Highly skilled production (Levels 6-8)	10	2	5	72
Senior management (Levels 13-16)	9	1	9	38
TOTAL	29	5	6	70

The following table summarises payments made to employees as a result of leave that was not taken.
Table 3.10.5 Leave payouts for the period 1 April 2013 to 31 March 2014

Reason	Total amount	Number of employees	Number of employees	Average per employee
	(R'000)			(R'000)
Leave pay-out for 2012/13 due to non-utilisation of leave for the previous cycle	0	0	0	0
Capped leave pay-outs on termination of service for 2013/14	385	7	7	55
Current leave pay-out on termination of service for 2013/14	35	3	3	12
Total	420	4	4	42

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
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		iNkosi Dr Musa Khumalo: Senior Manager: Corporate Services
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 (3) employees, Budget R 1,370, 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		Reviewal of support group. Conduct one on one sessions, consultation, and analysis pattern report. Request data absence of employees. Wellness Committee
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		Ms JE Nel (Chair person) Mr JK Sithole (NEHAWU) Mr MK Sibanyoni (PSA) Ms EY Mnisi (Health and Wellness) Mr BJ Hlatshwayo (Gert Sibande) Mr TK Theledi (Ehlanzeni) Ms AS Mthombeni (Nkangala) Mr MJ Rikhotso (Nkangala) Mr MS Nkambule (Gert Sibande) Mr RB Ndhlovu (Ehlanzeni) Ms YN Mkhabela (Head Office) Ms TT Thwala (Health and Wellness)
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 and TB Management Policy, Health and Productivity Management Policy, Wellness Management Policy SHEQ Management Policy.
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		Awareness sessions, workshops and meetings of support groups
7. Does the Department encourage its employees to undergo Voluntary Counselling and Testing? If so, list the results that you have achieved.	Yes		Positive response from officials in terms of testing for HIV/AIDS, sugar diabetics, high blood pressure, cholesterol

8. Has the Department developed measures/indicators to monitor & evaluate the impact of its health promotion programme? If so, list these measures/indicators.	Yes	Progress reports on all four pillars serve as monitoring and evaluation
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3.12 LABOUR RELATIONS

Table 3.12.1 Collective agreements for the period 1 April 2013 to 31 March 2014

Total number of Collective agreements	0
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The following table summarises the outcome of disciplinary hearings conducted within the Department for the year under review.

Table 3.12.2 Misconduct and disciplinary hearings finalised for the period 1 April 2013 to 31 March 2014

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

Total number of Disciplinary hearings finalised	0
---	---

Table 3.12.3 Types of misconduct addressed at disciplinary hearings for the period 1 April 2013 to 31 March 2014

Type of misconduct	Number	% of total
Nil	00	00
Total	00	00

Table 3.12.4 Grievances logged for the period 1 April 2013 to 31 March 2014

Grievances	Number	% of Total
Number of grievances resolved	03	75
Number of grievances not resolved	01	25
Total number of grievances lodged	04	100

Table 3.12.5 Disputes logged with Councils for the period 1 April 2013 to 31 March 2014

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

Table 3.12.6 Strike actions for the period 1 April 2013 to 31 March 2014

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

Table 3.12.7 Precautionary suspensions for the period 1 April 2013 to 31 March 2014

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

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 2013 to 31 March 2014

Occupational category	Gender	Number of employees as at 1 April 2013	Training needs identified at start of the reporting period			
			Learnerships	Skills Programmes & other short courses	Other forms of training	Total
Legislators, senior officials and managers	Female	8	0	6	0	6
	Male	12	0	10	0	10
Professionals	Female	7	0	10	0	10
	Male	6	0	5	0	5
Technicians and associate professionals	Female	15	0	8	0	8
	Male	20	0	13	0	13
Clerks	Female	9	0	5	0	5
	Male	7	0	4	0	4
Service and sales workers	Female	0	0	0	0	0
	Male	0	0	0	0	0
Skilled agriculture and fishery workers	Female	0	0	0	0	0
	Male	0	0	0	0	0
Craft and related trades workers	Female	0	0	0	0	0
	Male	0	0	0	0	0
Plant and machine operators and assemblers	Female	0	0	0	0	0
	Male	0	0	0	0	0
Elementary occupations	Female	13	0	13	0	13
	Male	1	0	1	0	1
Sub Total	Female	52	0	42	0	42
	Male	46	0	33	0	33
Total		98	0	75	0	75

Table 3.13.2 Training provided for the period 1 April 2013 to 31 March 2014

Occupational category	Gender	Number of employees as at 1 April 2013	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	6	0	6
	Male	12	0	10	0	10
Professionals	Female	7	0	10	0	10
	Male	6	0	5	0	5
Technicians and associate professionals	Female	15	0	8	0	8
	Male	20	0	13	0	13
Clerks	Female	9	0	5	0	5
	Male	7	0	4	0	4
Service and sales workers	Female	0	0	0	0	0
	Male	0	0	0	0	0
Skilled agriculture and fishery workers	Female	0	0	0	0	0
	Male	0	0	0	0	0
Craft and related trades workers	Female	0	0	0	0	0
	Male	0	0	0	0	0
Plant and machine operators and assemblers	Female	0	0	0	0	0
	Male	0	0	0	0	0
Elementary occupations	Female	13	0	13	0	13
	Male	1	0	1	0	1
Sub Total	Female	52	0	42	0	42
	Male	46	0	33	0	33
Total		98	0	75	0	75

3.4. 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 2013 to 31 March 2014

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

3.15. UTILISATION OF CONSULTANTS

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

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

Table 3.15.1 Report on consultant appointments using appropriated funds for the period 1 April 2013 to 31 March 2014

Project title	Total number of consultants that worked on project	Duration (work days)	Contract value in Rand
N/A	N/A	N/A	N/A

Total number of projects	Total individual consultants	Total duration Work days	Total contract value in Rand
N/A	N/A	N/A	N/A

Table 3.15.2 Analysis of consultant appointments using appropriated funds, in terms of Historically Disadvantaged Individuals (HDIs) for the period 1 April 2013 to 31 March 2014

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

Table 3.15.3 Report on consultant appointments using Donor funds for the period 1 April 2013 to 31 March 2014

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

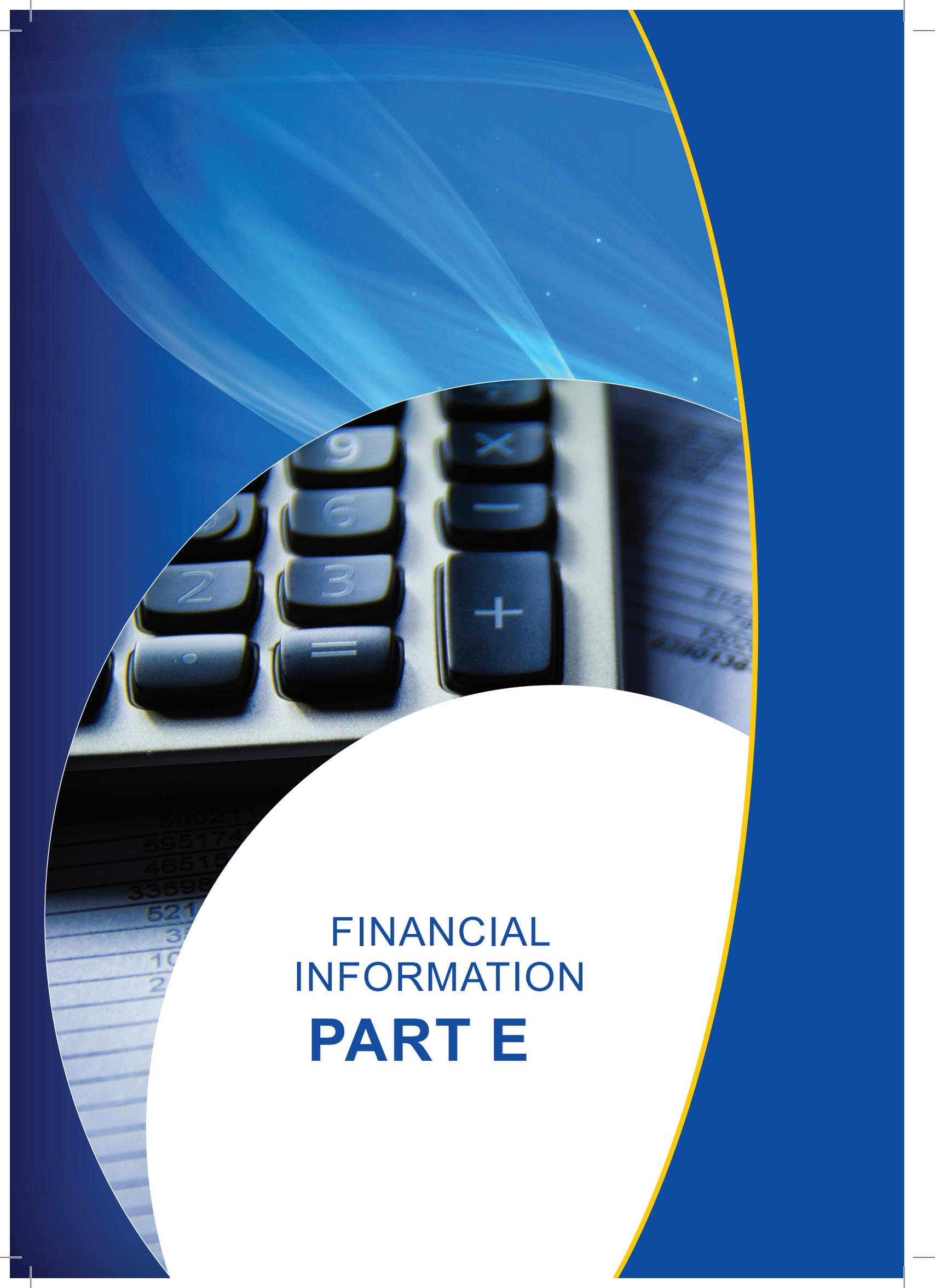
Total number of projects	Total individual consultants	Total duration Work days	Total contract value in Rand
N/A	N/A	N/A	N/A

