



provincial treasury  
MPUMALANGA PROVINCE  
REPUBLIC OF SOUTH AFRICA



# ANNUAL REPORT



2016/17  
FINANCIAL YEAR  
VOTE NO.3

**ANNUAL REPORT 2016/17**  
Vote 3: Provincial Treasury  
Mpumalanga Province

PR226/2017  
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# PART A

## GENERAL INFORMATION



## 1. PROVINCIAL TREASURY GENERAL INFORMATION

### PHYSICAL ADDRESS

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Mpumalanga Provincial Treasury

## 2. LIST OF ABBREVIATIONS/ACRONYMS

<b>AIDS</b>	Acquired Immunodeficiency Syndrome
<b>AFS</b>	Annual Financial Statements
<b>AGSA</b>	Auditor -General of South Africa
<b>APP</b>	Annual Performance Plan
<b>BAS</b>	Basic Accounting System
<b>CFO</b>	Chief Financial Officer
<b>CSD</b>	Central Supplier Database
<b>DORA</b>	Division of Revenue Act
<b>ERM</b>	Enterprise Risk Management
<b>FMCMM</b>	Financial Management Capability Maturity Model
<b>GIAMA</b>	Government Immovable Asset Management Act
<b>HDI</b>	Historically Disadvantaged Individuals
<b>HIV</b>	Human Immune Virus
<b>HOA</b>	Home Owners Allowance
<b>HO</b>	Head Official
<b>HRD</b>	Human Resource Development
<b>ICT</b>	Information Communication Technology
<b>IIA</b>	Institute of Internal Auditors
<b>IT</b>	Information Technology
<b>IYM</b>	In-Year-Monitoring
<b>LED</b>	Local Economic Development
<b>LOGIS</b>	Logistical Information System
<b>MEC</b>	Member of the Executive Council
<b>MFMA</b>	Municipal Finance Management Act, 2003 (Act No. 56 of 2003)
<b>MLA</b>	Mpumalanga Liquor Authority
<b>MPSA</b>	Minister of Public Services and Administration
<b>MTEC</b>	Medium Term Expenditure Committee
<b>MTEF</b>	Medium Term Expenditure Framework
<b>MTSF</b>	Medium Term Strategic Framework
<b>N/A</b>	Not applicable
<b>NEHAWU</b>	National Education, Health and Allied Workers Union
<b>NGO</b>	Non-Governmental Organisations
<b>NPO</b>	Non Profit Organisations
<b>NT</b>	National Treasury
<b>OHS</b>	Occupational Health and Safety
<b>OTP</b>	Office of the Premier
<b>PAIA</b>	Promotion of Access to Information Act
<b>PAJA</b>	Promotion of Administrative Justice Act
<b>PERSAL</b>	Personnel Salary System
<b>PFMA</b>	Public Finance Management Act, 1999 (Act No. 1 of 1999)
<b>PMC</b>	Provincial Management Committee
<b>PMDS</b>	Performance Management and Development System
<b>PPP</b>	Public Private Partnership
<b>PPPFA</b>	Preferential Procurement Policy Framework Act
<b>PSA</b>	Public Service and Administration
<b>PSCM</b>	Provincial Supply Chain Management
<b>PSCBC</b>	Public Service Commission's Bargaining Council
<b>QAR</b>	Quality Assurance Review
<b>SCM</b>	Supply Chain Management
<b>SCOPA</b>	Select Committee on Public Accounts
<b>SDIP</b>	Service Delivery Improvement Plan
<b>SHEQ</b>	Safety Health and Environment Quality
<b>SIPDM</b>	Standard for Infrastructure Procurement and Delivery Management
<b>SITA</b>	State Information Technology Agency
<b>SMS</b>	Senior Management Services
<b>SOPA</b>	State of the Province Address
<b>WSP</b>	Workplace Skills Plan

### 3. FOREWORD BY THE MEC



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

**T**he Annual Report for the 2016/17 financial year was prepared within period of continuing intense global and domestic challenges. Despite the testing economic discourse, we remain optimistic that a positive transition to a better South Africa and prosperous Mpumalanga is possible. This Report highlights some of the key achievements of the Provincial Treasury, reflects on the challenges and accentuate key interventions that are aimed to ensure continuous improvements in performance outcomes.

#### Achievements

The Provincial Treasury has achieved most of its performance targets in the 2016/17 financial year. During this period, the Department initiated a process of introducing the amended Preferential Procurement Regulations which came into effect on the 1st of April 2017. In the quest to improve support to the small businesses and cooperatives, we established a Call Centre with the aim to fast track payments of suppliers whose legitimate invoices have not been settled by departments within the mandatory 30 day period. We have also supported district and local municipalities to prepare for the implementation of new Municipal Standard Chart of Accounts, thus ensuring that these institutions are ready for the mandatory date of enforcement of the regulation, amongst others.

#### Challenges

The economic and fiscal challenges continue to weigh heavily on the administration, resulting in reduction of internal capacity and consequently limiting the scope and intensity of our support programmes. While steps were taken to minimise the impact, the Provincial Treasury will continue to explore available technological capabilities to modernize administrative processes and its support services in order to mitigate staff shortage in strategic performance areas.

#### Strategic priorities going forward

The 2017 Programme of Action places radical socioeconomic transformation at the centre of our programme of lifting our people from unacceptably high unemployment and poverty rates. The Provincial Treasury will provide timely and quality expert guidance to departments, public entities and municipalities on financial resource management to enable the provincial government to meet its service delivery objectives. We will convene a Provincial Supply Chain Indaba to assess the impact of procurement systems on government and business; appoint a panel of professionals to craft a sustainable financial management solution for municipalities; enforce budget planning cycle, and complete, within our sphere of influence, the processes towards the finalisation of the organisational structure for the Municipal Finance Management unit.

#### Conclusion

We are determined replicate all processes that led to our recent achievements to all other performance areas where we experienced challenges. We will not betray the trust that our people have placed on our hands.

#### Acknowledgements

I would convey my appreciation to the Head: Provincial Treasury, management team and all officials within department for their contribution in implementing our policy mandate and ensuring that the department continues to lead on public accounting.

A handwritten signature in black ink, appearing to be 'SE Kholwane'.

**Mr SE Kholwane (MPL)**  
**MEC for Finance, Economic Development and Tourism**  
31 July 2017



## 4. REPORT OF THE ACCOUNTING OFFICER

**Ms NZ Nkamba**

**Accounting Officer: Provincial  
Treasury**



### Overview of the operations of the Provincial Treasury:

**T**he Provincial Treasury appreciates the opportunity to report on the performance for the 2016/17 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 2017.

The approved organisational structure has 433 posts and at the end of the financial year the Provincial Treasury had 291 funded and filled posts with 142 vacant and unfunded posts. However, the implementation of the moratorium in filling of posts and a requirement to abolish all vacant posts led to a shortage of staff due to subsequent resignations, transfer promotions and deaths.

The Provincial Treasury operated with a total of 365 posts which comprises of 291 Permanent and 74 Contract workers namely Interns, Learners and Municipal Specialists and 100% of these posts were filled at 31 March 2017.

This had a negative impact on the achievement of planned targets in the Financial Governance Programme where the high vacancy rate in the Provincial Treasury's Provincial Internal Audit Unit, had a negative impact on the achievement of targets for the 2016/17 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 two internal Quality Assurance Reviews, could not be achieved and only one Review was finalised and the results communicated to the relevant Accounting Officer.

The Provincial Treasury managed to facilitate the timely tabling of the provincial Main and Adjustment appropriations. The Province's revenue collection is in line with the estimated R4 billion target to be collected in the 2016/17 MTEF. The Standard for Infrastructure Procurement and Delivery Management launched by National Treasury is being implemented by the Provincial Departments, the same standard will be implemented by Municipalities in July 2017.

The Provincial Treasury has during the year 2016/17 continued to provide support and capacity to departments, public entities and municipalities in the implementation of supply chain management framework. This included the provision of views, recommendations and opinions to

inform decision making on several aspects of procurement processes. Support was also provided in the implementation

of the Central Suppliers Database by all Departments, Public Entities and Municipalities. This support was also extended to National Departments and Entities resident in the Province of Mpumalanga such as the Departments of Justice and Correctional Services, Water and Sanitation, Legal Aid Board and South African Social Security Agency, just to mention a few.

In addition, support was provided on the implementation of the e-tender portal and ensuring that all provincial tenders are advertised on the e-tender portal, including those of public entities. This will result in major cost savings because no institution, primarily public entities and departments are advertising tenders on the print media. The Provincial Treasury has also facilitated the procurement of banking services which resulted in the appointment of Standard Bank South Africa to be a banker for the Province for the next five years.

Training on supply chain management and the operations of bid committees was done for Departments, Public Entities and Municipalities in order to increase capacity and enhancing decision making in the award of tenders. A foundation for the effective implementation of transversal term contracts has been created. Specific commodities have been identified and generally buy-in and support has been successfully secured from Provincial Departments and National Treasury.

The Provincial Treasury has continued to enforce the payment of suppliers within 30 days after receipt of a legitimate invoice. In addition to all efforts in this regard a Call Centre to report non-payment of services has been established and it is functional. Exceptions are escalated including to Members of the Executive Council.

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 and 2016/17 financial years, officials of all Provincial Departments were verified.

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 all key areas and the total aggregate increased from level 2.91 in 2015/16 to level 2.93 in 2016/17. The Provincial aggregate for the Public Entities also indicates that there was an increase in the scores. 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.

## Overview of the financial results of the Provincial Treasury:

### Departmental receipts

Departmental receipts	2015/2016			2016/2017		
	Estimate	Actual Amount Collected	(Over)/Under Collection Error! Bookmark not defined.	Estimate	Actual Amount Collected	(Over)/Under Collection Error! Bookmark not defined.
	R'000	R'000	R'000	R'000	R'000	R'000
Sale of goods and services other than capital assets	2 992	2 871	121	3 177	2 977	200
Transfers received						
Fines, penalties and forfeits						
Interest, dividends and rent on land	53 175	107 714	(54 539)	56 391	107 384	(50 993)
Sale of capital assets	0	370	(370)	0	36	(36)
Financial transactions in assets and liabilities	32	183	(151)	3	102	(99)
<b>Total</b>	<b>56 199</b>	<b>111 138</b>	<b>(54 939)</b>	<b>59 571</b>	<b>109 052</b>	<b>(50 928)</b>

The Provincial Treasury collected R109 052 000 against the projected amount of R59 571 000 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 and Inter-Governmental Cash Coordination account. The Provincial Treasury has collected revenue from sales of Motor Vehicles and Office Furniture and Equipment.

### Programme Expenditure

Programme Name	2015/2016			2016/2017		
	Final Appropriation	Actual Expenditure	(Over)/ Under Expenditure Error! Bookmark not defined.	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure Error! Bookmark not defined.
	R'000	R'000	R'000	R'000	R'000	R'000
Administration	79 834	79 733	101	89 625	89 616	9
Sustainable Resource Management	53 103	52 830	273	43 564	43 135	429
Assets and Liabilities	114 245	110 577	3 668	126 321	125 596	725
Financial Governance	31 061	29 951	1 110	27 956	27 923	33
<b>Total</b>	<b>278 243</b>	<b>273 091</b>	<b>5 152</b>	<b>287 466</b>	<b>286 270</b>	<b>1 196</b>

Provincial Treasury has spent R286 270 000.00 which is 99.6 percent of its allocated budget of R287 466 000.00. The R1 197 000.00 which is 0.4 percent underspending is mainly on goods and services for Computer Services and Contractual obligations (SITA) which could not be paid by the end of the financial year.

### **Virements/roll overs**

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

The Programme's budget was increased by R 3 551 000.00. The allocation to Compensation of Employees was increased by R 1 715 000.00; goods and services was increased by R 495 000.00. The payment for Capital Assets was increased by R 1 341 000.00.

#### **Programme 2: Sustainable Resource Management**

The Programme's budget was decreased by R 875 000.00. The allocation to Compensation of Employees was increased by R 626 000.00; goods and services was decreased by R 1 501 000.00.

#### **Programme 3: Assets and Liabilities Management**

The Programme's budget was decreased by R 1 901 000.00. The allocation to Compensation of Employees was decreased by R 427 000.00; goods and services was decreased by R 1 474 000.00.

#### **Programme 4: Financial Governance**

The Programme's budget was decreased by R 775 000.00. The allocation to Compensation of Employees was decreased by R 775 000.00.

### **Roll Overs**

The Provincial Treasury did not apply for roll overs for the current financial year under review.

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

The Provincial Treasury did not incur any Unauthorised, Irregular and Fruitless and Wasteful Expenditures during the 2016/17 financial year.

### **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 Province.

### **Public Private Partnerships**

The Provincial Treasury continued to provide advice, support and awareness on Public Private Partnerships (PPP) to Departments, Public Entities 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 the applicable legislation. Challenges were experienced with regards to IT equipment in relation to the WI-FI project as the bids received were unresponsive. All processes and systems are in place to prevent Unauthorised, Irregular and Fruitless and Wasteful expenditures since the Bid Committees are effectively executing their duties. The Provincial Treasury had a challenge where CSD and LOGIS could not verify the banking details of a supplier and the payment were then processed through BAS.



