



Annual REPORT 2015/16 VOTE 3



provincial treasury
MPUMALANGA PROVINCE
REPUBLIC OF SOUTH AFRICA



Mpumalanga Provincial Treasury
Annual Report 2015/2016

PR248/2016

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Part A

GENERAL INFORMATION





1. PROVINCIAL TREASURY GENERAL INFORMATION

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FACEBOOK

Mpumalanga Provincial Treasury

2. LIST OF ABBREVIATIONS / ACRONYMS

AIDS	Acquired Immunodeficiency Syndrome	IDIP	Infrastructure Delivery Improvement Programme
AFS	Annual Financial Statements	IDMS	Infrastructure Delivery Management System
AGSA	Auditor -General of South Africa	IGCC	Inter-Governmental Cash Coordination
BAS	Basic Accounting System	IIA	Institute of Internal Auditors
CFO	Chief Financial Officer	IMSP	Integrated Municipal Support Plan
CSD	Central Supplier Database	IT	Information Technology
DEDT	Department of Economic Development and Tourism	IYM	In-Year-Monitoring
DORA	Division of Revenue Act	LED	Local Economic Development
DPSA	Department of Public Service and Administration	LGMTEC	Local Government Medium Term Expenditure Committee
DRP	Disaster Recovery Plan	LOGIS	Logistical Information System
EE Act	Employment Equity Act	MEC	Member of the Executive Council
EPRE	Estimates of Provincial Revenue and Expenditure	MFMA	Municipal Finance Management Act, 2003 (Act No. 56 of 2003)
ERM	Enterprise Risk Management	MPAT	Management Performance Assessment Tool
EXCO	Executive Committee	MPG	Mpumalanga Provincial Government
FASSET	Finance and Accounting Services Sector Education and Training	MPSA	Minister of Public Services and Administration
FMCMM	Financial Management Capability Maturity Model	mSCOA	Municipal Standard Chart of Accounts
GIAMA	Government Immovable Asset Management Act	MTEC	Medium Term Expenditure Committee
HANIS	Home Affairs National Identification System	MTEF	Medium Term Expenditure Framework
HDI	Historically Disadvantage Individuals	MTSF	Medium Term Strategic Framework
HIV	Human Immune Virus	N/A	Not applicable
HOA	Home Owners Allowance	NDP	National Development Plan
HO	Head Official	NEHAWU	National Education, Health and Allied Workers Union
HRD	Human Resource Development	NGO	Non-Governmental Organisations
ICT	Information Communication Technology	NPI	Non Profit Making Institutions

NT	National Treasury	SHEQ	Safety Health and Environment Quality
OHS	Occupational Health and Safety	SITA	State Information Technology Agency
OTP	Office of the Premier	SMS	Senior Management Services
PAIA	Promotion of Access to Information Act	SONA	State of the Nation Address
PAJA	Promotion of Administrative Justice Act	SOPA	State of the Province Address
PERO	Provincial Economic Review and Outlook	SOPs	Standard Operating Procedures
PERSAL	Personnel Salary System	SSP	Strategic Support Plan
PFMA	Public Finance Management Act, 1999 (Act No. 1 of 1999)	StatsSA	Statistics South Africa
PGDS	Provincial Growth and Development Strategy	TR	Treasury Regulations
PGITO	Provincial Government Information Technology Officer		
PMC	Provincial Management Committee		
PMDS	Performance Management and Development System		
POPI	Protection of Personal Information Act		
PPP	Public Private Partnership		
PPPFA	Preferential Procurement Policy Framework Act		
PSA	Public Service and Administration		
PSCM	Provincial Supply Chain Management		
PSCBC	Public Service Commission's Bargaining Council		
SAM	Social Accounting Matrix		
SCM	Supply Chain Management		
SCOPA	Select Committee on Public Accounts		
SDIP	Service Delivery Improvement Plan		
SER	Socio-Economic Review		
SERO	Socio-Economic Review and Outlook		

3. FOREWORD BY THE MEC



Mr SE Kholwane (MPL)
MEC for Finance, Economic Development and Tourism

The Provincial Treasury continues to champion the cause for effective governance in the interest of our people by fostering accountability in the use of the limited resources. Informed by the National Development Plan and other policy injunctions to contribute to a just and fair administration, the Provincial Treasury continues to implement sound policy frameworks in financial management thus enabling effective support services to the Departments, Public Entities and Municipalities in the Province.

Focus areas and priorities

During the period under review, the Provincial Treasury prioritized interventions that aim to improve efficiencies and reduce wastage. Our plans focused on improving business processes, building transparency and ensuring accountability in financial management and procurement practices in the Province. We undertook initiatives to assess the impact of government expenditure; verify the staff in departments, piloted Municipal Standard Chart of Accounts and assisted selected non-government organisations with capacity building on accounting and proper record keeping.

Achievements

Despite the prevailing discourse which is characterized by uncertainty in the global and domestic economy and the resultant fiscal cliff, the Provincial Treasury has managed to achieve most of its strategic outputs, and responded positively to mandatory programmes that emerged during the course of the implementation of the Annual Performance Plan for the 2015/16 financial year, to mention but few:

- We completed the verification process in the Provincial Treasury, and exceeded our targets on verification of staff in other Departments at a lower than projected costs to the fiscus;
- The Back to Basics programme which focused specifically on strengthening the system of internal controls, resulted in some level of improvements in audit outcomes of the municipalities, and
- The remedial action plans were developed to address identified gaps in municipal finance systems to ensure that municipalities are audit ready during this financial year amongst others.

Challenges

While the Government continue to make great strides in using the limited budget to reduce the rate of poverty, more needs to be done to address the twin challenges of inequality and unemployment in the Province. The Provincial Treasury also needs to put more effort in supporting the institutions to improve operational efficiencies, assist the government to raise enough

revenue to offset the budget cuts and accelerate initiatives to ensure delivery of quality and cost effective infrastructure in the Province.

Strategic priorities going forward

During the coming financial year, the Provincial Treasury will continue to work with all departments, public entities and municipalities to improve their controls and state of readiness for audits.

We will finalise the Provincial Revenue Retention Policy which is aimed to incentivize major generators of own revenue for future budget allocations.

We will further rollout initiatives that seek to improve procurement practices in the Province.

Conclusion

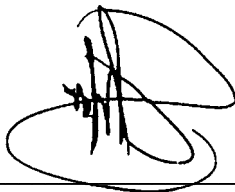
Progress has been made and milestones reached at the level of the Provincial Treasury but more still needs to be done to ensure that the whole provincial administration is at the same level of financial prudence and accountability.

We remain committed to the promotion of good governance and to contribute to the government's efforts to secure a better future for all our people in Mpumalanga.

Acknowledgments

I would like to convey my gratitude to the Portfolio Committee on Premier's Office, Finance and Economic Development and Tourism for ever present and progressive oversight on the work of the Department. I would also like to thank the Head Official, her team of dedicated officials and staff in my office for supporting me in executing the mandate vested in me by the African National Congress.

Together We Move Mpumalanga Forward.



Mr SE Kholwane (MPL)
MEC for Finance, Economic Development and Tourism
31 July 2016

4. REPORT OF THE ACCOUNTING OFFICER



Ms NZ Nkamba
Accounting Officer Provincial Treasury

Overview of the operations of the Provincial Treasury

The Provincial Treasury appreciates the opportunity to report on the performance for the 2015/16 financial year. The report contains financial and non-financial aspects of the performance of the four Programmes of the Provincial Treasury for the financial year ending 31 March 2016.

The designation of the Department of Finance was changed to Mpumalanga Provincial Treasury as Gazetted on the 2nd of April 2015 in terms of section 7(5)(b) of the Public Service Act 1994 (promulgated under Proclamation No. 103. of 1994).

The end of the year report indicated that the Provincial Treasury had an approved establishment of 321 posts (304 permanent and 17 interns). A moratorium on the filling of vacant posts at the beginning of the financial year led to shortage of staff due to subsequent resignations, transfer promotions and deaths. This had a negative impact on the achievement of planned targets in the Financial Governance Programme where the 50% vacancy rate in the Provincial Internal Audit Unit resulted in some targets, such as the completion of four internal Quality Assurance Reviews not achieved and only two Reviews finalised.

The Provincial Treasury played a strategic role in governance structures, such as in the Budget and Finance Committee, Provincial Management Committee, Executive Council, Technical Committee on Finance as well as Budget Council, amongst others. These structures were instrumental in providing guidance on the implementation of strategic programmes of the Provincial Treasury, including matters relating to effective utilisation of the limited financial resources. The Provincial Treasury has also complied with the requirements to account to the Provincial Legislature on its work during the period under review.

In line with the Back to Basics programme and its quest to improve and strengthen capacity to support Municipalities, the Mpumalanga Provincial Government approached Sasol with a proposal for capacity building. The project has been broken down into phases and during the financial year the focus was on the development of Standard Operating Procedures for the finance departments in Municipalities. Provincial Treasury officials were seconded to the project and received training on process development (business flow charts) that enabled them to assist the Sasol team with this exercise. Training was provided to all municipalities on the Standard Operating Procedures.

As part of the project on Modernisation of Supply Chain Management with National Treasury there was the introduction of the Central Supplier Database (CSD) to improve accessibility to Government procurement. The introduction of the Central Supplier Database was piloted in the Province. Eighty-one (81) officials from Departments, Municipalities and Public Entities were trained to assist the suppliers with registration.

Technical support was provided on Assets and Liabilities management, Interlinked Financial Systems and Information Technology in the Province to ensure that clients are adhering to required frameworks.

Apart from the targets and key performance areas included in the Annual Performance Plan, the Provincial Treasury also performed additional projects in order to ensure value-add for the Province. One such a project is the staff verification, utilising a biometric system to verify the existence of officials against the salary administration system (Persal). During the 2015/16 financial year, officials were verified at the Department of Health, Office of the Premier, Provincial Treasury, Department of Community Safety, Security and Liaison, Department of Human Settlements, Department of Economic Development and Tourism and Department of Culture, Sport and Recreation. This work is ongoing in the rest of other departments.

Another project the Provincial Treasury undertook is the facilitation of the completion by Provincial Departments and Public Entities of the Financial Management Capability Maturity Model (FMCMM). The purpose of this model is to measure the level of effectiveness of government institutions internal controls and the environment they operate in. The analysis indicated that the majority of the Province's Departments and Public Entities are between the development level and control level (Level 2 to 3). The Provincial aggregate of the results indicates that there was an increase in the total of the departmental scores.

The Provincial Treasury supported and provided advice and guidance to Provincial Departments, Public Entities and Municipalities on financial and governance matters.

Overview of the financial results of the Provincial Treasury

Departmental receipts

Departmental receipts	2014/2015			2015/2016		
	Estimate	Actual Amount Collected	(Over)/ Under Collection	Estimate	Actual Amount Collected	(Over)/ Under Collection
	R'000	R'000	R'000	R'000	R'000	R'000
Sale of goods and services other than capital assets	2 466	4 137	(1 671)	2 992	2 869	123
Interest, dividends and rent on land	50 479	86 204	(35 725)	53 175	107 715	(54 540)
Sale of capital assets	-	47	(47)		370	(370)
Financial transactions in assets and liabilities	34	24	10	32	184	(152)
TOTAL	52 979	90 412	(37 433)	56 199	111 138	(54 939)

The Provincial Treasury collected R111 138 000 against the projected amount of R56 199 000 of own revenue. The over collection is mainly on interest received emanating from slow spending by Provincial Departments during the year resulting in higher interest accrued on the Provincial bank accounts. The Provincial Treasury has collected revenue from selling old motor vehicles and office equipment.

Programme Expenditure

Programme Name	2014/2015			2015/2016		
	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	77 044	76 153	891	79 834	79 733	101
Sustainable Resource Management	44 830	44 378	452	53 103	52 830	273
Assets and Liabilities Management	115 048	112 136	2 912	114 245	110 577	3 668
Financial Governance	35 102	32 086	3 016	31 061	29 951	1 110
TOTAL	272 024	264 753	7 271	278 243	273 091	5 152

Provincial Treasury has spent R273 091 000 which is 98.1 percent of its allocated budget of R278 243 000. The R5 152 000 which is 1.9 percent underspending is mainly on goods and services for the preparation and auditing of Annual Financial Statements for NGOs and NPIs for the Province as nine of the targeted organisations have indicated that they do not require the services and payments of SITA and audit fees being lower than anticipated.

Virements/roll overs

Programme 1: Administration

The Programme's budget was increased by R885 000. The allocation to compensation of employees was increased by R51 000; goods and services was increased by R658 000 in order to cover costs of marketing which were higher than anticipated. Transfers and subsidies was increased by R100 000 to defray excess expenditure as a result of payment to FASSET and leave gratuities. Payment for capital assets was increased by R78 000 for procurement of security equipment.

Programme 2: Sustainable Resource Management

The Programme's budget was increased by R948 000. The compensation of employees line item was reduced by R58 000, and goods and services also reduced by R4 223 000 of which R2 000 000 was shifted to payment for capital assets to defray excess expenditure for the Revenue enhancement project and the difference was shifted to other Programmes. Allocation to Transfers and subsidies was increased by R18 000 to cover payment for leave gratuity.

Programme 3: Assets and Liabilities Management

The Programme's budget was reduced by R1 538 000. The compensation of employees item was decreased by R680 000, an increase in goods and services by R2 041 000 and transfers and subsidies was increased by R100 000 to cover payment of leave gratuities. Payment for capital assets was reduced by R3 000 000 from the underspending that accumulated as a result of non-responsive bids on IT equipment.

Programme 4: Financial Governance

The Programme's budget was reduced by R295 200. Compensation of employees was increased by R680 000 to cover payment of interns that was not adequately budgeted for and goods and services was reduced by R999 000 which was shifted to Programme 1. Payment of capital assets was increased by R24 000.

Roll Overs

The Provincial Treasury did not apply for roll overs.

Unauthorised, Fruitless and Wasteful expenditure

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

Future plans of the Provincial Treasury

The Provincial Treasury is working closely with the Department of Co-operative Governance and Traditional Affairs, Department of Economic Development and Tourism, Public Entities and Municipalities to ensure active and viable Local

Economic Development (LED) structures, Forums and strategies at a municipal level. The key objective of this support is to contribute to higher economic growth as well as job creation in Mpumalanga.

The Provincial Treasury will continue with the implementation of the Municipal Standard Chart of Accounts (mSCOA) to municipalities to standardise and improve their financial reporting.

Public Private Partnerships

The Provincial Treasury continued to provide advice, support and awareness on Public Private Partnership (PPP) to Departments and Municipalities. This support is 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 or proposed activities

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

Supply chain management

The Provincial Treasury has an approved Supply Chain Management Policy and all bid committees were appointed in line with applicable legislation. Challenges were experienced with regards to IT equipment which were affected by the exchange rates and suppliers could not perform or render the goods and/or services as expected. All processes and systems are in place to prevent irregular expenditure since the bid committees are trained and they are effective in executing their duties.

Gifts and Donations received in kind from non-related parties

The Provincial Treasury received and donated stoves and fridges as part of the legacy projects during the commemorations of national days in the Province.

Exemptions and deviations received from the National Treasury

The Provincial Treasury has not applied for exemptions from National Treasury.

Events after the reporting date

There were no events after the reporting date.

Other

There are no other matters to report on.

Appreciation

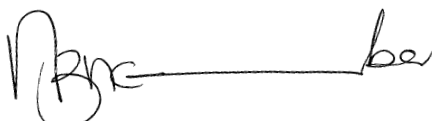
The Accounting Officer appreciates the co-operation of management and the assistance of the Audit Committee in the compilation of the Annual Report.

Conclusion

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

Approval and sign off

The Annual Report for the 2015/2016 financial year has been approved by the Accounting Officer.



Ms NZ Nkamba
Accounting Officer Provincial Treasury
31 July 2016

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

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

All information and amounts disclosed throughout the annual report are consistent.

The annual report is complete, accurate and is free from any omissions.

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

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

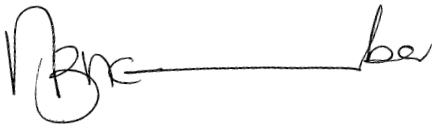
The Accounting Officer is responsible for the preparation of the annual financial statements and for the judgements made in this information.

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

The external auditors are engaged to express an independent opinion on the annual financial statements.

In my opinion, the annual report fairly reflects the operations, the performance information, the human resources information and the financial affairs of the Provincial Treasury for the financial year ended 31 March 2016.

Yours faithfully



Ms NZ Nkamba
Accounting Officer Provincial Treasury
31 July 2016

6. STRATEGIC OVERVIEW

6.1 Vision

A dynamic Provincial Treasury leading in service excellence.

6.2 Mission

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

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

6.3 Values

We commit ourselves to the following core values:

- Dedication : To perform our tasks in a dedicated manner
- Excellence : Professional excellence in performing our responsibilities
- Integrity : To conduct business in a consistent, objective, honest, fair, just and trustworthy manner
- Accountability : To be accountable in the performance of our actions

7. LEGISLATIVE AND OTHER MANDATES

The Provincial Treasury derives its mandate from the following key legislation:

Division of Revenue Act (Act No. 1 of 2015) (DORA)

The Act is passed annually to provide for the equitable division of revenue raised nationally among the national, provincial and local spheres of government for the financial year in question, the determination of each province's equitable share and allocations to provinces, local government and municipalities from national government's share and the responsibilities of all three spheres pursuant to such division and allocations; and to provide for matters connected therewith.

Government Immovable Asset Management Act, 2007 (Act No. 19 of 2009) (GIAMA)

This Act provides 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 co-ordination 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)

The Act is aimed at securing sound and sustainable management of the financial affairs of municipalities and other institutions in the local sphere of government; to establish treasury norms and standards for the local sphere of government; and to provide for matters connected therewith.

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.

Protection of Personal Information Act, 2013 (Act No. 4 of 2013)

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

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, No. 1 of 1999.

List of legislation tabled in the Mpumalanga Provincial Legislature during the 2015/16 financial year:

Mpumalanga Appropriation Act, 2015 (Act No. 1 of 2015)

The Act provides for the appropriation of money from the Provincial Revenue Fund for the requirements of the Province for the 2015/16 financial year; and to provide for matters incidental thereto.

Mpumalanga Second Adjustments Appropriation Act, 2015 (Act No. 2 of 2015)

The Act effects adjustments to the appropriation of money from the Provincial Revenue Fund for the requirements of the Province in respect of the 2015/16 financial year ending 31 March 2016; and to provide for matters incidental thereto.

Mpumalanga Adjustment Appropriation Act, 2015 (Act No. 3 of 2015)

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 2016.

Policy mandates:

The Medium Term Strategic Framework

The Medium Term Strategic Framework (MTSF) is a Government's strategic plan for the 2014 -2019 electoral term. It reflects the commitments made in the election manifesto of the ruling party, including the commitment to implement the National Development Plan. The MTSF sets out the actions Government will take and targets to be achieved. It also provides a framework for departmental plan.

Relevant court rulings:

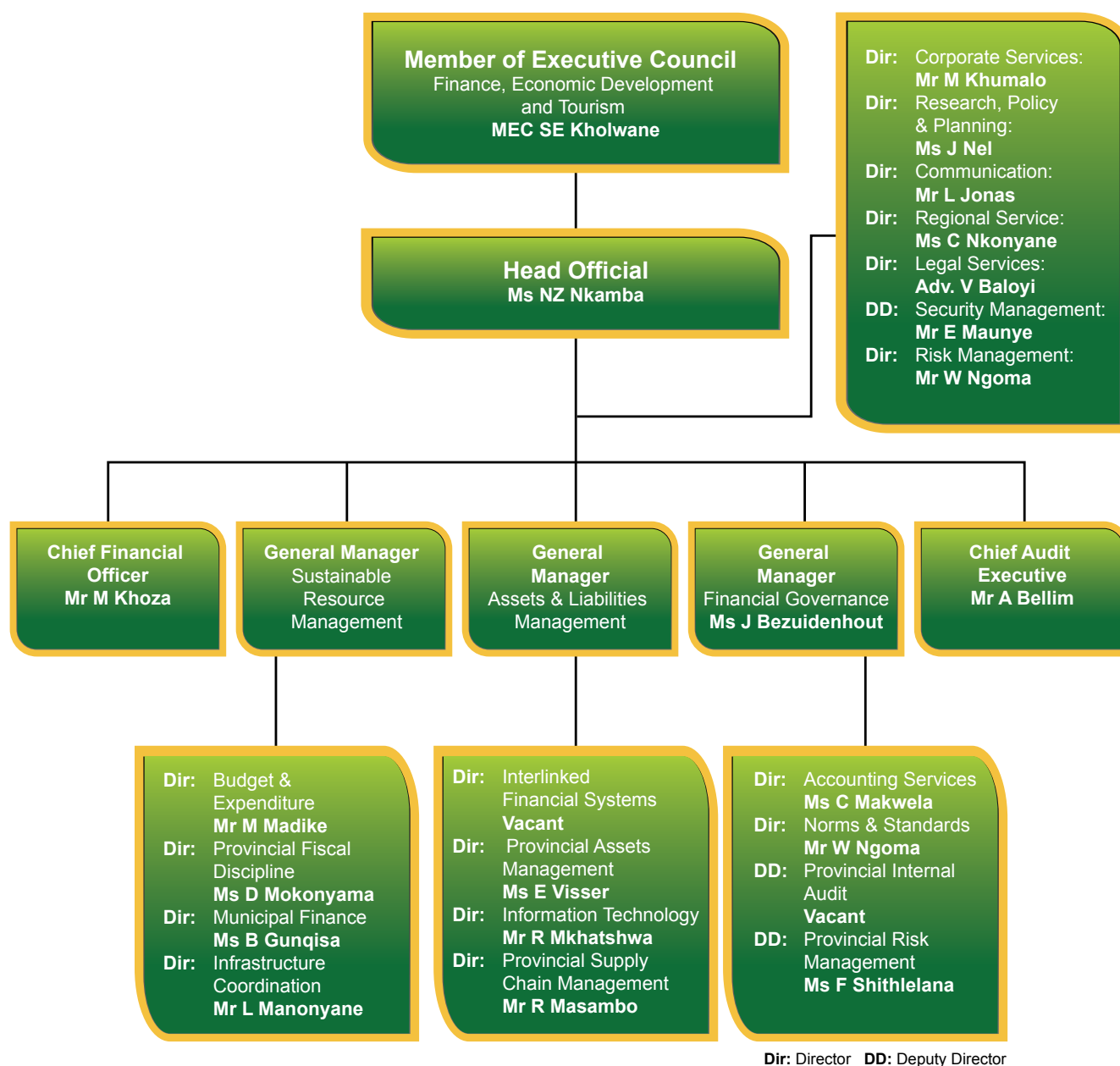
Nyathi v MEC Health, Gauteng and Department of Justice

In this case, the Constitutional Court handed down judgement in an application by Mr Nyathi whereby he sought confirmation of the declaration of Section 3 of the State Liability Act, 1957 (Act No. 20 of 1957), to be inconsistent with the Constitution. The impugned portion of section 3 prohibits the execution attachment or like process against a state defendant or respondent or against any property of the state for the satisfaction of judgement debts.

The High Court found that the blanket ban on execution, attachment and like processes constituted an unjustifiable limitation on the rights to equality and access to courts. It found too, that sections 165(5) and 195(1)(f) has been infringed. It declared therefore, that section 3 of the State Liability Act was unconstitutional. Consequently, the matter was referred to the Constitutional Court for confirmation of the order and Madala J, writing for the majority, found that the section unjustifiability limited the right to equal protection of the law contained in section 9(1) of the Constitution and was inconsistent with the constitutional protection of dignity and the right of access to courts.

The Court held too, that section 3 also violated the principle of judicial authority, and the principle that the public administration be accountable. The Court therefore upheld the declaration of constitutional invalidity. This means henceforth that the State will be consequently and accordingly liable for debt executed against the State.

8. ORGANISATIONAL STRUCTURE



9. ENTITIES REPORTING TO THE MEC

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



Part B

PERFORMANCE INFORMATION





1. AUDITOR GENERAL'S REPORT: PREDETERMINED OBJECTIVES

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

Refer to page 96 of the Report of the Auditor General, published as Part E: Financial Information.

2. OVERVIEW OF PROVINCIAL TREASURY PERFORMANCE

2.1 Service Delivery Environment

The Provincial Treasury continued to play a strategic role in the governance structures, thereby enabling information sharing, compliances with legislative requirements and allocation efficiencies in the Province. Provincial Treasury assisted its clients, namely Provincial Departments, Municipalities and Public Entities to improve in their service delivery through the execution of the functions and powers as being assigned in terms of Section 18 of the Public Finance Management Act, 1999 (Act 1 of 1999) and section 5(4) of the Municipal Finance Management Act, 2003 (Act 56 of 2003).

For the financial year under review, the Provincial Treasury operated with a staff establishment of 304. A provincial moratorium on the filling of posts was implemented during the financial year which affected the Provincial Treasury's ability to meet its outputs effectively as the officials were overstretched due to shortage of staff when posts became vacant due to resignations, deaths or promotions. The internship programme was successfully implemented.

The Provincial Treasury delivered its services in the form of support to Departments, Municipalities as well as Public Entities and other provincial institutions in their improvement of financial management. The allocation of financial resources under the guidance of the Provincial Executive Council was done under a very stringent global and domestic economic situation.

The Provincial Treasury achieved most of its objectives for the 2015/16 financial year against the planned targets. The study on the impact of the provincial allocations for infrastructure was also completed.

The poor economic climate in the Country and the Province, has affected the revenue collected by major collecting Departments. This was exacerbated by the Municipalities not transferring the revenue they have collected on behalf of the Province.