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

3.16. SEVERANCE PACKAGES

Table 3.16.1 Granting of employee initiated severance packages for the period 1 April 2013 to 31 March 2014

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



FINANCIAL
INFORMATION
PART E

1. REPORT OF THE AUDITOR GENERAL

Report on the financial statements

Introduction

1. I have audited the financial statements of the Department of Finance set out on pages 77 to 111, which comprise the appropriation statement, the statement of financial position as at 31 March 2014, the statement of financial performance, statement of changes in net assets and cash flow statement for the year then ended, as well as the notes, comprising a summary of significant accounting policies and other explanatory information.

Accounting officer's responsibility for the financial statements

2. The accounting officer is responsible for the preparation and fair presentation of these financial statements in accordance with the Modified Cash Standard as prescribed by the National Treasury and the requirements of the Public Finance Management Act of South Africa, 1999 (Act No. 1 of 1999) (PFMA), and 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.

Auditor-general's responsibility

3. My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with the Public Audit Act of South Africa, 2004 (Act No. 25 of 2004) (PAA), the general notice issued in terms thereof and International Standards on Auditing. Those standards require that I comply with ethical requirements, and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.
4. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.
5. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

6. In my opinion, the financial statements present fairly, in all material respects, the financial position of the Department of Finance as at 31 March 2014 and its financial performance and cash flows for the year then ended, in accordance with the Modified Cash Standard as prescribed by the National Treasury and the requirements of the PFMA.

Additional matter

7. I draw attention to the matter below. My opinion is not modified in respect of this matter.

Unaudited supplementary schedules

8. The supplementary information set out on pages 112 to 114 does not form part of the financial statements and is presented as additional information. I have not audited this schedule and, accordingly, I do not express an opinion thereon.

Report on other legal and regulatory requirements

9. In accordance with the PAA and the general notice issued in terms thereof, I report the following findings on the reported performance information against predetermined objectives for selected programmes presented in the annual performance report, non-compliance with legislation as well as internal control. The objective of my tests was to identify reportable findings as described under each subheading but not to gather evidence to express assurance on these matters. Accordingly, I do not express an opinion or conclusion on these matters.

Predetermined objectives

10. I performed procedures to obtain evidence about the usefulness and reliability of the reported performance information for the following selected programmes presented in the annual performance report of the department for the year ended 31 March 2014:
- Programme 2: sustainable resource management, on pages 23 to 28
 - Programme 3: assets and liability management, on pages 28 to 33
 - Programme 4: financial governance, on pages 33 to 37
11. I evaluated the reported performance information against the overall criteria of usefulness and reliability.
12. I evaluated the usefulness of the reported performance information to determine whether it was presented in accordance with the National Treasury's annual reporting principles and whether the reported performance was consistent with the planned programmes. I further performed tests to determine whether indicators and targets were well defined, verifiable, specific, measurable, time bound and relevant, as required by the National Treasury's Framework for managing programme performance information.
13. I assessed the reliability of the reported performance information to determine whether it was valid, accurate and complete.
14. I did not raise any material findings on the usefulness and reliability of the reported performance information for the sustainable resource management, assets and liabilities management, and financial governance programmes.

Compliance with legislation

15. I performed procedures to obtain evidence that the department had complied with applicable legislation regarding financial matters, financial management and other related matters. I did not identify any instances of material non-compliance with specific matters in key legislation, as set out in the general notice issued in terms of the PAA.

Internal control

16. I considered internal control relevant to my audit of the financial statements, annual performance report and compliance with legislation. I did not identify any significant deficiencies in internal control.

Other reports

Performance audits

17. The report of the Auditor-General of South Africa on the readiness of government to report on its performance will be tabled during 2014. The department was one of the 61 institutions audited during this audit. The performance audit focused on the following:
- The systems and processes that government departments have put in place to report on their performance.
 - The performance reporting guidance and oversight that government departments have received.

Auditor-General
Mbombela
31 July 2014



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

Auditing to build public confidence

2. ANNUAL FINANCIAL STATEMENTS

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APPROPRIATION STATEMENT

FOR THE YEAR ENDED 31 MARCH 2014

Appropriation per programme									
2013/14								2012/13	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
1. ADMINISTRATION									
Current payment	70 533	(157)	(174)	70 202	69 242	960	98.6%	72 323	68 770
Transfers and subsidies	505	157	-	662	661	1	99.8%	150	142
Payment for capital assets	2 153	-	-	2 153	2 041	112	94.8%	1 413	553
Payment for financial assets	-	-	-	-	-	-	-	1	1
	73 191	-	(174)	73 017	71 944	1 073		73 887	69 466
2. SUSTAINABLE RESOURCE MANAGEMENT									
Current payment	41 988	(42)	(129)	41 817	41 412	405	99.0%	38 370	35 457
Transfers and subsidies	3 035	-	-	3 035	3 035	-	100.0%	10	10
Payment for capital assets	-	42	-	42	42	-	100.0%	250	98
Payment for financial assets	-	-	-	-	-	-	-	-	-
	45 023	-	(129)	44 894	44 489	405		38 630	35 565
3. ASSET AND LIABILITIES MANAGEMENT									
Current payment	103 300	-	1 245	104 545	104 310	235	99.8%	106 152	103 356
Transfers and subsidies	148	-	-	148	139	9	93.9%	16	16
Payment for capital assets	2 756	-	(1 097)	1 659	1 587	72	95.7%	4 375	4 243
Payment for financial assets	-	-	-	-	-	-	-	2	2
	106 204	-	148	106 352	106 036	316		110 545	107 617
4. FINANCIAL GOVERNANCE									
Current payment	28 696	-	(921)	27 775	26 316	1 459	94.7%	29 885	29 033
Transfers and subsidies	-	-	-	-	-	-	-	14	14
Payment for capital assets	110	-	1 097	1 207	1 207	-	100%	1 150	1 087
Payment for financial assets	-	-	-	-	-	-	-	-	-
	28 806	-	176	28 982	27 523	1 459		31 049	30 134
Subtotal	253 224	-	21	253 245	249 992	3 253	98.7%	254 111	242 782
Statutory payment	1 756	-	(21)	1 735	1 735	-	100.0%	1 652	1 652
TOTAL	254 980	-	-	254 980	251 727	3 253	98.7%	255 763	244 434

APPROPRIATION STATEMENT

FOR THE YEAR ENDED 31 MARCH 2014

	2013/14		2012/13	
	Final Appropriation	Actual Expenditure	Final Appropriation	Actual Expenditure
TOTAL (brought forward)				
Reconciliation with statement of financial performance				
ADD				
Departmental receipts	52 850		48 480	
Aid assistance	25		102	
Actual amounts per statement of financial performance (total revenue)	307 855		304 345	
ADD				
Aid assistance		25		77
Actual amounts per statement of financial performance (total expenditure)		251 752		244 511