### 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 for the financial year under review.

### Events after the reporting date

There were no events after the reporting date.

### Other

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

### Acknowledgement/s or Appreciation

The Accounting Officer appreciates the co-operation of management and the assistance of the Audit Committee, Risk Committee in the day to day as well as 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 2016/17 financial year has been approved by the Accounting Officer.



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**Ms NZ Nkamba**  
**Accounting Officer: Provincial Treasury**  
**Date: 31 July 2017**

## 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 standards 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 2017.

Yours faithfully

A handwritten signature in black ink, appearing to read 'Nkamba', with a long horizontal line extending to the right and a small 'be' written at the end.

---

**Ms NZ Nkamba**  
**Accounting Officer: Provincial Treasury**  
**31 July 2017**

## 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:

- Batho Pele and Ubuntu principles
- 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 2016) (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 2016/17 financial year:**

#### ***Mpumalanga Appropriation Act, 2016 (Act No. 1 of 2016)***

The Act provides for the appropriation of money from the Provincial Revenue Fund for the requirements of the Province for the 2016/17 financial year; and to provide for matters incidental thereto.

#### ***Mpumalanga Adjustments Appropriation Act, 2016 (Act No. 3 of 2016)***

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 2017.

### **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 governing 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:**

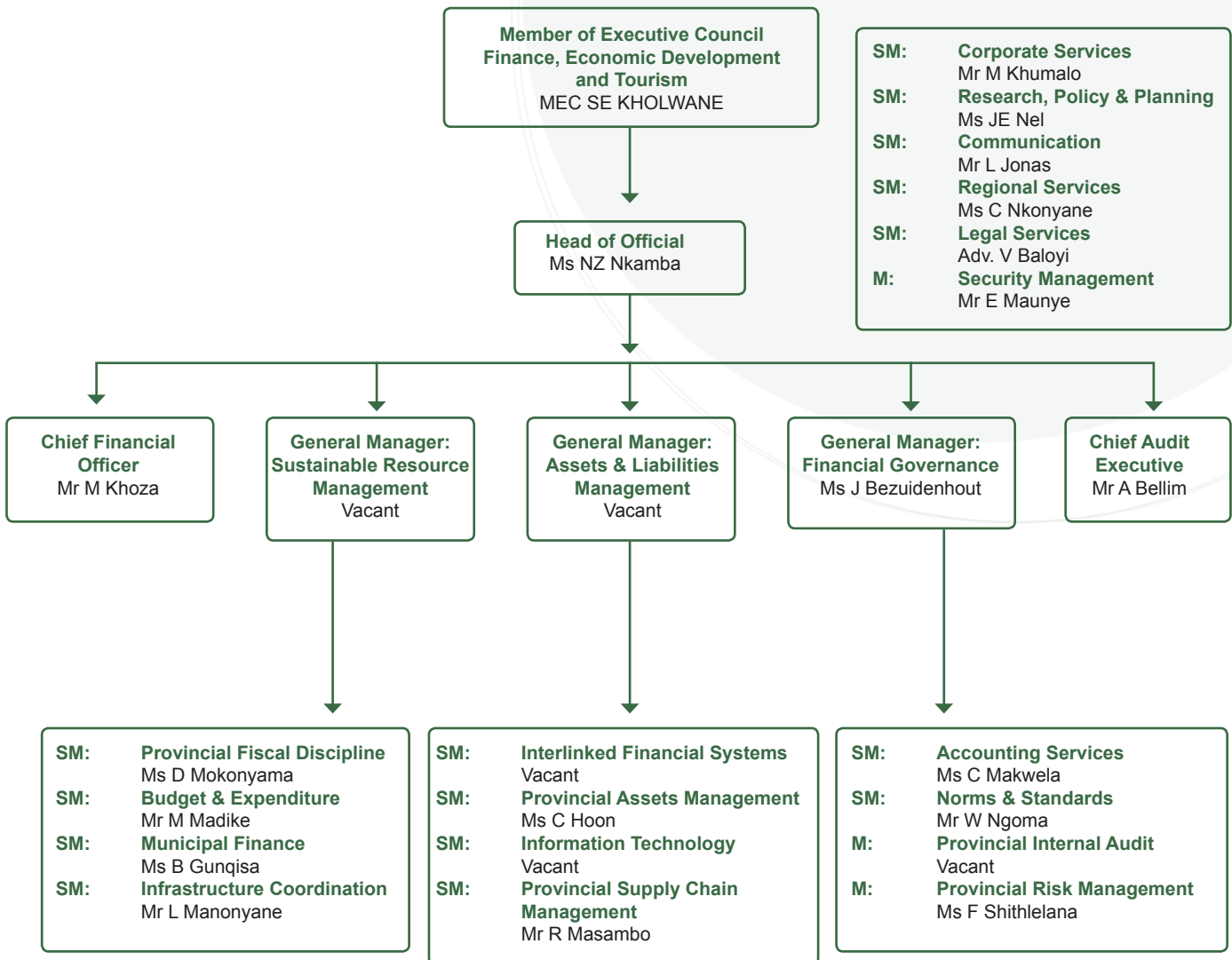
#### ***Nyathi v Mec Health, Gauteng and Department of Justice***

There were no court rulings relevant to the Provincial Treasury's mandate for the year under review. However, the ruling in ***Nyathi v Mec Health, Gauteng and Department of Justice*** remain relevant. In this case the provisions of section 3 of the *State Liability Act, 1957 (Act No. 20 of 1957)* was found to be inconsistent with the Constitution.

The impugned portion of the said section prohibited 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) of the Constitution has been infringed. The Court therefore declared, 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 principal 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 is 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 responsibilities.





# PART B

PERFORMANCE INFORMATION

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

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

Refer to page 70 of the Report of the Auditor General, published as Part E: Financial Information.

## 2. OVERVIEW OF DEPARTMENTAL PERFORMANCE

### 2.1 Service Delivery Environment

The Provincial Treasury continued to play a strategic role in the governance structures, thereby enabling information sharing, compliance 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 365 posts, inclusive of interns and contract workers. 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 as a result of staff shortages when posts became vacant due to resignations, deaths or promotions. The internship programme was successfully implemented and 71 interns were employed during the financial year.

During the year under review the Provincial Treasury planned to render services to five Public Entities but this was not possible as the Mpumalanga Liquor Authority (MLA) was listed but was not fully operational as there was a decision by the Executive Council that the Entity had to merge with the Mpumalanga Gambling Board, thus meaning that services were only rendered to four Public Entities.

The major challenge within the Sustainable Resource Management Programme is shortage of staff. The Programme continues to operate without a fully appointed General Manager. This cascades the shortage down to the Sub-Programmes. The continual late finalisation of the provincial budget, both Main and Adjustment, disempowers the Provincial Treasury to engage with the budget information timely and analytically prior to tabling. This has the adverse effect of the tabled document not being final strategic authority in budget discussions.

The provincial agency agreements with municipalities to collect traffic and transport related revenue, is unsuccessful as not all the revenue due is deposited into the provincial government account. This has led to reconsideration of such and the Department of Community Safety, Security and Liaison to takeover this function from six local municipalities (Govan Mbeki, Thaba Chweu, Emakhazeni, Mkhondo, Lekwa and Chief Albert Luthuli).

The National Treasury's Standard for Infrastructure Procurement and Delivery Management (SIPDM) seeks to harmonise infrastructure procurement in all state organs. The SIPDM policy was launched in the Province in collaboration with the Provincial Supply Chain Management.

The service delivery environment during the period under review has been characterised by successes and challenges which directly impacted on the functioning of the Provincial Treasury. In this regard the successes include the training of officials on the use of transversal systems which includes Logis, BAS and Vulindlela, the training of supply chain practitioners and bid committee members to enhance efficiencies, build capacity and improve decision making on the award of bids. Training and capacity building of officials in municipalities, public entities and departments on the management of liabilities as well as monitoring their performance and providing feedback in this regard.

In addition to the above the Provincial Treasury provided an effective and efficient ICT platform for the Province which ensured the smooth functioning of transversal systems. ICT security has been at the core centre of the delivery as part of dealing with governance issues and audit outcomes including provision of support to municipalities in this regard.

However, it is important to indicate that the moratorium which resulted in the non-filling and abolishment of vacant posts became and remains a challenge. A number of senior managers in the Asset and Liabilities Branch have resigned and some went on pension however, unfortunately the posts couldn't be filled.

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 and 2016/17 financial years, officials of all Provincial Departments were verified.

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 all key areas and the total aggregate increased from level 2.91 in 2015/16 to level 2.93 in 2016/17. The Provincial aggregate for the public entities also indicates that there was an increase in score. 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 high vacancy rate in the Provincial Treasury's Provincial Internal Audit Unit, had a negative impact on the achievement of targets for the 2016/17 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 two internal Quality Assurance Reviews, could not be achieved and only one Review was finalised and the results communicated to the relevant Accounting Officer.

## 2.2 Service Delivery Improvement Plan

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

### Main services and standards

Main services	Beneficiaries	Current/actual standard of service	Desired standard of service	Actual achievement
Monitor and support all departments, municipalities and public entities adhering to compliance on payment of suppliers within 30 days after receipt of an invoice	Provincial Departments, Municipalities and Public Entities	75% compliance	100% compliance	Monitored 30 day payment of suppliers after receipt of valid invoices
Support and monitor all departments, municipalities and public entities adhering to supply chain management frameworks on submission of procurement plans and adherence to schedules	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, public entities and municipalities



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

Current/actual arrangements	Desired arrangements	Actual achievements
<ul style="list-style-type: none"> <li>a) Consult with a wide range of stakeholders through conducting bilateral meetings, one on one sessions with clients and MTEC meetings</li> <li>b) Encourage participation of other internal units in the annual bilateral and MTEC meetings with 13 votes</li> <li>c) Implement the Service Standards and Service Charter</li> <li>d) Each client institution has a dedicated entry official who can be consulted for assistance and guidance on SCM related matters</li> <li>e) Ensure greater access to information, communication and technology through maintaining and establishing ICT kiosk in communities</li> <li>f) Ensure greater access to business information opportunities particularly by potential bidders in the deep rural areas of the province</li> <li>g) Workshops, Telephonic Consultations, One on one consultations</li> <li>h) Offices in Nelspruit Evander, KwaMhlanga and Bushbuckridge</li> </ul>	<ul style="list-style-type: none"> <li>a) Consultation with stakeholders through MTEC meetings</li> <li>b) Encourage participation of other internal units in the annual bilateral and MTEC meetings with 13 votes</li> <li>c) Put internal signage in offices</li> <li>d) Improved communication system with clients, Quarterly forum meetings</li> <li>e) Increased access to computer utilization on various programmes to support educational and information related services</li> <li>f) Increased access to the tender bulletin in the rural areas through regional, satellite and internet</li> <li>g) Workshops, Telephonic Consultations, One on one consultations</li> <li>h) Offices in Nelspruit Evander, KwaMhlanga and Bushbuckridge</li> </ul>	<ul style="list-style-type: none"> <li>a) MTEC meetings conducted with 13 votes</li> <li>b) Other internal units participated in the MTEC meetings with 13 votes</li> <li>c) Signage up at entrance to the Provincial Treasury</li> <li>d) Regular interactions with stakeholders through meetings and visits</li> <li>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)</li> <li>f) Readily availability of tender bulletin</li> <li>g) Workshops, Telephonic Consultations and One on one consultations were conducted.</li> <li>h) Offices in the regions (KwaMhlanga, Evander, and Bushbuckridge) were always visited, and involved in the discussions of plans affecting their performance</li> </ul>

### Service delivery information tool

Current /actual information tool	Desired information tools	Actual achievements
<ul style="list-style-type: none"> <li>a) Availability of a Complaints system</li> <li>b) Presentations, Guidelines, policies and procedures and Provincial Treasury circulars</li> </ul>	<ul style="list-style-type: none"> <li>a) Availability of a Complaints system</li> <li>b) Presentations, Guidelines, policies and procedures and Provincial Treasury circulars</li> </ul>	<ul style="list-style-type: none"> <li>a) Availability of a Complaints system through submissions in writing and website</li> <li>b) Make available guidelines, policies and circulars to institutions including publishing such on the Intranet</li> </ul>

### Complaints mechanism

Current/actual complaints mechanism	Desired complaints mechanism	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 365 posts (291 Permanent and 74 Contracts Workers namely interns, learners and municipal specialists) and 100% of these posts were filled at 31 March 2017.

The organisational structure of Provincial Treasury currently makes provision for four Programmes. Programme 1 is responsible for the 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.

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 Provincial Treasury participated on the SCM modernisation by National Treasury. This included hosting sessions for Accounting Officers, Chief Financial Officers and Heads of SCM in Departments, Public Entities and Municipalities in the Mpumalanga Province where in National Treasury presented.

These reforms, particularly that of the Preferential Procurement Policy Framework Act, will have financial implications as officials as well as bid committees in Departments, Public Entities and Municipalities will require training.