In line with the Back to Basics programme and its quest to improve and strengthen its capacity to support Municipalities, the Mpumalanga Provincial Government approached Sasol with a proposal for capacity building. Pressure on municipalities to improve their performance, from all spheres of government as well as the public, is increasing

Capacity building is one of the major focus areas of the partnership with SASOL. The lack of Standard Operating Procedures (SOPs) in Municipalities had been identified as critical area. It was recommended by Provincial Treasury that:

- a) Standard operating procedures be developed for the finance departments in municipalities
- b) The standard operating procedures be rolled out to the 21 municipalities

During the past financial year Process Mapping and Standard Operating Procedures were developed. Process issues were redesigned where necessary (e.g. inefficiencies, lack of controls) and the SOPs were developed for each of the following areas in Finance:

- a) Supply Chain Management
- b) Asset Management
- c) Revenue Management
- d) Expenditure Management
- e) Contract Management

Officials from Provincial Treasury were seconded to the project and received training on process development (business flow charts) to assist and ensure that skills are transferred to further assist municipalities. Training was provided to all municipalities on the Standing Operating Procedures.

The introduction of the Central Supplier Database (CSD) was piloted in the Province. Eighty-one (81) officials from Departments, Municipalities and Public Entities were trained to assist the suppliers with registration.

The Provincial Supply Chain management during the year 2015/16 was exposed to numerous challenges as a result of non-compliance to the Supply Chain Management framework by public sector institutions which includes the following:

- a) recording of deviations, which could have been avoided if prior and proper planning was done
- b) recording of variations orders
- c) non-adherence to the implementation of procurement plans
- d) inconsistencies in providing regular reports by some institutions making it difficult for Provincial Treasury to adhere to reporting requirements
- e) failure by some institutions to pay suppliers within 30 days after receipt of a legitimate invoice

Technical support was provided on assets and liabilities management, Interlinked Financial Systems and Information Technology in the Province to ensure that clients are adhering to required frameworks and to improve audit outcomes. Consultation took place with a wide range of stakeholders through bilateral meetings, forums and one-on-one sessions regarding Supply Chain, Asset and Liabilities Management, Interlinked Financial Systems and Information Technology.

Provincial Treasury assisted municipalities on IT governance related matters, to ensure that there are improved access to information, communication and technology through maintaining and establishing ICT kiosk in communities.

The Provincial Treasury supported and provided advice and guidance to Provincial Departments, Public Entities and Municipalities in terms of financial and governance matters.

Apart from the targets and key performance areas included in the Annual Performance Plan, the Provincial Treasury also performed additional projects in order to ensure value-add for the Province. One such a project is the performance of staff verification, utilising a biometric system to verify the existence of officials against the salary administration system (PERSAL). During the 2015/16 financial year, officials were verified at the Department of Health, Office of the Premier, Provincial Treasury, Department of Community Safety, Security and Liaison, Department of Human Settlements, Department of Economic Development and Tourism and Department of Culture, Sport and Recreation. It is planned that the other Provincial Departments' officials will be verified during the 2016/17 financial year.

Another project the Provincial Treasury undertook is the facilitation of the completion by Provincial Departments and Public Entities of the Financial Management Capability Maturity Model (FMCMM). The purpose of this model is to measure the level of effectiveness of government entities' internal controls and the environment they operate in. The analysis indicated that the majority of the Province's Departments and Public Entities are between the development level and control level (Level 2 to 3). The Provincial aggregate of the results indicate that there was an increase in the total departmental scores. The results indicate improvement in terms of asset management, goods and services, revenue management, transfer payments and risk management and a decrease in terms of compensation of employees with no movement in the maturity level of internal audit and the total aggregate increased from level 2.89 in 2014/15 to level 2.91 in 2015/16. The Provincial aggregate for the public entities indicate that there was an increase in score. The results indicate improvement in terms of asset management, goods and services, revenue management and internal auditing with a decrease in risk management and the total aggregate increased from level 2.89 in 2014/15 to level 2.91 in 2015/16. Action plan frameworks to address gaps identified have been developed by the Provincial Treasury and completed by the Departments and Public Entities in an endeavour to increase the maturity levels in the key areas.

The National Treasury published Regulations on segments and a classification framework for the Standard Chart of Accounts to be applied in local government in similar form to that implemented for national and provincial government departments. In order to enable the National Treasury to provide consolidated local government information for incorporation in national accounts, national policy and other financial reforms.

The National Treasury further issued a Governance framework to guide the implementing institutions to achieve strategic alignment, value in delivery of service, risk management and measuring performance while changing their processes to

align to the mSCOA Regulations. A Senior Manager in the Provincial Treasury has been appointed as the mSCOA Co-ordinator who supports municipalities with a team of other Treasury officials to implement mSCOA by 1 July 2017.

The high vacancy rate in the Provincial Treasury's Provincial Internal Audit Unit, had a negative impact on the achievement of targets for the 2015/16 financial year. This Unit had to perform with a 50% vacancy rate, which entailed that only two officials were available to perform the work of four officials. As a result, some of the targets, such as the completion of four internal Quality Assurance Reviews, could not be achieved and only two Reviews were finalised and the results communicated to the relevant Accounting Officers.

2.2 Service Delivery Improvement Plan

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

Main services and standards

Main services	Beneficiaries	Current/actual standard of service	Desired standard of service	Deviation from planned target to actual achievement for 2015/2016
Monitor and support all departments, municipalities and public entities adhering to compliance on payment of suppliers within 30 days after receipt of invoice	Provincial Departments, Municipalities and Public Entities	75% compliance	100% compliance	Monitored 30 day payment of suppliers after receipt of invoices
Support and monitor all departments, municipalities and public entities adhering to supply chain frameworks on submission of procurement plans and adherence to schedule	Provincial Departments, Municipalities and Public Entities	80% compliance by departments, public entities and municipalities (12 Votes, 4 Public Entities and 21 municipalities)	100% compliance by departments, public entities and municipalities (12 Votes, 5 Public Entities and 21 municipalities)	100% submission of procurement plans by departments and municipalities

Batho Pele arrangements with beneficiaries (Consultation access etc.)

Current/actual arrangements	Desired arrangements	Actual achievements
a) Consult with a wide range of stakeholders through conducting bilateral meetings, one on one sessions with clients and MTEC meetings b) Encourage participation of other internal units in the annual bilateral and MTEC meetings with 13 votes c) Implement the Service Standards and Service Charter d) Each client institution has a dedicated entry officials who can be consulted for assistance and guidance on SCM related matters	a) Consultation with stakeholders through MTEC meetings b) Encourage participation of other internal units in the annual bilateral and MTEC meetings with 13 votes c) Put internal signage in offices d) Improved communication system with clients, Quarterly forum meetings	a) MTEC meetings conducted with 13 votes b) Other internal units participated in the MTEC meetings with 13 votes c) Signage up at entrance to the Department d) Regular interactions with stakeholders through meetings and visits

Current/actual arrangements	Desired arrangements	Actual achievements
e) Ensure greater access to information, communication and technology through maintaining and establishing ICT kiosk in communities	e) Increased access to computer utilization on various programmes to support educational and information related services	e) Increased access to computer utilization on various programmes to support educational and information related services Internet Kiosk are available at: (Elukwatini, Casteel, Louisville, Mbangwane, Wonderfontein, Empuluzi, Breyten, Daggakraal)
f) Ensure greater access to business information opportunities particularly by potential bidders in the deep rural areas of the province	f) Increased access to the tender bulletin in the rural areas through regional, satellite and internet	f) Readily availability of tender bulletin
g) Workshops, Telephonic Consultations, One on one consultations	g) Workshops, Telephonic Consultations, One on one consultations	g) Workshops, Telephonic Consultations, One on one consultations were done
h) Offices in Mbombela Evander, KwaMhlanga and Bushbuckridge	h) Offices in Mbombela Evander, KwaMhlanga and Bushbuckridge	h) Offices in the regions (KwaMhlanga, Evander, and Bushbuckridge) were always visited, and involved in the discussions of plans affecting their performance

Service delivery information tool

Current/actual arrangements	Desired arrangements	Actual achievements
a) Availability of a Complaints system	a) Availability of a Complaints system	a) Availability of a Complaints system through submissions in writing and website
b) Presentations Guidelines, policies and procedure Provincial Treasury circulars	b) Presentations Guidelines, policies and procedure Provincial Treasury circulars	b) Make available guidelines, policies and circulars to institutions including in the intranet

Complaints mechanism

Current/actual arrangements	Desired arrangements	Actual achievements
Complaints are addressed through telephone, fax and electronic mail	Addressing of all complaints received through telephone, fax and electronic mail	No complaints were received

2.3 Organisational environment

Provincial Treasury has an initial approved organogram with 433 posts. After the introduction of PERSAL clean-up and the moratorium on the filling of posts, the Provincial Treasury has an approved establishment of 321 posts (304 permanent and 17 interns) and 100% of these posts were filled at 31 March 2016.

The organisational structure of Provincial Treasury currently makes provision for four Programmes. Programme 1 is responsible for the political, financial and administrative management and support. The other three Programmes focus on treasury functions which are sustainable resource management, assets and liabilities management and financial governance. The Provincial Treasury operates in both the PFMA and MFMA environments.

Following a Cabinet resolution there was a function shift where the Municipal Finance unit in the Department of Co-operative Governance and Traditional Affairs was transferred to Provincial Treasury and incorporated in the Municipal Finance unit under Programme 2.

The Sub-Programme: Economic Analysis under the Sustainable Resource Management Programme has been transferred to the Department of Economic Development and Tourism following a function shift. Furthermore, the Sub-Programme: Financial Assets under the Assets and Liabilities Management Programme has been shifted and combined with the Provincial Administration Fiscal Discipline Sub-Programme under Sustainable Resource Management in order to improve operational efficiencies and to ensure that relevant functions are placed in one Programme. This is also in response to the Fit for Purpose exercise that the Provincial Treasury is currently engaged in.

The functions of the treasury Programmes are specialised and depend on skilled resources to ensure the delivery of services. The provincial moratorium and 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 Provincial Treasury, it has negative implications to the overall operations of Provincial Treasury. In order to address the challenges relating to the high staff turnover rate, Provincial Treasury will intensify its implementation of the retention strategy and will address the shortfall in human resources through the rationalisation process as the capacity will be identified within the Treasury and elsewhere in the Provincial Administration.

2.4 Key policy developments and legislative changes

The introduction of the Central Supplier Database (CSD) in the Province came as a massive innovation from National Treasury. Despite the fact that there were no additional personnel to support its implementation, the available staff embraced the CSD and supported its implementation.

This resulted in Provincial Treasury officials being trained to serve as trainers of officials in Departments and Public Entities but also to continue raising awareness and registering suppliers in the Province.

3. STRATEGIC OUTCOME ORIENTED GOALS

Strategic Goals	Progress towards achievement of goals
Administrative Support Services	Provided prompt, continuous, effective and efficient administrative support to all line functions in the Provincial Treasury.
Maintain fiscal discipline in the Province	Provided 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 Co-ordination.
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 in Departments, Public Entities and Municipalities, to reach full PFMA and MFMA compliance.
Efficient and effective financial and corporate governance	Provided support to ensure efficient and effective financial and corporate governance in the Province in line with legislation.

The Provincial Treasury is not directly contributing to the achievements of the 14 outcomes as announced by the Department of Performance Monitoring and Evaluation but is providing support in terms of Outcomes 9 and 12.

Outcome 9: Responsive, accountable, effective and efficient Local Government system. Sub-outcome 3: Sound financial and administrative management.

Outcome 12: An efficient, effective and development oriented public service and an empowered, fair and inclusive citizenship. Sub-outcome 4: Efficient and effective management and operations systems and sub-outcome 5: Procurement systems that deliver value for money.

4. PERFORMANCE INFORMATION BY PROGRAMME

4.1 Programme 1: Administration

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

The Sub-Programmes are:

- a) Office of the MEC
- b) Management Services: Office of the HO
- c) Financial Management: Office of the CFO; and
- d) Internal Audit

Strategic Objectives of Programme 1:

- a) Provide policy and political directives in order to achieve provincial objectives
- b) Translate policies and priorities into strategies for effective service delivery
- c) Provide sound financial management services to the Provincial Treasury
- d) Provide efficient and effective internal audit services in the Provincial Treasury

Strategic objectives, performance indicators, planned targets and actual achievements

For the year under review the Provincial Treasury Administration Programme through the Offices of the Executive Authority and Accounting Officer continued to provide strategic direction to ensure that the Provincial Treasury effectively and efficiently carries out its mandate. The year under review also saw a continuous improvement on the implementation of the risk management strategy and improved compliance to the risk management framework which ensured that identified risks were steadily brought to be within acceptable and reasonable risk tolerance levels.

The Provincial Treasury continues to pride itself with an independent, effective and proactive internal audit function which ensures that all emerging issues are identified and addressed accordingly. Through the Office of the Chief Financial Officer, the Provincial Treasury ensured that there is maintenance of sound financial management. The Planning Unit continued to monitor activities to ensure that spending is in accordance with planned activities and ensuring that commitments are implemented accordingly.

Strategic objectives

PROGRAMME 1: ADMINISTRATION					
Strategic objectives	Actual Achievement 2014/2015	Planned Target	Actual achievement 2015/2016	Deviation from planned target to actual achievement for 2015/2016	Comments on deviations
Provide policy and political directives in order to achieve provincial objectives	Priorities and strategic directives provided	Tabling of 2 Provincial and 1 Departmental Budget and Policy Statement	2 Provincial and 1 Departmental Budget and Policy Statement Tabled	None	N/A
Translate policies and priorities into strategies for effective service delivery	Priorities and strategic directives implemented	Submit legislative reports on implementation of strategic priorities and directives	5 Legislative reports on implementation of strategic priorities and directives submitted	None	N/A

PROGRAMME 1: ADMINISTRATION					
Strategic objectives	Actual Achievement 2014/2015	Planned Target	Actual achievement 2015/2016	Deviation from planned target to actual achievement for 2015/2016	Comments on deviations
Provide sound financial management and supply chain management	Sound financial and supply chain management services provided	Provide reports on financial and governance compliance	12 reports on financial and governance compliance provided	None	N/A
Provide efficient and effective internal audit services in the Department	Internal audit plan implemented	Implement approved audit plan	Approved audit plan implemented	None	N/A

Reasons for deviations

All planned targets were achieved and there were no deviations.

Performance indicators

PROGRAMME 1: ADMINISTRATION					
Strategic objectives	Actual Achievement 2014/2015	Planned Target	Actual achievement 2015/2016	Deviation from planned target to actual achievement for 2015/2016	Comments on deviations
SUB-PROGRAMME: OFFICE OF THE MEC					
Number of Annual Reports tabled	1 Annual Reports tabled	1 Report	1 Report	None	N/A
Number of Appropriation Bills tabled	2 Documents	2 Documents	2 Documents	None	N/A
Number of Budget and Policy Statements tabled	1 Statement	1 Statement	1 Statement	None	N/A
SUB-PROGRAMME: MANAGEMENT SERVICES: OFFICE OF THE HOD					
Number of performance reports submitted	4 Reports	4 Reports	4 Reports	None	N/A
Number of Annual Reports submitted	1 Report	1 Report	1 Report	None	N/A
Number of Annual Performance Plans submitted	1 Plan	1 Plan	1 Plan	None	N/A

PROGRAMME 1: ADMINISTRATION					
Strategic objectives	Actual Achievement 2014/2015	Planned Target	Actual achievement 2015/2016	Deviation from planned target to actual achievement for 2015/2016	Comments on deviations
Number of risk registers compiled, approved and evaluated	1 Register	1 Register	1 Register	None	N/A
	4 Evaluation reports	4 Evaluation reports	4 Evaluation reports	None	N/A
SUB-PROGRAMME: FINANCIAL MANAGEMENT: OFFICE OF THE CFO					
Number of financial reports submitted in compliance with relevant legislations	12 In-Year-Monitoring reports	12 In-Year-Monitoring reports	12 In-Year-Monitoring reports	None	N/A
	1 Set of Annual Financial Statements	1 Set of Annual Financial Statements	1 Set of Annual Financial Statements	None	N/A
Number of budget documents submitted in compliance with prescripts	2 Documents	2 Documents	2 Documents	None	N/A
Percentage of suppliers paid within 30 days of receipt of valid invoices	100%	100%	100%	None	N/A
SUB-PROGRAMME: INTERNAL AUDIT					
Number of quarterly progress reports submitted on implementation of the Audit Plan	4 Reports	4 Reports	4 Reports	None	N/A

Reasons for deviations

All planned targets were achieved.

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

The Programme has spent R79 733 000 or 99.9 percent of the allocated budget of R79 834 000.

Sub-programme expenditure

Sub-programme name	2014/2015			2015/2016		
	Final Appropriation	Actual Expenditure	(Over)/ Under Expenditure	Final Appropriation	Actual Expenditure	(Over)/ Under Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
Member of the Executive Council	1 812	1 548	264	0	0	0
Management Services	30 431	29 968	463	33 682	33 603	79
Financial Management	41 141	41 123	18	41 930	41 922	8
Internal Audit	3 660	3 514	146	4 222	4 208	14
TOTAL	77 044	76 153	891	79 834	79 733	101

4.2 Programme 2: Sustainable Resource Management

The Programme exists to promote optimal and effective provincial resource allocation and utilization, efficient provincial budget management and accurate financial reporting on provincial revenue generation and maximization. It also provides quality and accurate socio-economic research reports to inform the provincial budget and planning process, promote efficient planning, implementation and management of infrastructure by provincial Departments, and provide technical support to delegated Municipalities on the implementation of the MFMA.

The Sub-Programmes are:

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

Strategic Objectives of Programme 2:

- Conduct socio-economic research to inform the provincial budget and planning process.
- Support provincial Votes and Public Entities to maximise and expand sustainable revenue generation and collection in the Province.
- Promote effective and optimal financial resource allocation and expenditure management for provincial government.
- Provide support and monitor municipalities on the implementation of the MFMA.
- Promote provincial efficiency in financial planning and implementation of infrastructure in line with Infrastructure Delivery Management System (IDMS).

Strategic objectives, performance indicators, planned targets and actual achievements

The Provincial Treasury continued to have sessions with all Votes on the Medium Term Expenditure Framework reforms. This was done by providing Votes with guidelines on compiling budgets and added the budgeting of employee costs in the attempt to have credible budgets that will contain the employee costs and numbers. The Provincial Treasury also continued holding Medium Term Expenditure Committees (MTEC) on budgets and also those for infrastructure delivery. The Infrastructure Coordination Directorate managed to over perform on their operational targets that feed into the Annual performance plan targets. This is mainly due to the assistance required by Departments, especially on evolving new standards for infrastructure. Regarding revenue enhancement, the major revenue collecting Votes were supported with tools of trade.

Furthermore, Municipalities were supported in assessment of their budgets and expenditure processes. The Provincial Treasury further had the Local Government Medium Term Expenditure Committee (LGMTEC) sessions. Quality and credible socio-economic reports of the Province were produced to inform the planning and budgeting processes by Departments and Municipalities. The Provincial Treasury also conducted a study on the economic impact of Provincial Government Expenditure by means of Social Accounting Matrix (SAM) modelling.

Strategic objectives

PROGRAMME 2: SUSTAINABLE RESOURCE MANAGEMENT					
Strategic objectives	Actual Achievement 2014/2015	Planned Target	Actual achievement 2015/2016	Deviation from planned target to actual achievement for 2015/2016	Comments on deviations
Conduct socio-economic research to inform the 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 economic research reports	Compiled quality and accurate quarterly (20), bi-annually (4) and annual (5) economic research reports	None	N/A
Support provincial votes and public entities to maximise and expand sustainable 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
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
Provide support and monitor Municipalities on the implementation of the MFMA	20 Municipalities supported and monitored on the implementation of MFMA	Provide support and monitor 20 municipalities on the implementation of the MFMA	21 Municipalities supported and monitored on the implementation of MFMA	None	N/A
Promote provincial efficiency and financial planning and implementation of infrastructure in line with Infrastructure Delivery Management System (IDMS)	7 Infrastructure Departments supported and monitored	Provide support and monitor 7 Infrastructure Departments and 3 District Municipalities	7 Infrastructure Departments and 3 District Municipalities supported and monitored	None	N/A

Reasons for deviations

All planned targets were achieved.

Performance indicators

PROGRAMME 2: SUSTAINABLE RESOURCE MANAGEMENT					
Performance indicator	Actual Achievement 2014/2015	Planned Target	Actual achievement 2015/2016	Deviation from planned target to actual achievement for 2015/2016	Comments on deviations
SUB-PROGRAMME: ECONOMIC ANALYSIS					
Number of Provincial Economic Review and Outlook (PERO) reports compiled and published	1 Report	1 Report	1 Report	None	N/A
Number of updated Socio-Economic Review and Outlook (SERO) reports completed and communicated	2 Reports	2 Reports	2 Reports	None	N/A
Number of updated Provincial Inflation/ Labour Bulletins completed	16 Bulletins	16 Bulletins	16 Bulletins	None	N/A
Number of Socio-Economic Outlook reports for Estimates of Provincial Revenue and Expenditure (EPRE) document compiled and tabled	1 Report	1 Report	1 Report	None	N/A
Number of economic research reports completed (in line with Government priorities)	4 Reports	4 Reports	4 Reports	None	N/A
Number of District Socio-Economic Review (SER) reports compiled	3 Reports	3 Reports	3 Reports	None	N/A
Number of updated Socio-Economic Profiles of Municipalities completed	42 Profiles	42 Profiles	42 Profiles	None	N/A
SUB-PROGRAMME: PROVINCIAL ADMINISTRATION AND FISCAL DISCIPLINE					
Number of votes own revenue budgets analysed and feedback provided	12 Votes	12 Votes	12 Votes	None	N/A
Number of provincial tariff registers updated	1 Register	1 Register	1 Register	None	N/A

PROGRAMME 2: SUSTAINABLE RESOURCE MANAGEMENT					
Performance indicator	Actual Achievement 2014/2015	Planned Target	Actual achievement 2015/2016	Deviation from planned target to actual achievement for 2015/2016	Comments on deviations
Number of consolidated revenue reports compiled	12 Reports	12 Reports	12 Reports	None	N/A
Number of Financial Statements on Provincial Revenue Fund prepared and submitted to the Auditor-General	1 Set	1 Set	1 Set	None	N/A
SUB-PROGRAMME: BUDGET AND EXPENDITURE MANAGEMENT					
Number of Estimates of Provincial Revenue Expenditure documents compiled	2 Documents	2 Documents	2 Documents	None	N/A
Number of appropriation bills compiled	N/A	2 Bills	2 Bills	None	N/A
Number of consolidated In-Year-Monitoring reports compiled and submitted	12 Consolidated reports	12 Consolidated reports	12 Consolidated reports	None	N/A
SUB-PROGRAMME: MUNICIPAL FINANCE					
Number of quarterly performance reports compiled, facilitate the tabling and published in terms of Legislation	4 Reports	4 Reports	4 Reports	None	N/A
Number of annual draft municipal budgets analysed and feedback provided	100%	21	21	None	N/A
Number of municipal mid-year budget and performance assessment engagement coordinated	1 Engagement	1 Engagement	1 Engagement	None	N/A
Number of reports on municipalities assisted financially with data cleansing project	6 Municipalities	4 Reports	4 Reports	None	N/A
Number of consolidated quarterly progress reports on IMSP	N/A	4 Reports	4 Reports	None	N/A

PROGRAMME 2: SUSTAINABLE RESOURCE MANAGEMENT					
Performance indicator	Actual Achievement 2014/2015	Planned Target	Actual achievement 2015/2016	Deviation from planned target to actual achievement for 2015/2016	Comments on deviations
SUB-PROGRAMME: INFRASTRUCTURE CO-ORDINATION					
Number of Infrastructure Reporting Model analysis reports received and feedback provided	100%	72	72	None	N/A
Number of User Asset Management Plan (Infrastructure Plans) reviewed, feedback provided and submitted	6 Draft and 7 final plans	6 Draft and 7 final plans	6 Draft and 7 final plans	None	N/A

Reasons for deviations

All planned targets were achieved.

Strategy to overcome areas of under performance

All planned targets were achieved.

Changes to planned targets

There were no changes to planned targets during the year.

Linking performance with budgets

The Programme has spent R52 830 000 or 99.5 percent of the allocated budget of R53 103 000 for the 2015/16 financial year.

Sub-programme expenditure

Sub-programme name	2014/2015			2015/2016		
	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	1 710	1 696	14	1 643	1 614	29
Economic Analysis	3 628	3 501	127	-	-	-
Provincial Administration Fiscal Discipline	4 626	4 531	95	14 208	14 138	70
Budget and Expenditure Management	8 762	8 644	118	8 968	8 914	54
Municipal Finance	22 517	22 486	31	24 506	24 448	58
Infrastructure Co-Ordination	3 587	3 520	67	3 778	3 716	62
TOTAL	44 830	44 378	452	53 103	52 830	273

4.3 Programme 3: Assets and Liabilities Management

The Programme is responsible for the monitoring of and support on Assets, Liabilities, Provincial Supply Chain Management and Public Private Partnerships. Furthermore, the programme is responsible for Transversal Systems and Information Technology Services and the provisioning of Information Technology infrastructure to Votes.

The sub-programmes are:

- a) Provincial Supply Chain Management.
- b) Financial Asset Management.
- c) Public Sector Liabilities.
- d) Physical Asset Management.
- e) Interlinked Financial Systems.
- f) Information Technology.

Strategic Objectives of Programme 3:

- a) Monitor and support the implementation of Supply Chain Management framework.
- b) Identification of Public Private Partnership projects.
- c) Provide support on financial assets.
- d) Facilitate the management of public sector liabilities.
- e) Monitor and support the management of provincial physical assets.
- f) Support Votes on the utilisation of financial systems.
- g) Provide Information Communication (ICT) services to Votes.

Strategic objectives, performance indicators, planned targets and actual achievements

The Programme was in a position to achieve the planned targets during the year despite the fact that there were additional mandates in Provincial Supply Chain Management and Interlinked Financial Systems which were not part of the annual plan.

Achievements range from the co-ordination of Public Private Partnership activities including providing support in the identification of possible projects and their registration with National Treasury. Advice and support were provided on supply chain management and assets and liabilities. Training was provided to supply chain management staff at various levels.

Reports on payment of suppliers timeously were compiled on a monthly basis. These reports were shared with the National Treasury and the Director-General.