Appropriation per programme									
	2013/14							2012/13	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments									
Compensation of employees	134 211	-	21	134 232	134 107	125	99.9%	130 007	124 806
Goods and services	110 306	(199)	-	110 107	107 174	2 933	97.3%	116 723	111 810
Transfers and subsidies									
Provinces and municipalities	3 012	-	-	3 012	3 011	1	100.0%	8	1
Departmental agencies and accounts	433	2	-	435	435	-	100.0%	3	2
Households	243	144	-	387	378	9	97.7%	179	179
Gifts and donations	-	11	-	11	11	-	100.0%	-	-
Payments for capital assets									
Machinery and equipment	4 819	(75)	-	4 744	4 577	167	96.5%	5 623	4 427
Intangible assets	200	117	-	317	299	18	94.3%	1 564	1 553
Payments for financial assets									
	-	-	-	-	-	-	-	4	4
Total	253 224	-	21	253 245	249 992	3 253	98.7%	254 111	242 782
Direct change against the Provincial Revenue Fund									
Member of Executive Council	1 756	-	(21)	1 735	1 735	-	100.0%	1 652	1 652
Total	1 756	-	(21)	1 735	1 735	-	100.0%	1 652	1 652

APPROPRIATION STATEMENT

FOR THE YEAR ENDED 31 MARCH 2014

Appropriation per programme									
Detail per sub-programme	2013/14							2012/13	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
1.1 MEMBER OF EXECUTIVE COUNCIL									
Current payment	4 269	380	(69)	4 580	4 584	(4)	100.1%	3 680	3 541
1.2 MANAGEMENT SERVICES									
Current payment	29 065	(157)	(45)	28 863	28 573	290	99.0%	29 965	27 913
Transfers and subsidies	493	157	-	650	648	2	99.7%	139	139
Payment for capital assets	-	-	-	-	-	-	-	1	1
1.3 FINANCIAL MANAGEMENT									
Current payment	33 371	(380)	-	32 991	32 473	518	98.4%	34 860	33 637
Transfers and subsidies	12	-	-	12	13	(1)	108.3%	11	3
Payment for capital assets	2 153	-	-	2 153	2 041	112	94.8%	1 412	552
Payment for financial assets	-	-	-	-	-	-	-	1	1
1.4 INTERNAL AUDIT									
Current payment	3 828	-	(60)	3 768	3 612	156	95.9%	3 818	3 679
Total	73 191	-	(174)	73 017	71 944	1 073	98.5%	73 887	69 466

APPROPRIATION STATEMENT

FOR THE YEAR ENDED 31 MARCH 2014

Appropriation per programme									
Economic classification	2013/14							2012/13	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments									
Compensation of employees	41 880	-	(174)	41 706	41 616	90	99.8%	41 053	39 705
Goods and services	28 653	(157)	-	28 496	27 626	870	96.9%	31 270	29 065
Transfers and subsidies to:									
Provinces and municipalities	12	-	-	12	11	1	91.7%	8	1
Departmental agencies and accounts	433	2	-	435	435	-	100.0%	3	2
Households	60	144	-	204	204	-	100.0%	139	139
Gifts and donations	-	11	-	11	11	-	100.0%	-	-
Payment for capital assets									
Machinery and equipment	2 153	(75)	-	2 078	1 966	112	94.6%	1 412	552
Intangible assets	-	75	-	75	75	-	100.0%	-	-
Payments for financial assets									
	-	-	-	-	-	-	-	2	2
Total	73 191	-	(174)	73 017	71 944	1 073	98.5%	73 887	69 466

APPROPRIATION STATEMENT

FOR THE YEAR ENDED 31 MARCH 2014

Appropriation per programme									
Detail per sub-programme	2013/14							2012/13	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
2.1 Programme Support									
Current payment	6 068	-	(17)	6 051	5 992	59	99.0%	2 448	2 143
2.2 Economic Analysis									
Current payment	3 275	(42)	(47)	3 186	3 144	42	98.7%	3 388	3 329
Transfers and subsidies	-	-	-	-	-	-	-	10	10
Payment for capital assets	-	42	-	42	42	-	100.0%	-	-
2.3 Municipal Fiscal Discipline									
Current payment	5 259	294	-	5 553	5 553	-	100.0%	5 074	4 945
Transfers and subsidies	35	-	-	35	35	-	100.0%	-	-
2.4 Provincial Admin Fiscal Discipline									
Current payment	4 627	-	-	4 627	4 586	41	99.1%	4 901	4 359
2.5 Budget And Expenditure Management									
Current payment	7 989	-	(13)	7 976	7 825	151	98.1%	7 515	7 489
2.6 Municipal Finance									
Current payment	11 262	-	(34)	11 228	11 166	62	99.4%	12 027	10 539
Transfers and subsidies	3 000	-	-	3 000	3 000	-	100.0%	-	-
Payment for capital assets	-	-	-	-	-	-	-	250	98
2.7 Infrastructure Co-ordination									
Current payment	3 508	(294)	(18)	3 196	3 146	50	98.4%	3 017	2 653
Total	45 023	-	(129)	44 894	44 489	405	99.1%	38 630	35 565

APPROPRIATION STATEMENT

FOR THE YEAR ENDED 31 MARCH 2014

Appropriation per programme									
Economic classification	2013/14							2012/13	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments									
Compensation of employees	31 012	-	(129)	30 883	30 875	8	100.0%	30 315	28 211
Goods and services	10 976	(42)	-	10 934	10 537	397	96.4%	8 055	7 246
Transfers and subsidies to:									
Provinces and municipalities	3 000	-	-	3 000	3 000	-	100.0%	-	-
Households	35	-	-	35	35	-	100.0%	10	10
Payment for capital assets									
Machinery and equipment	-	-	-	-	-	-	-	250	98
Intangible assets	-	42	-	42	42	-	100.0%	-	-
Payments for financial assets									
Total	45 023	-	(129)	44 894	44 489	405	99.1%	38 630	35 565

APPROPRIATION STATEMENT

FOR THE YEAR ENDED 31 MARCH 2014

Appropriation per programme									
Detail per sub-programme	2013/14							2012/13	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
3.1 Programme Support									
Current payment	1 970	(20)	-	1 950	1 842	108	94.5%	1 967	1 818
3.2 Provincial Supply Chain Management									
Current payment	16 053	20	-	16 073	16 063	10	99.9%	14 767	14 036
Transfers and subsidies	32	-	-	32	32	-	100.0%	-	-
3.3 Financial Asset Management									
Current payment	2 520	-	98	2 618	2 578	40	98.5%	1 899	1 841
3.4 Public Sector Liabilities									
Current payment	3 513	-	-	3 513	3 499	14	99.6%	2 662	2 520
3.5 Physical Asset Management									
Current payment	4 399	-	97	4 496	4 481	15	99.7%	4 442	4 265
3.6 Interlinked Financial System									
Current payment	11 384	-	-	11 384	11 348	36	99.7%	9 611	9 598
Transfers and subsidies	46	-	-	46	45	1	97.8%	-	-
Payment for capital assets	50	-	-	50	21	29	42.0%	-	-
3.7 Information Technology									
Current payment	63 461	-	1 050	64 511	64 499	12	100.0%	70 804	69 278
Transfers and subsidies	70	-	-	70	62	8	88.6%	16	16
Payment for capital assets	2 706	-	(1 097)	1 609	1 566	43	97.3%	4 375	4 243
Payment for financial assets	-	-	-	-	-	-	-	2	2
Total	106 204	-	148	106 352	106 036	316	99.7%	110 545	107 617

APPROPRIATION STATEMENT

FOR THE YEAR ENDED 31 MARCH 2014

Appropriation per programme									
Economic classification	2013/14							2012/13	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments									
Compensation of employees	45 193	-	195	45 388	45 387	1	100.0%	42 406	41 356
Goods and services	58 107	-	1 050	59 157	58 924	233	99.6%	63 746	62 000
Interest and rent on land									
Transfers and subsidies to:									
Households	148	-	-	148	139	9	93.9%	16	16
Gifts and donations									
Payment for capital assets									
Machinery and equipment	2 556	-	(1 097)	1 459	1 404	55	96.2%	2 811	2 690
Intangible assets	200	-	-	200	182	18	91.0%	1 564	1 553
Payments for financial assets									
	-	-	-	-	-	-	-	2	2
Total	106 204	-	148	106 352	106 036	316	99.7%	110 545	107 617