## 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.
Efficient and effective financial, ICT and corporate governance in the Province	Ensure efficient and effective financial, ICT and corporate governance in the Province in line with Legislation and Policies

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 and is not a lead Department.

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:

- Office of the MEC
- Management Services: Office of the HOD: Provincial Treasury
- Financial Management: Office of the CFO; and
- Internal Audit

Strategic Objectives of Programme 1:

- Provide policy and political directives in order to achieve provincial objectives
- Translate policies and priorities into strategies for effective service delivery
- Provide sound Financial Management and Supply Chain Management services to Provincial Treasury
- Provide efficient and effective internal audit services in 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 2015/2016	Planned Target 2016/2017	Actual Achievement 2016/2017	Deviation from planned target to Actual Achievement for 2016/2017	Comment on deviations
Provide policy and political directives in order to achieve provincial objectives	2 Provincial and 1 Departmental Budget and Policy Statements Tabled	Table 2 Provincial and 1 Policy and Budget Statements	Tabled 2 Provincial and 1 Policy and Budget Statements	None	N/A
Translate policies and priorities into strategies for effective service delivery	5 Legislative reports on implementation of strategic priorities and directives submitted	Submit 5 legislative reports on implementation of strategic priorities and directives	Submitted 5 Legislative reports on implementation of strategic priorities and directives	None	N/A
Provide sound financial management and supply chain management in Provincial Treasury	12 reports on financial and governance compliance provided	Provide 12 reports on financial and governance compliance	Provided 12 reports on financial and governance compliance	None	N/A
Provide efficient and effective internal audit services in Provincial Treasury	Approved audit plan implemented	1 approved audit plan	Implemented approved audit plan	None	N/A

#### Reasons for deviations

All planned targets were achieved and there were no deviations.

#### Performance indicators

Programme 1: Administration					
Performance Indicator	Actual Achievement 2015/2016	Planned Target 2016/2017	Actual Achievement 2016/2017	Deviation from planned target to Actual Achievement for 2016/2017	Comment on deviations
Sub-programme: Office of the MEC					
Number of Annual Reports tabled	1 Report 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					

Programme 1: Administration					
Performance Indicator	Actual Achievement 2015/2016	Planned Target 2016/2017	Actual Achievement 2016/2017	Deviation from planned target to Actual Achievement for 2016/2017	Comment on deviations
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
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 R89 616 000.00 which is 100% of its total budget allocated of R 89 625 000.00

## Sub-programme expenditure

Sub-Programme Name	2015/2016			2016/2017		
	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	0	0	0	0	0	0
Management Services	33 682	33 603	79	38 933	38 934	(1)
Financial Management	41 930	41 922	8	46 191	46 190	1
Internal Audit	4 222	4 208	14	4 501	4 492	9
<b>Total</b>	<b>79 834</b>	<b>79 733</b>	<b>101</b>	<b>89 625</b>	<b>89 616</b>	<b>9</b>

## 4.2 Programme 2: Sustainable Resource Management

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

### The Sub-Programmes are:

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

### Strategic Objectives of Programme 2:

- a) Support provincial Votes and Public Entities to maximise sustainable revenue generation and collection.
- b) Allocation of provincial budget and monitoring the implementation.
- c) Provide support and monitor municipalities on the implementation of the MFMA.
- d) Coordinate the delivery of Infrastructure in the Province.

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

The Programme achieved its objectives as planned. This included the over collection of the revenue. The Province timeously tabled the 2016/17 adjusted appropriations. The economic climate induced cuts necessitated the multiple revisions of these to ensure that the balanced budget is tabled.

### Strategic objectives:

Programme 2: Sustainable Resource Management					
Strategic objectives	Actual Achievement 2015/2016	Planned Target 2016/2017	Actual Achievement 2016/2017	Deviation from planned target to Actual Achievement for 2016/2017	Comment on deviations
Support provincial votes to maximise sustainable revenue generation and collection	12 Votes supported and monitored in terms of revenue management	Support and monitor 12 Votes in terms of revenue management	Supported and monitored 12 Votes in terms of revenue management	None	N/A
Allocation of provincial budget and monitoring the implementation	13 Votes supported and monitored through budget and strategic plan guides and updating Votes about reforms	13 Votes	13 Votes	None	N/A

Programme 2: Sustainable Resource Management					
Strategic objectives	Actual Achievement 2015/2016	Planned Target 2016/2017	Actual Achievement 2016/2017	Deviation from planned target to Actual Achievement for 2016/2017	Comment on deviations
Provide support and monitor Municipalities on the implementation of the MFMA	21 Municipalities supported and monitored on the implementation of MFMA	20 Municipalities	20 Municipalities	None	N/A
Coordinate the delivery of Infrastructure in the Province	7 Infrastructure Departments and 3 District Municipalities supported and monitored	Provide support and monitor 6 infrastructure departments	Provided support to and monitored 6 Infrastructure Departments	None	N/A

#### Reasons for deviations

All planned targets were achieved and there were no deviations.

#### Performance indicators

Programme 2: Sustainable Resource Management					
Performance Indicator	Actual Achievement 2015/2016	Planned Target 2016/2017	Actual Achievement 2016/2017	Deviation from planned target to Actual Achievement for 2016/2017	Comment on deviations
<b>Sub-programme: Provincial Administration and Fiscal Discipline</b>					
Number of Provincial Tariff registers updated	1 register	1 register	1 register	None	N/A
Number of consolidated revenue reports compiled	12 reports	12 reports	12 reports	None	N/A
Number of Financial Statements on Provincial Revenue Fund prepared	1 set	1 set	1 set	None	N/A
Number of Votes debt reports analysed	N/A	12 Votes	12 Votes	None	N/A
<b>Sub-programme: Budget and Expenditure Management</b>					
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 submitted	12 Consolidated reports	12 Consolidated reports	12 Consolidated reports	None	N/A
<b>Sub-programme: Municipal Finance</b>					
Number of consolidated municipal budget statements published and submitted to Provincial Legislature	4 Reports	4 budget statements	4 budget statements	None	N/A

Programme 2: Sustainable Resource Management					
Performance Indicator	Actual Achievement 2015/2016	Planned Target 2016/2017	Actual Achievement 2016/2017	Deviation from planned target to Actual Achievement for 2016/2017	Comment on deviations
Number of Annual Draft Municipal Budgets analysed	21	Analyse 20 draft budgets and provide feedback	Analysed 20 draft budgets and provided feedback	None	N/A
Number of Mid-Year Budget and Performance Assessment Engagements	1 Engagement	20 Municipalities	20 Municipalities	None	N/A
Sub-programme: Infrastructure Co-ordination					
Number of Infrastructure Reporting Model analysis provided	72	12 reports	12 reports	None	N/A
Number of User Asset Management Plan analysis provided	6 Draft and 7 final plans	6 plans	6 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 R43 135 000.00 which is 99.0% of its total budget allocated of R43 564 000.00.

#### Sub-programme expenditure

Sub- Programme Name	2015/2016			2016/2017		
	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	1 643	1 614	29	1 452	1 453	(1)
Provincial Administration Fiscal Discipline	14 208	14 138	70	9 149	8 929	220
Budget and Expenditure Management	8 968	8 914	54	9 459	9 381	78
Municipal Finance	24 506	24 448	58	19 544	19 460	84
Infrastructure Co-Ordination	3 778	3 716	62	3 960	3 912	48
<b>Total</b>	<b>53 103</b>	<b>52 830</b>	<b>273</b>	<b>43 564</b>	<b>43 135</b>	<b>429</b>



## 5. Programme 3: Assets and Liabilities Management

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

The sub-programmes are:

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

Strategic Objectives of Programme 3:

- Monitor the implementation of Supply Chain Management framework.
- Provide support to comply with relevant legislation on liabilities management.
- Provide support to comply with relevant legislation on asset management.
- Provide business support on transversal systems
- Provide an enabling environment and systems for sound corporate governance of ICT in Mpumalanga Province.

Strategic objectives, performance indicators, planned targets and actual achievements

Generally, all targets have been achieved and where necessary consolidation of reports was done and feedback was provided to departments, municipalities and public entities with regard to their performance on the supply chain management framework.

Various reports including reports on the 30 days' payment of suppliers after receipt of an invoice in departments, public entities and municipalities were compiled, feedback provided as well as escalated to the Provincial Management Committee and National Treasury. In support of this commitment a Call Centre to resolve on outstanding payments after 30 days was also established.

Liabilities were monitored in departments, public entities and municipalities and necessary feedback was provided fostering required improvements. This focussed on leases, retentions and leave gratuities amongst others. Training on the management of liabilities was also presented.

Strategic objectives

Programme 3: Assets and Liabilities Management					
Strategic objectives	Actual Achievement 2015/2016	Planned Target 2016/2017	Actual Achievement 2016/2017	Deviation from planned target to Actual Achievement for 2016/2017	Comment on deviations
Monitor and support the implementation of Supply Chain Management framework	Monitored and supported 12 Votes, 21 Municipalities and 4 Public Entities	12 Votes, 20 Municipalities and 5 Public Entities	12 Votes, 21 Municipalities and 4 Public Entities	1 Public Entity was not supported	MLA was listed but not fully operational
Provide support to comply with relevant legislation on liabilities management	Monitored and supported 12 Votes, 21 Municipalities and 4 Public Entities	12 Votes, 20 Municipalities and 5 Public Entities	12 Votes, 20 Municipalities and 5 Public Entities	1 Public Entity was not supported	MLA was listed but not fully operational
Provide support to comply with relevant legislation on asset management	12 Votes, 21 delegated Municipalities and 4 Public Entities monitored and supported	12 Votes, 5 Public Entities 20 Municipalities	12 Votes, 5 Public Entities 20 Municipalities	1 Public Entity was not supported	MLA was listed but not fully operational
Provide business support on transversal systems	12 Votes supported	Support 12 Votes	Supported 12 Votes	None	N/A

Programme 3: Assets and Liabilities Management					
Strategic objectives	Actual Achievement 2015/2016	Planned Target 2016/2017	Actual Achievement 2016/2017	Deviation from planned target to Actual Achievement for 2016/2017	Comment on deviations
Provide an enabling environment and sound corporate governance of ICT in Mpumalanga Province	Provided ICT services to 12 Votes	IT systems: 12 Votes, Governance Framework: 12 Votes and 20 Municipalities	IT systems: 12 Votes, Governance Framework: 12 Votes and 20 Municipalities	None	N/A

#### Reasons for deviations

The 5th Public Entity (MLA) was not supported as they were listed but not fully operational during 2016/17.

#### Performance indicators

Programme3: Assets and Liabilities Management					
Performance Indicator	Actual Achievement 2015/2016	Planned Target 2016/2017	Actual Achievement 2016/2017	Deviation from planned target to Actual Achievement for 2016/2017	Comment on deviations
<b>Sub-programme: Provincial Supply Chain Management</b>					
Number of Votes, Municipalities and Public Entities assessed on SCM frameworks	4 Reports	12 Votes, 20 Municipalities and 5 Public Entities	9 Votes, 20 Municipalities and 3 Public Entities	3 Votes and 1 Public Entity was not assessed during the 4 <sup>th</sup> Quarter and 1 Public Entity was not supported as it was not fully operational	This was due to late submission of requested information by 3 votes and 1 public entity, 20 municipalities and MLA was listed but not fully operational
<b>Sub-programme: Public Sector Liabilities</b>					
Number of analysis on compliance to liability management guidelines	12 Votes 21 Municipalities and 3 Public Entities	49 analysis	49 analysis	None	N/A
<b>Sub-programme: Physical Assets Management</b>					
Number of Votes, Municipalities and Public Entities supported on compliance to asset management framework	12 Votes, 21 Municipalities and 4 Public Entities	4 Votes, 9 Municipalities and 2 Public Entities	4 Votes, 9 Municipalities and 2 Public Entities	None	N/A
<b>Sub-programme: Interlinked Financial Systems</b>					
Number of votes monitored and supported on the management and utilisation on transversal systems	12 Votes	12 Votes	12 Votes	None	N/A
<b>Sub-programme: Information Technology</b>					

Programme3: Assets and Liabilities Management					
Performance Indicator	Actual Achievement 2015/2016	Planned Target 2016/2017	Actual Achievement 2016/2017	Deviation from planned target to Actual Achievement for 2016/2017	Comment on deviations
Percentage Up-time of ICT Network infrastructure	97.5%	95%	97.82%	Percentage up-time was exceeded by 2.82%	Routine maintenance on the system and consistency in electricity supply throughout the Province contributed to the over achievement
Percentage of calls responded to within 8 working hours	99%	99%	99.8%	Percentage up-time was exceeded by 0.8%	Stability in the IT environment wherein the mitigation of risks were more efficient
Number of Votes and Municipalities supported on IT Governance	12 Votes and 21 Municipalities	12 Votes and 20 municipalities	12 Votes and 20 Municipalities	None	N/A

#### Reasons for deviations

#### Sub-programme: Provincial Supply Chain Management:

- a) Number of Votes, Municipalities and Public Entities monitored on SCM frameworks
- During the 4<sup>th</sup> Quarter, 10 of the 12 votes, 1 Public Entity of the 5 Public Entities and none of the 20 Municipalities, submitted their compliance reports on time. Non-compliance letters were sent, where after submission was received except for 3 Votes and 1 Public Entity
  - The 5th Public Entity (MLA) was not supported as they were listed but not fully operational during 2016/17.