Strategic objectives

PROGRAMME 3: ASSETS AND LIABILITIES MANAGEMENT					
Strategic objectives	Actual Achievement 2014/2015	Planned Target	Actual achievement 2015/2016	Deviation from planned target to actual achievement for 2015/2016	Comments on deviations
Monitor and support the implementation of Supply Chain Management framework	12 Votes, 20 delegated Municipalities and 4 Public Entities monitored and supported	Monitor and support 12 Votes, 21 Municipalities and 4 Public Entities	Monitored and supported 12 Votes, 21 Municipalities and 4 Public Entities	None	N/A
Coordinate Identified Public Private Partnership projects	Identified possible PPP projects in Votes and Municipalities	4 Reports	4 Reports	None	N/A

PROGRAMME 3: ASSETS AND LIABILITIES MANAGEMENT					
Strategic objectives	Actual Achievement 2014/2015	Planned Target	Actual achievement 2015/2016	Deviation from planned target to actual achievement for 2015/2016	Comments on deviations
Monitor and support the management of financial assets	Supported 12 Votes	12 Votes and Provincial Legislature	12 Votes and Provincial Legislature	None	N/A
Facilitate the management of public sector liabilities	12 Votes, 21 delegated Municipalities and 4 Public Entities monitored and supported	Monitor and support 12 Votes, 21 Municipalities and 4 Public Entities	Monitored and supported 12 Votes, 21 Municipalities and 4 Public Entities	None	N/A
Monitor and support the management of provincial physical assets	12 Votes, 21 delegated Municipalities and 4 Public Entities monitored and supported	Monitor and support 12 Votes, 21 Municipalities and 4 Public Entities	Monitored and supported 12 Votes, 21 Municipalities and 4 Public Entities	None	N/A
Monitor and support the management and utilisation of transversal systems	12 Votes supported	Support 12 Votes	Supported 12 Votes	None	N/A
Provide Information Communication (ICT) services to votes	Provided ICT services to 12 Votes	Provide ICT services to 12 Votes and 21 Municipalities	Provided ICT services to 12 Votes and 21 Municipalities	None	N/A

Reasons for deviations

All planned targets were achieved.

Performance indicators

PROGRAMME3: ASSETS AND LIABILITIES MANAGEMENT					
Performance indicator	Actual Achievement 2014/2015	Planned Target	Actual achievement 2015/2016	Deviation from planned target to actual achievement for 2015/2016	Comments on deviations
SUB-PROGRAMME: PROVINCIAL SUPPLY CHAIN MANAGEMENT					
Number of Votes, Municipalities and Public Entities monitored on SCM frameworks	4 Reports	12 Votes, 21 Municipalities and 4 Public Entities	12 Votes, 21 Municipalities and 4 Public Entities	None	N/A

PROGRAMME3: ASSETS AND LIABILITIES MANAGEMENT					
Performance indicator	Actual Achievement 2014/2015	Planned Target	Actual achievement 2015/2016	Deviation from planned target to actual achievement for 2015/2016	Comments on deviations
Number of reports on Public Private Partnership implementation	3 PPP Projects	4 Reports	4 Reports	None	N/A
SUB-PROGRAMME: FINANCIAL ASSET MANAGEMENT					
Number of votes provided with cash in line with approved appropriation	100%	12 votes and Provincial Legislature	12 votes and Provincial Legislature	None	N/A
Number of votes and public entities monitored on debt management	8 Reports	12 votes and 4 public entities	12 votes and 4 public entities	None	N/A
SUB-PROGRAMME: PUBLIC SECTOR LIABILITIES					
Number of votes, municipalities and public entities monitored and supported on compliance to liability management guidelines	48 Reports	12 Votes, 21 Municipalities and 4 Public Entities	12 Votes, 21 Municipalities and 3 Public Entities	1 Public Entity was not supported on compliance to liability management during the 4th Quarter	The Provincial Treasury could not analyse the Public Entity MEGA liability register for the 4th Quarter as the Entity was moving offices and the register was not available
SUB-PROGRAMME: PHYSICAL ASSET MANAGEMENT					
Number of Votes, Municipalities and Public Entities monitored on asset management framework	12 Votes, 21 Municipalities and 4 Public Entities	12 Votes, 21 Municipalities and 4 Public Entities	12 Votes, 21 Municipalities and 4 Public Entities	None	N/A
SUB-PROGRAMME: INTERLINKED FINANCIAL SYSTEMS					
Number of votes monitor and support on the management and utilisation on transversal systems	N/A	12 Votes	12 Votes	None	N/A

PROGRAMME3: ASSETS AND LIABILITIES MANAGEMENT					
Performance indicator	Actual Achievement 2014/2015	Planned Target	Actual achievement 2015/2016	Deviation from planned target to actual achievement for 2015/2016	Comments on deviations
SUB-PROGRAMME: INFORMATION TECHNOLOGY					
Percentage Up-time of ICT Network infrastructure	98%	95%	97.5%	Percentage up-time was exceeded by 2.5%	The Provincial Treasury did maintenance and upgrade its system which resulted in over achievement of the planned target.
Percentage of calls responded to within 8 working hours	100%	99%	99%	None	N/A
Number of Votes and Municipalities supported on IT Governance Framework (FMCMM IT Audit outcomes, IT Risk Assessment)	12 Votes and 20 delegated Municipalities	12 Votes and 21 municipalities	12 Votes and 21 Municipalities	None	N/A

Reasons for deviations

Sub-programme: Public Sector Liabilities:

- a) Number of votes, municipalities and public entities monitored and supported on compliance to liability management guidelines.
 - The underachievement during the 4th Quarter was due to the Public Entity MEGA moving offices and the register was not available for analysis. The analysis was done during the previous three quarters.

Sub-programme: Information Technology:

- b) Percentage Up-time of ICT Network infrastructure.
 - The overachievement is due to maintenance and upgrade of the system which resulted in over achievement of the planned target.

Strategy to overcome areas of under performance

Sub-programme: Public Sector Liabilities:

- a) Number of votes, municipalities and public entities monitored and supported on compliance to liability management guidelines.
 - The analysis of the register of the Public Entity MEGA will be done during the 2016/2017 financial year.

Changes to planned targets

There were no changes to planned targets during the year.

Linking performance with budgets

The Programme has spent R110 577 000 or 99.8 percent of the allocated budget of R114 245 000. During the adjustment budget process, the Financial Asset Management functions were incorporated with the Provincial Administration Fiscal Discipline unit in Programme 2 to improve efficiencies. The underspending on compensation of employees is due to natural attritions of two officials and performance bonuses for three Senior Managers who did not qualify. The underspending of goods and services is due to late receipt of SITA invoices. The under spending on payments for capital assets is mainly due to challenges experienced with the procurement of IT related equipment as a result of the exchange rate fluctuations.

Sub-programme expenditure

Sub-programme name	2014/2015			2015/2016		
	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	1 666	1 589	77	1 572	1 507	65
Provincial Supply Chain Management	17 113	16 845	268	15 690	15 270	420
Financial Assets Management	2 852	2 736	116	-	-	-
Public Sector Liabilities	4 695	4 691	4	4 743	4 669	74
Physical Assets Management	4 714	4 693	21	4 848	4 741	107
Interlinked Financial Systems	11 644	11 590	54	11 830	11 751	79
Information Technology	72 364	69 992	2 372	75 562	72 639	2 923
TOTAL	115 048	112 136	2 912	114 245	110 577	3 668

4.4. Programme 4: Financial Governance

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

The sub-programmes are:

- Accounting Services.
- Norms and Standards.
- Risk Management.
- Provincial Internal Audit.

Strategic Objectives of Programme 4:

- Provide support and monitor public sector institutions in terms of accounting standards and legislation.
- Improve the systems of internal controls in public sector institutions.
- Facilitate effective implementation of risk management processes.
- Improve effectiveness of Internal Audit processes.

Strategic objectives, performance indicators, planned targets and actual achievements

The Programme was in a position to achieve the majority of its planned targets during the year with exceptions in the Norms and Standards and Internal Audit Units. In terms of the monitoring of municipalities on the implementation of the Guidelines for filing and storage of documents. Bushbuckridge Local Municipality was added to the five municipalities as

it was identified that it experienced challenges with filing and record keeping. The purpose of this exercise was to provide hands-on support to these Municipalities in order to improve their record keeping to have a positive impact on the audit findings.

There was an underachievement in the number of Municipalities evaluated on financial policies and procedures due to a lack of co-operation by one Municipality. The matter was elevated to the Municipal Manager with a request for intervention.

The overachievements under the Risk Management Unit were due to the high number of requests received from stakeholders for assistance with risk assessments and orientation of Risk Committee members. In order to improve risk management processes, a need was identified to develop certain guidelines to assist the oversight structures to improve the effectiveness of these governance structures.

The Provincial Internal Audit Unit had overachievements in terms of the evaluation of Audit Committees in Departments and Municipalities due to the high number of requests received for the attendance and evaluation of such meetings. No invitations, however, were received from Public Entities and the relevant Accounting Officers and Chairpersons of the Boards were requested to ensure that the Unit is invited to Audit Committee meetings. Due to the high vacancy rate in this Unit (50% vacancy rate) only two out of the planned four Quality Assurance Reviews were finalised during the year. There was also overachievement in terms of the issuance of Strategic Support Plans, as the results of the FCMCM indicated that more stakeholders required intervention.

Strategic objectives

PROGRAMME 4: FINANCIAL GOVERNANCE					
Strategic objectives	Actual Achievement 2014/2015	Planned Target	Actual achievement 2015/2016	Deviation from planned target to actual achievement for 2015/2016	Comments on deviations
Provide advisory services, support and monitor public sector institutions in terms of accounting standards and financial statements to ensure accountability	12 Votes, 21 Municipalities and 4 Public Entities	12 Votes, 21 Municipalities and 4 Public Entities	12 Votes, 21 Municipalities and 4 Public Entities	None	N/A
	1 set of consolidated Financial Statements compiled	1 set of consolidated Financial Statements for Votes and Public Entities	1 set of consolidated Financial Statements for Votes and Public Entities	None	N/A
Improve the systems of internal controls in public sector institutions	Facilitated the completion of FCMCM in 12 Votes and 4 Public Entities and issued 2 analysis reports	Facilitate the completion of FCMCM in 12 Votes and 4 Public Entities and issue 2 analysis reports	Facilitated the completion of FCMCM in 12 Votes and 4 Public Entities and issue 2 analysis reports	None	N/A

PROGRAMME 4: FINANCIAL GOVERNANCE					
Strategic objectives	Actual Achievement 2014/2015	Planned Target	Actual achievement 2015/2016	Deviation from planned target to actual achievement for 2015/2016	Comments on deviations
	N/A	Evaluate improvement of FMCMM results (Human Resource Management) in 4 votes and 1 public entity and issue 5 analysis reports	Evaluated improvement of FMCMM results (Human Resource Management) in 4 votes and 1 public entity and issue 5 analysis reports	None	N/A
	N/A	Completion of the FMCMM by 21 Municipalities	Completion of the FMCMM by 21 Municipalities	None	N/A
	N/A	Monitor implementation of audit action plans in 9 municipalities	Monitored implementation of audit action plans in 9 municipalities	None	N/A
	Monitored implementation of Generic Good Practice Guidelines for filing and storage of documents in 21 Municipalities	Monitor implementation of Generic Good Practice Guidelines for filing and storage of documents in 5 Municipalities	Monitored implementation of Generic Good Practice Guidelines for filing and storage of documents in 6 Municipalities	1 Municipality was added to the target of 5	It was identified that Bushbuckridge Local Municipality experienced challenges with filing and record keeping. The Municipality was then included in order to provide support for improvement of these systems.
	Monitor fleet management 12 votes in respect of the qualification criteria and adherence to Transport policy	Monitor fleet management of 12 votes in respect of the qualification criteria and adherence to Transport policy	Monitored fleet management of 12 votes in respect of the qualification criteria and adherence to Transport policy	None	N/A

PROGRAMME 4: FINANCIAL GOVERNANCE					
Strategic objectives	Actual Achievement 2014/2015	Planned Target	Actual achievement 2015/2016	Deviation from planned target to actual achievement for 2015/2016	Comments on deviations
	N/A	Evaluate or assess all 21 municipalities financial policies and procedure manuals	Evaluated or assessed all 20 municipalities financial policies and procedure manuals	1 Municipality was not evaluated.	A letter was written to the Municipality due to a lack of co-operation by the officials and Municipal Manager was requested to intervene.
Facilitate effective implementation of risk management processes	Provide guidance and support to 12 Votes, 21 Municipalities and 4 Public Entities on Enterprise Risk Management processes	Provide guidance and support to 12 Votes, 21 Municipalities and 4 Public Entities on Enterprise Risk Management processes	12 Votes, 21 Municipalities and 4 Public Entities provided with guidance and supported on Enterprise Risk Management processes	None	N/A
Improve effectiveness of Internal Audit processes	Guidance and support provided in 12 Votes, 20 Municipalities and 4 Public Entities on Internal Audit processes	12 votes, 21 Municipalities and 4 Public Entities	12 votes, 21 Municipalities and 4 Public Entities	None	N/A

Reasons for deviations

- a) Monitor implementation of Generic Good Practice Guidelines for filing and storage of documents in 5 Municipalities:
 - It was identified that Bushbuckridge Local Municipality needed assistance, with filing and record keeping in addition to the five municipalities targeted.
- b) Number of municipalities evaluated on financial policies and procedure manual:
 - The under achievement was due to one Municipality's officials who did not co-operate with the Provincial Treasury team.

Strategy to overcome areas of under performance

- a) Number of municipalities evaluated on financial policies and procedure manual:
 - A letter was written to the Municipality due to a lack of co-operation by the officials and the Municipal Manager was requested to intervene.

Performance indicators

PROGRAMME 4: FINANCIAL GOVERNANCE					
Performance indicator	Actual Achievement 2014/2015	Planned Target	Actual achievement 2015/2016	Deviation from planned target to actual achievement for 2015/2016	Comments on deviations
PROGRAMME 4: FINANCIAL GOVERNANCE					
Number of Votes, Public Entities trained, advised and supported in accounting standards and financial statements	12 Votes and 4 Public Entities	12 Votes and 4 Public Entities	12 Votes and 4 Public Entities	None	N/A
Number of annual financial statements reviewed for votes	12 AFS	12 AFS	12 AFS	None	N/A
Number of Votes received feedback on interim financial statements analysed	12 Votes	12 Votes	12 Votes	None	N/A
Number of Municipalities supported and monitored during preparation of financial statements	21 Municipalities	21 Municipalities	21 Municipalities	None	N/A
Number of municipalities received feedback on interim financial statements analysed	N/A	10 Municipalities	10 Municipalities	None	N/A
Number of consolidated annual financial statements compiled for Votes and Public Entities tabled in the Legislature	1 Set	1 Set	1 Set	None	N/A
Number of votes' trial balances analysed and feedback provided	12 Votes trial balances	12 Votes trial balances	12 Votes trial balances	None	N/A
SUB-PROGRAMME: NORMS AND STANDARDS					
Number of FMCMM analysis reports issued (Votes and Public Entities)	2 Reports	2 Reports	2 Reports	None	N/A

PROGRAMME 4: FINANCIAL GOVERNANCE					
Performance indicator	Actual Achievement 2014/2015	Planned Target	Actual achievement 2015/2016	Deviation from planned target to actual achievement for 2015/2016	Comments on deviations
Number of votes and entities monitored on FMCMM remedial action plans (Human Resource Management)	N/A	4 Votes and 1 Public Entity	4 Votes and 1 Public Entity	None	N/A
Number of municipalities completing the FMCMM	N/A	21 Municipalities	21 Municipalities	None	N/A
Number of Municipalities monitored on implementation of audit findings action plans	N/A	9 Municipalities	9 Municipalities	None	N/A
Number of Municipalities monitored on the implementation of the Generic Good Practice Guidelines for filing and storage of documents	21 Municipalities	5 Municipalities	6 Municipalities	1 Municipality was added to the target of 5	It was identified that Bushbuckridge Local Municipality experienced challenges with filing and record keeping. The Municipality was then included in order to provide support for improvement of these systems.
Number of Votes monitored on fleet management in respect of the qualification criteria and adherence to Transport Policy.	12 Votes	12 Votes	12 Votes	None	N/A
Number of municipalities evaluated on financial policies and procedure manual	N/A	21 Municipalities	20 Municipalities	1 Municipality was not evaluated.	A letter was written to the Municipality due to a lack of co-operation by the officials and Municipal Manager was requested to intervene.

PROGRAMME 4: FINANCIAL GOVERNANCE					
Performance indicator	Actual Achievement 2014/2015	Planned Target	Actual achievement 2015/2016	Deviation from planned target to actual achievement for 2015/2016	Comments on deviations
SUB-PROGRAMME: RISK MANAGEMENT					
Number of Reports issued on implementation of the Provincial Risk management framework/ methodology (1) and guideline (1) on Risk management processes	19 reports issued for Departments, 4 to Public Entities and 32 for Municipalities	16 reports issued for Votes, 1 for Public Entities and 16 for Municipalities on monitoring effective implementation of the Framework and guideline	24 reports for Votes, 28 for Municipalities and 4 for Public Entities	Over-achievements were recorded as follows: 8 reports for votes, 12 for Municipalities and 3 for Public Entities.	The over-achievement is due to the high number of requests for assistance and invitations which were received from stakeholders.
Number of Guidelines on Risk Management processes developed, reviewed and issued	1 Guideline	1 Guideline reviewed and issued	1 Guideline reviewed and issued	None	N/A
Number of Strategic Support Plans issued on effective implementation of Risk management	Strategic Support Plans: Departments 12	Strategic Support Plans: 4 Votes and 1 Public Entity and 4 Municipalities	7 Strategic Plans for votes, 2 for Public Entities and 5 for Municipalities.	Over-achievements were recorded as follows: 3 for Votes, 1 for Public Entities and 1 for Municipalities.	The over-achievement is due the Low Risk Maturity level within the Province, hence more stakeholders were attended to
SUB-PROGRAMME: PROVINCIAL INTERNAL AUDIT					
Percentage of feedback reports issued on Internal Audit plans received	100% plans submitted	100% feedback reports	100% feedback reports	None	N/A

PROGRAMME 4: FINANCIAL GOVERNANCE					
Performance indicator	Actual Achievement 2014/2015	Planned Target	Actual achievement 2015/2016	Deviation from planned target to actual achievement for 2015/2016	Comments on deviations
Number of feedback reports issued in terms of the effectiveness of Audit Committee	Votes: 12, Municipalities: 21, Public Entities: 4	Votes:24 Municipalities:30 Public Entities: 8	Votes: 26 Municipalities: 39 Public Entities: 6	Over Achievements: Votes: 2 Municipalities:9 Under Achievement: Public Entities:2	More invitations to attend Audit Committee meetings were received during the year. Invitations to attend Audit Committee meetings for 2 Public Entities have not been received. The unit has since issued letters requesting meeting schedules and future invitations to the next scheduled Audit Committee meeting.
Number of reports issued on readiness of Quality Assurance Review	4 Reports	4 Reports	2 Reports	Under Achievements: 2 Reports	The under achievement was due to limited human resources in the unit. Future consideration of available resources during the planning phase

PROGRAMME 4: FINANCIAL GOVERNANCE					
Performance indicator	Actual Achievement 2014/2015	Planned Target	Actual achievement 2015/2016	Deviation from planned target to actual achievement for 2015/2016	Comments on deviations
Number of Strategic Support Plans issued on effective implementation of internal audit in Votes and Public Entities	Votes: 12	Votes: 4 Public Entities: 1 Municipalities: 3	Votes: 10 Public Entities: 2 Municipalities: 3	Over Achievements: Votes:6 Public Entities:1	The over achievement is due to the FMCMM results indicating a need for more interventions. The unit will continue to provide hands-on support to improve the Internal Audit maturity level

Reasons for deviations

Sub-programme: Norms and Standards

- a) Number of Municipalities monitored on the implementation of the Generic Good Practice Guidelines for filing and storage of documents:
 - Over-achievement: It was identified that Bushbuckridge Local Municipality needed assistant with filing and record keeping in addition to the five Municipalities targeted.
- b) Number of municipalities evaluated on financial policies and procedure manual:
 - The under achievement was due to one Municipality's officials who did not co-operate with the Provincial Treasury team.

Sub-programme: Risk Management

- a) Number of Reports issued on implementation of the Provincial Risk management framework/ methodology (1) and guideline (1) on Risk management processes:
 - The over-achievement is due to the high number of requests for assistance and invitations which were received from stakeholders and the Unit will continue to assist stakeholders to improve the stance of governance within the Province.
- b) Number of Strategic Support Plans issued on effective implementation of Risk management:
 - The over-achievement is due the Low Risk Maturity level within the Province, hence more stakeholders were attended.

Sub-programme: Provincial Internal Audit

- a) Number of feedback reports issued in terms of the effectiveness of Audit Committees:
 - The over achievement is due to more invitations to attend Audit Committee meetings at departments and municipalities that were received during the year.
 - The under achievement is due to the fact that no invitations have been received to attend Audit Committee meetings for 2 Public Entities.
- b) Number of reports issued on readiness of Quality Assurance Review:
 - The under achievement was due to limited human resources in the Unit.
- c) Number of Strategic Support Plans issued on effective implementation of internal audit in Votes and Public Entities:
 - The over achievement is due to the FMCMM results indicating a need for more interventions

Strategy to overcome areas of under performance

Sub-programme: Norms and Standards

b) Number of municipalities evaluated on financial policies and procedure manual:

- A letter was written to the Municipality due to lack of co-operation by the officials and the Municipal Manager was requested to intervene.

Sub-programme: Provincial Internal Audit

a) Number of feedback reports issued in terms of the effectiveness of Audit Committee:

- Provincial Treasury requested to be provided with schedules of meetings and also to be invited to future Audit Committee meetings.

b) Number of reports issued on readiness of Quality Assurance Review:

- The under achievement was due to limited human resources in the Unit after the Annual Performance Plan was approved.

Changes to planned targets

There were no changes to planned targets during the year.

Linking performance with budgets

The Programme has spent R29 951 000 or 96.4 percent of the allocated budget of R31 061 000 for the 2015/16 financial year. The underspending on goods and services is mainly on the preparation and auditing of Annual Financial Statements for NGOs and NPIs. Nine of the organisations have indicated that they do not require the services. The budget allocated for appointment of fifty interns was incorrectly classified and was spend under compensation of employees and subsistence and travel.

Sub-programme expenditure

Sub-programme name	2014/2015			2015/2016		
	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	12 809	10 809	2 000	8 433	7 863	570
Accounting Services	4 945	4 622	323	4 969	4 949	20
Norms and Standards	13 161	12 650	511	13 929	13 560	369
Risk Management	1 908	1 856	52	2 066	1 986	80
Provincial Internal Audit	2 279	2 149	130	1 664	1 593	71
TOTAL	35 102	32 086	3 016	31 061	29 951	1 110

5. TRANSFER PAYMENTS

5.1. Transfer payments to public entities

There were no transfers to Public Entities.

5.2. Transfer payments to all organisations other than public entities

The table overleaf reflects the transfer payments made for the period 1 April 2015 to 31 March 2016

Name of transferee	Type of organisation	Purpose for which the funds were used	Did the dept. comply with S38 (1)(j) of the PFMA	Amount transferred	Amount spent by the entity	Reasons for the funds unspent by the entity
Nkangala District Municipality	Municipality	Data Cleansing	Yes	3 000	N/A	N/A
Mbombela Local Municipality	Municipality	Licence fee	N/A	10	N/A	N/A
FASSET	Training Authority	1 percent of training budget	N/A	297	N/A	N/A
SABC	Public Broadcaster	Licence fee	N/A	2	N/A	N/A
TOTAL				3 309		

For the period 1 April 2015 to 31 March 2016, there were no cases where transfer payments were budget for and not paid.

6. CONDITIONAL GRANTS

The Provincial Treasury did not receive or issue any conditional grants for the financial year.

7. DONOR FUNDS

7.1. Donor Funds Received

The Provincial Treasury did not receive any donor funds for the financial year.

8. CAPITAL INVESTMENT

8.1. Capital investment, maintenance and asset management plan

Infrastructure projects	2014/2015			2015/2016		
	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	4 417	3 070	1 347	11 427	11 065	362
TOTAL	4 417	3 070	1 347	11 427	11 065	362

The under spending on payments for capital assets is mainly due to challenges experienced with the procurement of IT related equipment as a result of the exchange rate fluctuations.



Part C

GOVERNANCE





1. INTRODUCTION

The Provincial Treasury 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 Provincial Treasury 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 impact on the achievement of objectives. Progress made on identified risk areas are evaluated on a quarterly basis, the quarterly reviews would also identify new or emerging risks. Risk awareness workshops are conducted to create awareness of risk management to all levels in the Provincial Treasury.

A Risk Management Committee that advises management on the overall system of risk management has been appointed. An external Chairperson was appointed to comply with the Provincial Risk Management Framework and to add value to risk management in the Provincial Treasury.

The Audit Committee advises the Provincial Treasury on risk management and independently monitors the effectiveness of the system of risk management at Audit Committee meetings. The Provincial Treasury 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.

3. FRAUD AND CORRUPTION

The Provincial Treasury has an approved Fraud Prevention Policy and plan. Awareness sessions were 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. Investigations are conducted for all reported cases by the Provincial Treasury 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 Provincial Treasury uses the Internal Audit, Labour Relations or Security Management units to investigate cases depending on their nature. Action is taken upon advice received from Legal Service Unit or the State Attorneys. The need for officials to make confidential disclosure about suspected fraud and corruption is promoted.

4. MINIMISING CONFLICT OF INTEREST

The Provincial Treasury 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 worth noting that doing business with Government is strictly prohibited.

All SMS members of Provincial Treasury are required to disclose their financial interests through the e-disclosure system in line with applicable prescripts and guidelines.

5. CODE OF CONDUCT

The Provincial Treasury 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 Provincial Treasury appointed Occupational Health and Safety (OHS) representatives and they were trained accordingly. An Occupational Health and Safety Committee was established to assist in monitoring compliance with the legislation. Awareness workshops on OHS were conducted for all officials. Ongoing inspections were conducted to identify occupational hazards and recommend remedial actions.