APPROPRIATION STATEMENT

FOR THE YEAR ENDED 31 MARCH 2014

Appropriation per programme									
Detail per sub-programme	2013/14							2012/13	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
4.1 Programme Support									
Current payment	6 296	-	(1 050)	5 246	4 873	373	92.9%	4 075	3 906
Transfers and subsidies	-	-	-	-	-	-	-	-	-
Payment for capital assets	110	-	1 097	1 207	1 207	-	100.0%	1 150	1 087
4.2 Accounting Services									
Current payment	5 039	-	-	5 039	4 712	327	93.5%	4 090	3 659
4.3 Norms And Standards									
Current payment	14 120	-	129	14 249	13 607	642	95.5%	18 223	18 211
4.4 Risk Management									
Current payment	1 321	-	-	1 321	1 207	114	91.4%	1 421	1 276
Transfers and subsidies	-	-	-	-	-	-	-	14	14
4.5 Provincial Internal Audit									
Current payment	1 920	-	-	1 920	1 917	3	99.8%	2 076	1 981
Total	28 806	-	176	28 982	27 523	1 459	95.0%	31 049	30 134

APPROPRIATION STATEMENT

FOR THE YEAR ENDED 31 MARCH 2014

Appropriation per programme									
2013/14								2012/13	
Economic classification	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments									
Compensation of employees	16 126	-	129	16 255	16 229	26	99.8%	16 233	15 534
Goods and services	12 570	-	(1 050)	11 520	10 087	1 433	87.6%	13 652	13 499
Interest and rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies to:									
Households	-	-	-	-	-	-	-	14	14
Payment for capital assets									
Machinery and equipment	110	-	1 097	1 207	1 207	-	100.0%	1 150	1 087
Payments for financial assets									
Total	28 806	-	176	28 982	27 523	1 459	95.0%	31 049	30 134

NOTES TO THE APPROPRIATION STATEMENT

FOR THE YEAR ENDED 31 MARCH 2014

1. DETAILS OF TRANSFERS AND SUBSIDIES AS PER APPROPRIATION ACT (AFTER VIREMENT):

Details 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. DETAILS OF SPECIFICALLY AND EXCLUSIVELY APPROPRIATED AMOUNTS VOTED (AFTER VIREMENT):

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

3. DETAILS 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	Final Appropriation	Actual Expenditure	Variance R'000	Variance as a % of Final Appropriation
Administration	74 777	73 704	1 073	1%
Sustainable Resource Management	44 894	44 489	405	1%
Asset and Liabilities Management	106 352	106 036	316	0%
Financial Governance.	28 982	27 523	1 459	5%

4.2 Per economic classification	Final Appropriation	Actual Expenditure	Variance	Variance as a % of Final Appropriation
	R'000	R'000	R'000	R'000
Current payments				
Compensation of Employees	135 967	135 842	125	0%
Goods and Services	110 107	107 174	2 933	3%
Transfers and subsidies				
Provinces and Municipalities	3 012	3 011	1	0%
Departmental Agencies and Accounts	435	435	-	0%
Households	387	378	9	2%
Gifts and donations	36	36	0	0%
Payments for capital assets				
Machinery and equipment	4 744	4 577	167	4%
Intangible assets	317	299	18	6%

STATEMENT OF THE FINANCIAL PERFORMANCE

FOR THE YEAR ENDED 31 MARCH 2014

PERFORMANCE	Note	2013/14 R'000	2012/13 R'000
REVENUE			
Annual appropriation	<u>1</u>	253 245	254 111
Statutory appropriation	<u>2</u>	1 735	1 652
Departmental revenue	<u>3</u>	52 850	48 480
Aid assistance	<u>4</u>	25	102
TOTAL REVENUE		<u>307 855</u>	<u>304 345</u>
PERFORMANCE			
	Note	2013/14 R'000	2012/13 R'000
EXPENDITURE			
Current expenditure			
Compensation of employees	<u>5</u>	135 842	126 458
Goods and services	<u>6</u>	107 174	111 810
Total current expenditure		<u>243 016</u>	<u>238 268</u>
Transfers and subsidies			
Transfers and subsidies	<u>8</u>	3 835	182
Aid assistance	<u>4</u>	25	77
Total transfers and subsidies		<u>3 860</u>	<u>259</u>
Expenditure for capital assets			
Tangible assets	<u>9</u>	4 577	4 427
Intangible assets	<u>9</u>	299	1 553
Total expenditure for capital assets		<u>4 876</u>	<u>5 980</u>
Payments for financial assets	<u>7</u>	-	4
TOTAL EXPENDITURE		<u>251 752</u>	<u>244 511</u>
SURPLUS FOR THE YEAR		<u>56 103</u>	<u>59 834</u>
Reconciliation of Net Surplus for the year			
Voted funds		3 253	11 329
Annual appropriation		3 253	11 329
Departmental revenue and NRF Receipts	<u>12</u>	52 850	48 480
Aid assistance	<u>4</u>	-	25
SURPLUS FOR THE YEAR		<u>56 103</u>	<u>59 834</u>

STATEMENT OF FINANCIAL POSITION

FOR THE YEAR ENDED 31 MARCH 2014

POSITION	Note	2013/14 R'000	2012/13 R'000
ASSETS			
Current assets		4 775	12 294
Cash and cash equivalents	<u>16</u>	3 823	12 283
Receivables	<u>11</u>	952	11
TOTAL ASSETS		<u>4 775</u>	<u>12 294</u>
LIABILITIES			
Current liabilities		4 162	12 285
Voted funds to be surrendered to the Revenue Fund	<u>12</u>	3 253	11 329
Departmental revenue and NRF Receipts to be surrendered to the Revenue Fund	<u>13</u>	908	931
Payables	<u>14</u>	1	-
Aid assistance unutilised	<u>4</u>	-	25
Non-current liabilities			
TOTAL LIABILITIES		<u>4 162</u>	<u>12 285</u>
NET ASSETS		<u>613</u>	<u>9</u>
	Note	2013/14 R'000	2012/13 R'000
Represented by:			
Recoverable revenue		613	9
TOTAL		<u>613</u>	<u>9</u>

STATEMENT OF CHANGES IN NET ASSETS

FOR THE YEAR ENDED 31 MARCH 2014

NET ASSETS	2013/14 R'000	2012/13 R'000
Recoverable revenue		
Opening balance	9	-
Transfers:	-	9
Debts recovered(included in departmental receipts)	50	-
Debts raised	554	-
Closing balance	<u>613</u>	<u>9</u>
TOTAL	<u>613</u>	<u>9</u>

CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 MARCH 2014

CASH FLOWS FROM OPERATING ACTIVITIES	2013/14 R'000	2012/13 R'000
Receipts	315 908	311 823
Annual appropriated funds received <u>1.1</u>	253 245	254 111
Statutory appropriated funds received <u>2</u>	1 735	1 652
Departmental revenue received <u>3.1 & 3.4</u>	2 290	3 427
Interest received <u>3.3</u>	58 613	52 531
Aid assistance received <u>4</u>	25	102
Net increase in working capital	(940)	1
Surrendered to Revenue Fund	(72 274)	(61 051)
Surrendered to Revenue Fund	(25)	-
Current payments	(243 016)	(238 268)
Payments for financial assets	-	(4)
Transfers and subsidies paid	(3 860)	(259)
Net cash flow available from operating activities	<u>(4 207)</u>	<u>12 242</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Payments for capital assets <u>3</u>	(4 876)	(5 980)
Proceeds from sale of capital assets <u>3.3</u>	19	195
Net cash flows from investing activities	<u>(4 857)</u>	<u>(5 785)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Increase in net assets	604	9
Net cash flows from financing activities	<u>604</u>	<u>9</u>
Net decrease in cash and cash equivalents	(8 460)	6 466
Cash and cash equivalents at beginning of period	12 283	5 817
Cash and cash equivalents at end of period <u>10</u>	<u>3 823</u>	<u>12 283</u>

ACCOUNTING POLICY

FOR THE YEAR ENDED 31 MARCH 2014

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Financial Statements have been prepared in accordance with the following policies, which have been applied consistently in all material aspects, unless otherwise indicated.