#### Sub-programme: Information Technology:

- a) Percentage Up-time of ICT Network infrastructure.
- The overachievement is due to maintenance and upgrade of the system which resulted in an increase in the Up-time of the network.
- b) Percentage of calls responded to within 8 working hours
- The overachievement is due to stability in the IT environment wherein the mitigation of risks was more efficient

#### Strategy to overcome areas of under performance

#### Sub-programme: Provincial Supply Chain Management

- a) Number of Votes, Municipalities and Public Entities monitored on SCM frameworks
- The matter has been elevated to the Executive Authority. However, the 4<sup>th</sup> quarter reports for Municipalities, Votes and Public Entities have since been finalised.

#### Changes to planned targets

There were no changes to planned targets during the year.

#### Linking performance with budgets

The Programme has spent an amount of R 125 596 000.00 which is 99.4% of its total budget of R 126 321 000.00.

### Sub-programme expenditure

Sub- Programme Name	2015/2016			2016/2017		
	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	1 572	1 507	65	1 210	1 237	(27)
Provincial Supply Chain Management	15 690	15 270	420	16 344	16 056	288
Public Sector Liabilities	4 743	4 669	74	5 106	5 160	(54)
Physical Assets Management	4 848	4 741	107	6 777	6 569	208
Interlinked Financial Systems	11 830	11 751	79	13 534	13 834	(300)
Information Technology	75 562	72 639	2 923	83 350	82 740	610
<b>Total</b>	<b>114 245</b>	<b>110 577</b>	<b>3 668</b>	<b>126 321</b>	<b>125 596</b>	<b>725</b>

## 6. 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 advisory services, support and monitor public sector institutions in terms of accounting standards and financial statements.
- Improve the systems of internal controls in public sector institutions.
- Facilitate effective implementation of risk management processes.
- Support public sector institutions to improve on 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 Provincial Internal Audit Unit. In terms of the monitoring of municipalities on the filing and storage of documents, Pixley Ka Isaka Seme Local Municipality was added to the nine 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. It was identified that Nkomazi and Dipaleseng Local Municipalities experienced challenges with audit findings relating to human resource management and they were also added to the initial target of 9 Municipalities.

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. The following activities were also conducted as interventions to build capacity on Risk Management within the Province:

- 6 Training sessions of Members for Risk Management Committee, Risk Champions and Members of management were conducted in 2 Votes, 3 Municipalities and 1 session for Chief Risk Officers
- 1 Orientation Session for Members of Risk Management Committee was conducted in 1 Municipality and 2 for the Chief Risk Officers in 2 Municipalities

The Provincial Internal Audit Unit had overachievements in terms of the evaluation of Audit Committees in Municipalities due to the high number of requests received for the attendance and evaluation of such meetings. Due to the high vacancy rate in this Unit (50% vacancy rate) only one out of the planned two Quality Assurance Reviews were finalised during the year. National Treasury is assisting the Unit with the finalisation of the 2<sup>nd</sup> Review and the process should be finalized during the 2017/18 financial year.

## Strategic objectives

Programme 4: Financial Governance					
Strategic objectives	Actual Achievement 2015/2016	Planned Target 2016/2017	Actual Achievement 2016/2017	Deviation from planned target to Actual Achievement for 2016/2017	Comment 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, 20 Municipalities and 5 Public Entities	12 Votes, 20 Municipalities and 5 Public Entities	None	N/A
Improve the systems of internal controls in public sector institutions	Facilitated the completion of FMCMM in 12 Votes and 4 Public Entities and issued 2 analysis reports	12 Votes, 20 Municipalities and 5 Public Entities	12 Votes, 20 Municipalities and 4 Public Entities	1 Public Entity was not supported as it was not fully operational.	MLA was listed but not fully operational
Facilitate implementation of Risk Management processes	12 Votes, 21 Municipalities and 4 Public Entities provided with guidance and supported on Enterprise Risk Management processes	12 Votes, 20 Municipalities and 5 Public Entities	12 Votes, 20 Municipalities and 4 Public Entities	1 Public Entity was not supported as it was not fully operational.	MLA was listed but not fully operational
Support public sector institutions to improve on Internal Audit processes	12 votes, 21 Municipalities and 4 Public Entities	12 votes, 20 Municipalities and 4 Public Entities	12 votes, 20 Municipalities and 4 Public Entities	None	N/A

### Reasons for deviations

The 5th Public Entity (MLA) was not supported as they were listed but not fully operational during 2016/17.

### Strategy to overcome areas of under performance

Currently there is no strategy to address this under achievement as the establishment and/or incorporation of the Entity is outside the control of the Provincial Treasury.



## Performance indicators

Programme 4: Financial Governance					
Performance Indicator	Actual Achievement 2015/2016	Planned Target 2016/2017	Actual Achievement 2016/2017	Deviation from planned target to Actual Achievement for 2016/2017	Comment on deviations
<b>Sub-programme: Accounting Services</b>					
Number of Votes and Public Entities trained, advised and supported on accounting standards and financial statements	12 Votes and 4 Public Entities	12 Votes and 5 Public Entities	12 Votes and 5 Public Entities	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 on preparation of financial statements	21 Municipalities	20 Municipalities	20 Municipalities	None	N/A
Number of consolidated annual financial statements for Votes and Public Entities tabled in the Provincial Legislature	1 Set	1 Set	1 Set	None	N/A
<b>Sub-programme: Norms and Standards</b>					
Number of Votes and Public Entities completing the FMCMM tool	N/A	12 Votes and 5 Public Entities	12 Votes and 4 Public Entities	1 Public Entity was not supported as it was not fully operational.	MLA was listed but not fully operational
Number of Votes and Public Entities monitored on AG and FMCMM remedial action plans (Human Resources)	4 Votes and 1 Public Entity	7 Votes and 2 Public Entities	7 Votes and 2 Public Entities	None	N/A
Number of action plans analysed for completeness on audit findings for Votes and Public Entities	N/A	Action plans for 12 Votes and 5 Public Entities	Action plans for 12 Votes and 4 Public Entities	The action plan for 1 Public Entity was not analysed	MGB did not compile an action plan as there were no findings on the audit management letter and audit report
Number of Municipalities monitored on audit findings action plans (Human Resources)	9 Municipalities	9 Municipalities	11 Municipalities	2 Municipalities were added to the target of 9	It was identified that Nkomazi and Dipaleseng Local Municipalities experienced challenges with audit findings relating to human resource management. The Municipalities were then included in order to provide support for improvement of this area.

Programme 4: Financial Governance					
Performance Indicator	Actual Achievement 2015/2016	Planned Target 2016/2017	Actual Achievement 2016/2017	Deviation from planned target to Actual Achievement for 2016/2017	Comment on deviations
Number of Municipalities monitored on filling and storage of documents	6 Municipalities	9 Municipalities	10 Municipalities	1 Municipality was added to the target of 9	It was identified that Pixley Ka Isaka Seme 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 of fleet management in respect of the qualification criteria and adherence to Transport Policy	12 Votes	5 Votes	6 Votes	1 Vote was added to the target of 5	It was identified that the Department of Culture, Sport and Recreation experienced challenges with fleet management and was then included in order to provide support for improvement of the system.
Sub-programme: Provincial Risk Management					
Number of revised Enterprise Risk Management (ERM) framework issued	N/A	1 Revised Enterprise Risk Management (ERM) framework	1 Revised Enterprise Risk Management (ERM) framework	None	N/A
Number of Votes, Public Entities and Municipalities monitored on implementation of Provincial Risk Management Framework	24 reports issued for Votes, 4 for Public Entities and 28 for Municipalities	6 Votes, 2 Public Entities and 10 Municipalities monitored on implementation of the framework	Votes: 9 Public Entities: 4 Municipalities: 12	Over-achievements were recorded as follows: 3 for Votes, 2 for Municipalities and 2 for Public Entities.	The Unit will continue to support and build capacity Stakeholders in order to improve the stance of Governance within the Province.
Number of Guidelines on Risk Management processes issued	1 Guideline reviewed and issued	1 Guideline issued	1 Guideline issued	None	N/A
Number of Strategic Support Plans issued on effective implementation of Risk management	Strategic Support Plans: 7 Votes and 2 Public Entity and 5 Municipalities	Strategic Support Plans: 4 Votes, 2 Public Entities and 6 Municipalities	Votes: 7 Public Entities: 2 Municipalities: 13	Over-achievements were recorded as follows: 3 for Votes and 7 for Municipalities	The Unit will continue to support Stakeholders to improve the stance of Governance within the Province
Sub-programme: Provincial Internal Audit					
Percentage of internal audit plans that were received, analysed	100% feedback reports	100% of internal audit reports that were received , analysed	100% of internal audit reports that were received were analysed	None	N/A

Programme 4: Financial Governance					
Performance Indicator	Actual Achievement 2015/2016	Planned Target 2016/2017	Actual Achievement 2016/2017	Deviation from planned target to Actual Achievement for 2016/2017	Comment on deviations
Number of evaluations of performed on the effectiveness of Audit Committees	Votes: 26, Municipalities: 39, Public Entities: 6	50 Evaluations performed on the effectiveness of Audit Committees	51 Evaluations performed on the effectiveness of Audit Committees	Over-achievements were recorded as follows:  1 for municipalities	The Unit will continue to monitor and provide support stakeholders to improve the effectiveness of Audit Committees within the Province
Number of Internal Audit assessments performed on readiness of Quality Assurance Review	2 reports	2 assessments performed on readiness of Quality Assurance Review	1 Assessment was performed	The Unit is experiencing capacity constraints with a high vacancy rate	National Treasury is assisting the Unit with the QAR at the Department of Health. The review will be finalised during the 2017/18 financial year
Number of follow-ups conducted on the implementation of Quality Assurance review recommendations		2 follow-ups conducted on the implementation of Quality Assurance review recommendations	2 follow-ups conducted on the implementation of Quality Assurance review recommendations	None	N/A
Number of Strategic Support Plans issued on effective implementation of internal audit	Votes: 10 Public Entities: 2 Municipalities: 3	Votes: 4 Public Entities: 1 Municipalities: 5	Votes: 4 Public Entities: 1 Municipalities: 5	None	N/A

#### Reasons for deviations

##### Sub-programme: Norms and Standards

- a. Number of action plans analysed for completeness on audit findings for Votes and Public Entities
  - The 5th Public Entity (MLA) was not supported as they were listed but not fully operational during 2016/17.
  - MGB did not compile an action plan as there were no findings on the audit management letter and audit report.
- b. Number of municipalities monitored on audit findings action plan
- c. Number of votes monitored of fleet management in the qualification criteria and adherence to transport policy

##### Sub-programme: Provincial Risk Management

- a. Number of Votes, Public Entities and Municipalities monitored on implementation of Provincial Risk Management Framework
  - The over-achievement is due to the high number of requests for assistance and invitations, which were received from stakeholders and were attended by the Unit.
- b. Number of Strategic Support Plans issued on effective implementation of Risk management
  - The over-achievement is due to the Low Risk Maturity level within the Province; hence, more stakeholders were supported.

##### Sub-programme: Provincial Internal Audit

- a. Number of reports issued on readiness of Quality Assurance Review
  - The under achievement is due to capacity constraints with a high vacancy rate in the Unit.

#### Strategy to overcome areas of under performance

##### Sub-programme: Provincial Internal Audit

- a. Number of reports issued on readiness of Quality Assurance Review
  - National Treasury is assisting the Unit with the QAR at the Department of Health and the process has already started. It is anticipated that the process will be finalised during the 2017/18 financial year.

#### Changes to planned targets

There were no changes to planned targets during the year.

## Linking performance with budgets

The Programme has spent R 27 923 000.00 which is 99.9% of its total budget allocated of R 27 956 000.00.

## Sub-programme expenditure

Sub- Programme Name	2015/2016			2016/2017		
	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	8 433	7 863	570	6 411	6 876	(465)
Accounting Services	4 969	4 949	20	5 310	5 110	200
Norms and Standards	13 929	13 560	369	12 418	12 360	58
Risk Management	2 066	1 986	80	2 226	2 126	100
Provincial Internal Audit	1 664	1 593	71	1 591	1 451	140
<b>Total</b>	<b>31 061</b>	<b>29 951</b>	<b>1 110</b>	<b>27 956</b>	<b>27 923</b>	<b>33</b>

## 7. TRANSFER PAYMENTS

### 7.1 Transfer payments to public entities

There were no transfers to Public Entities and Municipalities including any other Non Profit Institutions in the financial year under review.

## 8. CONDITIONAL GRANTS

The Provincial Treasury did not receive any conditional grant for the financial year 2016/17.