7. PORTFOLIO COMMITTEES

Meeting dates of Portfolio Committee:

- a) 12 May 2015 – Vote 3: Budget 2015/16;
- b) 29 October 2015 – Vote 3: 1st Quarter Performance Report 2015/16;
- c) 4 December 2015 – Vote 3: 2nd Quarter Performance Report 2015/16;
- d) 17 March 2016 – Vote 3: 3rd Quarter Performance Report 2015/16

Resolution No.	Resolutions	Response by Provincial Treasury	
VOTE 3: BUDGET 2015/16			
1.	Provincial Treasury must improve on its planning and financial projections to ensure that it does not have to surrender funds in the adjustment process or underspent in the period under review.	a)	The Provincial Treasury has projected accordingly and the financial projections are aligned to the annual performance plan.
		b)	The procurement plan that covers services below and above R500 000 is being monitored on a monthly basis to ensure that all projects are finalized in time and within the budget allocated.
		c)	The Provincial Treasury will ensure that reprioritization takes place during the adjustment budget in order to cover the shortfalls where necessary.
		d)	The Provincial Treasury has generated some savings on activities for example the staff verification and such savings will be surrendered to the Provincial fiscus once necessary approvals are in place.
2.	Provincial Treasury must spend strictly in terms of its Annual Performance Plan for 2015/16 and implement financial systems to minimize the occurrence of committed and cash backed accruals in the 2015/16 financial year.	a)	The In-Year-Monitoring tool serves to assist the Provincial Treasury to monitor the spending patterns in terms of the Annual Performance Plan for the year under review.

Resolution No.	Resolutions	Response by Provincial Treasury	
		b)	There are measures in place to avoid the increase in accruals and to have cash surpluses at the end of the financial year. For example, the departmental procurement plans are being monitored by the Office of the Chief Financial Officer and responsible Programme Managers ensure that the planned outputs are achieved on time as per the plan.
		c)	For the first 2 quarters the payments have been made strictly within 30 days.
3.	The Treasury must report quarterly to the relevant Portfolio Committee indicating whether it spent within their quarterly performance plan targets for 2015/16	a)	Quarterly Performance reports will be submitted to the relevant Portfolio Committee indicating the spending within the quarterly performance plan targets for 2015/16.
		b)	The Provincial Treasury will submit the progress reports to the relevant Portfolio Committee for the 2 remaining quarters without fail.
1ST QUARTER PERFORMANCE REPORT			
1.	Provincial Treasury must implement its planned targets as per its APP for 2015/16 to avoid underspending on its budget.	a)	The Provincial Treasury is strictly adhering to the implementation of the Annual Performance Plan for 2015/16. Achievement of targets are monitored on a monthly basis through the implementation of the operational plan and then on quarterly basis. Corrective measures are put in place to ensure achievement of targets that were not achieved during a previous period. The Provincial Treasury will ensure that spending is according to plans and projections and any deviations will be mitigated.
2ND QUARTER PERFORMANCE REPORT			
1.	Provincial Treasury must continue to lead by example in order to achieve 100% of its planned targets in the 2015/16 financial year, even though the moratorium on the filling of funded vacant posts impacts heavily on some of its activities.	a)	The Provincial Treasury is strictly adhering to the implementation of the Annual Performance Plan for 2015/16. Achievement of targets are monitored on a monthly basis through the implementation of the operational plan and then on quarterly basis. Corrective measures are put in place to ensure achievement of targets that were not achieved during a previous period.
		b)	The Provincial Treasury will ensure that spending is according to plans and projections and any deviations will be dealt with in a proactive manner.
2.	A platform should be created where Provincial Treasury can extend its briefing on the moratorium on funded vacant posts to other relevant stakeholders as well to ensure a common approach on the matter.	a)	The briefing on the moratorium was done during the following engagements:
		b)	A presentation was made by Provincial Treasury at Secunda at the recent PMC Lekgotla (9 -11 February 2016) on moratorium as well as rationalisation which was attended by HODs, CEOs, CFOs and Planners of all departments.
		c)	Presentation was made at the Executive Council Lekgotla (16 – 18 February 2016).
		d)	Clarification was provided in terms of the moratorium, rationale, traced back to MTBPS 2014, 2015.
		e)	At PMC Lekgotla further clarification was provided on posts that are funded by conditional grants. Clarification was provided on what happens when a department has received special donor funding and filling of contract posts.

Resolution No.	Resolutions	Response by Provincial Treasury	
		f)	Clarified by the Premier in the SOPA on 26 February 2016 in par 33: "We have indeed made progress with respect to streamlining our organisational structures with a view to halting wastage and duplication, and with the implementation of the moratorium on filling vacant posts we will no doubt continue to pare down the burdensome compensation of employees' costs associated with a bloated administration".
		g)	<p>Clarified during the tabling of the Provincial Budget speech on 8 March 2016:</p> <p>"Containment of administrative personnel expenditure and rationalization</p> <p>Paragraph 49. Compensation of employees constitutes the highest budget item amount in the provincial budget and that is where the main cost containment measures are directed.</p> <p>Paragraph 50. During the 2015/16 financial year R233 million savings were generated from freezing of vacant funded posts.</p> <p>Paragraph 51. Building from 2015/16 we will continue with the moratorium as part of the measures to reduce the wage bill on administrative personnel expenditure while protecting the education and health service staff.</p> <p>Paragraph 52. This period, Honourable Speaker, also offers an opportunity to re-arrange the manner in which departments are configured</p> <p>Paragraph 55. This process will happen across the provincial administration which includes our public entities. We will engage the organized labour in order for us to jointly take this necessary process forward."</p> <p>We believe that from the PMC Lekgotla deliberations this has been achieved.</p> <p>Dedicated funding has been provided to the Office of the Premier to procure services of OD specialists to continue with Rationalisation at levels 1-12.</p>
3.	Provincial Treasury must keep the committee informed on the outcome of its request as submitted to the Executive Council on the filling of critical posts in the Provincial Internal Audit Unit.	a)	During the Departmental Manco meeting of 26 June 2016 it was resolved that a submission would be made to the Executive Council to request the filling of the critical posts.
		b)	Provincial Treasury issued Circular 2 of 2016 to that effect: "ESTIMATES OF COMPENSATION OF EMPLOYEES AND FREEZE ON PERSONNEL EXPANSION AND REVIEW OF VACANCIES". PLEASE CHECK AGAIN
		c)	The essence of the Circular was to request an opportunity for departments including the Provincial Treasury to utilise the savings generated from posts vacated through natural attrition.
		d)	The PMC Lekgotla (9 -11 February 2016) supported the request and resolved that a special submission would be made in this regard

Resolution No.	Resolutions	Response by Provincial Treasury	
		e)	After careful consideration, EXCO Lekgotla (16 – 19 February 2016) resolved that the moratorium on the filling of vacant post will continue.
		f)	In SOPA it was resolved that moratorium should continue
		g)	The Provincial Treasury has commenced with its own re-prioritisation process
		h)	The sub-directorate financial assets is shifted to the Directorate that deals with the Provincial Revenue Fund.
		i)	This we believe is better placed for efficiencies to be derived.
		j)	The unit of Liability management will be shifted to Provincial Supply chain management during 2016/17
		k)	This again will strengthen the issue of 30 day payment and supply chain management function in general.
		l)	Some of the officials will be moved to support municipalities.

8. SCOPA RESOLUTIONS

Feedback on SCOPA preliminary questions on the 2014/15 Financial Statements of the Department of Finance

Resolution No.	Subject	Details	Response by the department		Resolved (Yes/No)
1.	Audit Opinion	What measures will Provincial Treasury put in place to maintain the clean audit opinion?	a)	Provincial Treasury is continuously ensuring that all audit matters raised by oversight bodies such as SCOPA, Portfolio Committee, Audit Committee, Risk Committee and the Internal Audit are addressed and monitored adequately by different programmes and action plans have been implemented in order to address the shortfalls and ensure compliance.	Yes
			b)	The action plans are monitored continuously by management to ensure effective implementation of remedial actions to be taken.	
2.	Audit Opinion	What challenges does the Provincial Treasury envisage that might hamper the achievement of clean audit opinion in the 2015/16 financial year?	a)	The movement and replacement of the IT assets within the Province.	Yes
			b)	A circular on movement of assets have been issued during September 2015 indicating processes to be followed.	
			c)	Compliance is monitored during quarterly asset verification.	
			d)	Non-submission of Portfolio of Evidence for performance information	
			e)	Non-achievement of set targets due to moratorium placed on filling of vacancies	
			f)	Monthly reporting indicating achievements and submission of POEs and monitoring thereof	
			g)	Included progress on non-achievement of previous months and previous quarters in the monthly reporting framework	

Resolution No.	Subject	Details	Response by the department		Resolved (Yes/No)
3.	Predetermined Objectives	How is Provincial Treasury planning to assist departments, municipalities and public entities who are still struggling with financial and performance information?	a)	Guidelines are sent to votes annually to guide them on compilation of budget documents.	Yes
			b)	The Provincial Treasury has intensified its monitoring at Government institutions regarding compliance with applicable legislative frameworks that govern procurement in the public sector.	
			c)	Monitoring on compliance is done on monthly basis which includes 30 days payment, deviations, procurement plans amongst others.	
			d)	The Provincial Treasury, as part of enhancing and improving transparency in the procurement of goods, services and works publishes procurement plans and bid results on the e-procurement website.	
			e)	Analyse responsiveness by Government institutions on Asset, Inventory and Liabilities management recommendations and develop Strategic Support Plans to improve governance.	
			f)	Improvement of Immovable Asset Management in all departments and public entities by monitoring departments and public entities on: Transfer of immovable assets on completion (section 42 of the PFMA) and by obtaining immovable asset registers from departments and public entities and monitor the method of valuation.	
			g)	Analyse that the Corporate Governance of Information and Communication Technology Policy Framework are customised specifically to cater for the institutions ICT environment and Governance processes are driven from executive management level, to ensure that ICT objectives are aligned with business objectives.	
			h)	In line with Object 6 of the Back to Basics Program, the Mpumalanga Provincial Treasury developed an Integrated Municipal Support Plan (IMSP) to assist Municipalities to improve their audit outcomes with emphasis placed on Municipalities which received disclaimers	
			i)	Five Municipalities were selected to be assisted with their filing and records management systems (Thaba Chweu, Mkhondo, Msukaligwa, Emakhazeni and Emalahleni Local Municipalities)	
			j)	A status quo analysis was conducted during the month of May 2015 with a main purpose of obtaining a holistic view on challenges faced by the five Municipalities in order for the Provincial Treasury to fast track the roll-out of the hands-on support required.	
			k)	Following the analysis of the Municipal Audit Outcomes, Provincial Treasury identified the need to partner with the private sector for support to assist municipalities to address gaps identified by the Auditor- General.	

Resolution No.	Subject	Details	Response by the department		Resolved (Yes/No)
			l)	This was done due to the limited resources within the Provincial Treasury.	
			m)	The Provincial Treasury successfully engaged with SASOL to assist through collaboration and a partnership with regard to amongst others development of standard operating procedures and business processes.	
4.	Predetermined Objectives	What are the steps taken by Provincial Treasury to enforce compliance to the 9 municipalities who did not submit their interim financial statements?	a)	Provincial Treasury has developed improvement measures such as conducting workshops and training on how to prepare the interim financial statements.	Yes
			b)	The CFO forum will be utilised to discuss the importance of the quarterly reporting that is the preparation of Interim Financial Statements.	
			c)	Engaging in discussions with CFOs to enlighten them of the importance of the interim reporting.	
			d)	Re - issue a circular to guide Municipalities to prepare and submit the Interim Financial Statements to enable Provincial Treasury to review them and provide feedback and recommendations for improvements.	
			e)	Matters of non-compliance will be escalated to the Executive Mayors to request intervention	
5.	Predetermined Objectives	Does the Provincial Treasury have a plan in place to assist municipalities to achieve clean audit opinion? If yes, provide action plan to the portfolio committee.	a)	The achievement of clean audit opinions constitute of all processes in municipalities to ensure the strengthening of internal controls together with continuous monitoring by management and oversight bodies. The Provincial Treasury identifies areas for intervention and provide hands-on support and continuous monitoring of these areas.	Yes
			b)	These planned actions are included in the Annual Performance Plan of the Provincial Treasury and focus on areas of financial disclosures, asset management, supply chain management, liabilities management, internal audit and risk management. This also includes capacity building and training in all these areas.	
6.	Predetermined Objectives	The Accounting Officer must indicate potential challenges at municipalities, departments and public entities?	a)	Potential challenges include non-compliance by government institutions to legislation, policies and procedures with regards to financial and performance reporting, asset and liability management as well as supply chain management.	Yes
			b)	Another challenge is the vacant key positions on these institutions which contribute to instability and lack of management monitoring.	

9. PRIOR MODIFICATIONS TO AUDIT REPORTS

There were no prior modifications to audit reports

10. INTERNAL CONTROL UNIT

The Provincial Treasury does not have an Internal Control Unit.

11. INTERNAL AUDIT AND AUDIT COMMITTEES

The Internal Audit Unit and Audit Committee derives its mandate from the Internal Audit Charter and Audit Committee Charter.

Key activities and objectives of the internal audit:

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

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

Summary of audit work done:

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

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

- Performance Information and Financial Statement Reviews;
- Revenue Fund Financial Statements Review;
- Regional Office Reviews;
- Control Environment;
- Quarterly Key Controls Review;
- Information Technology and Interlinked Financial Systems;
- Asset Management; and
- Financial and Supply Chain Management.

Key activities and objectives of the Audit Committee:

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

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

Name	Qualifications	Internal or external	Date appointed	Contract Period	Date Resigned	No. of Meetings attended 2015/16
Mr Kingsley Chisale	ACCA CIA BCOM CFE	External	27/10/2008	31/10/2016	N/A	5
Ms Nontle Jaxa	B Com Acc B Compt Hons MBA	External	27/10/2008	31/10/2016	N/A	5
Mr Hangalakani Hlomane	BSc: Maths Sciences Masters: IT	External	01/11/2013	31/10/2016	N/A	4
Mr Sam Mthembu	FAP(IAC)SA BCom (Accounting) MBL	External	01/11/2013	31/10/2016	N/A	5

12. AUDIT COMMITTEE REPORT

Report of the Audit Committee

The Audit Committee hereby presents its report for the financial year ended 31 March 2016.

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) 3.1.13. The Audit Committee has for the period under review adopted a formal terms of reference by way of the Audit Committee Charter. It has regulated its affairs in compliance with the Charter and has discharged all its responsibilities as contained therein. The Audit Committee has not reviewed changes in accounting policies and practices.

The Effectiveness of Internal Control Systems

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

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

- a) Performance Information and Financial Statement Reviews;
- b) Revenue Fund Financial Statement Review;
- c) Regional Office Review;
- d) Control Environment;
- e) Quarterly Key Controls Review;
- f) Information Technology and Interlinked Financial Systems;
- g) Asset Management; and
- h) Financial and Supply Chain Management.

The following were areas of concern:

- a) Inadequate implementation of the Performance Management and Development System;
- b) Utilisation of the Intenda Proquote system;
- c) Non-standardised exit procedures for Provincial Departments;
- d) Assets incorrectly captured on the asset register;
- e) Movement of assets without following proper procedures;
- f) Timing of procurement and performance and training of Bid Committee members;
- g) Inadequate review of payment vouchers before processing to ensure explanation of variations between orders issued and invoices received;
- h) Inadequate review of travel and subsistence claims; and
- i) Inadequate monitoring and review of repairs and maintenance of Government vehicles.

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

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 Provincial Treasury as required by the PFMA.

Evaluation of Financial Statements

The Audit Committee has reviewed the financial statements prepared by the Provincial Treasury.

Auditor-General's Report

The Audit Committee reviewed the Provincial Treasury's implementation plan for audit issues raised in the previous financial year and is satisfied that the matters have been adequately resolved.

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

Independence of the Audit Committee

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

Internal Audit

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

Appreciation

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



Kingsley Juliano Chisale
Chairperson of the Audit Committee Mpumalanga Provincial Treasury
Date: 31 July 2016



Part D

HUMAN RESOURCE MANAGEMENT





1. INTRODUCTION

The information contained in this part of the annual report has been prescribed by the Minister for the Public Service and Administration for all departments in the public service.

2. OVERVIEW OF HUMAN RESOURCES

The status of human resources in the Provincial Treasury

The Provincial Treasury will continue to provide:

- Human resource and support services to enable it to achieve its objectives.
- Implement human resource and employment equity plans.
- Implement skills development programmes to improve operational efficiency and employment opportunities.
- Address skills gaps as informed by performance management assessments.
- Provide labour advice to promote sound employee/employer relations.
- Promote health and wellness and support programmes.

Human resource priorities for the year under review and impact thereof

Human resource priorities	The impact of thereof
Attracting and recruiting the best skilled employees.	Recruitment of competent personnel.
Retaining and developing a modern responsive and professional workforce.	Reduced number of personnel turnover.
Compliance to EE Act.	BSc: Maths Sciences Masters: IT
Ensure proper implementation of exit questionnaires.	Addressing issues causing high staff turnover and reduced vacancy rate/ turnover rate.
Provision of accurate HR information.	Correct details on PERSAL.
Proper management of sick leave.	Maximum performance, properly managed sick leave and support provided to officials through health and wellness programmes.
Entrench and instill discipline and implement the code of conduct.	Well behaved and disciplined officials.
Ensure capacity building for all employees.	Approved Workplace Skills Plan (WSP).
Proper management and implementation of Performance Management & Development.	Compliance to PMDS policy. Workplace productivity and employment opportunities.
Management of Employee Health and Wellness programme.	Healthy and productive workforce.

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

A Moratorium on the filling of all vacant posts across all Provincial Departments as per circular dated 13 March 2015 has been issued. Based on the moratorium, all vacant funded and unfunded posts were abolished on Persal with effect from 1st April 2015.

Employee performance management

The Provincial Treasury achieved to pay all eligible officials at Salary level 1-12 and Senior Managers on level 13, including Head Official were assessed, and those who qualified for performance incentives and pay progressions were paid accordingly, however all eligible officials at salary level 14 were not assessed for the period under review.

Employee wellness programmes

The Provincial Treasury conducted 18 Health and Wellness workshops. Health and Wellness committee meetings were convened.

Highlight achievements and challenges faced by the Provincial Treasury, as well as future human resource plans /goals

Achieved The Provincial Treasury managed to maintain its entire staff.
Partially Achieved The Provincial Treasury managed to achieve 42.9% female employees at SMS level. People with disability are at 2.4%.
Achieved The Provincial Treasury managed to conduct ten (10) Exit Interviews. Reports produced for Management Committee.
Achieved The Provincial Treasury managed to perform Persal clean-up process to improve data integrity.
Achieved The Provincial Treasury was able to reduce abuse of sick leave by 0.4% by conducting awareness campaigns.
Achieved The Provincial Treasury finalised three (3) misconduct cases and resolved two (2) grievance cases.
Achieved The Provincial Treasury approved training programmes for 2015/16 and three training programmes were conducted.
Partially Achieved The Provincial Treasury achieved to pay all eligible officials at Salary level 1-12 and Senior Managers on level 13, including Head Official were assessed, and those who qualified for performance incentives and pay progression were paid except SMS members at salary level 14.
Achieved The Provincial Treasury conducted 18 Health and Wellness workshops. Health and Wellness committee meetings were also convened.

3. HUMAN RESOURCES OVERSIGHT STATISTICS

3.1. Personnel related expenditure

The following tables summarise 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 2015 to 31 March 2016

Programme	Total expenditure (R'000)	Personnel expenditure (R'000)	Training expenditure	Professional and special services expenditure (R'000)	Personnel expenditure as a % of total expenditure	Average personnel cost per employee (R'000)
Administration	79 733	46 397	1 031	355	58	371
Sustainable Resource Management	52 830	37 853	315	0	72	620
Assets & Liabilities Management	110 577	47 600	136	176	43	496
Financial Governance	29 951	19 556	207	3 986	65	501
TOTAL AS ON FINANCIAL SYSTEMS (BAS)	273 091	151 401	1 690	4 518	55	472

Table 3.1.2 Personnel costs by salary band for the period 1 April 2015 to 31 March 2016

Programme	Total expenditure (R'000)	Personnel expenditure (R'000)	Training expenditure	Professional and special services expenditure (R'000)
Lower skilled (Levels 1-2)	2 362	1.6	17	139
Skilled (Levels 3-5)	6 409	4.2	34	189
Highly skilled production (Levels 6-8)	30 351	20.0	95	319
Highly skilled supervision (Levels 9-12)	83 304	55.0	135	617
Senior management (Levels 13-16)	22 834	15.1	22	1 037
Contract (Levels 1-2)	1 344	0.9	17	79
Contract (Levels 9-12)	817	0.5	1	817
Abnormal Appointment	3 645	2.4	70	52
TOTAL	151 066	99.8	391	386

Table 3.1.3 Salaries, Overtime, Home Owners Allowance and Medical Aid by programme for the period 1 April 2015 to 31 March 2016

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	34 217	70.2	464	1	1 570	3.2	1 867	3.8
Sustainable Resource Management	25 986	65.3	8	0	726	1.8	638	1.6
Assets and Liabilities Management	37 698	71.8	1	0	1 007	1.9	1 521	2.9
Financial Governance	15 367	71.3	0	0	393	1.8	584	2.7
TOTAL	113 268	69.7	473	0.3	3 696	2.3	4 610	2.8

Table 3.1.4 Salaries, Overtime, Home Owners Allowance and Medical Aid by salary band for the period 1 April 2015 to 31 March 2016

Programme	Salaries		Overtime		Home Owners Allowance		Medical Aid	
	Amount	Salaries as a % of personnel costs	Amount	Overtime as a % of personnel costs	Amount	HOA as a % of personnel costs	Amount	Medical aid as a % of personnel costs
	(R'000)	%	(R'000)	%	(R'000)	%	(R'000)	%
Lower skilled (Levels 1-2)	1 538	64.9	0	0	234	9.9	227	9.6
Skilled (Levels 3-5)	4 477	67.6	30	0.5	462	7	416	6.3
Highly skilled production (Levels 6-8)	21 835	69.1	319	1	1 257	4	1 461	4.6
Highly skilled supervision (Levels 9-12)	63 776	70.1	124	0.1	1 189	1.3	2 236	2.5
Senior management (Levels 13-16)	18 658	76.2	0	0	554	2.3	270	1.1
Contract (Levels 1-2)	1 344	99.8	0	0	0	0	0	0
Contract (Levels 9-12)	795	91.4	0	0	0	0	0	0
Abnormal Appointment	845	19.9	0	0	0	0	0	0
TOTAL	113 268	69.7	473	0.3	3 696	2.3	4 610	2.8

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

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

Table 3.2.1 Employment and vacancies by programme as on 31 March 2016

Programme	Number of posts on approved establishment	Number of posts filled	Vacancy Rate	Number of employees additional to the establishment
Administration, Permanent	125	125	0	20
Sustainable Resource Management, Permanent	61	61	0	17

Programme	Number of posts on approved establishment	Number of posts filled	Vacancy Rate	Number of employees additional to the establishment
Assets and Liabilities Management, Permanent	96	96	0	0
Financial Governance, Permanent	39	39	0	47
TOTAL	321	321	0	84

Table 3.2.2 Employment and vacancies by salary band as on 31 March 2016

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	17	17	0	0
Skilled (Levels 3-5), Permanent	34	34	0	0
Highly skilled production (Levels 6-8), Permanent	95	95	0	0
Highly skilled supervision (Levels 9-12), Permanent	135	135	0	0
Senior management (Levels 13-16), Permanent	22	22	0	0
Contract (Levels 1-2), Permanent	17	17	0	79
Contract (Levels 9-12), Permanent	1	1	0	5
TOTAL	321	321	0	84

Table 3.2.3 Employment and vacancies by critical occupations as on 31 March 2016

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	59	0	0
Cleaners in offices, Permanent	14	14	0	0
Communication and information related, Permanent	3	3	0	0
Computer system designers and analysts, Permanent	1	1	0	0
Engineering sciences related, Permanent	1	1	0	0
Finance and economics related, Permanent	39	39	0	1
Financial and related professionals, Permanent	40	40	0	82
Financial clerks and credit controllers, Permanent	3	3	0	0

Critical occupation	Number of posts on approved establishment	Number of posts filled	Vacancy Rate	Number of employees additional to the establishment
Head of Department, Permanent	1	1	0	0
Human resources clerks, Permanent	1	1	0	0
Human resources related, Permanent	9	9	0	2
Information technology related, Permanent	20	20	0	0
Light vehicle drivers, Permanent	1	1	0	0
Logistical support personnel, Permanent	26	26	0	0
Messengers and deliverers, Permanent	2	2	0	0
Other administrative policy and related officers, Permanent	1	1	0	0
Other information technology personnel., Permanent	8	8	0	0
Other occupations, Permanent	66	66	0	0
Risk management and security services, Permanent	2	2	0	0
Secretaries & other keyboard operating clerks, Permanent	15	15	0	0
Senior managers, Permanent	9	9	0	0
TOTAL	321	321	0	84

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 2016

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
Head Official	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	16	16	100	0	0
TOTAL	20	20	100	0	0

Table 3.3.2 SMS post information as on 30 September 2015

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
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	20	20	100	0	0
TOTAL	24	24	100	0	0

Table 3.3.3 Advertising and filling of SMS posts for the period 1 April 2015 and 31 March 2016

SMS Level	Advertising	Filling of Posts	
	Number of vacancies per level advertised in 6 months of becoming vacant	Number of vacancies per level filled in 6 months of becoming vacant	Number of vacancies per level not filled in 6 months but filled in 12 months
Head of Department	0	0	0
Salary Level 16	0	0	0
Salary Level 15	0	0	0
Salary Level 14	0	0	0
Salary Level 13	0	0	0
TOTAL	0	0	0

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 2015 to 31 March 2016

Reasons for vacancies not advertised within twelve months
A moratorium on the filling of all vacant posts across all Provincial Departments as per circular dated 13 March 2015 has been issued.