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

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

1. BASIS OF PREPARATION

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

2. GOING CONCERN

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

3. PRESENTATION CURRENCY

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

4. ROUNDING

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

6. CURRENT YEAR COMPARISON WITH BUDGET

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

7. REVENUE

7.1 Appropriated Funds

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

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

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

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.

Departmental revenue presents any difference between budgeted and actual revenue on the face of the statement of financial performance this difference is deducted in the departmental revenue note to the financial statements.

7.3 Accrued Departmental Revenue

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

- it is probable that the economic benefits or service potential associated with the transaction will flow to the department; and
 - the amount of revenue can be measured reliably.
- The accrued revenue is measured at the fair value of the consideration receivable. Accrued tax revenue (and related interest and / penalties) is measured at amounts receivable from collecting agents.

8 EXPENDITURE

8.1 Compensation of employees

8.1.1 Salaries and wages

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

8.1.2 Social contributions

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

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

8.2 Other expenditure

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

8.3 ACCRUED EXPENDITURE PAYABLE

Accrued expenditure payable is recorded in the notes to the financial statements when the goods are received or, in the case of services, when they are rendered to the department. Accrued expenditure payable is measured at cost.

8.4 LEASES

8.4.1 Operating leases

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

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

8.4.2 Finance leases

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

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

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

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

9 AID ASSISTANCE

9.1 Aid assistance received

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

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

9.2 Aid assistance paid

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

10. CASH AND CASH EQUIVALENTS

Cash and cash equivalents are stated at cost in the statement of financial position. Bank overdrafts are shown separately on the face of the statement of financial position. 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.

13. INVESTMENTS

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

14. IMPAIRMENT OF FINANCIAL ASSETS

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

15. PAYABLES

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

16 CAPITAL ASSETS

16.1 Immovable capital assets

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

Where the cost of immovable capital assets cannot be determined accurately, the immovable capital assets are measured at R1 unless the fair value of the asset has been reliably estimated, in which case the fair value is used.

All assets acquired prior to 1 April 2002 (or a later date as approved by the OAG) are recorded at R1. Immovable capital assets are subsequently carried at cost and are not subject to depreciation or impairment.

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

16.2 Movable capital assets

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

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

All assets acquired prior to 1 April 2002 (or a later date as approved by the OAG) are recorded at R1. Movable capital assets are subsequently carried at cost and are not subject to depreciation or impairment.

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

16.3 Intangible assets

Intangible assets are initially recorded in the notes to the financial statements at cost.

Intangible assets acquired through a non-exchange transaction are measured at fair value as at the date of acquisition.

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

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

All assets acquired prior to 1 April 2002 (or a later date as approved by the OAG) are recorded at R1. Intangible assets are subsequently carried at cost and are not subject to depreciation or impairment. Subsequent expenditure that is of a capital nature is added to the cost of the asset at the end of the capital project unless the intangible asset is recorded by another department/entity in which case the completed project costs are transferred to that department.

17 PROVISIONS AND CONTINGENTS

17.1 Provisions

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

17.2 Contingent liabilities

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

17.3 Contingent assets

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

17.4 Commitments

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

18. UNAUTHORISED EXPENDITURE

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

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

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

19. FRUITLESS AND WASTEFUL EXPENDITURE

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

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

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

20. IRREGULAR EXPENDITURE

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

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

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

21. CHANGES IN ACCOUNTING ESTIMATES

A change in accounting estimate is an adjustment of the carrying amount of an asset or a liability, or the amount of the periodic consumption of an asset, that results from the assessment of the present status of, and expected future benefits and obligations associated with, assets and liabilities.

Changes in accounting estimates result from new information or new developments and, accordingly, are not corrections of errors. The effect of a change in an accounting estimate shall be recognised prospectively.

22. PRIOR PERIOD ERRORS

Prior period errors are omissions from, and misstatements in, the department's financial statements for one or more prior periods arising from a failure to use, or misuse of, reliable information that:

- a) was available when financial statements for those periods were authorised for issue; and
- b) could reasonably be expected to have been obtained and taken into account in the preparation and presentation of those financial statements.

Such errors include the effects of mathematical mistakes, mistakes in applying accounting policies, oversights or misinterpretations of facts, and fraud. Prior year errors are therefore corrected retrospectively

23. NON-ADJUSTING EVENTS AFTER THE REPORTING DATE

Events after the reporting date are those events, both favourable and unfavourable, that occur between the reporting date and the date when the financial statements are authorised for issue. Two types of events can be identified:

- a. those that provide evidence of conditions that existed at the reporting date (adjusting events after the reporting date); and
- b. those that are indicative of conditions that arose after the reporting date (non-adjusting events after the reporting date).

24. AGENT-PRINCIPAL ARRANGEMENTS

A department is acting as a principal when it has the power to exercise beneficial control over an activity. A department has beneficial control when it has both the power to direct the activity, and the ability to benefit from that power.

NOTES TO THE ANNUAL FINANCIAL STATEMENT

FOR THE YEAR ENDED 31 MARCH 2014

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:

	2013/14	2012/13		
	Final Appropriation	Actual Funds Received	Funds not requested/ not received	Appropriation received
	R'000	R'000	R'000	R'000
Administration	73 017	73 017	-	73 887
Sustainable Resource Management	44 894	44 894	-	38 630
Assets And Liabilities Management	106 352	106 352	-	110 545
Financial Governance	28 982	28 982	-	31 049
Total	253 245	253 245	-	254 111

2. STATUTORY APPROPRIATION

	2013/14	2012/13
	R'000	R'000
Member of Executive Committee	1 735	1 652
Total	1 735	1 652
Actual Statutory Appropriation received	1 735	1 652

3. DEPARTMENTAL REVENUE

	2013/14	2012/13
	R'000	R'000
Sales of goods and services other than capital assets	2 240	3 332
Interest, dividends and rent on land	58 613	52 531
Sales of capital assets	19	195
Transactions in financial assets and liabilities	50	95
Total revenue collected	60 922	56 153
Less: Own revenue included in appropriation	8 072	7 673
Departmental revenue collected	52 850	48 480

Note: There was a prior year error due to misinterpretation of the standard

3.1 Sales of goods and services other than capital assets

	2013/14	2012/13
	R'000	R'000
Sales of goods and services produced by the department	2 240	3 332
the sales	2 240	3 332
Total	2 240	3 332

NOTES TO THE ANNUAL FINANCIAL STATEMENT

FOR THE YEAR ENDED 31 MARCH 2014

3.2 Interest, dividends and rent on land

	Note	2013/14	2012/13
	3	R'000	R'000
Interest		58 613	52 531
Total		58 613	52 531

3.3 Sale of capital assets

	Note	2013/14	2012/13
	3	R'000	R'000
Tangible assets			
Machinery and equipment		19	195
Intangible assets			
Software		-	-
Total		19	195

3.4 Transactions in financial assets and liabilities

	Note	2013/14	2012/13
	3	R'000	R'000
Receivables		50	95
Other Receipts including Recoverable Revenue		-	-
Total		50	95

4. AID ASSISTANCE**4.1 Aid assistance received in cash from other sources**

	2013/14	2012/13
	R'000	R'000
Local		
Opening Balance	25	-
Revenue	25	102
Expenditure	(25)	(77)
Transfers	(25)	(77)
Prepayments	-	-
Surrendered to the Revenue fund	(25)	-
Closing Balance	-	25

4.2 Total assistance

	2013/14	2012/13
	R'000	R'000
Opening Balance	25	-
Revenue	25	102
Expenditure	(25)	(77)

NOTES TO THE ANNUAL FINANCIAL STATEMENT

FOR THE YEAR ENDED 31 MARCH 2014

Transfers	(25)	(77)
Surrendered to Revenue fund	(25)	-
Closing Balance	-	25

4.3 Analysis of balance

	2013/14	2012/13
	R'000	R'000
Aid assistance unutilised	-	25
Other sources	-	25
Closing balance	-	25

5. COMPENSATION OF EMPLOYEES

5.1 Salaries and Wages

	Note	2013/14	2012/13
		R'000	R'000
Basic salary	5	91 044	84 469
Performance award		2 010	1 959
Service Based		161	50
Compensative/circumstantial		12 347	11 063
Other non-pensionable allowances		13 602	13 226
Total		119 164	110 767

5.2 Social contributions

	Note	2013/14	2012/13
		R'000	R'000
Employer contributions	5		
Pension		11 688	10 657
Medical		4 971	5 017
Bargaining council		19	17
Total		16 678	15 691
Total compensation of employees		135 842	126 458
Average number of employees		349	344