## 9. DONOR FUNDS

### 9.1 Donor Funds Received

Donor Fund:

Name of donor	Standard Bank
Full amount of the funding	R15 000.00
Period of the commitment	2017/18
Purpose of the funding	Corporate Social Responsibility
Expected outputs	Legacy project support
Actual outputs achieved	N/A
Amount received in current period (R'000)	R15 000.00
Amount spent by the department (R'000)	R0.00
Reasons for the funds unspent	Funds not appropriated during 2016/17, will be appropriated and utilized during 2017/18
Monitoring mechanism by the donor	Feedback reports

## 10. CAPITAL INVESTMENT

### 10.1 Capital investment, maintenance and asset management plan

- The Provincial Treasury managed to implement the procurement plan for assets.
- The Provincial Treasury spent 100.2% of the available budget of R13 415 000.
- During the year under review moveable tangible assets amounting to R7 862 000 were disposed. As part of the disposal strategy donations were made to identified schools in need of furniture and computers.
- The Provincial Treasury Asset Management Unit performs quarterly asset verification to ensure that the asset register is kept updated.
- The current status of the Provincial Treasury's assets is in a fair to good condition.

Capital assets	2015/2016			2016/2017		
	Final Appropriation R'000	Actual Expenditure R'000	(Over)/Under Expenditure R'000	Final Appropriation R'000	Actual Expenditure R'000	(Over)/Under Expenditure R'000
New and replacement assets	11 427	11 065	362	13 415	13 436	(21)
<b>Total</b>	<b>11 427</b>	<b>11 065</b>	<b>362</b>	<b>13 415</b>	<b>13 436</b>	<b>(21)</b>





# 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.

## 2. RISK MANAGEMENT

For the period under review, the Provincial Treasury had an approved Risk Management Policy, Risk Management Committee Charter and Risk Management Strategy. The required annual risk assessment was accordingly conducted. Continuous risk assessments were conducted for all Programmes in order to identify risks with a potential to impact on the achievement of objectives.

Progress made on identified risk areas were evaluated on a quarterly basis and it was during such quarterly reviews that new or emerging risks were identified. Quarterly risk evaluation sessions are actually used to monitor the management of risks within the Provincial Treasury. All Programmes are thereafter required to include the action plans to address high risk areas in the annual performance plan. Risk awareness workshops were conducted to create awareness of risk management to officials at all levels in the Provincial Treasury.

A Risk Management Committee that advises management on the overall system of risk management was in place and the term expired on 31 October 2016. A new Risk Management Committee was appointed with effect from 1 November 2016 for a period of three (3) years under the guidance of an external Chairperson in order to comply with the National Risk Management Framework and to add value to risk management within the Provincial Treasury.

The Audit Committee continued to advise the Provincial Treasury on risk management and independently monitored the effectiveness of the system of risk management at Audit Committee meetings.

## 3. FRAUD AND CORRUPTION

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

An approved Whistle Blowing policy is in place to guide staff on the processes to follow in reporting cases of suspected fraud and corruption. Confidential disclosures are done via the Anti-Corruption Hotline 0800 701 701 managed by the Public Service Commission. Cases reported via the Hotline are referred to the Integrity Management Unit in the Office of the Premier that liaises with the Provincial Treasury on the investigations. Progress on the cases of irregularities identified and remedial measures implemented are reported to the Audit Committee regularly.

## 4. MINIMISING CONFLICT OF INTEREST

The Provincial Treasury continued its program on minimising conflict of interest by raising awareness amongst officials on the importance of disclosing their interests and placed emphasis especially on designated officials. Annual reminders were sent to officials to seek permission from the Executive Authority before any remunerative work outside their employment in the Public Service was performed including advocacy on the new Public Service Regulations which came into effect from 1 August 2016. For the period under review, all SMS Members accordingly declared their financial interests through the e-disclosure system, including officials in the Office of the Chief Financial Officer. For the period under review, no officials were granted permission to perform work outside the Public Service. One official with a potential conflict of interest opted to resign from the Public Service in line with the new Regulations.

## 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 the Portfolio Committee:

- a) 14 April 2016 - Vote 3: Budget 2016/17
- b) 1 September 2016 – Vote 3: 1<sup>st</sup> Quarter Performance Report 2016/17

Resolution No.	Resolutions	Response by Provincial Treasury
<b>VOTE 3: BUDGET 2016/17</b>		
1.	Provincial Treasury must provide a progress report on how it intends to implement the SOPA 2016 pronouncement to measure municipalities, departments and public entities will achieve desired results with reduced fiscal allocation to priorities	<p><b>PFMA institutions</b></p> <ul style="list-style-type: none"> <li>a) Departments and Public Entities had to ensure that SOPA 2016 pronouncements were included in their Programme of Action, which will be monitored by the Office of the Premier on a quarterly basis.</li> <li>b) The expenditure associated to the priorities is monitored by the Provincial Treasury on a monthly basis in line with section 40(4)(c) of the PFMA that is the submission of an In Year Monitoring reports</li> <li>c) In Year Monitoring reports are introduced to the Public Entities in an effort of strengthening the oversight over the transfers and subsidies line item of the budgets</li> <li>d) Annual Performance Plans were costed in a much detailed manner in the operational plans and monthly projections were done by Departments and Public Entities.</li> <li>e) There is project that is being introduced on expenditure reviews especially on the main spending items in government namely scholar transport, school nutrition programme, transfers to NPOs and NGOs, security service costs, just to name a few.</li> </ul> <p><b>MFMA institutions:</b></p> <ul style="list-style-type: none"> <li>f) All Municipalities' draft budgets are assessed in ensuring that they are funded, credible, and sustainable and aligned to National and Provincial priorities. This process will be concluded o 31 May 2016</li> <li>g) All Municipalities' Section 71 budget reports are analysed on a monthly basis and areas of improvement are communicated to all Municipalities.</li> </ul>
2.	In order to ensure that Provincial Audit Outcomes at municipal level are turned around, Provincial Treasury must report quarterly on the progress made with regards to the service level agreements signed with 20 municipalities.	<ul style="list-style-type: none"> <li>a) Priority areas have been identified for attention in Municipalities in line with their respective audit outcomes. In the main these areas range between the quality of submitted financial statements, financial health, Information Technology, audit action plans, Standard operating procedures, standardization thereof.</li> <li>a) Municipalities are currently registering with Provincial Treasury areas where support will be required.</li> <li>b) This information will then be utilised to finalise the Service Level Agreements by 30 June 2016 as this work has already commenced.</li> <li>c) Progress will be reported on a quarterly basis.</li> </ul>
<b>1<sup>st</sup> Quarter Performance Report 2016/17</b>		
1.	A meeting between Provincial Treasury and the legislature must be convened to agree on a common percentage per assessment during every period under review.	Provincial Treasury will attend the planned meeting organised by Legislature to reach a common agreement on the percentage per assessment during period under review.
2.	Provincial Treasury must continue to spend according to their planned targets as outlined in the APP and be exemplary in this regard	Noted, the Provincial Treasury will continue to spend according to the planned APP and monitor the spending as planned per procurement plan.



## 8. SCOPA RESOLUTIONS

Feedback on SCOPA preliminary questions on the 2015/16 Financial Statements of the Provincial Treasury

Resolution No.	Subject	Details	Response by the department	Resolved (Yes/No)
<b>VOTE 3: BUDGET 2016/17</b>				
	Clean Audit Opinion		The Provincial Treasury has once again obtained an unqualified (clean) audit opinion for 2015/16 financial year; this is attributed to good financial management systems, functioning internal controls as well as Provincial Treasury's ability to implement recommendations by AG, Audit Committee and the Internal Audit Unit.	Yes
2.	Overall questions	1) What measures will Provincial Treasury put in place to ensure that it maintains the clean audit opinion in the next financial year	The Provincial Treasury will ensure that: 1) Sufficient monitoring controls to monitor adherence to policies and procedures are maintained 2) Effective monitoring tools to monitor the implementation of daily and monthly controls are sustained 3) Effective steps are taken and internal controls are in place to prevent irregular, fruitless and wasteful expenditure 4) Proper record management systems are in place to maintain information to support financial and performance reporting	Yes
		2) What challenges does Provincial Treasury envisage that might hamper the achievement of a clean audit opinion in 2016/17 financial year	1) The moratorium on the appointment of officials remain a challenge. At current the Provincial Treasury in some programmes are suffering a brain drain in particular in Programme 3 wherein almost all the senior managers have left Treasury and no new appointments are made. 2) Vacancies of key management personnel and vacancies at other levels that may impact the achievement of all set targets. 3) Non-adherence to the timing and targets of the procurement plan, leading to underspending. 4) The management of the movement and capturing of assets on the asset register.	Yes
		3) What commitment does Provincial Treasury make to the Legislature in ensuring that the clean audit opinion is maintained in 2016/17 financial year	1) The Provincial Treasury, although it received an unqualified audit opinion without any matters, compiled remedial action plans on the matters raised in the audit management letter. These action plans are analysed to ensure that all matters are included. Progress on the remedial action plan is a standing item on management meetings and oversight bodies are monitoring the implementation thereof.	Yes

## 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 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 enable the Provincial Treasury to achieve its strategic goals and objectives.

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

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

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

- a) Performance Information and Financial Statement Reviews;
- b) Revenue Fund Financial Statements Review;
- c) Regional Office Reviews;
- 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.

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

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

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

Name	Qualifications	Internal or external	If internal, position in the department	Date appointed	Date Resigned	No. of Meetings attended
Mr Sam Mthembu – Chairperson from 01/11/2016	FAP(IAC)SA B Com Accounting MBL	External	N/A	01/11/2013	N/A	6
Mr Hangalakani Hlomane	BSc: Maths Sciences Masters: IT	External	N/A	01/11/2013	N/A	4
Ms Nonyaniso Brenda Mzuzu	B Proc Degree Certificate in Business Rescue	External	N/A	01/11/2016	N/A	2
Mr Sibusiso Khululekani Mavundla	B Com Accounting	Internal	Office of the Premier IT Audit Section	01/11/2016	N/A	2
Mr Kingsley Chisale - Chairperson	ACCA CIA BCOM CFE	External	N/A	27/10/2008	31/10/2016	4
Ms Nontle Jaxa	B Com Accounting B Compt Hons MBA	External	N/A	27/10/2008	31/10/2016	4

## **12. AUDIT COMMITTEE REPORT**

The Audit Committee hereby presents its report for the financial year ended 31 March 2017.

### **Audit Committee Responsibility**

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

## The Effectiveness of Internal Control Systems

Our review of the findings of the Internal Audit work, which was based on the risk assessments conducted in the Provincial Treasury revealed certain weaknesses, which were then raised with management. The following internal audit work was completed during the year under review:

- 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) Non-adherence to the procurement plan;
- b) Processing of sundry payments via BAS instead of LOGIS and PERSAL;
- c) Movement of assets not reflected on LOGIS and updated on inventory lists timeously;
- d) Inadequate review of asset reconciliation and follow-up on reconciling items;
- e) Inadequate monitoring, supervision and review of the usage of government vehicles;
- f) Workstation software and patches not updated;
- g) Inadequate management of workstations via the ITB domain;
- h) Inadequate implementation of the performance management and development system.

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

## In-Year Management and Monthly and Quarterly Reports

The Provincial Treasury have been submitting monthly and quarterly reports as required by the PFMA.

## Evaluation of Financial Statements

The Audit Committee has reviewed the annual 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 year and are 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.



**Mr Sam Mthembu**  
Chairperson of the Audit Committee: Mpumalanga Provincial Treasury  
Date: 31/07/2017





# PART D

HUMAN RESOURCE MANAGEMENT

## 1. INTRODUCTION

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

## 2. OVERVIEW OF HUMAN RESOURCES

The Human Resource Management continues to provide business support through the implementation of human resource and employment equity plans, skills development programs to improve operational efficiency and employment opportunities, address skills gap as informed by performance management assessments, provide labour advice to promote sound employee/employer relations; and promote health and wellness and support programmes.

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

Human Resource Priorities	Impact
Attracting and recruiting the best and skilled employees	Recruitment of competent personnel
Retaining and developing a modern responsive and professional workforce	Reduced number of personnel turnover
Ensure proper implementation of exit interviews	Addressing issues causing high staff turnover and reduced vacancy rate/ turnover rate.
Provision of accurate HR information.	Reliable PERSAL reports
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-disciplined officials.
Ensure capacity building for all employees	Implementation of approved workplace skills Plan (WSP)
Proper management and implementation of Performance Management and Development.	Compliance to PMDS policy. Workplace productivity and improved morale.
Management of Employee Health and Wellness programme	Healthy and productive workforce.

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

- The Provincial Treasury adhered to the circular dated 13 March 2015 on moratorium on the filling of all vacant posts across all Provincial Departments. Based on the moratorium, all vacant funded and unfunded posts were abolished on Persal with effect from 1<sup>st</sup> April 2015.

### b) Employee performance management

- The performance assessment for salary level 1 to 12 were processed and concluded. Out of the 21 SMS members only 17 performance assessment were processed and concluded as at 31 March 2017 and the remaining 04 were concluded during the first quarter of the new financial year.