Reasons for vacancies not filled within twelve months
A moratorium on the filling of all vacant posts across all Provincial Departments as per circular dated 13 March 2015 has been issued.

Disciplinary steps taken for not complying with the prescribed timeframes for filling SMS posts within 12 months for the period 1 April 2015 to 31 March 2016

No disciplinary steps were taken for non-compliance as a moratorium has been issued on the filling of all vacant posts.

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 2015 to 31 March 2016

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)	17	0	0	0	0	0	0
Contract (Levels 1-2)	17	0	0	0	0	0	0
Contract (Levels 9-12)	1	0	0	0	0	0	0
Skilled (Levels 3-5)	34	0	0	0	0	0	0
Highly skilled production (Levels 6-8)	95	0	0	0	0	0	0
Highly skilled supervision (Levels 9-12)	135	0	0	0	0	0	0
Senior Management Service Band A	16	0	0	0	0	0	0
Senior Management Service Band B	5	0	0	0	0	0	0
Senior Management Service Band C	1	0	0	0	0	0	0
TOTAL	321	0	0	0	0	0	0

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

Table 3.4.2 Profile of employees whose positions were upgraded due to their posts being upgraded for the period 1 April 2015 to 31 March 2016

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

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 2015 to 31 March 2016

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

Table 3.4.4 Profile of employees who have salary levels higher than those determined by job evaluation for the period 1 April 2015 and 31 March 2016

Gender	African	Asian	Coloured	White	Total
Female	2	0	0	0	2
Male	1	0	0	0	1
Total	3	0	0	0	3
Employees with a disability					0

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 2015 to 31 March 2016

Salary band	Number of employees at beginning of period-1 April 2015	Appointments and transfers into the Provincial Treasury	Terminations and transfers out of the Provincial Treasury	Turnover rate
Lower skilled (Levels 1-2), Permanent	18	0	0	0
Skilled (Levels 3-5), Permanent	35	0	1	2.9
Highly skilled production (Levels 6-8), Permanent	98	0	3	3.1
Highly skilled supervision (Levels 9-12), Permanent	142	0	4	2.8
Senior Management Service Band A, Permanent	13	0	0	0
Senior Management Service Band B, Permanent	6	0	0	0
Senior Management Service Band C, Permanent	1	0	0	0

Salary band	Number of employees at beginning of period-1 April 2015	Appointments and transfers into the Provincial Treasury	Terminations and transfers out of the Provincial Treasury	Turnover rate
Contract (Levels 1-2), Permanent	13	20	16	123.1
Contract (Levels 9-12), Permanent	1	0	0	0
TOTAL	327	20	24	7.3

Table 3.5.2 Annual turnover rates by critical occupation for the period 1 April 2015 to 31 March 2016

Critical occupation	Number of employees at beginning of period-April 2015	Appointments and transfers into the Provincial Treasury	Terminations and transfers out of the Provincial Treasury	Turnover rate
Administrative related, Permanent	57	0	0	0
Cleaners in offices workshops hospitals etc., Permanent	14	0	0	0
Communication and information related, Permanent	3	0	0	0
Computer system designers and analysts., Permanent	1	0	0	0
Engineering sciences related, Permanent	1	0	0	0
Finance and economics related, Permanent	35	20	15	42.9
Financial and related professionals, Permanent	44	0	2	4.5
Financial clerks and credit controllers, Permanent	4	0	1	25
Head of department/chief executive officer, Permanent	1	0	0	0
Human resources clerks, Permanent	1	0	0	0
Human resources related, Permanent	9	0	0	0
Information technology related, Permanent	19	0	0	0
Legal related, Permanent	1	0	0	0
Light vehicle drivers, Permanent	1	0	0	0
Logistical support personnel, Permanent	29	0	3	10.3
Messengers porters and deliverers, Permanent	2	0	0	0
Other administrative policy and related officers, Permanent	1	0	0	0
Other information technology personnel., Permanent	8	0	0	0

Critical occupation	Number of employees at beginning of period-April 2015	Appointments and transfers into the Provincial Treasury	Terminations and transfers out of the Provincial Treasury	Turnover rate
Other occupations, Permanent	73	0	3	4.1
Risk management and security services, Permanent	1	0	0	0
Secretaries & other keyboard operating clerks, Permanent	16	0	0	0
Senior managers, Permanent	6	0	0	0
TOTAL	327	20	24	7.3

The table below identifies the major reasons why staff left the Provincial Treasury.

Table 3.5.3 Reasons why staff left the Provincial Treasury for the period 1 April 2015 to 31 March 2016

Termination Type	Number	% of Total Resignations
Death, Permanent	1	4.2
Resignation, Permanent	7	29.2
Expiry of contract, Permanent	14	58.3
Dismissal-misconduct, Permanent	2	8.3
TOTAL	24	100
Total number of employees who left as a % of total employment		7.3

Table 3.5.4 Promotions by critical occupation for the period 1 April 2015 to 31 March 2016

Occupation	Employees 1 April 2015	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	57	0	0	42	73.7
Cleaners in offices	14	0	0	4	28.6
Communication and information related	3	0	0	3	100
Computer system designers and analysts.	1	0	0	1	100
Engineering sciences related	1	0	0	1	100
Finance and economics related	35	0	0	20	57.1

Occupation	Employees 1 April 2015	Promotions to another salary level	Salary level promotions as a % of employees by occupation	Progressions to another notch within a salary level	Notch progression as a % of employees by occupation
Financial and related professionals	44	0	0	35	79.5
Financial clerks and credit controllers	4	0	0	2	50
Head of Department	1	0	0	1	100
Human resources clerks	1	0	0	0	0
Human resources related	9	0	0	6	66.7
Information technology related	19	0	0	13	68.4
Legal related	1	0	0	0	0
Light vehicle drivers	1	0	0	0	0
Logistical support personnel	29	0	0	23	79.3
Messengers and deliverers	2	0	0	2	100
Other administrative policy and related officers	1	0	0	1	100
Other information technology personnel.	8	0	0	6	75
Other occupations	73	0	0	61	83.6
Risk management and security services	1	0	0	0	0
Secretaries & other keyboard operating clerks	16	0	0	10	62.5
Senior managers	6	0	0	3	50
TOTAL	327	0	0	234	71.6

Table 3.5.5 Promotions by salary band for the period 1 April 2015 to 31 March 2016

Salary Band	Employees 1 April 2015	Promotions to another salary level	Salary bands promotions as a % of employees by salary level	Progressions to another notch within a salary level	Notch progression as a % of employees by salary bands
Lower skilled (Levels 1-2), Permanent	18	0	0	6	33.3
Skilled (Levels 3-5), Permanent	35	0	0	23	65.7
Highly skilled production (Levels 6-8), Permanent	98	0	0	75	76.5
Highly skilled supervision (Levels 9-12), Permanent	142	0	0	115	81
Senior management (Levels 13- 16), Permanent	20	0	0	13	65
Contract (Levels 1-2), Permanent	13	0	0	2	15.4
Contract (Levels 9-12), Permanent	1	0	0	0	0
TOTAL	327	0	0	234	71.6

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 2016

Salary Band	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Legislators, senior officials and managers, Permanent	3	0	1	1	4	0	0	1	10
Professionals, Permanent	58	2	0	7	50	0	0	4	121
Technicians and associate professionals, Permanent	36	0	1	0	48	0	1	0	86
Clerks, Permanent	5	0	0	0	14	0	0	0	19
Service and sales workers, Permanent	1	0	0	0	1	0	0	0	2
Plant and machine operators and assemblers, Permanent	1	0	0	0	0	0	0	0	1
Elementary occupations, Permanent	35	0	0	1	45	0	0	1	82
TOTAL	139	2	2	9	162	0	1	6	321

Salary Band	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
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 2016

Occupational band	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top Management, Permanent	0	0	0	0	1	0	0	0	1
Senior Management, Permanent	10	0	1	1	5	0	0	4	21
Professionally qualified and experienced specialists and mid-management, Permanent	69	1	1	7	56	0	0	1	135
Skilled technical and academically qualified workers, junior management, supervisors, foremen, Permanent	38	1	0	0	54	0	1	1	95
Semi-skilled and discretionary decision making, Permanent	13	0	0	0	21	0	0	0	34
Unskilled and defined decision making, Permanent	1	0	0	0	16	0	0	0	17
Contract (Professionally qualified), Permanent	0	0	0	1	0	0	0	0	1
Contract (Unskilled), Permanent	8	0	0	0	9	0	0	0	17
TOTAL	139	2	2	9	162	0	1	6	321

Table 3.6.3 Recruitment for the period 1 April 2015 to 31 March 2016

Occupational band	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top Management, Permanent	0	0	0	0	0	0	0	0	0
Professionally qualified and experienced specialists and mid-management, Permanent	0	0	0	0	0	0	0	0	0

Occupational band	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Skilled technical and academically qualified workers, junior management, supervisors, foremen, Permanent	0	0	0	0	0	0	0	0	0
Semi-skilled and discretionary decision making, Permanent	0	0	0	0	0	0	0	0	0
Contract (Unskilled), Permanent	9	0	0	0	11	0	0	0	20
TOTAL	9	0	0	0	11	0	0	0	20
Employees with disabilities	0	0	0	0	0	0	0	0	0

Table 3.6.4 Promotions for the period 1 April 2015 to 31 March 2016

Occupational band	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Professionally qualified and experienced specialists and mid-management, Permanent	0	0	0	0	0	0	0	0	0
Skilled technical and academically qualified workers, junior management, supervisors, foremen, Permanent	0	0	0	0	0	0	0	0	0
Semi-skilled and discretionary decision making, Permanent	0	0	0	0	0	0	0	0	0
Unskilled and defined decision making, Permanent	0	0	0	0	0	0	0	0	0
TOTAL	0	0	0	0	0	0	0	0	0
Employees with disabilities	0	0	0	0	0	0	0	0	0

Table 3.6.5 Terminations for the period 1 April 2015 to 31 March 2016

Occupational band	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Professionally qualified and experienced specialists and mid-management, Permanent	1	0	0	0	3	0	0	0	4
Skilled technical and academically qualified workers, junior management, supervisors, foremen, Permanent	1	0	0	0	2	0	0	0	3
Semi-skilled and discretionary decision making, Permanent	1	0	0	0	0	0	0	0	1
Contract (Unskilled), Permanent	11	0	0	0	5	0	0	0	16
TOTAL	14	0	0	0	10	0	0	0	24
Employees with Disabilities	0	0	0	0	0	0	0	0	0

Table 3.6.6 Disciplinary action for the period 1 April 2015 to 31 March 2016

Disciplinary action	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Progressive discipline	2	0	0	0	3	0	0	1	6

Table 3.6.7 Skills development for the period 1 April 2015 to 31 March 2016

Disciplinary action	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 professionals	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

Disciplinary action	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Plant and machine operators and assemblers	0	0	0	0	0	0	0	0	0
Elementary occupations	1	0	0	0	13	0	0	0	14
Total	43	0	1	2	42	0	0	2	90
Employees with disabilities	1	0	0	0	0	0	0	0	1

3.7. Signing of Performance Agreements by SMS Members

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

Table 3.7.1 Signing of Performance Agreements by SMS members as on 31 May 2015

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
Head Official	1	1	1	100
Salary Level 14	2	2	1	50
Salary Level 13	19	19	15	79
Total	22	22	17	77

Table 3.7.2 Reasons for not having concluded Performance agreements for all SMS members as on 31 March 2016

Reasons
All SMS members' performance agreements were signed by 31 March 2016.

Table 3.7.3 Disciplinary steps taken against SMS members for not having concluded Performance agreements as on 31 March 2016

Reasons
No steps taken as all agreements were signed by 31 March 2016.

3.8. Performance Rewards

To encourage good performance, the Provincial Treasury 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 2015 to 31 March 2016

Disciplinary action	Beneficiary Profile			Cost	
	Number of beneficiaries	Number of employees	% of total within group	Cost (R'000)	Average cost per employee
African, Female	130	160	81.3	963	7 408
African, Male	92	135	68.1	970	10 542
Asian, Female	1	1	100	6	6 483
Asian, Male	1	1	100	65	64 600
Coloured, Male	2	2	100	27	13 345
Total Blacks, Female	131	161	81.4	970	7 401
Total Blacks, Male	95	138	68.8	1 061	11 170
White, Female	2	6	33.3	73	36 304
White, Male	8	8	100	114	14 297
Employees with a disability	4	8	50	40	9 966
TOTAL	240	321	74.8	2 258	9 407

Table 3.8.2 Performance Rewards by salary band for personnel below Senior Management Service for the period 1 April 2015 to 31 March 2016

Disciplinary action	Beneficiary Profile			Cost		Total cost as a % of the total personnel expenditure
	Number of beneficiaries	Number of employees	% of total within group	Total Cost (R'000)	Average cost per employee	
Lower skilled (Levels 1-2)	13	17	76.5	27	2 077	1.1
Skilled (Levels 3-5)	24	34	70.6	70	2 917	1.1
Highly skilled production (Levels 6-8)	81	95	85.3	437	5 395	1.4
Highly skilled supervision (Levels 9-12)	114	135	84.4	1 377	12 079	1.7
Contract (Levels 1-2)	0	17	0	0	0	0
Contract (Levels 9-12)	1	1	100	22	22 000	2.7
Abnormal Appointment	0	70	0	0	0	0
TOTAL	233	369	63.1	1 933	8 296	1.5

Table 3.8.3 Performance Rewards by critical occupation for the period 1 April 2015 to 31 March 2016

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	10	59	78	424	9 217
Cleaners in offices	11	14	78.6	24	2 182
Communication and information related	3	3	100	22	7 333
Computer system designers and analysts.	1	1	100	9	9 000
Engineering sciences related	0	1	0	0	0
Finance and economics related	16	39	41	158	9 875
Financial and related professionals	34	40	85	419	12 324
Financial clerks and credit controllers	2	3	66.7	25	12 500
Head of department	0	1	0	0	0
Human resources clerks	1	1	100	7	7 000
Human resources related	6	9	66.7	100	16 667
Information technology related	13	20	65	115	8 846
Light vehicle drivers	1	1	100	3	3 000
Logistical support personnel	24	26	92.3	151	6 292
Messengers porters and deliverers	2	2	100	6	3 000
Other administrative policy and related officers	0	1	0	0	0
Other information technology personnel.	8	8	100	74	9 250
Other occupations	58	66	87.9	491	8 466
Risk management and security services	1	2	50	19	19 000
Secretaries & other keyboard operating clerks	9	15	60	47	5 222
Senior managers	4	9	44.4	165	41 250
TOTAL	240	321	74.8	2 259	9 413

Table 3.8.4 Performance related rewards (cash bonus), by salary band for Senior Management Service for the period 1 April 2015 to 31 March 2016

Salary band	Beneficiary Profile			Cost		Total cost as a % of the total personnel expenditure
	Number of beneficiaries	Number of employees	% of total within salary bands	Total Cost (R'000)	Average cost per employee	
Band A	4	16	25	205	51 250	1.2
Band B	3	5	60	120	40 000	1.9
Band C	0	1	0	0	0	0
TOTAL	7	22	32	325	46 429	1.4

3.9. Foreign Workers

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

Table 3.9.1 Foreign workers by salary band for the period 1 April 2015 to 31 March 2016

Salary band	01 April 2015		31 March 2016		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 2015 and 31 March 2016

Major occupation	01 April 2015		31 March 2016		Change	
	Number	% of total	Number	% of total	Number	% Change
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 2015 to 31 December 2015

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)	132	75	10	7.6	8	59
Skilled (Levels 3-5)	158	76.6	22	11.8	6	107
Highly skilled production (Levels 6-8)	477	83.2	69	35.1	6	544
Highly skilled supervision (Levels 9-12)	496	84.1	92	39.3	6	1 113
Senior management (Levels 13-16)	51	82.4	13	5.7	4	184
Contract (Levels 9-12)	7	85.7	1	0.5	7	20
TOTAL	1 321	81.9	207	100	6	2 027

Table 3.10.2 Disability leave (temporary and permanent) for the period 1 January 2015 to 31 December 2015

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)	10	100	1	50	10	4
Highly skilled supervision (Levels 9-12)	2	100	1	50	2	
TOTAL	12	100	2	100	6	8

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 2015 to 31 December 2015

Salary band	Total days taken	Average per employee	Number of Employees using annual leave
Lower skilled (Levels 1-2)	472	28	17
Skilled (Levels 3-5)	825	23	36
Highly skilled production (Levels 6-8)	2 441	24	101
Highly skilled supervision (Levels 9-12)	3 600	25	143
Senior management (Levels 13-16)	486	22	22
Contract (Levels 9-12)	16	16	1
TOTAL	7 840	25	320

Table 3.10.4 Capped leave for the period 1 January 2015 to 31 December 2015

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 December 2015
Lower skilled (Levels 1-2)	1	1	1	40
Skilled (Levels 3-5)	1	1	1	110
Highly skilled production (Levels 6-8)	12	5	2	71
TOTAL	14	7	2	75

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 2015 to 31 March 2016

Reason	Total amount (R'000)	Number of employees	Average per employee (R'000)
Capped leave pay out on termination of service for 2015/16	69	1	69
Current leave pay outs on termination of service for 2015/16	115	6	19
TOTAL	184	7	26

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
Nil	Nil

Table 3.11.2 Details of Health Promotion and HIV/AIDS Programmes

	Question	Yes	No	Details, if yes
1.	Has the Provincial Treasury 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 Provincial Treasury 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 Provincial Treasury 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 session, consultation, and analysis pattern report. Request data absence of employees. Preparation Wellness Committee

	Question	Yes	No	Details, if yes
4.	Has the Provincial Treasury 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 Mr JK Sithole (NEHAWU) Mr MK Sibanyoni (PSA) Ms EY Mnisi (Health and Wellness) Mr BJ Hlatshwayo Mr TK Theledi Ms AS Mthombeni Mr MJ Rikhotso Mr MS Nkambule Mr RB Ndhlovu Ms YN Mkhabela Ms TT Thwala
5.	Has the Provincial Treasury 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 Provincial Treasury 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 Provincial Treasury t encourage its employees to undergo Voluntary Counselling and Testing? If so, list the results that you have you achieved.	Yes		Positive response from officials in terms of testing for HIV/AIDS, sugar diabetics, high blood pressure ,cholesterol
8.	Has the Provincial Treasury developed measures/indicators to monitor & evaluate the impact of its health promotion programme? If so, list these measures/indicators.	Yes		Progress reports are compiled and available for campaign held

3.12. Labour Relations

Table 3.12.1 Collective agreements for the period 1 April 2015 to31 March 2016

Total number of Collective agreements	None
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The following table summarises the outcome of disciplinary hearings conducted within the Provincial Treasury for the year under review.

Table 3.12.2 Misconduct and disciplinary hearings finalised for the period 1 April 2015 to 31 March 2016

Total number of Disciplinary hearings finalised	6
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Table 3.12.3 Types of misconduct addressed at disciplinary hearings for the period 1 April 2015 to 31 March 2016

Type of misconduct	Number	% of total
Fraud	2	33.33
Unacceptable conduct	4	66.67
TOTAL	6	100

Table 3.12.4 Grievances logged for the period 1 April 2015 to 31 March 2016

Grievances	Number	% of total
Number of grievances resolved	1	100
Number of grievances not resolved	0	0
TOTAL NUMBER OF GRIEVANCES LODGED	1	100

Table 3.12.5 Disputes logged with Councils for the period 1 April 2015 to 31 March 2016

Disputes	Number	% of total
Number of disputes upheld	1	100
Number of disputes dismissed	0	0
TOTAL NUMBER OF DISPUTES LODGED	1	100

Table 3.12.6 Strike actions for the period 1 April 2015 to 31 March 2016

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 2015 to 31 March 2016

Number of people suspended	2
Number of people who's suspension exceeded 30 days	2
Average number of days suspended	140 days
Cost of suspension(R'000)	R151

3.13. Skills development

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

Table 3.13.1 Training needs identified for the period 1 April 2015 to 31 March 2016

Occupational category	Gender	Number of employees as at 1 April 2015	Training needs identified at start of the reporting period			
			Learnerships	Skills Programmes & other short courses	Other forms of training	Total
Legislators, senior officials and managers	Female	4	0	5	0	5
	Male	3	0	10	0	10
Professionals	Female	49	0	5	0	5
	Male	72	0	9	0	9

Occupational category	Gender	Number of employees as at 1 April 2015	Training needs identified at start of the reporting period			
			Learnerships	Skills Programmes & other short courses	Other forms of training	Total
Technicians and associate professionals	Female	49	0	4	0	4
	Male	37	0	8	0	8
Clerks	Female	15	0	27	0	27
	Male	6	0	21	0	21
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	51	0	13	0	13
	Male	41	0	1	0	1
Sub Total	Female	168	0	54	0	54
	Male	159	0	49	0	49
TOTAL		327	0	103	0	103

Table 3.13.2 Training provided for the period 1 April 2015 to 31 March 2016

Occupational category	Gender	Number of employees as at 1 April 2015	Training needs identified at start of the reporting period			
			Learnerships	Skills Programmes & other short courses	Other forms of training	Total
Legislators, senior officials and managers	Female	4	0	5	0	5
	Male	3	0	10	0	10
Professionals	Female	49	0	5	0	5
	Male	72	0	9	0	9
Technicians and associate professionals	Female	49	0	4	0	4
	Male	37	0	8	0	8
Clerks	Female	15	0	27	0	27
	Male	6	0	21	0	21
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	51	0	13	0	13
	Male	41	0	1	0	1
Sub Total	Female	168	0	54	0	54
	Male	159	0	49	0	49
TOTAL		327	0	103	0	103

3.14. Injury on duty

The following table provides basic information on injury on duty.

Table 3.14.1 Injury on duty for the period 1 April 2015 to 31 March 2016

Nature of injury on duty	Number	% of total
Required basic medical attention only	0	0
Temporary Total Disablement	4	100
Permanent Disablement	0	0
Fatal	0	0
TOTAL	4	100

3.15. Utilisation of Consultants

The following table relates information on the utilisation of consultants in the Provincial Treasury. 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 the Provincial Treasury 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 2015 to 31 March 2016

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

Project title	Total number of consultants that worked on project	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 2015 to 31 March 2016

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 2015 to 31 March 2016

Project title	Total Number of consultants that worked on project	Duration (Work days)	Number of consultants from HDI groups that work on the project
N/A	N/A	N/A	N/A

Total number of projects	Total Number of consultants that worked on project	Total duration Work days	Total contract value in Rand
N/A	N/A	N/A	N/A

Table 3.15.4 Analysis of consultant appointments using Donor funds, in terms of Historically Disadvantaged Individuals (HDIs) for the period 1 April 2015 to 31 March 201

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 2015 to 31 March 2016

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



Part E

FINANCIAL INFORMATION





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

REPORT ON THE FINANCIAL STATEMENTS

Introduction

1. I have audited the financial statements of the Mpumalanga Provincial Treasury set out on pages 98 to 155, which comprise the appropriation statement, the statement of financial position as at 31 March 2016, 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 prescribed by the National Treasury (MCS) and the requirements of the Public Finance Management Act of South Africa, 1999 (Act No. 1 of 1999) (PFMA) and the Division of Revenue Act of South Africa, 2015 (Act No. 1 of 2015) (DoRA), and for such internal control as the accounting officer determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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 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 and fair presentation 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 Mpumalanga Provincial Treasury as at 31 March 2016 and its financial performance and cash flows for the year then ended, in accordance with the MCS and the requirements of the PFMA and DoRA.

Emphasis of matter

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

Restatement of corresponding figures

8. As disclosed in note 25 to the financial statements, the corresponding figures for 31 March 2015 have been restated as a result of an error discovered during the year ended 31 March 2016 in the financial statements of the department for the year ended 31 March 2015.

Report on other legal and regulatory requirements

9. In accordance with the Public Audit Act of South Africa, 2004 (Act No. 25 of 2004) (PAA) and the general notice issued in terms thereof, I have a responsibility to report findings on the reported performance information against predetermined objectives for selected programmes presented in the annual performance report, compliance with legislation and 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 2016:
 - Programme 2: sustainable resource management on pages 31 to 35
 - Programme 3: assets and liability management on pages 36 to 40
 - Programme 4: financial governance on pages 40 to 49
11. 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.
12. I assessed the reliability of the reported performance information to determine whether it was valid, accurate and complete.
13. I did not raise any material findings on the usefulness and reliability of the reported performance information for the following programmes:
 - Programme 2: sustainable resource management
 - Programme 3: assets and liability management
 - Programme 4: financial governance

Additional matters

14. Although I raised no material findings on the usefulness and reliability of the reported performance information for the selected programmes, I draw attention to the following matters:

Achievement of planned targets

15. Refer to the annual performance report on pages 31 to 35; 36 to 40 and 40 to 49 for information on the achievement of the planned targets for the year.

Adjustment of material misstatements

16. I identified material misstatements in the annual performance report submitted for auditing. These material misstatements were on the reported performance information for programme 3: assets and liability management. As management subsequently corrected the misstatements, I did not raise any material findings on the usefulness and reliability of the reported performance information.

Compliance with legislation

17. 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

18. 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.