6. GOODS AND SERVICES

	Note	2013/14	2012/13
		R'000	R'000
Administrative fees		738	796
Advertising		1 387	1 064
Minor assets	6.1	736	787

NOTES TO THE ANNUAL FINANCIAL STATEMENT

FOR THE YEAR ENDED 31 MARCH 2014

Bursaries (employees)		-	2
Catering		1 111	1 148
Communication		4 401	4 232
Computer services	6.2	50 832	55 002
Consultants, contractors and agency/outsourced services	6.3	8 529	4 247
Audit cost – external	6.4	5 420	5 898
Fleet services		1 527	1 505
Inventory		-	-
Consumables	6.5	3 187	3 799
Operating leases		5 934	6 095
Property payments	6.6	2 932	3 362
Rental and hiring		27	10
Transport provided as part of the departmental activities		224	136
Travel and subsistence	6.7	15 116	16 719
Venues and facilities		2 020	3 614
Training and development		2 061	2 408
Other operating expenditure	6.8	992	986
Total		107 174	111 810

6.1 Minor assets

	Note	2013/14	2012/13
	6	R'000	R'000
Tangible assets			
Machinery and equipment		736	787
Intangible assets		-	-
Total		736	787

6.2 Computer services

	Note	2013/14	2012/13
	6	R'000	R'000
SITA computer services		50 832	55 002
External computer service providers			
Total		50 832	55 002

6.3 Consultants, contractors and agency/outsourced services

	Note	2013/14	2012/13
	6	R'000	R'000
Business and advisory services		7 720	3 815
Legal costs		152	20
Contractors		657	412
Total		8 529	4 247

NOTES TO THE ANNUAL FINANCIAL STATEMENT

FOR THE YEAR ENDED 31 MARCH 2014

6.4 Audit cost – External

	Note	2013/14	2012/13
	6	R'000	R'000
Regularity audits		5 420	4 685
Performance audits		-	1 213
Total		5 420	5 898

6.5 Consumables

	Note	2013/14	2012/13
	6	R'000	R'000
Consumable supplies		977	821
Uniform and clothing		110	-
Household supplies		855	821
IT Consumables		12	-
Stationery, printing and office supplies		2 210	2 978
Total		3 187	3 799

6.6 Property payments

	Note	2013/14	2012/13
	6	R'000	R'000
Municipal services		2 932	3 222
Property maintenance and repairs		-	140
Other		-	-
Total		2 932	3 362

6.7 Travel and subsistence

	Note	2013/14	2012/13
	6	R'000	R'000
Local		15 116	16 713
Foreign		-	6
Total		15 116	16 719

6.8 Other operating expenditure

	Note	2013/14	2012/13
	6	R'000	R'000
Professional bodies, membership and subscription fee		-	27
Resettlement costs		-	20
Other		992	939
Total		992	986



NOTES TO THE ANNUAL FINANCIAL STATEMENT

FOR THE YEAR ENDED 31 MARCH 2014

7. PAYMENTS FOR FINANCIAL ASSETS

	Note	2013/14 R'000	2012/13 R'000
Debts written off	7.1	-	4
Total		-	4

7.1 Other debt written off

	2013/14 R'000	2012/13 R'000
Medical Aid	-	3
Tax Debt	-	1
Total	-	4

8. TRANSFERS AND SUBSIDIES

	Note	2013/14 R'000	2012/13 R'000
Provinces and municipalities	Annex 1B	3 011	1
Departmental agencies and accounts	Annex 1C	435	2
Households	Annex 1H	378	137
Gifts, donations and sponsorships made	Annex 1K	11	42
Total		3 835	182

9. EXPENDITURE FOR CAPITAL ASSETS

	Note	2013/14 R'000	2012/13 R'000
Tangible assets		4 577	4 427
Machinery and equipment	9.1	4 577	4 427
Intangible assets		299	1 553
Software		299	1 553
Total		4 876	5 980

9.1 Analysis of funds utilised to acquire capital assets – 2013/14

	Voted funds R'000	Aid assistance R'000	Total R'000
Tangible assets	4 577		4 577
Machinery and equipment	4 577	-	4 577
Intangible assets	299		299
Software	299	-	299
Total	4 876	-	4 876

NOTES TO THE ANNUAL FINANCIAL STATEMENT

FOR THE YEAR ENDED 31 MARCH 2014

9.2 Analysis of funds utilised to acquire capital assets – 2012/13

	Voted funds	Aid assistance	Total
	R'000	R'000	R'000
Tangible assets	4 427	-	4 427
Machinery and equipment	4 427	-	4 427
Intangible assets	1 553	-	1 553
Software	1 553	-	1 553
Total	5 980	-	5 980

10. CASH AND CASH EQUIVALENTS

	2013/14	2012/13
	R'000	R'000
Consolidated Paymaster General Account	3 823	15 494
Disbursements	-	(3 211)
Total	3 823	12 283

11. RECEIVABLES

		2013/14			2012/13	
	Note	R'000	R'000	R'000	R'000	R'000
		Less than one year	One to three years	Older than three years	Total	Total
Claims recoverable	11.1	168	-	-	168	-
Staff debt	11.2	78	-	-	78	6
Other debtors	11.3	701	5	-	706	5
Total		947	5	-	952	11

11.1 Claims recoverable

	2013/14	2012/13
	R'000	R'000
National departments	40	-
Provincial departments	128	-
Total	168	-

11.2 Staff debt

	2013/14	2012/13
	R'000	R'000
3G Card	2	-
Overpayment	23	6
Recover of loss/Damage to assets	51	-
Tax Debt	2	-
Total	78	6

NOTES TO THE ANNUAL FINANCIAL STATEMENT

FOR THE YEAR ENDED 31 MARCH 2014

11.3 Other debtors

	2013/14	2012/13
	R'000	R'000
Medical Aid – Overpayment	-	4
Supplier – Overpayment	11	-
Ex-employees – Tax Debt	1	1
Amount to be recovered from Irregular Expenditure	530	-
Salary Overpayment to an ex-employee	160	-
Recovery of stolen laptop	4	-
Total	706	5

12. VOTED FUNDS TO BE SURRENDERED TO THE REVENUE FUND

	2013/14	2012/13
	R'000	R'000
Opening balance	11 329	5 306
As restated	11 329	5 306
Transfer from statement of financial performance (as restated)	3 253	11 329
Paid during the year	(11 329)	(5 306)
Closing balance	3 253	11 329

13. DEPARTMENTAL REVENUE AND NRF RECEIPTS TO BE SURRENDERED TO THE REVENUE FUND

	2013/14	2012/13
	R'000	R'000
Opening balance	931	523
Prior Period Error	-	-
As restated	931	523
Transfer from Statement of Financial Performance (as restated)	52 850	48 480
Own revenue included in appropriation	8 072	7 673
Paid during the year	(60 945)	(55 745)
Closing balance	908	931

14. PAYABLES – CURRENT

	Note	2013/14	2012/13
		R'000	R'000
Clearing accounts	14.1	1	-
Total		1	-

NOTES TO THE ANNUAL FINANCIAL STATEMENT

FOR THE YEAR ENDED 31 MARCH 2014

14.1. Clearing accounts

	Note	2013/14	2012/13
	14	R'000	R'000
Description			
Sal: Income tax		1	-
Total		1	-

15. NET CASH FLOW AVAILABLE FROM OPERATING ACTIVITIES

	2013/14	2012/13
	R'000	R'000
Net surplus as per Statement of Financial Performance	56 103	59 834
Add back non cash/cash movements not deemed operating activities	(60 310)	(47 592)
Increase in receivables – current	(941)	1
Increase in payables – current	1	-
Proceeds from sale of capital assets	(19)	(195)
Expenditure on capital assets	4 876	5 980
Surrenders to Revenue Fund	(72 274)	(61 051)
Surrenders to Revenue Fund	(25)	-
Own revenue included in appropriation	8 072	7 673
Other non-cash items	-	-
Net cash flow generated by operating activities	(4 207)	12 242

16. RECONCILIATION OF CASH AND CASH EQUIVALENTS FOR CASH FLOW PURPOSE

	2013/14	2012/13
	R'000	R'000
Consolidated Paymaster General account	3 823	15 494
Disbursements	-	(3 211)
Total	3 823	12 283