### c) Employee wellness programmes

- The Provincial Treasury conducted 18 Health and Wellness workshops for the period under review. The Health and Wellness Committee was established in compliance with section 19(1) of the Occupational Health and Safety Act 85 of 1993 and quarterly meetings were convened accordingly.

### d) Highlight achievements and challenges faced by the department, as well as future human resource plans /goals.

- On the target of employing people with disabilities the Provincial Treasury achieved 2.4% thus slightly exceeded the benchmark of 2%. The Provincial Treasury achieved 50% on the employment of female SMS members. During the period under review the PERSAL clean-up process was conducted to improve data integrity.
- An area of improvement was noted on the implementation of training programme. More support and capacity building will be focused on the curbing of poor leave management in the next financial year.

### 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 2016 to 31 March 2017*

Programme	Total expenditure (R'000)	Personnel expenditure (R'000)	Training expenditure (R'000)	Professional and special services expenditure (R'000)	Personnel expenditure as a % of total expenditure	Average personnel cost per employee (R'000)
Administration	89 616	52 273	1 177	297	58	436
Sustainable resource management	43 135	38 364	213	0	88	799
Assets and liabilities management	125 596	50 541	814	0	40	555
Financial governance	27 923	21 536	310	235	77	673
<b>Total as on Financial Systems (BAS)</b>	<b>286 270</b>	<b>162 714</b>	<b>2 514</b>	<b>532</b>	<b>56</b>	<b>559</b>

*Table 3.1.2 Personnel costs by salary band for the period 1 April 2016 to 31 March 2017*

Salary band	Personnel expenditure (R'000)	% of total personnel cost	No. of employees	Average personnel cost per employee (R'000)
Abnormal Appointment	6 658	4.1	126	74
Contract (Levels 9-12)	880	0.5	1	880
Lower skilled (Levels 1-2)	2 870	1.8	17	169
Skilled (Levels 3-5)	7 441	4.6	30	248
Highly skilled production (Levels 6-8)	34 101	20.9	92	371
Highly skilled supervision (Levels 9-12)	87 194	53.6	131	666
Senior management (Levels 13-16)	23 570	14.5	20	1 179
<b>TOTAL</b>	<b>162 714</b>	<b>100.0</b>	<b>417</b>	<b>397</b>

*Table 3.1.3 Salaries, Overtime, Home Owners Allowance and Medical Aid by programme for the period 1 April 2016 to 31 March 2017*

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	45 599	72.6	2 350	4.5	1 684	3.1	2 640	5.0
Sustainable Resource Management	36 873	71.8	43	0.1	710	1.9	737	1.9
Assets and Liabilities Management	47 482	76.6	63	0.1	1 009	2.0	1 987	3.9
Financial Governance	20 341	79.8	0	0.0	415	1.9	780	3.6
<b>TOTAL</b>	<b>150 295</b>	<b>74.6</b>	<b>2 456</b>	<b>1.5</b>	<b>3 818</b>	<b>2.3</b>	<b>6 144</b>	<b>3.8</b>

*Table 3.1.4 Salaries, Overtime, Home Owners Allowance and Medical Aid by salary band for the period 1 April 2016 to 31 March 2017*

Salary band	Salaries		Overtime		Home Owners Allowance		Medical Aid	
	Amount (R'000)	Salaries as a % of personnel costs	Amount (R'000)	Overtime as a % of personnel costs	Amount (R'000)	HOA as a % of personnel costs	Amount (R'000)	Medical aid as a % of personnel costs
Abnormal Appointment	10 750	63.9	0	0	0	0	0	0
Lower skilled (Levels 1-2)	1 641	57.2	243	8.5	247	8.6	353	12.3
Contract (Levels 9-12)	5 666	97.3	0	0	0	0	0	0
Skilled (Levels 3-5)	9 392	61.6	402	5.4	504	6.8	597	8.0
Highly skilled production (Levels 6-8)	28 316	68.9	1 313	3.9	1 299	3.8	2 154	6.3
Highly skilled supervision (Levels 9-12)	70 560	75.4	499	0.6	1 210	1.4	2 765	3.2
Senior management (Levels 13-16)	23 970	81.2	0	0	557	2.4	285	1.2
<b>TOTAL</b>	<b>150 295</b>	<b>74.6</b>	<b>2 456</b>	<b>1.5</b>	<b>3 818</b>	<b>2.3</b>	<b>6 144</b>	<b>3.8</b>

## 3.2 Employment and Vacancies

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

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

This information is presented in terms of three key variables:

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



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

*Table 3.2.1 Employment and vacancies by programme as on 31 March 2017*

Programme	Number of posts on approved establishment	Number of posts filled	Vacancy Rate	Number of employees additional to the establishment
Administration	120	120	0	39
Sustainable Resource Management	48	48	0	6
Assets and Liabilities Management	91	91	0	29
Financial Governance	32	32	0	0
<b>TOTAL</b>	<b>291</b>	<b>291</b>	<b>0</b>	<b>74</b>

*Table 3.2.2 Employment and vacancies by salary band as on 31 March 2017*

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	71
Skilled (Levels 3-5), Permanent	30	30	0	0
Highly Skilled Production (Levels 6-8), Permanent	92	92	0	0
Highly Skilled Supervision (Levels 9-12), Permanent	131	131	0	0
Senior Management (Levels 13-16), Permanent	20	20	0	0
Contract (Levels 9-12), Permanent	1	1	0	3
<b>TOTAL</b>	<b>291</b>	<b>291</b>	<b>0</b>	<b>74</b>

*Table 3.2.3 Employment and vacancies by critical occupations as on 31 March 2017*

Critical occupation	Number of posts on approved establishment	Number of posts filled	Vacancy Rate	Number of employees additional to the establishment
Administrative related, permanent	56	56	0	0
Cleaners in offices workshops hospitals etc., permanent	13	13	0	0
Communication and information related, permanent	3	3	0	0
Computer system designers and analysts., permanent	1	1	0	0
Finance and economics related, permanent	22	22	0	0
Financial and related professionals, permanent	39	39	0	73

Critical occupation	Number of posts on approved establishment	Number of posts filled	Vacancy Rate	Number of employees additional to the establishment
Financial clerks and credit controllers, permanent	3	3	0	0
Head of department/ chief executive officer, permanent	1	1	0	0
Human resources clerks, permanent	1	1	0	1
Human resources related, permanent	8	8	0	0
Information technology related, permanent	19	19	0	0
Light vehicle drivers, permanent	1	1	0	0
Logistical support personnel, permanent	25	25	0	0
Messengers porters and deliverers, permanent	2	2	0	0
Other administrative policy and related officers, permanent	1	1	0	0
Other information technology personnel., permanent	7	7	0	0
Other occupations, permanent	64	64	0	0
Risk management and security services, permanent	2	2	0	0
Secretaries & other keyboard operating clerks, permanent	14	14	0	0
Senior managers, permanent	9	9	0	0
<b>Total</b>	<b>291</b>	<b>291</b>	<b>0</b>	<b>74</b>

### 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 2017*

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	2	2	100	0	0
Salary Level 13	17	17	100	0	0
<b>Total</b>	<b>20</b>	<b>20</b>	<b>100</b>	<b>0</b>	<b>0</b>



*Table 3.3.2 SMS post information as on 30 September 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 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	2	2	100	0	0
Salary Level 13	19	19	100	0	0
<b>Total</b>	<b>22</b>	<b>22</b>	<b>100</b>	<b>0</b>	<b>0</b>

*Table 3.3.3 Advertising and filling of SMS posts for the period 1 April 2016 to 31 March 2017*

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
<b>Total</b>	<b>0</b>	<b>0</b>	<b>0</b>

*Table 3.3.4 Reasons for not having complied with the filling of funded vacant SMS - Advertised within 6 months and filled within 12 months after becoming vacant for the period 1 April 2016 to 31 March 2017*

Reasons for vacancies not advertised within six months
A moratorium on the filling of all vacant posts across all Provincial Departments as per circular dated 13 March 2015 was issued by the Office of the Premier and has been adhered to.

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 was issued by the Office of the Premier and has been adhered to.

*Table 3.3.5 Disciplinary steps taken for not complying with the prescribed timeframes for filling SMS posts within 12 months for the period 1 April 2016 to 31 March 2017*

Reasons for vacancies not advertised within six months
N/A

Reasons for vacancies not filled within six months
N/A

### 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 2016 to 31 March 2017*

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	0.00	0	0.00	0	0.00
Skilled (Levels 3-5)	30	0	0.00	3	0.00	0	0.00
Highly Skilled Production (Levels 6-8)	92	0	0.00	0	0.00	0	0.00
Highly Skilled Supervision (Levels 9-12)	131	0	0.00	12	0.00	0	0.00
Senior Management Service Band A	14	0	0.00	0	0.00	0	0.00
Senior Management Service Band B	5	0	0.00	0	0.00	0	0.00
Senior Management Service Band C	1	0	0.00	0	0.00	0	0.00
Contract (Levels 9-12)	1	0	0.00	0	0.00	0	0.00
<b>TOTAL</b>	<b>291</b>	<b>0</b>	<b>0.00</b>	<b>15</b>	<b>0.00</b>	<b>0</b>	<b>0.00</b>

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

*Table 3.4.2 Profile of employees whose positions were upgraded due to their posts being upgraded for the period 1 April 2016 to 31 March 2017*

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

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 2016 to 31 March 2017*

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

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

*Table 3.4.4 Profile of employees who have salary levels higher than those determined by job evaluation for the period 1 April 2016 to 31 March 2017*

Gender	African	Asian	Coloured	White	Total
Female	2	0	0	0	2
Male	1	0	0	0	1
<b>Total</b>	<b>3</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>3</b>
Employees with a disability	0	0	0	0	0
Total number of Employees whose salaries exceeded the grades determined by job evaluation				None	

### 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 Provincial Treasury. 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 2016 to 31 March 2017*

Salary band	Number of employees at beginning of period-1 April 2016	Appointments and transfers into the department	Terminations and transfers out of the department	Turnover rate
Contract (Levels 1-2) Permanent	19	0	0	0.0
Skilled (Levels 3-5) Permanent	33	0	5	15.2
Highly Skilled Production (Levels 6-8) Permanent	117	0	2	1.7
Highly Skilled Supervision (Levels 9-12) Permanent	111	0	3	2.7
Senior Management Service Band A Permanent	17	0	3	17.7
Senior Management Service Band B Permanent	5	0	0	0.0
Senior Management Service Band C Permanent	1	0	0	0.0
Lower Skilled (Levels 1-2) Permanent	17	0	17	100.0
Contract (Levels 9-12) Permanent	1	0	0	0.0
<b>TOTAL</b>	<b>321</b>	<b>0</b>	<b>30</b>	<b>9.4</b>

*Table 3.5.2 Annual turnover rates by critical occupation for the period 1 April 2016 to 31 March 2017*

Critical occupation	Number of employees at beginning of period- April 2016	Appointments and transfers into the department	Terminations and transfers out of the department	Turnover rate
Administrative related permanent	58	0	2	3.5
Cleaners in offices workshops hospitals etc. Permanent	14	0	2	14.3
Communication and information related permanent	3	0	0	0.0

Critical occupation	Number of employees at beginning of period- April 2016	Appointments and transfers into the department	Terminations and transfers out of the department	Turnover rate
Computer system designers and analysts. Permanent	1	0	0	0.0
Engineering sciences related permanent	1	0	1	100.0
Finance and economics related permanent	39	0	17	43.6
Financial and related professionals permanent	40	0	1	2.5
Financial clerks and credit controllers permanent	3	0	0	0.0
Head of department/ chief executive officer permanent	1	0	0	0.0
Human resources clerks permanent	1	0	0	0.0
Human resources related permanent	9	0	2	22.2
Information technology related permanent	20	0	1	5.0
Light vehicle drivers permanent	1	0	0	0.0
Logistical support personnel permanent	26	0	1	3.9
Messengers porters and deliverers permanent	2	0	0	0.0
Other administrative policy and related officers permanent	1	0	0	0.0
Other information technology personnel. Permanent	8	0	1	12.5
Other occupations permanent	66	0	1	1.5
Risk management and security services permanent	2	0	0	0.0
Secretaries & other keyboard operating clerks permanent	15	0	1	6.7
Senior managers permanent	10	0	0	0.0
<b>Total</b>	<b>321</b>	<b>0</b>	<b>30</b>	<b>9.4</b>

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

*Table 3.5.3 Reasons why staff left the department for the period 1 April 2016 to 31 March 2017*

Termination Type	Number	% of Total Resignations
Resignation, Permanent	5	16.7
Expiry of contract, Permanent	17	56.7
Retirement, Permanent	8	26.7
<b>Total</b>	<b>30</b>	<b>100</b>
<b>Total number of employees who left as a % of total employment</b>		<b>9.4</b>

*Table 3.5.4 Promotions by critical occupation for the period 1 April 2016 to 31 March 2017*