Auditor - General

Mbombela
26 July 2016



AUDITOR - GENERAL
SOUTH AFRICA

Auditing to build public confidence

APPROPRIATION STATEMENT

FOR THE YEAR ENDED 31 MARCH 2016

APPROPRIATION PER PROGRAMME

	2015/16							2014/15	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Programme									
1. Administration	78 949	-	885	79 834	79 733	101	99.9%	76 729	75 838
2. Sustainable Resource Management	52 155	-	948	53 103	52 830	273	99.5%	44 830	44 378
3. Assets and Liabilities Management	115 783	-	(1 538)	114 245	110 577	3 668	96.8%	115 048	112 136
4. Financial Governance	31 356	-	(295)	31 061	29 951	1 110	96.4%	35 102	32 086
Subtotal	278 243	-	-	278 243	273 091	5 152	98.1%	271 709	264 438
Statutory Appropriation	-	-	-	-	-	-	-	315	315
Members' remuneration	-	-	-	-	-	-	-	315	315
TOTAL	278 243	-	-	278 243	273 091	5 152	98.1%	272 024	264 753

	2015/16		2014/15	
	Final Appropriation	Actual Expenditure	Final Appropriation	Actual Expenditure
TOTAL (brought forward)				
Reconciliation with statement of financial performance	278 243	273 091	272 024	264 753
Departmental receipts				
Aid Assistance	102 281		81 936	
Actual amounts per statement of financial performance (total revenue)	380 524		353 960	
ADD				
Aid assistance				
Prior year unauthorised expenditure approved without funding				
Actual amounts per statement of financial performance (total expenditure)		273 091		264 753

APPROPRIATION PER ECONOMIC CLASSIFICATION

	2015/16							2014/15	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Economic classification									
Current payments	265 752	(4 481)	1 950	263 221	258 434	4 787	98.2%	260 886	255 033
Compensation of employees	152 063	(308)	301	152 056	151 406	650	99.6%	141 891	140 690
Salaries and wages	129 554	3 084	281	132 919	132 370	549	99.6%	124 604	123 723
Social contributions	22 509	(3 392)	20	19 137	19 036	101	99.5%	17 287	16 967
Goods and services	113 689	(4 173)	1 649	111 165	107 028	4 137	96.3%	118 995	114 343
Administrative fees	572	26	-	598	486	112	81.3%	594	482
Advertising	1 693	330	-	2 023	2 005	18	99.1%	1 630	1 605
Minor assets	5 649	(4 323)	-	1 326	992	334	74.8%	504	487
Audit costs: External	5 563	(879)	-	4 684	4 667	17	99.6%	5 123	5 009
Catering: Departmental activities	682	(31)	-	651	577	74	88.6%	952	895
Communication	3 563	377	(5)	3 935	3 873	62	98.4%	4 127	4 151
Computer services	56 940	20	721	57 681	55 488	2 193	96.2%	55 321	54 237
Consultants: Business and advisory services	5 100	(199)	-	4 901	4 519	382	92.2%	15 485	13 462
Legal services	5	(5)	-	-	-	-	-	58	57
Contractors	1 605	(168)	(25)	1 412	1 221	191	86.5%	892	922
Agency and support / outsourced services	151	(151)	-	-	-	-	-	-	-
Fleet services	1 265	(20)	-	1 245	1 174	71	94.3%	1 269	1 269
Consumable supplies	918	300	-	1 218	1 140	78	93.6%	1 414	1 397
Consumable: Stationery, printing and office supplies	2 029	204	807	3 040	2 968	72	97.6%	1 857	1 883

VOTE 3: PROVINCIAL TREASURY

Province of Mpumalanga

APPROPRIATION STATEMENT

FOR THE YEAR ENDED 31 MARCH 2016

	2015/16							2014/15	
	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
Operating leases	6 283	(100)	-	6 183	6 181	2	100.0%	7 312	7 311
Property payments	2 937	696	-	3 633	3 829	(196)	105.4%	3 054	3 214
Transport provided: Departmental activity	46	(40)	-	6	3	3	50.0%	87	86
Travel and subsistence	14 393	345	151	14 889	14 487	402	97.3%	14 431	13 397
Training and development	2 081	(330)	-	1 751	1 689	62	96.5%	1 927	1 793
Operating payments	1 136	(80)	-	1 056	936	120	88.6%	1 526	1 477
Venues and facilities	1 078	(145)	-	933	793	140	85.0%	1 432	1 209
Transfers and subsidies	3 366	217	-	3 583	3 580	3	99.9%	6 717	6 646
Provinces and municipalities	3 008	2	-	3 010	3 010	-	100.0%	6 010	6 007
Provinces	-	-	-	-	-	-	-	10	7
Provincial agencies and funds	-	-	-	-	-	-	-	10	7
Municipalities	3 008	2	-	3 010	3 010	-	100.0%	6 000	6 000
Municipal agencies and funds	3 008	2	-	3 010	3 010	-	100.0%	6 000	6 000
Departmental agencies and accounts	196	103	-	299	299	-	100.0%	465	429
Departmental agencies and accounts	196	103	-	299	299	-	100.0%	465	429
Households	162	112	-	274	271	3	98.9%	242	210
Social benefits	37	152	-	189	187	2	98.9%	154	154
Other transfers to households	125	(40)	-	85	84	1	98.8%	88	56

APPROPRIATION STATEMENT
FOR THE YEAR ENDED 31 MARCH 2016

	2015/16							2014/15	
	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
Payments for capital assets	9 125	4 252	(1 950)	11 427	11 065	362	96.8%	4 417	3 070
Machinery and equipment	8 125	4 126	(1 950)	10 301	9 940	361	96.5%	4 296	2 989
Transport equipment	834	-	40	874	873	1	99.9%	500	492
Other machinery and equipment	7 291	4 126	(1 990)	9 427	9 067	360	96.2%	3 796	2 497
Intangible assets	1 000	126	-	1 126	1 125	1	99.9%	121	81
Payments for financial assets	-	12	-	12	12	-	100.0%	4	4
TOTAL	278 243	-	-	278 243	273 091	5 152	98.1%	272 024	264 753

APPROPRIATION STATEMENT

FOR THE YEAR ENDED 31 MARCH 2016

PROGRAMME 1: ADMINISTRATION

	2015/16							2014/15	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Sub Programme									
1. Member of the Executive Council	-	-	-	-	-	-	-	1 497	1 233
2. Management Services	34 462	(780)	-	33 682	33 603	79	99.8%	30 431	29 968
3. Financial Management	40 316	729	885	41 930	41 922	8	100.0%	41 141	41 123
4. Internal Audit	4 171	51	-	4 222	4 208	14	99.7%	3 660	3 514
TOTAL	78 949	-	885	79 834	79 733	101	99.9%	76 729	75 838
Economic classification									
Current payments	75 455	(99)	807	76 163	76 064	99	99.9%	73 946	73 314
Compensation of employees	46 388	51	-	46 439	46 397	42	99.9%	42 832	42 272
Salaries and wages	39 841	46	-	39 887	39 853	34	99.9%	36 917	36 503
Social contributions	6 547	5	-	6 552	6 544	8	99.9%	5 915	5 769
Goods and services	29 067	(150)	807	29 724	29 667	57	99.8%	31 114	31 042
Administrative fees	184	(2)	-	182	139	43	76.4%	203	183
Advertising	1 664	330	-	1 994	1 976	18	99.1%	1 586	1 561
Minor assets	505	(85)	-	420	366	54	87.1%	377	375
Audit costs: External	4 964	(816)	-	4 148	4 141	7	99.8%	4 123	4 121
Catering: Departmental activities	367	(22)	-	345	339	6	98.3%	419	405
Communication	2 337	375	-	2 712	2 703	9	99.7%	2 966	3 042
Computer services	18	-	-	18	-	18	-	16	16
Consultants: Business and advisory services	576	(216)	-	360	356	4	98.9%	2 373	2 352
Legal services	5	(5)	-	-	-	-	-	58	57

APPROPRIATION STATEMENT
FOR THE YEAR ENDED 31 MARCH 2016

	2015/16							2014/15	
	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
Contractors	329	(18)	-	311	295	16	94.9%	485	518
Agency and support / outsourced services	151	(151)	-	-	-	-	-	-	-
Fleet services	1 265	(20)	-	1 245	1 174	71	94.3%	1 269	1 269
Consumable supplies	816	300	-	1 116	1 071	45	96.0%	817	809
Consumable: Stationery, printing and office supplies	1 310	251	807	2 368	2 349	19	99.2%	1 279	1 261
Operating leases	6 283	(100)	-	6 183	6 181	2	100.0%	7 312	7 311
Property payments	2 937	396	-	3 333	3 565	(232)	107.0%	3 054	3 214
Transport provided: Departmental activity	46	(40)	-	6	3	3	50.0%	40	39
Travel and subsistence	3 074	239	-	3 313	3 368	(55)	101.7%	3 583	3 410
Training and development	1 275	(238)	-	1 037	1 031	6	99.4%	262	255
Operating payments	457	(70)	-	387	364	23	94.1%	547	535
Venues and facilities	504	(258)	-	246	246	-	100.0%	345	309
Transfers and subsidies	329	99	-	428	427	1	99.8%	621	550
Provinces and municipalities	8	2	-	10	10	-	100.0%	10	7
Provinces	-	-	-	-	-	-	-	10	7
Provincial agencies and funds	-	-	-	-	-	-	-	10	7
Municipalities	8	2	-	10	10	-	100.0%	-	-
Municipal agencies and funds	8	2	-	10	10	-	100.0%	-	-

VOTE 3: PROVINCIAL TREASURY

Province of Mpumalanga

APPROPRIATION STATEMENT

FOR THE YEAR ENDED 31 MARCH 2016

	2015/16							2014/15	
	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
Departmental agencies and accounts	196	103	-	299	299	-	100.0%	465	429
Departmental agencies	196	103	-	299	299	-	100.0%	465	429
Households	125	(6)	-	119	118	1	99.2%	146	114
Social benefits	-	34	-	34	34	-	100.0%	58	58
Other transfers to households	125	(40)	-	85	84	1	98.8%	88	56
Payments for capital assets	3 165	-	78	3 243	3 242	1	100.0%	2 160	1 972
Machinery and equipment	3 165	-	78	3 243	3 242	1	100.0%	2 160	1 972
Transport equipment	834	-	40	874	873	1	99.9%	500	492
Other machinery and equipment	2 331	-	38	2 369	2 369	-	100.0%	1 660	1 480
Intangible assets	-	-	-	-	-	-	-	-	-
Payments for financial assets	-	-	-	-	-	-	-	2	2
TOTAL	78 949	-	885	79 834	79 733	101	99.9%	76 729	75 838

APPROPRIATION STATEMENT
FOR THE YEAR ENDED 31 MARCH 2016

1.1 MEMBERS OF THE EXECUTIVE COUNCIL									
Economic classification	2015/16							2014/15	
	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	-	-	-	-	-	-	-	1 497	1 233
Compensation of employees	-	-	-	-	-	-	-	930	689
Goods and services	-	-	-	-	-	-	-	567	544
TOTAL	-	-	-	-	-	-	-	1497	1 233

1.2 MANAGEMENT SERVICES									
Economic classification	2015/16							2014/15	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments	34 141	(842)	-	33 299	33 221	78	99.8%	29 878	29 483
Compensation of employees	27 085	(600)	-	26 485	26 441	44	99.8%	24 367	24 210
Goods and services	7 056	(242)	-	6 814	6 780	34	99.5%	5 511	5 273
Transfers and subsidies	321	62	-	383	382	1	99.7%	551	483
Provinces and municipalities									
Departmental agencies	196	102	-	298	298	-	100.0%	463	427
Households	125	(40)	-	85	84	1	98.8%	88	56
Payments for financial assets	-	-	-	-	-	-	-	2	2
TOTAL	34 462	(780)	-	33 682	33 603	79	99.8%	30 431	29 968

APPROPRIATION STATEMENT

FOR THE YEAR ENDED 31 MARCH 2016

1.3 FINANCIAL MANAGEMENT									
Economic classification	2015/16							2014/15	
	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	37 143	692	807	38 642	38 635	7	100.0%	38 911	39 084
Compensation of employees	15 800	600	-	16 400	16 393	7	100.0%	14 600	14 530
Goods and services	21 343	92	807	22 242	22 242	-	100.0%	24 311	24 554
Transfers and subsidies	8	37	-	45	45	-	100.0%	70	67
Provinces and municipalities	8	2	-	10	10	-	100.0%	10	7
Departmental agencies	-	1	-	1	1	-	100.0%	2	2
Households	-	34	-	34	34	-	100.0%	58	58
Payments for capital assets	3 165	-	78	3 243	3 242	1	100.0%	2 160	1 972
Machinery and equipment	3 165	-	78	3 243	3 242	1	100.0%	2 160	1 972
Payments for financial assets	-	-	-	-	-	-	-	-	-
TOTAL	40 316	729	885	41 930	41 922	8	100.0%	41 141	41 123

1.4 INTERNAL AUDIT									
Economic classification	2015/16							2014/15	
	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	4 171	51	-	4 222	4 208	14	99.7%	3 660	3 514
Compensation of employees	3 503	51	-	3 554	3 563	(9)	100.3%	2 935	2 843
Goods and services	668	-	-	668	645	23	96.6%	725	671
TOTAL	4 171	51	-	4 222	4 208	14	99.7%	3 660	3 514

PROGRAMME 2: SUSTAINABLE RESOURCE MANAGEMENT

	2015/16							2014/15	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Sub programme									
1. Programme Support	1 643	-	-	1 643	1 614	29	98.2%	1 710	1 696
2. Economic Analysis	-	-	-	-	-	-	-	3 628	3 501
3. Provincial Administration Fiscal Discipline	12 533	727	948	14 208	14 138	70	99.5%	4 646	4 531
4. Budget and Expenditure Management	9 391	(423)	-	8 968	8 914	54	99.4%	8 762	8 644
5. Municipal Finance	24 671	(165)	-	24 506	24 448	58	99.8%	22 517	22 486
6. Infrastructure Co-ordination	3 917	(139)	-	3 778	3 716	62	98.4%	3 587	3 520
Total for sub programmes	52 155	-	948	53 103	52 830	273	99.5%	44 830	44 378
Economic classification									
Current payments	49 122	(4 281)	-	44 841	44 625	216	99.5%	38 790	38 378
Compensation of employees	38 060	(58)	-	38 002	37 853	149	99.6%	32 085	32 066
Salaries and wages	32 142	1 967	-	34 109	34 036	73	99.8%	28 764	28 754
Social contributions	5 918	(2 025)	-	3 893	3 817	76	98.0%	3 321	3 312
Goods and services	11 062	(4 223)	-	6 839	6 772	67	99.0%	6 705	6 312
Administrative fees	128	5	-	133	109	24	82.0%	129	92
Minor assets	4 900	(4 250)	-	650	597	53	91.8%	-	-
Audit costs: External	309	(19)	-	290	280	10	96.6%	480	476
Catering: Departmental activities	80	4	-	84	61	23	72.6%	108	91
Communication	485	(20)	-	465	457	8	98.3%	443	417
Computer services	-	-	-	-	-	-	-	271	271
Consumable: Stationery, printing and office supplies	628	(113)	-	515	508	7	98.6%	513	487

VOTE 3: PROVINCIAL TREASURY

Province of Mpumalanga

APPROPRIATION STATEMENT

FOR THE YEAR ENDED 31 MARCH 2016

	2015/16							2014/15	
	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
Travel and subsistence	3 895	195	-	4 090	4 147	(57)	101.4%	4 056	3 889
Training and development	354	(50)	-	304	316	(12)	103.9%	255	209
Operating payments	122	-	-	122	120	2	98.4%	169	163
Venues and facilities	161	25	-	186	177	9	95.2%	281	217
Transfers and subsidies	3 033	18	-	3 051	3 051	-	100.0%	6 000	6 000
Provinces and municipalities	3 000	-	-	3 000	3 000	-	100.0%	6 000	6 000
Municipalities	3 000	-	-	3 000	3 000	-	100.0%	6 000	6 000
Municipal agencies and funds	3 000	-	-	3 000	3 000	-	100.0%	6 000	6 000
Departmental agencies	-	-	-	-	-	-	-	-	-
Departmental agencies	-	-	-	-	-	-	-	-	-
Households	33	18	-	51	51	-	100.0%	-	-
Social benefits	33	18	-	51	51	-	100.0%	-	-
Payments for capital assets	-	4 252	948	5 200	5 143	57	98.9%	40	-
Machinery and equipment	-	4 252	948	5 200	5 143	57	98.9%	-	-
Other machinery and equipment	-	4 252	948	5 200	5 143	57	98.9%	-	-
Intangible assets	-	-	-	-	-	-	-	40	-
Payments for financial assets	-	11	-	11	11	-	100.0%	-	-
TOTAL	52 155	-	948	53 103	52 830	273	99.5%	44 830	44 378

APPROPRIATION STATEMENT
FOR THE YEAR ENDED 31 MARCH 2016

2.1 PROGRAMME SUPPORT									
Economic classification	2015/16							2014/15	
	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	1 643	-	-	1 643	1 614	29	98.2%	1 710	1 696
Compensation of Employees	1 571	-	-	1 571	1 525	46	97.1%	1 440	1 435
Goods and services	72	-	-	72	89	(17)	123.6%	270	261
TOTAL	1 643	-	-	1 643	1 614	29	98.2%	1 710	1 696

2.2 ECONOMIC ANALYSIS									
Economic classification	2015/16							2014/15	
	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	-	-	-	-	-	-	-	3 588	3 501
Compensation of Employees	-	-	-	-	-	-	-	2 874	2 870
Goods and services	-	-	-	-	-	-	-	714	631
Payments for capital assets	-	-	-	-	-	-	-	40	-
Intangible assets	-	-	-	-	-	-	-	40	-
TOTAL	-	-	-	-	-	-	-	3 628	3 501

APPROPRIATION STATEMENT

FOR THE YEAR ENDED 31 MARCH 2016

2.3 ECONOMIC ANALYSIS									
Economic classification	2015/16							2014/15	
	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	12 533	(3 525)	-	9 008	8 995	13	99.9%	4 626	4 531
Compensation of Employees	6 975	425	-	7 400	7 395	5	99.9%	3 671	3 671
Goods and services	5 558	(3 950)	-	1 608	1 600	8	99.5%	955	860
Payments for capital assets	-	4 252	948	5 200	5 143	57	98.9%	-	-
Machinery and equipment	-	4 252	948	5 200	5 143	57	98.9%	-	-
TOTAL	12 533	727	948	14 208	14 138	70	99.5%	4 626	4 531

2.4 BUDGET AND EXPENDITURE MANAGEMENT									
Economic classification	2015/16							2014/15	
	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	9 391	(423)	-	8 968	8 914	54	99.4%	8 762	8 644
Compensation of Employees	8 086	(250)	-	7 836	7 823	13	99.8%	7 565	7 561
Goods and services	1 305	(173)	-	1 132	1 091	41	96.4%	1 197	1 083
TOTAL	9 391	(423)	-	8 968	8 914	54	99.4%	8 762	8 644

APPROPRIATION STATEMENT
FOR THE YEAR ENDED 31 MARCH 2016

2.5 MUNICIPAL FINANCE									
Economic classification	2015/16							2014/15	
	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	21 638	(183)	-	21 455	21 397	58	99.7%	16 517	16 486
Compensation of Employees	17 978	(83)	-	17 895	17 877	18	99.9%	13 541	13 538
Goods and services	3 660	(100)	-	3 560	3 520	40	98.9%	2 976	2 948
Transfers and subsidies	3 033	18	-	3 051	3 051	-	100.0%	6 000	6 000
Provinces and municipalities	3 000	-	-	3 000	3 000	-	100.0%	6 000	6 000
Households	33	18	-	51	51	-	100.0%	-	-
TOTAL	24 671	(165)	-	24 506	24 448	58	99.8%	22 517	22 486

2.6 INFRASTRUCTURE CO-ORDINATION									
Economic classification	2015/16							2014/15	
	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	3 917	(150)	-	3 767	3 705	62	98.4%	3 587	3 520
Compensation of Employees	3450	(150)	-	3 300	3 233	67	98.0%	2 994	2 991
Goods and services	467	-	-	467	472	(5)	101.1%	593	529
Payments for financial assets	-	11	-	11	11	-	100.0%	-	-
TOTAL	3 917	(139)	-	3 778	3 716	62	98.4%	3 587	3 520

PROGRAMME 3: ASSET AND LIABILITIES MANAGEMENT

	2015/16							2014/15	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Sub Programme									
1. Programme Support	1 772	(200)	-	1 572	1 507	65	95.9%	1 666	1 589
2. Provincial Supply Chain Management	15 969	-	(279)	15 690	15 270	420	97.3%	17 113	16 845
3. Financial Asset Management	-	-	-	-	-	-	-	2 852	2 736
4. Public Sector Liabilities	4 648	-	95	4 743	4 669	74	98.4%	4 695	4 691
5. Physical Asset Management	4 848	-	-	4 848	4 741	107	97.8%	4 714	4 693
6. Interlinked Financial Systems	11 470	200	160	11 830	11 751	79	99.3%	11 644	11 590
7. Information Technology	77 076	-	(1 514)	75 562	72 639	2 923	96.1%	72 364	69 992
Total for sub programmes	115 783	-	(1 538)	114 245	110 577	3 668	96.8%	115 048	112 136
Economic classification									
Current payments	111 079	(101)	1 462	112 440	109 078	3 362	97.0%	112 733	110 940
Compensation of employees	48 636	(301)	(379)	47 956	47 600	356	99.3%	48 717	48 258
Salaries and wages	42 959	(920)	(379)	41 660	41 331	329	99.2%	42 823	42 509
Social contributions	5 677	619	-	6 296	6 269	27	99.6%	5 894	5 749
Goods and services	62 443	200	1 841	64 484	61 478	3 006	95.3%	64 016	62 682
Administrative fees	76	-	-	76	63	13	82.9%	197	162
Minor assets	232	-	-	232	5	227	2.2%	127	112
Catering: Departmental activities	162	(10)	-	152	131	21	86.2%	389	382
Communication	515	8	(5)	518	473	45	91.3%	471	447
Computer services	56 922	20	721	57 663	55 488	2 175	96.2%	55 034	53 950

APPROPRIATION STATEMENT
FOR THE YEAR ENDED 31 MARCH 2016

	2015/16							2014/15	
	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
Consultants: Business and advisory services	-	180	-	180	177	3	98.3%	335	263
Contractors	-	-	975	975	839	136	86.1%	407	404
Consumable supplies	102	-	-	102	69	33	67.6%	597	588
Consumable: Stationery, printing and office supplies	41	70	-	111	65	46	58.6%	-	71
Transport provided: Departmental activity	-	-	-	-	-	-	-	47	47
Travel and subsistence	3 590	(66)	150	3 674	3 599	75	98.0%	4 126	4 073
Training and development	177	-	-	177	136	41	76.8%	1 164	1 138
Operating payments	425	-	-	425	350	75	82.4%	706	676
Venues and Facilities	201	(2)	-	199	83	116	41.7%	416	369
Transfers and subsidies	4	100	-	104	102	2	98.1%	96	96
Households	4	100	-	104	102	2	98.1%	96	96
Social benefits	4	100	-	104	102	2	98.1%	96	96
Payments for capital assets	4 700	-	(3 000)	1 700	1 396	304	82.1%	2 217	1 098
Machinery and equipment	4 700	(185)	(3 000)	1 515	1 212	303	80.0%	2 136	1 017
Other machinery and equipment	4 700	(185)	(3 000)	1 515	1 212	303	80.0%	2 136	1 017
Intangible assets	-	185	-	185	184	1	99.5%	81	81
Payments for financial assets	-	1	-	1	1	-	100.0%	2	2
TOTAL	115 783	-	(1 538)	114 245	110 577	3 668	96.8%	115 048	112 136

VOTE 3: PROVINCIAL TREASURY

Province of Mpumalanga

APPROPRIATION STATEMENT

FOR THE YEAR ENDED 31 MARCH 2016

3.1 PROGRAMME SUPPORT									
Economic classification	2015/16							2014/15	
	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	1 772	(200)	-	1 572	1 507	65	95.9%	1 666	1 589
Compensation of Employees	1 600	(200)	-	1 400	1 365	35	97.5%	1 377	1 371
Goods and services	172	-	-	172	142	30	82.6%	289	218
TOTAL	1 772	(200)	-	1 572	1 507	65	95.6%	1 666	1 589

3.2 PROVINCIAL SUPPLY CHAIN MANAGEMENT									
Economic classification	2015/16							2014/15	
	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	15 965	(101)	(279)	15 585	15 167	418	97.3%	17 113	16 845
Compensation of Employees	13 621	(101)	(279)	13 241	13 068	173	98.7%	12 791	12 579
Goods and services	2 344	-	-	2 344	2 099	245	89.5%	4 322	4 266
Transfers and subsidies	4	100	-	104	102	2	98.1%	-	-
Households	4	100	-	104	102	2	98.1%	-	-
Payments for financial assets	-	1	-	1	1	-	100.0%	-	-
TOTAL	15 969	-	(279)	15 690	15 270	420	97.3%	17 113	16 845

APPROPRIATION STATEMENT
FOR THE YEAR ENDED 31 MARCH 2016

3.3 FINANCIAL ASSET MANAGEMENT									
Economic classification	2015/16							2014/15	
	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	-	-	-	-	-	-	-	2 852	2 736
Compensation of Employees	-	-	-	-	-	-	-	2 798	2 702
Goods and services	-	-	-	-	-	-	-	54	34
TOTAL	-	-	-	-	-	-	-	2 852	2 736

3.4 PUBLIC SECTOR LIABILITIES									
Economic classification	2015/16							2014/15	
	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	4 648	-	95	4 743	4 669	74	98.4%	4 670	4 666
Compensation of Employees	4 353	-	-	4 353	4 296	57	98.7%	4 396	4 339
Goods and services	295	-	95	390	373	17	95.6%	274	327
Transfers and subsidies	-	-	-	-	-	-	-	25	25
Households	-	-	-	-	-	-	-	25	25
TOTAL	4 648	-	95	4 743	4 669	74	98.4%	4 695	4 691

APPROPRIATION STATEMENT

FOR THE YEAR ENDED 31 MARCH 2016

3.5 PHYSICAL ASSET MANAGEMENT									
Economic classification	2015/16							2014/15	
	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	4 848	-	-	4 848	4 741	107	97.8%	4 714	4 693
Compensation of Employees	4 114	-	-	4 114	4 035	79	98.1%	3 694	3 665
Goods and services	734	-	-	734	706	28	96.2%	1 020	1 028
TOTAL	4 848	-	-	4 848	4 741	107	97.8%	4 714	4 693

3.6 INTERLINKED FINANCIAL SYSTEMS									
Economic classification	2015/16							2014/15	
	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	11 470	200	160	11 830	11 751	79	99.3%	11 611	11 557
Compensation of Employees	8 374	-	20	8 394	8 391	3	100.0%	8 394	8 372
Goods and services	3 096	200	140	3 436	3 360	76	97.8%	3 217	3 185
Transfers and subsidies	-	-	-	-	-	-	-	33	33
Households	-	-	-	-	-	-	-	33	33
TOTAL	11 470	200	160	11 830	11 751	79	99.3%	11 644	11 590