DISCLOSURE NOTES TO THE ANNUAL FINANCIAL DEPARTMENT

FOR THE YEAR ENDED 31 MARCH 2014

17. CONTINGENT LIABILITIES AND CONTINGENT ASSETS

17.1 Contingent Liabilities

	Note	2013/14 R'000	2012/13 R'000
Liable to Nature			
Housing loan guarantees Employees	Annex 3A	53	257
Claims against the department	Annex 3B	-	-
Intergovernmental payables (unconfirmed balances)	Annex 5	-	74
Total		53	331

17.2 Contingent Assets

	2013/14 R'000	2012/13 R'000
Nature of contingent asset		
Performance Bonus paid to unqualifying official.		23
Total	-	23

The investigation was finalised during the year and a debt was raised

18. COMMITMENTS

	Note	2013/14 R'000	2012/13 R'000
Current expenditure	18		
Approved and contracted		4 370	1 080
Approved but not yet contracted		-	-
		4 370	1 080
Capital expenditure			
Approved and contracted		298	566
Approved but not yet contracted		-	-
		298	566
Total Commitments		4 668	1 646

19. ACCRUALS

	2013/14 R'000		2012/13 R'000
Listed by economic classification	30 Days	30+ Days	Total
Goods and services	1 938	525	2 463
Total	1 938	525	2 463

DISCLOSURE NOTES TO THE ANNUAL FINANCIAL DEPARTMENT

FOR THE YEAR ENDED 31 MARCH 2014

		2013/14 R'000	2012/13 R'000
Listed by programme level			
Administration		1 897	1 088
Sustainable Resource Management		220	6
Asset and Liabilities Management		198	3 330
Financial Governance		148	57
Total		2 463	4 481
	Note	2013/14 R'000	2012/13 R'000
Confirmed balances with other departments	Annex 5	37	253
Total		37	253

20. EMPLOYEE BENEFITS

	Note	2013/14 R'000	2012/13 R'000
Leave entitlement	20	6 454	5 828
Service bonus (Thirteenth cheque)		3 704	3 606
Performance awards		2 317	2 166
Capped leave commitments		7 687	7 220
Total		20 162	18 820

21. LEASE COMMITMENTS

21.1 Operating leases expenditure

2013/14	Specialised military equipment	Land	Buildings and other fixed structures	Machinery & equipment	Total
Not later than 1 year	-	-	3 375	911	4 286
Later than 1 year and not later than 5 years	-	-	6 393	645	7 038
Later than five years	-	-	-	-	-
Total lease commitments	-	-	9 768	1 556	11 324
Not later than 1 year	-	-	3 426	1 196	4 622
Later than 1 year and not later than 5 years	-	-	9 067	799	9 866
Later than five years	-	-	-	-	-
Total lease commitments	-	-	12 493	1 995	14 488

DISCLOSURE NOTES TO THE ANNUAL FINANCIAL STATEMENT

FOR THE YEAR ENDED 31 MARCH 2014

22. IRREGULAR EXPENDITURE**22.1 Reconciliation of irregular expenditure**

	Note	2013/14	2012/13
	22	R'000	R'000
Opening balance		885	651
Add: Irregular expenditure – relating to current year		-	234
Less: Amount recoverable (not condoned)		(530)	-
Irregular expenditure awaiting condonation		<u>355</u>	<u>885</u>

Analysis of awaiting condonation per age classification

Prior Years		355	-
Total		<u>355</u>	<u>-</u>

22.2 Details of irregular expenditure recoverable (not condoned)

Incident	2013/14
	R'000
The matter has been concluded in court and a debt has been raised awaiting recovery processes	530
Total	<u>530</u>

22.3 Details of irregular expenditure under investigation

Incident	2013/14
	R'000
Incomplete Supply Chain Management bid processes	234
Total	<u>234</u>

23. RELATED PARTY TRANSACTION

During the year, the department received services from the Department of Public Works, Roads and Transport that are related to the department. The Department of Finance occupies government building 4 lower and upper grounds in the Province provided by the Department of Public Works, Roads and Transport free of charge.

During the year the department provided IT service (IT Support ,network and Governance) to the following departments: Office of the Premier, Co-operative Governance and Traditional Affairs, Culture, Sports and Recreation, Human Settlement, Agriculture, rural development and Land Administration, Economic Development, Environment and Tourism, Education, Safety, Security and Liaison and Public Works, Roads and Transport.

The Department of Finance provided IT services to all the departments free of charge.

24. KEY MANAGEMENT PERSONNEL

	No. of Individuals	2013/14	2012/13
		R'000	R'000
Political office bearers (provide detail below)			
Officials:	1	1 735	1 652
Level 15 to 16	1	1 137	1 077
Level 14 (incl. CFO if at a lower level)	4	4 444	2 666
Total		<u>7 316</u>	<u>5 395</u>

DISCLOSURE NOTES TO THE ANNUAL FINANCIAL STATEMENT

FOR THE YEAR ENDED 31 MARCH 2014

25. MOVABLE TANGIBLE CAPITAL ASSETS

MOVEMENT IN MOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2014

	Opening balance	Current Year Adjustments to prior year balances	Additions	Disposals	Closing Balance
	R'000	R'000	R'000	R'000	R'000
MACHINERY AND EQUIPMENT	28 105	(924)	5 326	1 880	30 627
Transport assets	3 939	-	1 628	904	4 663
Computer equipment	19 450	(573)	3 055	842	21 090
Furniture and office equipment	2 964	(15)	613	134	3 428
Other machinery and equipment	1 752	(336)	30	-	1 446
TOTAL MOVABLE TANGIBLE CAPITAL ASSETS	28 105	(924)	5 326	1 880	30 627

25.1 Additions

ADDITIONS TO MOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2014

	Cash	Non-cash	(Capital Work in Progress current costs and finance lease payments)	Received current, not paid (Paid current year, received prior year)	Total
	R'000	R'000	R'000	R'000	R'000
Machinery and Equipment	4 577	749	-	-	5 326
Transport assets	1 428	200	-	-	1 628
Computer equipment	2 506	549	-	-	3 055
Furniture and office equipment	613	-	-	-	613
Other machinery and equipment	30	-	-	-	30
Total additions to movable tangible capital assets	4 577	749	-	-	5 326

25.2 Disposals

DISPOSALS OF MOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2014

	Sold for cash	Transfer out or destroyed or scrapped	Total disposals	Cash Received Actual
	R'000	R'000	R'000	R'000
MACHINERY AND EQUIPMENT	1 880	-	1 880	19
Transport assets	904	-	904	17
Computer equipment	842	-	842	2
Furniture and office equipment	134	-	134	-
TOTAL DISPOSAL OF MOVABLE TANGIBLE CAPITAL ASSETS	1 880	-	1 880	19

DISCLOSURE NOTES TO THE ANNUAL FINANCIAL STATEMENT

FOR THE YEAR ENDED 31 MARCH 2014

25.3 Movement for 2012/13

	Opening balance	Current Year Adjustments to prior year balances	Additions	Disposals	Closing Balance
	R'000	R'000	R'000	R'000	R'000
MACHINERY AND EQUIPMENT	26 897	-	4 438	3 230	28 105
Transport assets	5 140	-	-	1 201	3 939
Computer equipment	18 047	-	3 398	1 995	19 450
Furniture and office equipment	2 348	-	650	34	2 964
Other machinery and equipment	1 362	-	390	-	1 752
TOTAL MOVABLE TANGIBLE CAPITAL ASSETS	26 897	-	4438	3230	28105

25.4 Minor assets

MOVEMENT IN MINOR ASSETS PER THE ASSET REGISTER FOR THE YEAR ENDED AS AT 31 MARCH 2014

	Specialised military assets	Intangible assets	Heritage assets	Machinery and equipment	Biological assets	Total
	R'000	R'000	R'000	R'000	R'000	R'000
Opening balance	-	12	6	7 962	-	7 980
Additions	-	-	-	736	-	736
Disposals	-	-	-	377	-	377
TOTAL MINOR ASSETS	-	12	6	8 321	-	8 337

	Specialised military assets	Intangible assets	Heritage assets	Machinery and equipment	Biological assets	Total
Number of minor assets at cost	-	7	8	5 407	-	5422
Total number of minor assets	-	7	8	5 407	-	5422