Occupation	Employees 1 April 2016	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	58	0	0.00	47	81.0
Cleaners in offices workshops hospitals etc.	14	0	0.00	7	50.0
Communication and information related	3	0	0.00	3	100.0
Computer system designers and analysts.	1	0	0.00	1	100.0
Engineering sciences related	1	0	0.00	0	0.0
Finance and economics related	39	0	0.00	17	43.6
Financial and related professionals	40	0	0.00	34	85.0
Financial clerks and credit controllers	3	0	0.00	3	100.0
Head of department/ chief executive officer	1	0	0.00	0	0.0
Human resources clerks	1	0	0.00	0	0.0
Human resources related	9	0	0.00	6	66.7
Information technology related	20	0	0.00	14	70.0
Light vehicle drivers	1	0	0.00	0	0.0
Logistical support personnel	26	0	0.00	21	80.8
Messengers porters and deliverers	2	0	0.00	2	100.0
Other administrative policy and related officers	1	0	0.00	1	100.0
Other information technology personnel.	8	0	0.00	4	50.0
Other occupations	66	0	0.00	59	89.4
Risk management and security services	2	0	0.00	0	0.0

Occupation	Employees 1 April 2016	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
Secretaries & other keyboard operating clerks	15	0	0.00	11	73.3
Senior managers	10	0	0.00	6	60.0
<b>Total</b>	<b>321</b>	<b>0</b>	<b>0.00</b>	<b>236</b>	<b>73.5</b>

*Table 3.5.5 Promotions by salary band for the period 1 April 2016 to 31 March 2017*

Salary Band	Employees 1 April 2016	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	19	0	0.00	9	47.3
Skilled (levels 3-5), permanent	33	0	0.00	24	72.7
Highly skilled production (levels 6-8), permanent	117	0	0.00	74	63.3
Highly skilled supervision (levels 9-12), permanent	111	0	0.00	115	103.6
Senior management (levels 13-16), permanent	23	0	0.00	14	60.9
Contract (levels 1-2), permanent	17	0	0.00	0	0.0
Contract (levels 9-12), permanent	1	0	0.00	0	0.0
<b>Total</b>	<b>321</b>	<b>0</b>	<b>0.00</b>	<b>236</b>	<b>73.5</b>

### 3.6 Employment Equity

*Table 3.6.1 Total number of employees (including employees with disabilities) in each of the following occupational categories as on 31 March 2017*

Occupational category	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Senior officials and managers	2	0	1	1	5	0	0	1	10
Professionals	47	2	0	6	41	0	0	3	99
Technicians and associate professionals	34	0	1	0	46	0	1	0	82
Clerks	4	0	0	0	14	0	0	0	18
Service shop and market sales workers	1	0	0	0	1	0	0	0	2
Plant and machine operators and assemblers	1	0	0	0	0	0	0	0	1
Labourers and related workers	33	0	0	1	44	0	0	1	79



Occupational category	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
<b>Total</b>	<b>122</b>	<b>2</b>	<b>2</b>	<b>8</b>	<b>151</b>	<b>0</b>	<b>1</b>	<b>5</b>	<b>291</b>
<b>Employees with disabilities</b>	4	0	1	1	1	0	0	0	7

*Table 3.6.2 Total number of employees (including employees with disabilities) in each of the following occupational bands as on 31 March 2017*

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	8	0	1	1	6	0	0	3	19
Professionally qualified and experienced specialists and mid-management, Permanent	66	1	1	6	56	0	0	1	131
Skilled technical and academically qualified workers, junior management, supervisors, foremen, Permanent	35	1	0	0	54	0	1	1	92
Semi-skilled and discretionary decision making, Permanent	12	0	0	0	18	0	0	0	30
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
<b>TOTAL</b>	<b>122</b>	<b>2</b>	<b>2</b>	<b>8</b>	<b>151</b>	<b>0</b>	<b>1</b>	<b>5</b>	<b>291</b>

*Table 3.6.3 Recruitment for the period 1 April 2016 to 31 March 2017*

Occupational band	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top Management	0	0	0	0	0	0	0	0	0
Senior Management	0	0	0	0	0	0	0	0	0
Professionally qualified and experienced specialists and mid-management	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, foreman and superintendents	0	0	0	0	0	0	0	0	0
Semi-skilled and discretionary decision making	0	0	0	0	0	0	0	0	0
Unskilled and defined decision making	0	0	0	0	0	0	0	0	0
<b>Total</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Employees with disabilities</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

*Table 3.6.4 Promotions for the period 1 April 2016 to 31 March 2017*

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

*Table 3.6.5 Terminations for the period 1 April 2016 to 31 March 2017*

Occupational band	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Senior Management, Permanent	2	0	0	0	0	0	0	1	3
Professionally qualified and experienced specialists and mid-management, Permanent	2	0	0	1	0	0	0	0	3
Skilled technical and academically qualified workers, junior management, supervisors, foremen, Permanent	2	0	0	0	0	0	0	0	2
Semi-skilled and discretionary decision making, Permanent	1	0	0	0	4	0	0	0	5
Contract (Unskilled), Permanent	8	0	0	0	9	0	0	0	17
<b>TOTAL</b>	<b>15</b>	<b>0</b>	<b>0</b>	<b>1</b>	<b>13</b>	<b>0</b>	<b>0</b>	<b>1</b>	<b>30</b>
<b>Employees with Disabilities</b>	0	0	0	0	1	0	0	0	1

*Table 3.6.6 Disciplinary action for the period 1 April 2016 to 31 March 2017*

Disciplinary action	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Progressive discipline	2	0	0	0	1	0	0	1	4

*Table 3.6.7 Skills development for the period 1 April 2016 to 31 March 2017*

Occupational category	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Legislators, senior officials and managers	9	0	1	2	6	0	0	2	20
Professionals	6	0	0	0	7	0	0	0	13
Technicians and associate 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

Occupational category	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
<b>Total</b>	<b>43</b>	<b>0</b>	<b>1</b>	<b>2</b>	<b>42</b>	<b>0</b>	<b>0</b>	<b>2</b>	<b>90</b>
<b>Employees with disabilities</b>	<b>1</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1</b>

### 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 2016*

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 of Department	1	1	1	100
Salary Level 16	0	0	0	0
Salary Level 15	0	0	0	0
Salary Level 14	2	2	2	100
Salary Level 13	20	20	20	100
<b>Total</b>	<b>23</b>	<b>23</b>	<b>23</b>	<b>100</b>

*Table 3.7.2 Reasons for not having concluded Performance agreements for all SMS members as on 31 March 2017*

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

*Table 3.7.3 Disciplinary steps taken against SMS members for not having concluded Performance agreements as on 31 March 2017*

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

### 3.8 Performance Rewards

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

*Table 3.8.1 Performance Rewards by race, gender and disability for the period 1 April 2016 to 31 March 2017*

Race and Gender	Beneficiary Profile			Cost	
	Number of beneficiaries	Number of employees	% of total within group	Cost (R'000)	Average cost per employee
African, Female	116	150	77	1,053	9,075
African, Male	90	118	76	1,047	11,632
Asian, Female	1	1	100	7	7,214
Asian, Male	1	1	100	29	29,205
Coloured, Female	0	0	0	0	0
Coloured, Male	2	2	100	28	13,972
White, Female	3	5	60	52	17,249
White, Male	7	7	100	111	15,795
Employees with a disability	5	7	71	70	13,932
<b>TOTAL</b>	<b>225</b>	<b>291</b>	<b>77</b>	<b>2,396</b>	<b>10,648</b>

*Table 3.8.2 Performance Rewards by salary band for personnel below Senior Management Service for the period 1 April 2016 to 31 March 2017*

Salary band	Beneficiary Profile			Cost		Total cost as a % of the total personnel expenditure
	Number of beneficiaries	Number of employees	% of total within salary bands	Total Cost (R'000)	Average cost per employee	
Lower Skilled (Levels 1-2)	15	17	88	38	2,537	<b>1.3</b>
Skilled (Levels 3-5)	22	30	73	80	3,647	<b>1.1</b>
Highly Skilled Production (Levels 6-8)	67	92	73	442	6545	<b>1.3</b>
Highly Skilled Supervision (Levels 9-12)	110	131	84	1,558	14,224	<b>1.8</b>
Contract (Levels 9-12)	1	1	100	24	24	<b>2.7</b>
<b>TOTAL</b>	<b>215</b>	<b>271</b>	<b>79</b>	<b>2,142</b>	<b>9,963</b>	<b>1.3</b>

*Table 3.8.3 Performance Rewards by critical occupation for the period 1 April 2016 to 31 March 2017*

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	43	56	77	476	11,092
Cleaners in offices workshops hospitals etc.	13	13	100	34	2,618
Communication and information related	3	3	100	28	9,231
Computer system designers and analysts.	1	1	100	11	10,839
Finance and economics related	15	22	68	186	12,377

Critical occupation	Beneficiary Profile			Cost	
	Number of beneficiaries	Number of employees	% of total within occupation	Total Cost (R'000)	Average cost per employee
Financial and related professionals	25	39	64	335	13,414
Financial clerks and credit controllers	2	3	67	25	12,766
Head of department/ chief executive officer	0	1	0	0	0
Human resources clerks	1	1	100	8	7,914
Human resources related	5	8	63	78	15,586
Information technology related	14	19	74	144	10,254
Light vehicle drivers	1	1	100	3	3,134
Logistical support personnel	22	25	88	168	7,617
Messengers porters and deliverers	2	2	100	7	3,684
Other administrative policy and related officers	1	1	100	25	24,505
Other information technology personnel.	8	7	114	88	10,993
Other occupations	53	64	83	565	10,655
Risk management and security services	1	2	50	21	20,624
Secretaries & other keyboard operating clerks	9	14	64	55	6,131
Senior managers	6	9	67	139	23,229
<b>Total</b>	<b>225</b>	<b>291</b>	<b>77</b>	<b>2,396</b>	<b>10,648</b>

*Table 3.8.4 Performance related rewards (cash bonus), by salary band for Senior Management Service for the period 1 April 2016 to 31 March 2017*

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	8	14	57	194	24,227	0.8
Band B	2	5	40	60	30,026	0.3
Band C	0	1	0	0	0	0
<b>TOTAL</b>	<b>10</b>	<b>20</b>	<b>50</b>	<b>254</b>	<b>25,387</b>	<b>0.2</b>



### 3.9 Foreign Workers

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

*Table 3.9.1 Foreign workers by salary band for the period 1 April 2016 to 31 March 2017*

Salary band	01 April 2016		31 March 2017		Change	
	Number	% of total	Number	% of total	Number	% Change
Lower skilled	0	0	0	0	0	0
Highly skilled production (Lev. 6-8)	0	0	0	0	0	0
Highly skilled supervision (Lev. 9-12)	0	0	0	0	0	0
Contract (level 9-12)	0	0	0	0	0	0
Contract (level 13-16)	0	0	0	0	0	0
<b>Total</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

*Table 3.9.2 Foreign workers by major occupation for the period 1 April 2016 to 31 March 2017*

Major occupation	01 April 2016		31 March 2017		Change	
	Number	% of total	Number	% of total	Number	% Change
Nil	0	0	0	0	0	0
Nil	0	0	0	0	0	0

### 3.10 Leave utilisation

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

*Table 3.10.1 Sick leave for the period 1 January 2016 to 31 December 2016*

Salary band	Total days	% Days with Medical certification	Number of Employees using sick leave	% of total employees using sick leave	Average days per employee	Estimated Cost (R'000)
Lower skilled (Levels 1-2)	115	50	16	8	7	56
Skilled (Levels 3-5)	142	62	25	13	6	105
Highly skilled production (Levels 6-8)	439	52	66	34	7	551
Highly skilled supervision (Levels 9-12)	555	61	72	37	8	1324
Senior management (Levels 13-16)	133	59	15	8	9	541
<b>TOTAL</b>	<b>1 384</b>	<b>57</b>	<b>194</b>	<b>100</b>	<b>7</b>	<b>2 576</b>

*Table 3.10.2 Disability leave (temporary and permanent) for the period 1 January 2016 to 31 December 2016*

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)
Highly skilled supervision (Levels 9-12)	26	100	1	100	26	54
<b>Total</b>	<b>26</b>	<b>100</b>	<b>1</b>	<b>100</b>	<b>26</b>	<b>54</b>

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

*Table 3.10.3 Annual Leave for the period 1 January 2016 to 31 December 2016*

Salary band	Total days taken	Number of Employees using annual leave	Average per employee
Contract (Levels 9-12)	30	1	30
Lower skilled (Levels 1-2)	373	18	21
Skilled (Levels 3-5)	739	35	21
Highly skilled production (Levels 6-8)	2 283	106	22
Highly skilled supervision (Levels 9-12)	2909	134	22
Senior management (Levels 13-16)	533	23	23
<b>TOTAL</b>	<b>6 867</b>	<b>317</b>	<b>22</b>