APPROPRIATION STATEMENT
FOR THE YEAR ENDED 31 MARCH 2016

3.7 INFORMATION TECHNOLOGY									
Economic classification	2015/16							2014/15	
	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	72 376	-	1 486	73 862	71 243	2 619	96.5%	70 107	68 854
Compensation of Employees	16 574	-	(120)	16 454	16 445	9	99.9%	15 267	15 230
Goods and services	55 802	-	1 606	57 408	54 798	2 610	95.5%	54 840	53 624
Transfers and subsidies	-	-	-	-	-	-	-	38	38
Households	-	-	-	-	-	-	-	38	38
Payments for capital assets	4 700	-	(3 000)	1 700	1 396	304	82.1%	2 217	1 098
Machinery and equipment	4 700	(185)	(3 000)	1 515	1 212	303	80.0%	2 136	1 017
Intangible assets	-	185	-	185	184	1	99.5%	81	81
Payments for financial assets	-	-	-	-	-	-	-	2	2
TOTAL	77 076	-	(1 514)	75 562	72 639	2 923	96.1%	72 364	69 992

APPROPRIATION STATEMENT

FOR THE YEAR ENDED 31 MARCH 2016

PROGRAMME 4: FINANCIAL GOVERNANCE

	2015/16							2014/15	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Sub programme									
1. Programme Support	8 849	-	(416)	8 433	7 863	570	93.2%	12 809	10 809
2. Accounting Services	4 899	70	-	4 969	4 949	20	99.6%	4 945	4 622
3. Norms and Standards	13 999	(70)	-	13 929	13 560	369	97.4%	13 161	12 650
4. Risk Management	2 016	-	50	2 066	1 986	80	96.1%	1 908	1 856
5. Provincial Internal Audit	1 593	-	71	1 664	1 593	71	95.7%	2 279	2 149
Total for sub programmes	31 356	-	(295)	31 061	29 951	1 110	96.4%	35 102	32 086
Economic classification									
Current payments	30 096	-	(319)	29 777	28 667	1 110	96.3%	35 102	32 086
Compensation of employees	18 979	-	680	19 659	19 556	103	99.5%	17 942	17 779
Salaries and wages	14 612	1 991	660	17 263	17 150	113	99.3%	15 785	15 642
Social contributions	4 367	(1 991)	20	2 396	2 406	(10)	100.4%	2 157	2 137
Goods and services	11 117	-	(999)	10 118	9 111	1 007	90.0%	17 160	14 307
Administrative fees	184	23	-	207	175	32	84.5%	65	45
Advertising	29	-	-	29	29	-	100.0%	44	44
Minor assets	12	12	-	24	24	-	100.0%	-	-
Audit costs: External	290	(44)	-	246	246	-	100.0%	520	412
Catering: Departmental activities	73	(3)	-	70	46	24	65.7%	36	17
Communication	226	14	-	240	240	-	100.0%	247	245
Consultants: Business and advisory services	4 524	(163)	-	4 361	3 986	375	91.4%	12 777	10 847
Contractors	1 276	(150)	(1 000)	126	87	39	69.0%	-	-

APPROPRIATION STATEMENT
FOR THE YEAR ENDED 31 MARCH 2016

	2015/16							2014/15	
	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
Consumable: Stationery, printing and office supplies	50	(4)	-	46	46	-	100.0%	65	64
Property payments	-	300	-	300	264	36	88.0%	-	-
Travel and subsistence	3 834	(23)	1	3 812	3 373	439	88.5%	2 666	2 025
Training and development	275	(42)	-	233	206	27	88.4%	246	191
Operating payments	132	(10)	-	122	102	20	83.6%	104	103
Venues and facilities	212	90	-	302	287	15	95.0%	390	314
Payments for capital assets	1 260	-	24	1 284	1 284	-	100.0%	-	-
Machinery and equipment	260	59	24	343	343	-	100.0%	-	-
Other machinery and equipment	260	59	24	343	343	-	100.0%	-	-
Intangible assets	1 000	(59)	-	941	941	-	100.0%	-	-
TOTAL	31 356	-	(295)	31 061	29 951	1 110	96.4%	35 102	32 086

APPROPRIATION STATEMENT

FOR THE YEAR ENDED 31 MARCH 2016

4.1 PROGRAMME SUPPORT									
Economic classification	2015/16							2014/15	
	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	7 589	-	(440)	7 149	6 579	570	92.0%	12 809	10 809
Compensation of Employees	1 790	-	560	2 350	2 345	5	99.8%	1 474	1 441
Goods and services	5 799	-	(1 000)	4 799	4 234	565	88.2%	11 335	9 368
Payments for capital assets	1 260	-	24	1 284	1 284	-	100.0%	-	-
Machinery and equipment	260	59	24	343	343	-	100.0%	-	-
Intangible assets	1 000	(59)	-	941	941	-	100.0%	-	-
TOTAL	8 849	-	(416)	8 433	7 863	570	93.2%	12 809	10 809

4.2 ACCOUNTING SERVICES									
Economic classification	2015/16							2014/15	
	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	4 899	70	-	4 969	4 949	20	99.6%	4 945	4 622
Compensation of Employees	3 594	35	-	3 629	3 625	4	99.9%	3 447	3 358
Goods and services	1 305	35	-	1 340	1 324	16	98.8%	1 498	1 264
TOTAL	4 899	70	-	4 969	4 949	20	99.6%	4 945	4 622

APPROPRIATION STATEMENT
FOR THE YEAR ENDED 31 MARCH 2016

4.3 NORMS AND STANDARDS									
Economic classification	2015/16							2014/15	
	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	13 999	(70)	-	13 929	13 560	369	97.4%	13 161	12 650
Compensation of Employees	10 877	(35)	-	10 842	10 833	9	99.9%	9 916	9 885
Goods and services	3 122	(35)	-	3 087	2 727	360	88.3%	3 245	2 765
TOTAL	13 999	(70)	-	13 929	13 560	369	97.4%	13 161	12 650

4.4 RISK MANAGEMENT									
Economic classification	2015/16							2014/15	
	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	2 016	-	50	2 066	1 986	80	96.1%	1 908	1 856
Compensation of Employees	1 571	-	50	1 621	1 577	44	97.3%	1 461	1 459
Goods and services	445	-	-	445	409	36	91.9%	447	397
TOTAL	2 016	-	50	2 066	1 986	80	96.1%	1 908	1 856

4.5 PROVINCIAL INTERNAL AUDIT									
Economic classification	2015/16							2014/15	
	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	1 593	-	71	1 664	1 593	71	95.7%	2 279	2 149
Compensation of Employees	1 147	-	70	1 217	1 176	41	96.6%	1 644	1 636
Goods and services	446	-	1	447	417	30	93.3%	635	513
TOTAL	1 593	-	71	1 664	1 593	71	95.7%	2 279	2 149

NOTES TO THE APPROPRIATION STATEMENT

FOR THE YEAR ENDED 31 MARCH 2016

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

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

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

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

3. Detail on payments for financial assets

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

4. Explanations of material variances from Amounts Voted (after Virement):**4.1 Per programme**

	Final Appropriation R'000	Actual Expenditure R'000	Variance R'000	Variance as a % of Final Appropriation R'000
Administration	79 834	79 733	101	0%
Sustainable Resource Management	53 103	52 830	273	1%
Asset and Liabilities Management	114 245	110 577	3 668	3%
Financial Governance	31 061	29 951	1 110	4%

Assets and Liabilities Management:

The underspending is mainly on goods and services due to cost of computers services being lower than anticipated and payment for capital due to non-responsive bids.

Financial Governance:

The underspending is mainly on travelling cost and preparation and auditing of AFS for NGO's and NPO's

NOTES TO THE APPROPRIATION STATEMENT
FOR THE YEAR ENDED 31 MARCH 2016

4.2 Per economic classification

	Final Appropriation R'000	Actual Expenditure R'000	Variance R'000	Variance as a % of Final Appropriation R'000
Current payments				
Compensation of employees	152 056	151 406	650	0%
Goods and services	111 165	107 028	4 137	4%
Transfers and subsidies				
Provinces and municipalities	3 010	3 010	0	0%
Departmental agencies and accounts	299	299	0	0%
Households	274	271	3	1%
Payments for capital assets				
Machinery and equipment	10 301	9 940	361	4%
Intangible assets	1 126	1 125	1	0%
Payments for financial assets	12	12	0	0%

The main underspending on goods and service is due to payment to SITA, audit fees and consultant fees being lower than anticipated. The underspending on payment of Machinery and Equipment is due to unresponsive bids as a result of exchange rate.

STATEMENT OF FINANCIAL PERFORMANCE

FOR THE YEAR ENDED 31 MARCH 2016

	Note	2015/16 R'000	2014/15 R'000
REVENUE			
Annual appropriation	1	278 243	271 709
Statutory appropriation	2	-	315
Departmental revenue	3	102 281	81 936
TOTAL REVENUE		380 524	353 960
Current expenditure			
Compensation of employees	4	151 406	140 690
Goods and services	5	107 028	114 343
Total current expenditure		258 434	255 033
Transfers and subsidies			
Transfers and subsidies	7	3 580	6 646
Total transfers and subsidies		3 580	6 646
Expenditure for capital assets			
Tangible assets	8	9 940	2 989
Intangible assets	8	1 125	81
Total expenditure for capital assets		11 065	3 070
Payments for financial assets	6	12	4
TOTAL EXPENDITURE		273 091	264 753
SURPLUS/(DEFICIT) FOR THE YEAR		107 433	89 207
Reconciliation of Net Surplus/(Deficit) for the year			
Voted funds		5 152	7 271
Annual appropriation		5 152	7 271
Departmental revenue and NRF Receipts	12	102 281	81 936
SURPLUS/(DEFICIT) FOR THE YEAR		107 433	89 207

STATEMENT OF FINANCIAL POSITION

FOR THE YEAR ENDED 31 MARCH 2016

	Note	2015/16 R'000	2014/15 R'000
REVENUE			
ASSETS			
Current assets		6 310	8 328
Cash and cash equivalents	9	6 141	8 248
Receivables	10	169	80
Non-current assets		698	701
Receivables	10	698	701
TOTAL ASSETS		7 008	9 029
LIABILITIES			
Current liabilities		6 351	8 433
Voted funds to be surrendered to the Revenue Fund	11	5 152	7 271
Departmental revenue and NRF Receipts to be surrendered to the Revenue Fund	12	1 004	1 151
Payables	13	195	11
TOTAL LIABILITIES		6 351	8 433
NET ASSETS		657	596
	Note	2015/16 R'000	2014/15 R'000
Represented by:			
Recoverable revenue		657	596
TOTAL		657	596

STATEMENT OF CHANGES IN NET ASSETS

FOR THE YEAR ENDED 31 MARCH 2016

	Note	2015/16 R'000	2014/15 R'000
Recoverable revenue			
Opening balance		596	613
Transfers:		61	(17)
Irrecoverable amounts written off	6.1	(12)	(4)
Debts revised			
Debts recovered (included in departmental receipts)		(17)	(24)
Debts raised		90	11
Closing balance		657	596
TOTAL		657	596

CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 MARCH 2016

	Note	2015/16 R'000	2014/15 R'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts		389 011	362 389
Annual appropriated funds received	1.1	278 243	271 709
Statutory appropriated funds received	2	-	315
Departmental revenue received	3	3 054	4 161
Interest received	3.2	107 714	86 204
NRF Receipts		-	-
Aid assistance received		-	-
Net (increase)/decrease in working capital		98	181
Surrendered to Revenue Fund		(118 556)	(93 422)
Current payments		(258 434)	(255 033)
Interest paid		-	-
Payments for financial assets		(12)	(4)
Transfers and subsidies paid		(3 580)	(6 646)
Net cash flow available from operating activities	14	8 527	7 465
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for capital assets	8	(11 065)	(3 070)
Proceeds from sale of capital assets	3.3	370	47
Net cash flows from investing activities		(10 695)	(3 023)
CASH FLOWS FROM FINANCING ACTIVITIES			
Distribution/dividend received		-	-
Increase/(decrease) in net assets		61	(17)
Increase/(decrease) in non-current payables		-	-
Net cash flows from financing activities		61	(17)
Net increase/(decrease) in cash and cash equivalents		(2 107)	4 425
Cash and cash equivalents at beginning of period		8 248	3 823
Unrealised gains and losses within cash and cash equivalents		-	-
Cash and cash equivalents at end of period	15	6 141	8 248

ACCOUNTING POLICIES

FOR THE YEAR ENDED 31 MARCH 2016

Summary of significant accounting policies	
<p>The financial statements have been prepared in accordance with the following policies, which have been applied consistently in all material aspects, unless otherwise indicated. Management has concluded that the financial statements present fairly the department's primary and secondary information.</p> <p>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.</p> <p>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.</p>	
1	Basis of preparation <p>The financial statements have been prepared in accordance with the Modified Cash Standard.</p>
2	Going concern <p>The financial statements have been prepared on a going concern basis.</p>
3	Presentation currency <p>Amounts have been presented in the currency of the South African Rand (R) which is also the functional currency of the department.</p>
4	Rounding <p>Unless otherwise stated financial figures have been rounded to the nearest one thousand Rand (R'000).</p>
5	Foreign currency translation <p>Cash flows arising from foreign currency transactions are translated into South African Rands using the spot exchange rates prevailing at the date of payment / receipt.</p>
6	Comparative information
6.1	Prior period comparative information <p>Prior period comparative information has been presented in the current year's financial statements. Where necessary figures included in the prior period financial statements have been reclassified to ensure that the format in which the information is presented is consistent with the format of the current year's financial statements.</p>
6.2	Current year comparison with budget <p>A comparison between the approved, final budget and actual amounts for each programme and economic classification is included in the appropriation statement.</p>
7	Revenue
7.1	Appropriated funds <p>Appropriated funds comprises of departmental allocations as well as direct charges against the revenue fund (i.e. statutory appropriation).</p> <p>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.</p> <p>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.</p>

7.2	Departmental revenue Departmental revenue is recognised in the statement of financial performance when received and is subsequently paid into the relevant revenue fund, unless stated otherwise. Any amount owing to the relevant revenue fund at the reporting date is recognised as a payable in the statement of financial position.
7.3	Accrued departmental revenue Accruals in respect of departmental revenue (excluding tax revenue) are recorded in the notes to the financial statements when: <ul style="list-style-type: none"> • 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 or in the case of transfers and subsidies when they are due and payable. 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: <ul style="list-style-type: none"> • 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.

ACCOUNTING POLICIES

FOR THE YEAR ENDED 31 MARCH 2016

9	Aid Assistance
9.1	Aid assistance received
	Aid assistance received in cash is recognised in the statement of financial performance when received. In-kind aid assistance is recorded in the notes to the financial statements on the date of receipt and is measured at fair value. Aid assistance not spent for the intended purpose and any unutilised funds from aid assistance that are required to be refunded to the donor are recognised as a payable in the statement of financial position.
9.2	Aid assistance paid
	Aid assistance paid is recognised in the statement of financial performance on the date of payment. Aid assistance payments made prior to the receipt of funds are recognised as a receivable in the statement of financial position.
10	Cash and cash equivalents
	Cash and cash equivalents are stated at cost in the statement of financial position. Bank overdrafts are shown separately on the face of the statement of financial position as a current liability. For the purposes of the cash flow statement, cash and cash equivalents comprise cash on hand, deposits held, other short-term highly liquid investments and bank overdrafts.
11	Prepayments and advances
	Prepayments and advances are recognised in the statement of financial position when the department receives or disburses the cash. Prepayments and advances are initially and subsequently measured at cost. <Indicate when prepayments are expensed and under what circumstances.>
12	Loans and receivables
	Loans and receivables are recognised in the statement of financial position at cost plus accrued interest, where interest is charged, less amounts already settled or written-off. Write-offs are made according to the department's write-off policy.
13	Investments
	Investments are recognised in the statement of financial position at cost.
14	Financial assets
14.1	Financial assets (not covered elsewhere)
	A financial asset is recognised initially at its cost plus transaction costs that are directly attributable to the acquisition or issue of the financial. At the reporting date, a department shall measure its financial assets at cost, less amounts already settled or written-off, except for recognised loans and receivables, which are measured at cost plus accrued interest, where interest is charged, less amounts already settled or written-off.
14.2	Impairment of financial assets
	Where there is an indication of impairment of a financial asset, an estimation of the reduction in the recorded carrying value, to reflect the best estimate of the amount of the future economic benefits expected to be received from that asset, is recorded in the notes to the financial statements.
15	Payables
	Loans and payables are recognised in the statement of financial position at cost.

16	Capital Assets
16.1	Immovable capital assets <p>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 reliably, 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) may be 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.</p>
16.2	Movable capital assets <p>Movable capital assets are initially recorded in the notes to the financial statements at cost. Movable capital assets acquired through a non-exchange transaction is measured at fair value as at the date of acquisition. Where the cost of movable capital assets cannot be determined reliably, the movable capital assets are measured at fair value and where fair value cannot be determined; the movable assets are measured at R1. All assets acquired prior to 1 April 2002 (or a later date as approved by the OAG) may be recorded at R1. Movable capital assets are subsequently carried at cost and are not subject to depreciation or impairment. 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.</p>
16.3	Intangible assets <p>Intangible assets are initially recorded in the notes to the financial statements at cost. Intangible assets acquired through a non-exchange transaction are measured at fair value as at the date of acquisition. Internally generated intangible assets are recorded in the notes to the financial statements when the department commences the development phase of the project. Where the cost of intangible assets cannot be determined reliably, the intangible capital assets are measured at fair value and where fair value cannot be determined; the intangible assets are measured at R1. All assets acquired prior to 1 April 2002 (or a later date as approved by the OAG) may be recorded at R1. Intangible assets are subsequently carried at cost and are not subject to depreciation or impairment. Subsequent expenditure 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.</p>
17	Provisions and Contingents
17.1	Provisions <p>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.</p>
17.2	Contingent liabilities <p>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.</p>
17.3	Contingent assets <p>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.</p>

ACCOUNTING POLICIES

FOR THE YEAR ENDED 31 MARCH 2016

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: <ul style="list-style-type: none"> • 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 policies, accounting estimates and errors Changes in accounting policies that are effected by management have been applied retrospectively in accordance with MCS requirements, except to the extent that it is impracticable to determine the period-specific effects or the cumulative effect of the change in policy. In such instances the department shall restate the opening balances of assets, liabilities and net assets for the earliest period for which retrospective restatement is practicable. Changes in accounting estimates are applied prospectively in accordance with MCS requirements. Correction of errors is applied retrospectively in the period in which the error has occurred in accordance with MCS requirements, except to the extent that it is impracticable to determine the period-specific effects or the cumulative effect of the error. In such cases the department shall restate the opening balances of assets, liabilities and net assets for the earliest period for which retrospective restatement is practicable.
22	Events after the reporting date Events after the reporting date that are classified as adjusting events have been accounted for in the financial statements. The events after the reporting date that are classified as non-adjusting events after the reporting date have been disclosed in the notes to the financial statements.
23	Principal-Agent arrangements The department is party to a principal-agent arrangement for [include details here]. In terms of the arrangement the department is the [principal / agent] and is responsible for [include details here]. All related revenues, expenditures, assets and liabilities have been recognised or recorded in terms of the relevant policies listed herein. Additional disclosures have been provided in the notes to the financial statements where appropriate.
24	Departures from the MCS requirements Insert information on the following: that management has concluded that the financial statements present fairly the department's primary and secondary information; that the department complied with the Standard except that it has departed from a particular requirement to achieve fair presentation; and the requirement from which the department has departed, the nature of the departure and the reason for departure.]

25	<p>Capitalisation reserve</p> <p>The capitalisation reserve comprises of financial assets and/or liabilities originating in a prior reporting period but which are recognised in the statement of financial position for the first time in the current reporting period. Amounts are recognised in the capitalisation reserves when identified in the current period and are transferred to the National/Provincial Revenue Fund when the underlying asset is disposed and the related funds are received.</p>
26	<p>Recoverable revenue</p> <p>Amounts are recognised as recoverable revenue when a payment made in a previous financial year becomes recoverable from a debtor in the current financial year. Amounts are either transferred to the National/Provincial Revenue Fund when recovered or are transferred to the statement of financial performance when written-off.</p>
27	<p>Related party transactions</p> <p>A related party transaction is a transfer of resources, services or obligations between the reporting entity and a related party. Related party transactions within the Minister's portfolio are recorded in the notes to the financial statements when the transaction is not at arm's length.</p> <p>Key management personnel are those persons having the authority and responsibility for planning, directing and controlling the activities of the department. The number of individuals and their full compensation is recorded in the notes to the financial statements.</p>
28	<p>Inventories</p> <p>At the date of acquisition, inventories are recorded at cost price in the notes to the financial statements. Where inventories are acquired as part of a non-exchange transaction, the cost of inventory is its fair value at the date of acquisition.</p> <p>Inventories are subsequently measured at the lower of cost and net realisable value or the lower of cost and current replacement value.</p>
29	<p>Public-Private Partnerships</p> <p>Public Private Partnerships are accounted for based on the nature and or the substance of the partnership. The transaction is accounted for in accordance with the relevant accounting policies.</p> <p>A summary of the significant terms of the PPP agreement, the parties to the agreement, and the date of commencement thereof together with the description and nature of the concession fees received, the unitary fees paid, rights and obligations of the department are recorded in the notes to the financial statements.</p>

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2016

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:

	2015/16			2014/15	
	Final Appropriation R'000	Actual Funds Received R'000	Funds not requested/ not received R'000	Final Appropriation R'000	Appropriation received R'000
Administration	79 834	79 834	-	76 729	76 729
Sustainable Resource Management	53 103	53 103	-	44 830	44 830
Assets and Liabilities Management	114 245	114 245	-	115 048	115 048
Financial Governance	31 061	31 061	-	35 102	35 102
Total	278 243	278 243	-	271 709	271 709

2. STATUTORY APPROPRIATION

	2015/16 R'000	2014/15 R'000
Members' remuneration	-	315
Total	-	315
Actual Statutory Appropriation received	-	315

3. DEPARTMENTAL REVENUE

		2015/16 R'000	2014/15 R'000
Tax revenue			
Sales of goods and services other than capital assets	3.1	2 871	4 137
Interest, dividends and rent on land	3.2	107 714	86 204
Sales of capital assets	3.3	370	47
Transactions in financial assets and liabilities	3.4	183	24
Total revenue collected		111 138	90 412
Less: Own revenue included in appropriation	12	8 857	8 476
Departmental revenue collected		102 281	81 936

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2016

3.1. Sales of goods and services other than capital assets

	Note 3	2015/16 R'000	2014/15 R'000
Sales of goods and services produced by the department		2 871	4 137
Other sales		2 871	4 137
Total		2 871	4 137

3.2. Interest, dividends and rent on land

	Note 3	2015/16 R'000	2014/15 R'000
Interest		107 714	86 204
Total		107 714	86 204

3.3 Sale of capital assets

	Note 3	2015/16 R'000	2014/15 R'000
Tangible assets		370	47
Machinery and equipment	25	370	47
Intangible assets		-	-
Software	26	-	-
Total		370	47

3.4. Transactions in financial assets and liabilities

	Note 3	2015/16 R'000	2014/15 R'000
Receivables		183	24
Other Receipts including Recoverable Revenue		-	-
Total		183	24

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2016

4. COMPENSATION OF EMPLOYEES

a) Salaries and Wages	Note 3	2015/16 R'000	2014/15 R'000
Basic salary		103 223	96 132
Performance award		2 413	2 300
Service Based		26	84
Compensative/circumstantial		11 246	11 569
Other non-pensionable allowances		15 462	13 638
Total		132 370	123 723
b) Social contributions	Note 3	2015/16 R'000	2014/15 R'000
Employer contributions			
Pension		13 158	12 262
Medical		5 856	4 684
Bargaining council		22	21
Total		19 036	16 967
Total compensation of employees		151 406	140 690
Average number of employees		326	338

5. GOODS AND SERVICES

	Note 3	2015/16 R'000	2014/15 R'000
Administrative fees		486	479
Advertising		2 007	1 605
Minor assets	5.1	990	487
Catering		577	894
Communication		3 865	4 149
Computer services	5.2	55 488	54 238
Consultants: Business and advisory services		4 518	13 460
Legal services		-	57
Contractors		1 221	922
Audit cost – external	5.3	4 667	5 005
Fleet services		1 174	1 269
Consumables	5.4	4 108	3 286
Operating leases		6 181	7 312
Property payments	5.5	3 828	3 214
Transport provided as part of the departmental activities		3	86
Travel and subsistence	5.6	14 494	13 397
Venues and facilities		794	1 210
Training and development		1 690	1 792
Other operating expenditure	5.7	937	1 481
Total		107 028	114 343

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2016

5.1 Minor assets

	Note 3	2015/16 R'000	2014/15 R'000
Tangible assets			
Machinery and equipment		990	486
Intangible assets			
Software		-	1
Total		990	487

5.2 Computer services

	Note 3	2015/16 R'000	2014/15 R'000
SITA computer services		55 488	54 238
External computer service providers		-	-
Total		55 488	54 238

5.3 Audit cost – External

	Note 3	2015/16 R'000	2014/15 R'000
Regularity audits		4 667	4 734
Performance audits		-	271
Total		4 667	5 005

5.4 Consumables

	Note 3	2015/16 R'000	2014/15 R'000
Consumable supplies		1 141	1 390
Uniform and clothing		62	55
Household supplies		1 031	906
IT consumable		48	428
Communication Accessories		-	1
Stationery, printing and office supplies		2 967	1 896
Total		4 108	3 286

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2016

5.5 Property payments

	<i>Note</i> 3	2015/16 R'000	2014/15 R'000
Municipal services		3 828	3 214
Total		3 828	3 214

5.6 Travel and subsistence

	<i>Note</i> 3	2015/16 R'000	2014/15 R'000
Local		14 494	13 397
Total		14 494	13 397

5.7 Other operating expenditure

	<i>Note</i> 3	2015/16 R'000	2014/15 R'000
Professional bodies, membership and subscription fees		24	31
Resettlement costs		39	65
Other		874	1 385
Total		937	1 481

Other is for the insurance for subsidised vehicles and courier services.