25.5 MOVEMENT IN MINOR ASSETS PER THE ASSET REGISTER FOR THE YEAR ENDED AS AT 31 MARCH 2013

	Specialised military assets	Intangible assets	Heritage assets	Machinery and equipment	Biological assets	Total
	R'000	R'000	R'000	R'000	R'000	R'000
Opening balance	-	12	6	7 361	-	7 379
Additions	-	-	-	784	-	784
Disposals	-	-	-	183	-	183
TOTAL MINOR ASSETS	-	12	6	7 962	-	7 980

	Specialised military assets	Intangible assets	Heritage assets	Machinery and equipment	Biological assets	Total
Number of minor assets at cost	-	7	8	5 287	-	5 302
TOTAL NUMBER OF MINOR ASSETS	-	7	8	5 287	-	5 302

DISCLOSURE NOTES TO THE ANNUAL FINANCIAL STATEMENT

FOR THE YEAR ENDED 31 MARCH 2014

26. INTANGIBLE CAPITAL ASSETS

MOVEMENT IN INTANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2014

	Opening balance	Current Year Adjust-ments to prior year balances	Additions	Disposals	Closing Balance
	R'000	R'000	R'000	R'000	R'000
SOFTWARE	6 880	(825)	299	337	6 017
TOTAL INTANGIBLE CAPITAL ASSETS	6 880	(825)	299	337	6 017

26.1 Additions

ADDITIONS TO INTANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2014

	Cash	Non- Cash	(Development work in progress – current costs)	Received current year, not paid (Paid current year, received prior year)	Total
	R'000	R'000	R'000	R'000	R'000
SOFTWARE	299	-	-	-	299
TOTAL ADDITIONS TO INTANGIBLE CAPITAL ASSETS	299	-	-	-	299

26.2 Disposals

DISPOSALS OF INTANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2014

	Sold for cash	Transfer out or destroyed or scrapped	Total disposals	Cash Received Actual
	R'000	R'000	R'000	R'000
SOFTWARE	-	337	337	
TOTAL DISPOSALS OF INTANGIBLE CAPITAL ASSETS	-	337	337	

26.3 Movement for 2012/13

MOVEMENT IN INTANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2013

	Opening balance	Current Year Adjust-ments to prior year balances	Additions	Disposals	Closing Balance
	R'000	R'000	R'000	R'000	R'000
SOFTWARE	5 327	-	1 553	-	6 880
TOTAL INTANGIBLE CAPITAL AS- SETS	5 327	-	1 553	-	6 880

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2014

ANNEXURE 1B

Statement of unconditional grants and transfers to municipalities

NAME OF MUNICIPALITY	Grant allocation				Transfer		Spent			2012/13
	Amount	Roll Overs	Adjustments	Total Available	Actual Transfer	% of Available funds Transferred	Amount received by municipality	Amount spent by municipality	% of available funds spent by municipality	Total Available
	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	%	R'000
Mbombela Municipality	12	-	-	12	11	92%	-	-	-	1
Msukalingwa Local Municipality	500	-	-	500	500	100%	-	-	-	-
Dipaliseng Local Municipality	500	-	-	500	500	100%	-	-	-	-
Bushbuckridge Local Municipality	500	-	-	500	500	100%	-	-	-	-
Thembisile Local Municipality	500	-	-	500	500	100%	-	-	-	-
Thaba Chweu Local Municipality	500	-	-	500	500	100%	-	-	-	-
Dr JS Moroka Local Municipality	500	-	-	500	500	100%	-	-	-	-
TOTAL	3 012	-	-	3 012	3 011	-	-	-	-	1

ANNEXURE 1C

Statement of transfers to departmental agencies and accounts

DEPARTMENT / AGENCY / ACCOUNT	Transfer allocation				Transfer		2012/13
	Adjusted Appropriation	Roll Overs	Adjustments	Total Available	Actual Transfer	% of Available funds Transferred	Appropriation Act
	R'000	R'000	R'000	R'000	R'000	%	R'000
PSETA	433	-	-	433	433	100%	-
SABC	-	-	2	2	2	100%	2
	433	-	2	435	435	100%	2

ANNEXURE 1H

Statement of transfers to households

HOUSEHOLDS	Transfer Allocation				Expenditure		2012/13
	Adjusted Appropriation Act	Roll Overs	Adjustments	Total Available	Actual Transfer	% of Available funds Transferred	Appropriation Act
	R'000	R'000	R'000	R'000	R'000	%	R'000
Transfers							
Household	243	-	144	387	378	98%	137
Total	243	-	144	387	378	98%	137

ANNEXURE 1J

Statement of aid assistance received

NAME OF DONOR	PURPOSE	OPENING BALANCE	REVENUE	EXPENDITURE	CLOSING BALANCE
		R'000	R'000	R'000	R'000
Received in cash					
Standard Bank	Mandela Day	-	25	25	-
TOTAL		-	25	25	-

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2014

ANNEXURE 1K

Statement of gifts, donations and sponsorships made and remissions, refunds and payments made as an act of grace

NATURE OF GIFT, DONATION OR SPONSORSHIP (Group major categories but list material items including name of organisation)	2013/14	2012/13
	R'000	R'000
Paid in cash		
Freedom Day Legacy Project	-	7
June Celebration Legacy Project	-	20
National heritage Day Legacy Project	-	8
Women's Day Legacy Project	-	7
Mandela Day Donations (Grocery to destitute families)	11	-
Subtotal	11	42
Made in kind		
School Career Day – Laptop Donated	-	71
Subtotal	-	71
TOTAL	11	113

ANNEXURE 3A

Statement of financial guarantees issued as at 31 march 2014 – local

Guarantor institution	Guarantee in respect of	Original guaranteed capital amount	Opening balance 1 April 2013	Guarantees draw downs during the year	Guarantees repayments / cancelled / reduced / released during the year	Revaluations	Closing balance 31 March 2014	Guaranteed interest for year ended 31 March 2014	Realised losses not recoverable i.e. claims paid out
		R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000
	Housing								
	Nedbank	-	12	-	12	-	-	-	-
	Standard Bank	-	16	-	16	-	-	-	-
	People's Bank	-	84	-	84	-	-	-	-
	Old Mutual	266	53	-	-	-	53	-	-
	First National Bank	-	32	-	32	-	-	-	-
	Mpumalanga Housing Finance Co-operation (MHFC)	-	60	-	60	-	-	-	-
	TOTAL	266	257	-	204	-	53	-	-

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2014

ANNEXURE 4

Claims Recoverable

Government Entity	Confirmed balance outstanding		Unconfirmed balance outstanding		Total	
	31/03/2014	31/03/2013	31/03/2014	31/03/2013	31/03/2014	31/03/2013
	R'000	R'000	R'000	R'000	R'000	R'000
Department						
Department of health	-	-	126	-	126	-
Department of Education	-	-	2	-	2	-
South African Police Services	-	-	40	-	40	-
TOTAL	-	-	168	-	168	-

ANNEXURE 5

Inter-Government Payables

GOVERNMENT ENTITY	Confirmed balance outstanding		Unconfirmed balance outstanding		TOTAL	
	31/03/2014	31/03/2013	31/03/2014	31/03/2013	31/03/2014	31/03/2013
	R'000	R'000	R'000	R'000	R'000	R'000
DEPARTMENTS						
Current						
MP: Department of Public work	-	249	-	40	-	289
MP: Department of Agriculture, Rural development and Land Administration	-	4	-	-	-	4
PALAMA	-	-	-	6	-	6
Government Printing	-	-	-	23	-	23
MP: Department of Education	-	-	-	2	-	2
MP: Department of Community Safety, Security and Liason	-	-	-	3	-	3
Department of justice and Constitutional Development	37	-	-	-	37	-
Total	37	253	-	74	37	327

ANNEXURE 6

Inventory

Inventory	Note	Quantity	2013/14	Quantity	2012/13
			R'000		R'000
Opening balance		23 753	706	35 711	882
Add/(Less): Adjustments to prior year balance		-	-	(13)	(14)
Add: Additions/Purchases - Cash		-	-	85 488	3 799
Add: Additions - Non-cash		-	-	-	-
(Less): Disposals		-	-	(138)	(41)
(Less): Issues		-	-	(97 086)	(3 707)
Add/(Less): Adjustments		(23 753)	(706)	(209)	(213)
Closing balance			-	23 753	706

There was a change in SCOA classification that required the Department to disclose consumables instead of inventory as the Department does not have inventory as per the description of SCOA. The quantity of the items is 43 808 at a value of R864 000.