6. PAYMENTS FOR FINANCIAL ASSETS

	<i>Note</i> 3	2015/16 R'000	2014/15 R'000
Debts written off	6.1	12	4
Total		12	4

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2016

6.1 Debts written off

	Note 3	2015/16 R'000	2014/15 R'000
Nature of debts written off			
(Group major categories, but list material items: debts written off relating to irregular expenditure, recoverable expenditure and other debts must be listed here)			
Staff Debt		1	4
Supplier Overpayment		11	-
Total		12	4

7. TRANSFERS AND SUBSIDIES

	Note 3	2015/16 R'000	2014/15 R'000
Municipalities	28	3 010	6 007
Departmental agencies and accounts	Annex 1B	299	429
Households	Annex 1G	271	210
Total		3 580	6 646

8. EXPENDITURE FOR CAPITAL ASSETS

	Note 3	2015/16 R'000	2014/15 R'000
Tangible assets		9 940	2 989
Machinery and equipment	25	9 940	2 989
Intangible assets		1 125	81
Software	26	1 125	81
Total		11 065	3 070

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2016

8.1 Analysis of funds utilised to acquire capital assets – 2015/16

	Voted funds R'000	Aid assistance R'000	Total R'000
Tangible assets	9 940	-	9 940
Machinery and equipment	9 940	-	9 940
Intangible assets	1 125	-	1 125
Software	1 125	-	1 125
Total	11 065	-	11 065

8.2 Analysis of funds utilised to acquire capital assets – 2014/15

	Voted funds R'000	Aid assistance R'000	Total R'000
Tangible assets	2 989	-	2 989
Machinery and equipment	2 989	-	2 989
Intangible assets	81	-	81
Software	81	-	81
Total	3 070	-	3 070

9. CASH AND CASH EQUIVALENTS

	Note 3	2015/16 R'000	2014/15 R'000
Consolidated Paymaster General Account		6 141	8 248
Total		6 141	8 248

10. RECEIVABLES

		2015/16			2014/15		
	Note	Current R'000	Non-current R'000	Total R'000	Current R'000	Non-current R'000	Total R'000
Claims recoverable	10.1	80	-	80	-	36	36
Staff debt	10.2	13	61	74	26	55	81
Other debtors	10.3	76	637	713	54	610	664
Total		169	698	867	80	701	781

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2016

10.1 Claims recoverable

	Note 3	2015/16 R'000	2014/15 R'000
Provincial departments		57	36
Public Entities		23	-
Total		80	36

10.2 Staff debt

	Note 3	2015/16 R'000	2014/15 R'000
Overpayment		13	26
Recovery for loss/damage to assets		61	55
Total		74	81

10.3 Other debtors

	Note 3	2015/16 R'000	2014/15 R'000
Supplier Overpayment		-	11
Recovery of stolen Laptop		-	5
Ex-Employees – Tax Debt		11	11
Amount to be recovered from Irregular Expenditure		602	530
Ex-Employees – Salary Overpayment		100	107
Total		713	664

Amount to be recovered from irregular expenditure includes the R66 000 disclosed under note 21 as not condoned and recoverable.

11. VOTED FUNDS TO BE SURRENDERED TO THE REVENUE FUND

	Note 3	2015/16 R'000	2014/15 R'000
Opening balance		7 271	3 253
Prior period error		-	-
As restated		7 271	3 253
Transfer from statement of financial performance (as restated)		5 152	7 271
Paid during the year		(7 271)	(3 253)
Closing balance		5 152	(7 271)

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2016

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

	Note 3	2015/16 R'000	2014/15 R'000
Opening balance		1 151	908
Prior period error		-	-
As restated		1 151	908
Transfer from Statement of Financial Performance (as restated)		102 281	81 936
Own revenue included in appropriation		8 857	8 476
Paid during the year		(111 285)	(90 169)
Closing balance		1 004	1 151

13. PAYABLES – CURRENT

	Note 3	2015/16 R'000	2014/15 R'000
Clearing accounts	13.1	195	11
Total		195	11

13.1 Clearing accounts

	Note 3	2015/16 R'000	2014/15 R'000
Description (Identify major categories, but list material amounts)			
Sal: Income Tax		137	6
Disallowance Miscellaneous		8	5
Capital Contra (Interns)		42	-
Sal: Pension		8	-
Total		195	11

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2016

14. NET CASH FLOW AVAILABLE FROM OPERATING ACTIVITIES

	Note 3	2015/16 R'000	2014/15 R'000
Net surplus/(deficit) as per Statement of Financial Performance		107 433	89 207
Add back non cash/cash movements not deemed operating activities		(98 906)	(81 742)
(Increase)/decrease in receivables – current		(86)	171
Increase/(decrease) in payables – current		184	10
Proceeds from sale of capital assets		(370)	(47)
Expenditure on capital assets		11 065	3 070
Surrenders to Revenue Fund		(118 556)	(93 422)
Own revenue included in appropriation		8 857	8 476
Net cash flow generated by operating activities		8 527	7 465

15. RECONCILIATION OF CASH AND CASH EQUIVALENTS FOR CASH FLOW PURPOSES

	Note 3	2015/16 R'000	2014/15 R'000
Consolidated Paymaster General account		6 141	8 248
Total		6 141	8 248

16. CONTINGENT LIABILITIES AND CONTINGENT ASSETS

16.1 Contingent liabilities

		Note 3	2015/16 R'000	2014/15 R'000
Liable to	Nature			
Housing loan guarantees	Employees	Annex 3A	-	21
Claims against the department		Annex 3B	71	-
Intergovernmental payables (unconfirmed balances)		Annex 5	9	15
Total			80	36

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2016

17. COMMITMENTS

	Note 3	2015/16 R'000	2014/15 R'000
Current expenditure			
Approved and contracted		689	2 549
Approved but not yet contracted		-	-
		<hr/> 689	<hr/> 2 549
Capital expenditure			
Approved and contracted		-	744
Approved but not yet contracted		-	-
		<hr/> -	<hr/> 744
Total Commitments		<hr/> 689	<hr/> 3 293

18. ACCRUALS AND PAYABLES NOT RECOGNISED

18.1 Accruals

Listed by economic classification	30 Days	30+ Days	2015/16 R'000 Total	2014/15 R'000 Total
Goods and services	4 911	-	4 911	3 594
Other	147	-	147	31
Total	<hr/> 5 058	<hr/> -	<hr/> 5 058	<hr/> 3 625

	Note 3	2015/16 R'000	2014/15 R'000
Current expenditure			
Listed by programme level			
Administration		1 416	1 032
Sustainable Resource Management		295	270
Asset and Liabilities Management		3 187	2 285
Financial Governance		160	38
Total		<hr/> 5 058	<hr/> 3 625

Accruals include invoices for contractual obligations (SITA, Auditor-General and Rent).

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2016

18.2 Payables

		Note 3	2015/16 R'000	2014/15 R'000
Listed by economic classification	30 Days	30+ Days	Total	Total
Goods and services	206	-	206	-
Total	206	-	206	-

	Note 3	2015/16 R'000	2014/15 R'000
Listed by programme level			
Administration		189	-
Sustainable Resource Management		17	-
Asset and Liabilities Management		-	-
Financial Governance		-	-
Total		206	-

	Note 3	2015/16 R'000	2014/15 R'000
Included in the above totals are the following:			
Confirmed balances with other departments	Annex 5	74	-
Confirmed balances with other government entities	Annex 5	-	-
Total		74	-

Provincial Treasury could not provide comparison with regard to payables for 2014/15 financial year since the accruals and payable were combine in the previous years. The split for payables was made in the current year.

19. EMPLOYEE BENEFITS

	Note 3	2015/16 R'000	2014/15 R'000
Leave entitlement		6 596	6 202
Service bonus (Thirteenth cheque)		4 055	3 978
Performance awards		2 457	2 289
Capped leave commitments		8 470	7 847
Other		232	27
Total		21 810	20 343

Other is provision for long service awards meant for employees that would have completed 20 and 30 years of service in government. The rest of the employee benefits are accruals which are paid when due to employees.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2016

20. LEASE COMMITMENTS

20.1 Operating leases expenditure

2015/16	Specialised military equipment	Land	Buildings and other fixed structures	Machinery and equipment	Total
Not later than 1 year	-	-	2 574	1 332	3 906
Later than 1 year and not later than 5 years	-	-	2 950	1 239	4 189
Later than five years	-	-	-	-	-
Total lease commitments	-	-	5 524	2 571	8 095

2014/16	Specialised military equipment	Land	Buildings and other fixed structures	Machinery and equipment	Total
Not later than 1 year	-	-	4 383	1 118	5 501
Later than 1 year and not later than 5 years	-	-	5 523	1 466	6 989
Later than five years	-	-	-	-	-
Total lease commitments	-	-	9 906	2 584	12 490

21. IRREGULAR EXPENDITURE

21.1 Reconciliation of irregular expenditure

	Note 3	2015/16 R'000	2014/15 R'000
Opening balance		121	355
Prior period error		-	-
As restated		121	355
Less: Amounts not condoned and recoverable	10.3	(66)	-
Less: Amounts not condoned and not recoverable		(55)	(234)
Closing balance		-	121
Analysis of awaiting condonation per age classification			
Current year		-	-
Prior years		-	121
Total		-	121

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2016

21.2 Details of irregular expenditure recoverable (not condoned)

Incident	2015/16 R'000
Fraudulent Travel Claims	66
Total	66

21.3 Details of irregular expenditure not recoverable (not condoned)

Incident	Not condoned by (condoning authority)	2015/16 R'000
The court dismissed the claim		55
Total		55

22. RELATED PARTY TRANSACTIONS

During the financial year 2015/16, Provincial Treasury occupied government building number four lower and upper grounds in the Province provided by the Department of Public Works, Roads and Transport free of charge.

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

During the financial year, Provincial Treasury received security services from the Department of Community Safety, Security and Liaison free of charge.

23. KEY MANAGEMENT PERSONNEL

	No. of Individuals	2015/16 R'000	2014/15 R'000
Political office bearers (provide detail below)	1	-	315
Officials:			
Level 15 to 16	1	1 416	1 322
Level 14 (incl. CFO if at a lower level)	4	4 170	4 291
Family members of key management personnel		-	-
Total		5 586	5 928

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2016

24. PROVISIONS

	Note 3	2015/16 R'000	2014/15 R'000
VW SA – VAT Payable		252	-
Total		252	-

24.1. Reconciliation of movement in provisions – 2015/16

	Provision 1 R'000	Provision 2 R'000	Provision 3 R'000	Total provisions R'000
Opening balance	-	-	-	-
Increase in provision	252	-	-	252
Settlement of provision	-	-	-	-
Unused amount reversed	-	-	-	-
Reimbursement expected from third party	-	-	-	-
Change in provision due to change in estimation of inputs	-	-	-	-
Closing balance	252	-	-	252

VW SA issued invoices previously in error excluding VAT, Provincial Treasury is in the process of negotiating the settlement which will be settled in the 2016/17 financial year.

25. MOVABLE TANGIBLE CAPITAL ASSETS

MOVEMENT IN MOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER
FOR THE YEAR ENDED 31 MARCH 2016

	Opening balance R'000	Value adjustments R'000	Additions R'000	Disposals R'000	Closing Balance R'000
MACHINERY AND EQUIPMENT	34 475	-	10 159	3 995	40 639
Transport assets	5 006	-	873	1 322	4 557
Computer equipment	23 848	-	7 742	2 283	29 307
Furniture and office equipment	3 549	-	855	213	4 191
Other machinery and equipment	2 072	-	689	177	2 584
TOTAL MOVABLE TANGIBLE CAPITAL ASSETS	34 475	-	10 159	3 995	40 639

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2016

25.1 Additions

**ADDITIONS TO MOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER
FOR THE YEAR ENDED 31 MARCH 2016**

	Cash R'000	Non-cash Work R'000	(Capital in Progress current costs and finance lease payments) R'000	Received current, not paid (Paid current year, received prior year) R'000	Total R'000
MACHINERY AND EQUIPMENT	9 940	219	-	-	10 159
Transport assets	873	-	-	-	873
Computer equipment	7 648	94	-	-	7 742
Furniture and office equipment	730	125	-	-	855
Other machinery and equipment	689	-	-	-	689
TOTAL ADDITIONS TO MOVABLE TANGIBLE CAPITAL ASSETS	9 940	219	-	-	10 159

25.2 Disposals

**DISPOSALS OF MOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER
FOR THE YEAR ENDED 31 MARCH 2016**

	Sold for cash R'000	Non-cash disposal R'000	Total disposals R'000	Cash Received Actual R'000
MACHINERY AND EQUIPMENT	3 723	272	3 995	370
Transport assets	1 322	-	1 322	355
Computer equipment	2 220	63	2 283	2
Furniture and office equipment	144	69	213	7
Other machinery and equipment	37	140	177	6
TOTAL DISPOSAL OF MOVABLE TANGIBLE CAPITAL ASSETS	3 723	272	3 995	370

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2016

25.3 Movement for 2014/15

MOVEMENT IN TANGIBLE CAPITAL ASSETS PER ASSET REGISTER
FOR THE YEAR ENDED 31 MARCH 2015

	Opening balance R'000	Prior period error R'000	Additions R'000	Disposals R'000	Closing Balance R'000
MACHINERY AND EQUIPMENT	30 806	1 704	3 037	1 072	34 475
Transport assets	4 681	-	492	167	5 006
Computer equipment	21 193	1 484	1 818	647	23 848
Furniture and office equipment	3 493	(66)	314	192	3 549
Other machinery and equipment	1 439	286	413	66	2 072
OTAL MOVABLE TANGIBLE CAPITAL ASSETS	30 806	1 704	3 037	1 072	34 475

25.3.1 Prior period error

	Note	2014/15 R'000
Nature of prior period error		
Relating to 2014/15 [affecting the opening balance]		1 704
Computer – Capturing of IT assets on the Asset Register		1 484
Furniture – Correction Prior year balances		(66)
Other Machinery – Capturing of assets on the Asset Register		286
Total prior period errors	29	1 704

25.4 Minor assets

MOVEMENT IN MINOR ASSETS PER THE ASSET REGISTER FOR THE YEAR ENDED AS AT 31 MARCH 2016

	Specialised military assets R'000	Intangible assets R'000	Heritage assets R'000	Machinery and equipment R'000	Biological assets R'000	Total R'000
Opening balance	-	13	-	7 743	-	7 756
Value adjustments	-	-	-	188	-	188
Additions	-	-	-	990	-	990
Disposals	-	-	-	1 389	-	1 389
TOTAL MINOR ASSETS	-	13	-	7 532	-	7 545

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2016

	Specialised military assets	Intangible assets	Heritage assets	Machinery and equipment	Biological assets	Total
Number of R1 minor assets	-	-	-	3	-	3
Number of minor assets at cost	-	8	-	4 167	-	4 175
TOTAL NUMBER OF MINOR ASSETS	-	8	-	4 170	-	4 178

MOVEMENT IN MINOR ASSETS PER THE ASSET REGISTER FOR THE YEAR ENDED AS AT 31 MARCH 2015

	Specialised military assets R'000	Intangible assets R'000	Heritage assets R'000	Machinery and equipment R'000	Biological assets R'000	Total R'000
Opening balance	-	12	-	8 346	-	8 358
Prior period error	-	-	-	(251)	-	(251)
Additions	-	1	-	486	-	487
Disposals	-	-	-	838	-	838
TOTAL MINOR ASSETS	-	13	-	7 743	-	7 756

25.4.1 Prior period error

	Note	2015/16 R'000	2014/15 R'000
Nature of prior period error			
Relating to 2014/15 [affecting the opening balance]		-	(251)
Machinery and Equipment – Correction of opening balances		-	(251)
Total prior period errors	29	-	(251)

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2016

25.5 Movable assets written off

MOVABLE ASSETS WRITTEN OFF FOR THE YEAR ENDED AS AT 31 MARCH 2016

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

25.6 S42 Movable capital assets

MAJOR ASSETS SUBJECTED TO TRANSFER IN TERMS OF S42 OF THE PFMA - 31 MARCH 2016

	Specialised military assets R'000	Intangible assets R'000	Heritage assets R'000	Machinery and equipment R'000	Biological assets R'000	Total R'000
No. of Assets	-	-	-	336	-	336
Value of the Assets (R'000)	-	-	-	4 523	-	4 523

MINOR ASSETS SUBJECTED TO TRANSFER IN TERMS OF S42 OF THE PFMA - 31 MARCH 2016

	Specialised military assets R'000	Intangible assets R'000	Heritage assets R'000	Machinery and equipment R'000	Biological assets R'000	Total R'000
No. of Assets	-	-	-	303	-	303
Value of the Assets (R'000)	-	-	-	598	-	598

25.7 S42 Movable capital assets

	Specialised military assets R'000	Intangible assets R'000	Heritage assets R'000	Machinery and equipment R'000	Biological assets R'000	Total R'000
No. of Assets	-	-	-	-	-	-
Value of the Assets (R'000)	-	-	-	-	-	-

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2016

MINOR ASSETS SUBJECTED TO TRANSFER IN TERMS OF S42 OF THE PFMA - 31 MARCH 2015

	Specialised military assets R'000	Intangible assets R'000	Heritage assets R'000	Machinery and equipment R'000	Biological assets R'000	Total R'000
No. of Assets	-	-	-	-	-	-
Value of the Assets (R'000)	-	-	-	-	-	-

26. INTANGIBLE CAPITAL ASSETS

**MOVEMENT IN INTANGIBLE CAPITAL ASSETS PER ASSET REGISTER
FOR THE YEAR ENDED 31 MARCH 2016**

	Opening balance R'000	Value adjustments R'000	Additions R'000	Disposals R'000	Closing Balance R'000
SOFTWARE	3 931	-	1 125	-	5 056
TOTAL INTANGIBLE CAPITAL ASSETS	3 931	-	1 125	-	5 056

26.1 Additions

**ADDITIONS TO INTANGIBLE CAPITAL ASSETS PER ASSET REGISTER
FOR THE YEAR ENDED 31 MARCH 2016**

	Cash R'000	Non-cash Work R'000	(Capital in Progress current costs and finance lease payments) R'000	Received current, not paid (Paid current year, received prior year) R'000	Total R'000
SOFTWARE	1 125	-	-	-	1 125
TOTAL ADDITIONS TO INTANGIBLE CAPITAL ASSETS	1 125	-	-	-	1 125

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2016

26.2 Disposals

DISPOSALS OF INTANGIBLE CAPITAL ASSETS PER ASSET REGISTER
FOR THE YEAR ENDED 31 MARCH 2016

	Cash R'000	Non-cash Work R'000	(Capital in Progress current costs and finance lease payments) R'000	Received current, not paid (Paid current year, received prior year) R'000	Total R'000
SOFTWARE	-	-	-	-	-
TOTAL DISPOSALS OF INTANGIBLE CAPITAL ASSETS	-	-	-	-	-

26.3 Movement for 2014/15

MOVEMENT IN INTANGIBLE CAPITAL ASSETS PER ASSET REGISTER
FOR THE YEAR ENDED 31 MARCH 2015

	Opening balance R'000	Prior period error R'000	Additions R'000	Disposals R'000	Closing Balance R'000
SOFTWARE	4 798	(948)	81	-	3 931
TOTAL INTANGIBLE CAPITAL ASSETS	4 798	(948)	81	-	3 931

26.3.1 Prior period error

	Note	2015/16 R'000
Nature of prior period error		
Relating to 2014/15 [affecting the opening balance]		(948)
Computer Software- Correction of opening balance		(948)
Total prior period errors	29	(948)

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2016

27. TRANSFER OF FUNCTIONS

Provide a description of the changes as a result of the transfer or receipt of functions

27.1 Notes

Note:	Bal per dept 2014/15AFS before transfer 2014/15 R'000	Functions per dept (transferred) / received 2015/16 R'000	Functions per dept (transferred) / received 2015/16 R'000	Functions per dept (transferred) / received 2015/16 R'000	Bal after transfe 2015/16 R'000
Movable tangible capital assets	196	-	-	-	196
Intangible capital assets	-	-	-	-	-

Provincial Treasury transferred the assets to the Department of Economic Development and Tourism according to Section 42. Both departments did a verification to ascertain the correctness of the assets and Accounting Officers have signed the transferred certificate and Auditor General of South Africa was also informed.

28. STATEMENT OF CONDITIONAL GRANTS AND OTHER TRANSFERS TO MUNICIPALITIES

Economic classification	2015/16				2014/15		
	Division of Revenue Act	Roll Overs	Adjustments	Total Available	Actual Transfer	Funds Withheld	Re-allocations by National Treasury or National Department
	R'000	R'000	R'000	R'000	R'000	R'000	%
Nkangala Municipality	3 000	-	-	3 000	3 000	-	-
Mbombela Municipality	8	-	2	10	10	-	-
TOTAL	3 008	-	2	3 010	3 010	-	-

29. CORRECTION OF PRIOR PERIOD ERRORS

	Note	2015/16 R'000
Assets:		
Major Assets	25.3.1	1 704
Minor Assets	25.4.1	(251)
Intangible Assets	26.3.1	(948)
Net effect		505

VOTE 3: PROVINCIAL TREASURY

Province of Mpumalanga

UNAUDITED ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2016

UNAUDITED ANNEXURE 1B**STATEMENT OF TRANSFERS TO DEPARTMENTAL AGENCIES AND ACCOUNTS**

DEPARTMENT/ AGENCY/ ACCOUNT	TRANSFER ALLOCATION				TRANSFER		2014/15
	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	-	-	-	-	-	-	146
FASSET	194	-	103	297	297	100.0%	281
SABC	2	-	-	2	2	100.0%	2
TOTAL	196	-	103	299	299	100.0%	429

UNAUDITED ANNEXURE 1G**STATEMENT OF TRANSFERS TO HOUSEHOLDS**

HOUSEHOLDS	2015/16				2014/15		
	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
Transfers							
Leave Gratuity	37	-	152	189	187	98.9%	153
Women's Day Celebration	42	-	(20)	22	22	100.0%	22
Youth Day Celebration	-	-	-	-	-	-	35
Freedom Day Celebration	-	-	-	-	19	-	-
Africa Day Celebration	42	-	(10)	32	25	78.1%	-
Legacy Project	41	-	(10)	31	18	58.1%	-
TOTAL	162	-	112	274	271	98.9%	210

UNAUDITED ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2016

UNAUDITED ANNEXURE 3A

STATEMENT OF FINANCIAL GUARANTEES ISSUED AS AT 31 MARCH 2016 – LOCAL

Guarantor institution	Guarantee in respect of	Original guaranteed capital amount	Opening balance 1 April 2015	Guarantees draw downs during the year	Guarantees repayments/ cancelled/ reduced/ released during the year	Revaluations	Closing balance 31 March 2016
		R'000	R'000	R'000	R'000	%	R'000
	Housing						
Old Mutual	Housing	107	21	-	21	-	-
	TOTAL	107	21	-	21	-	-

UNAUDITED ANNEXURE 3B

STATEMENT OF CONTINGENT LIABILITIES AS AT 31 MARCH 2016

Nature of Liability	Opening balance 1 April 2015	Liabilities incurred during the year	Liabilities paid/ cancelled/reduced during the year	Liabilities recoverable (Provide details hereunder)	Closing Balance 31 March 2016
	R'000	R'000	R'000	R'000	R'000
Claims against the department					
Government Vehicle Accident	-	71	-	-	71
-	-	71	-	-	71

VOTE 3: PROVINCIAL TREASURY

Province of Mpumalanga

UNAUDITED ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2016

UNAUDITED ANNEXURE 4**CLAIMS RECOVERABLE**

Government Entity	Confirmed balance outstanding		Unconfirmed balance outstanding		Total		Cash in transit at year end 2015/16	
	31/03/2016	31/03/2015	31/03/2016	31/03/2015	31/03/2016	31/03/2015	Receipt date up to six (6) working days after year end	Amount
	R'000	R'000	R'000	R'000	R'000	R'000		R'000

Department

Limpopo: Department of Health	-	-	-	35	-	35	-	-
Northern Cape: Treasury	-	-	-	1	-	1	-	-
Mpumalanga: Department of Health	57	-	-	-	57	-	-	-
SUB TOTAL	57	-	-	36	57	36	-	-
Other Government Entity								
Mpumalanga: Tourism and Parks Agency	23	-	-	-	23	-	-	-
TOTAL	80	-	-	36	80	36	-	-

UNAUDITED ANNEXURE 5**INTER-GOVERNMENT PAYABLES**

Government Entity	Confirmed balance outstanding		Unconfirmed balance outstanding		Total		Cash in transit at year end 2015/16	
	31/03/2016	31/03/2015	31/03/2016	31/03/2015	31/03/2016	31/03/2015	Payment date up to six (6) working days before year end	Amount
	R'000	R'000	R'000	R'000	R'000	R'000		R'000

DEPARTMENT

Current								
Government Printing	-	-	9	15	9	15	-	-
Department of Public works	-	22	-	-	-	22	-	-
Limpopo: Department of Health	-	47	-	-	-	47	-	-
Mpumalanga: COGTA	74	-	-	-	74	-	-	-
TOTAL	74	69	9	15	83	84	-	-

UNAUDITED ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2016

UNAUDITED ANNEXURE 6

INVENTORIES

Inventory [Per major category]	Note	Quantity	2015/16	Quantity	2014/15
			R'000		R'000
Opening balance		-	-	-	-
Add/(Less): Adjustments to prior year balance		-	-	-	-
Add: Additions/Purchases - Cash		-	-	-	-
Add: Additions - Non-cash		-	-	-	-
(Less): Disposals		-	-	-	-
(Less): Issues		-	-	-	-
Add/(Less): Adjustments		-	-	-	-
Closing balance		-	-	-	-

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 descriptions of SCOA. The quantity of the consumable items is 30 501 at a value of R748 700 as at 31 March 2016.



**Mpumalanga Provincial
Treasury Annual Report**

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