*Table 3.10.4 Capped leave for the period 1 January 2016 to 31 December 2016*

Salary band	Total days of capped leave taken	Number of Employees using capped leave	Average number of days taken per employee	Average capped leave per employee as on 31 March 2017
Lower skilled (Levels 1-2)	3	1	3	40
Skilled (Levels 3-5)	0	0	0	117
Highly skilled production (Levels 6-8)	35	5	7	67
Highly skilled supervision (Levels 9-12)	0	0	0	62
Senior management (Levels 13-16)	0	0	0	47
<b>TOTAL</b>	<b>38</b>	<b>6</b>	<b>6</b>	<b>65</b>

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

*Table 3.10.5 Leave pay-outs for the period 1 April 2016 to 31 March 2017*

Reason	Total amount (R'000)	Number of employees	Average per employee (R'000)
Capped leave pay-outs on termination of service for 2016/17	1 939	8	242
Current leave pay-out on termination of service for 2016/17	167	3	56
<b>Total</b>	<b>2 106</b>	<b>11</b>	<b>191</b>

### 3.11 HIV/AIDS & Health Promotion Programmes

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

Units/categories of employees identified to be at high risk of contracting HIV & related diseases (if any)	Key steps taken to reduce the risk
Nil	Nil

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

Question	Yes	No	Details, if yes
1. Has the department designated a member of the SMS to implement the provisions contained in Part VI E of Chapter 1 of the Public Service Regulations, 2001? If so, provide her/his name and position.	Yes		iNkosi/Dr Musa Khumalo: Senior Manager: Corporate Services (Resigned 31 March 2017)
2. Does the department have a dedicated unit or has it designated specific staff members to promote the health and well-being of your employees? If so, indicate the number of employees who are involved in this task and the annual budget that is available for this purpose.	Yes		Three (3) employees, Budget R 1,370, 000
3. Has the department introduced an Employee Assistance or Health Promotion Programme for your employees? If so, indicate the key elements/services of this Programme.	Yes		Revival of support groups. Conduct one on one session, consultation, and analysis pattern report. Request data on absence of employees. Preparation Wellness Committee
4. Has the department established (a) committee(s) as contemplated in Part VI E.5 (e) of Chapter 1 of the Public Service Regulations, 2001? If so, please provide the names of the members of the committee and the stakeholder(s) that they represent.	Yes		Ms JE Nel Mr JK Sithole (NEHAWU) Mr MK Sibanyoni (PSA) Ms EY Mnisi (Health and Wellness) Mr BJ Hlatshwayo Mr TK Theledi Ms AS Mthombeni Ms TA Sibanyoni Mr MS Nkambule Mr RB Ndhlovu Ms TT Thwala Ms SE Ngwenya
5. Has the department reviewed its employment policies and practices to ensure that these do not unfairly discriminate against employees on the basis of their HIV status? If so, list the employment policies/practices so reviewed.	Yes		HIV/AIDS and TB Management Policy, Health and Productivity Management Policy, Wellness Management Policy SHEQ Management Policy.
6. Has the department introduced measures to protect HIV-positive employees or those perceived to be HIV-positive from discrimination? If so, list the key elements of these measures.	Yes		Awareness sessions , workshops and meetings of support groups
7. Does the department encourage its employees to undergo Voluntary Counselling and Testing? If so, list the results that you have achieved.	Yes		Positive response from officials in terms of testing for HIV/AIDS, sugar diabetics, high blood pressure ,cholesterol
8. Has the department developed measures/indicators to monitor & evaluate the impact of its health promotion programme? If so, list these measures/indicators.	Yes		Progress reports are compiled and available for campaigns held

### 3.12 Labour Relations

*Table 3.12.1 Collective agreements for the period 1 April 2016 to 31 March 2017*

Subject matter	Date
Total number of Collective agreements	None
Total number of Collective agreements	None

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 2016 to 31 March 2017*

Outcomes of disciplinary hearings	Number	% of total
Final written warning	3	75
Suspended without pay	1	25
<b>Total</b>	<b>4</b>	<b>100</b>
Total number of Disciplinary hearings finalised	<b>4</b>	

*Table 3.12.3 Types of misconduct addressed at disciplinary hearings for the period 1 April 2016 to 31 March 2017*

Type of misconduct	Number	% of total
Fraud	2	50
Unacceptable conduct	2	50
<b>Total</b>	<b>4</b>	<b>100</b>

*Table 3.12.4 Grievances logged for the period 1 April 2016 to 31 March 2017*

Grievances	Number	% of Total
Number of grievances resolved	27	100
Number of grievances not resolved	0	0
<b>Total number of grievances lodged</b>	<b>27</b>	<b>100</b>

*Table 3.12.5 Disputes logged with Councils for the period 1 April 2016 to 31 March 2017*

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

*Table 3.12.6 Strike actions for the period 1 April 2016 to 31 March 2017*

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 2016 and 31 March 2017*

Number of people suspended	1
Number of people whose suspension exceeded 30 days	1
Average number of days suspended	60 days
Cost of suspension(R'000)	R51

### 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 2016 to 31 March 2017*

Occupational category	Gender	Number of employees as at 1 April 2016	Training needs identified at start of the reporting period			
			Learner ships	Skills Programmes & other short courses	Other forms of training	Total
Legislators, senior officials and managers	Female	13	0	0	0	0
	Male	10	0	0	0	0
Professionals	Female	49	4	22	0	26
	Male	72	1	34	0	35
Technicians and associate professionals	Female	49	0	30	0	30
	Male	37	0	28	0	28
Clerks	Female	15	0	10	0	10
	Male	6	0	8	0	8
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	48	0	3	0	3
	Male	22	0	1	0	1
Sub Total	Female	174	4	65	0	69
	Male	147	1	71	0	72
<b>Total</b>		<b>321</b>	<b>5</b>	<b>136</b>	<b>0</b>	<b>141</b>

*Table 3.13.2 Training provided for the period 1 April 2016 to 31 March 2017*

Occupational category	Gender	Number of employees as at 1 April 2016	Training provided within the reporting period			
			Learner ships	Skills Programmes & other short courses	Other forms of training	Total
Legislators, senior officials and managers	Female	13	0	0	0	0
	Male	10	0	0	0	0
Professionals	Female	49	1	22	0	23
	Male	72	0	34	0	34
Technicians and associate professionals	Female	49	0	30	0	30
	Male	37	0	28	0	28
Clerks	Female	15	0	9	0	9
	Male	6	0	8	0	8
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	48	0	3	0	3
	Male	22	0	1	0	1
Sub Total	Female	174	1	64	0	65
	Male	147	0	71	0	71
<b>Total</b>		<b>321</b>	<b>1</b>	<b>135</b>	<b>0</b>	<b>136</b>

### 3.14 Injury on duty

The following tables provide basic information on injury on duty.

*Table 3.14.1 Injury on duty for the period 1 April 2016 to 31 March 2017*

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
<b>Total</b>	<b>4</b>	



### 3.15 Utilisation of Consultants

The following tables 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 a department against remuneration received from any source:

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

*Table 3.15.1 Report on consultant appointments using appropriated funds for the period 1 April 2016 to 31 March 2017*

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
N/A	N/A	N/A	N/A

Total number of projects	Total individual consultants	Total duration Work days	Total contract value in Rand
N/A	N/A	N/A	N/A
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 2016 to 31 March 2017*

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
N/A	N/A	N/A	N/A

*Table 3.15.3 Report on consultant appointments using Donor funds for the period 1 April 2016 to 31 March 2017*

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

Total number of projects	Total individual consultants	Total duration Work days	Total contract value in Rand
N/A	N/A	N/A	N/A
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 2016 to 31 March 2017*

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
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 2016 to 31 March 2017*

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



# PART E

## FINANCIAL INFORMATION

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## 1. REPORT OF THE AUDITOR GENERAL

### Report of the auditor-general to the Mpumalanga Provincial Legislature on vote no. 3: Mpumalanga Provincial Treasury

#### *Report on the audit of the financial statements*

#### Opinion

1. I have audited the financial statements of the Mpumalanga Provincial Treasury set out on pages ... to ..., which comprise the appropriation statement, the statement of financial position as at 31 March 2017, 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 to the financial statements, including a summary of significant accounting policies.
2. In my opinion, the financial statements present fairly, in all material respects, the financial position of the Mpumalanga Provincial Treasury as at 31 March 2017, and its financial performance and cash flows for the year then ended in accordance with the Modified Cash Standard as prescribed by the National Treasury (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, 2016 (Act No. 3 of 2016) (DoRA).
3. I conducted my audit in accordance with the International Standards on Auditing (ISAs). My responsibilities under those standards are further described in the auditor-general's responsibilities for the audit of the financial statements section of my report.
4. I am independent of the department in accordance with the International Ethics Standards Board for Accountants' *Code of ethics for professional accountants* (IESBA code) together with the ethical requirements that are relevant to my audit in South Africa. I have fulfilled my other ethical responsibilities in accordance with these requirements and the IESBA code.
5. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

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

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

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

8. My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.
9. A further description of my responsibilities for the audit of the financial statements is included in the annexure to the auditor's report.



## Report on the audit of the annual performance report

### Introduction and scope

10. 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 material findings on the reported performance information against predetermined objectives for selected programmes presented in the annual performance report. I performed procedures to identify findings but not to gather evidence to express assurance.
11. My procedures address the reported performance information, which must be based on the approved performance planning documents of the provincial treasury. I have not evaluated the completeness and appropriateness of the performance indicators included in the planning documents. My procedures also did not extend to any disclosures or assertions relating to planned performance strategies and information in respect of future periods that may be included as part of the reported performance information. Accordingly, my findings do not extend to these matters.
12. I evaluated the usefulness and reliability of the reported performance information in accordance with the criteria developed from the performance management and reporting framework, as defined in the general notice, for the following selected programmes presented in the annual performance report of the provincial treasury for the year ended 31 March 2017:

Programmes	Pages in the annual performance report
Programme 2 – sustainable resource management	22-25
Programme 3 – assets and liability management	26-29
Programme 4 – financial governance	29-34

13. I performed procedures to determine whether the reported performance information was properly presented and whether the performance was consistent with the approved performance planning documents. I performed further procedures to determine whether the indicators and related targets were measurable and relevant, and assessed the reliability of the reported performance information to determine whether it was valid, accurate and complete.
14. I did not identify 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

### Other matter

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

### Achievement of planned targets

16. Refer to the annual performance report on pages 20 to 34 for information on the achievement of planned targets for the year.

## Report on the audit of compliance with legislation

### Introduction and scope

17. In accordance with the PAA and the general notice issued in terms thereof, I have a responsibility to report material findings on the compliance of the provincial treasury with specific matters in key legislation. I performed procedures to identify findings but not to gather evidence to express assurance.
18. 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.



### *Other Information*

19. The provincial treasury's accounting officer is responsible for the other information. The other information comprises the information included in the annual report. The other information does not include the financial statements, the auditor's report thereon and those selected programmes presented in the annual performance report that have been specifically reported on in the auditor's report.
20. My opinion on the financial statements and findings on the reported performance information and compliance with legislation do not cover the other information and I do not express an audit opinion or any form of assurance conclusion thereon.
21. In connection with my audit, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements and the selected programmes presented in the annual performance report, or my knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work I have performed on the other information obtained prior to the date of this auditor's report, I conclude that there is a material misstatement of this other information, I am required to report that fact.
22. I have read the other information included in the draft annual report and have nothing to report in this regard.
23. I have not yet received the final annual report containing the other information. When I do receive this information, and if I conclude that it contains a material misstatement, I am required to communicate the matter to those charged with governance and to request that the other information be corrected. If the other information is not corrected, I may have to re-issue my auditor's report amended as appropriate.

### *Internal control deficiencies*

24. I considered internal control relevant to my audit of the financial statements, reported performance information and compliance with applicable legislation; however, my objective was not to express any form of assurance thereon. I did not identify any significant deficiencies in internal control.

*Auditor-General*

Mbombela

31 July 2017



AUDITOR-GENERAL  
SOUTH AFRICA

*Auditing to build public confidence*

## 2. ANNUAL FINANCIAL STATEMENTS

Appropriation per programme									
2016/17								2015/16	
	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
<b>Programme</b>									
1. Administration	86 074	-	3 551	89 625	89 616	9	100.0%	79 834	79 733
2. Sustainable Resource Management	44 439	-	(875)	43 564	43 135	429	99.0%	53 103	52 830
3. Assets and Liabilities Management	128 222	-	(1 901)	126 321	125 596	725	99.4%	114 245	110 577
4. Financial Governance	28 731	-	(775)	27 956	27 923	33	99.9%	31 061	29 951
<b>Subtotal</b>	<b>287 466</b>	<b>-</b>	<b>-</b>	<b>287 466</b>	<b>286 270</b>	<b>1 196</b>	<b>99.6%</b>	<b>278 243</b>	<b>273 091</b>
Statutory Appropriation	-	-	-	-	-	-	-	-	-
Members' remuneration	-	-	-	-	-	-	-	-	-
<b>TOTAL</b>	<b>287 466</b>	<b>-</b>	<b>-</b>	<b>287 466</b>	<b>286 270</b>	<b>1 196</b>	<b>99.6%</b>	<b>278 243</b>	<b>273 091</b>

	2016/17		2015/16	
	Final Appropriation	Actual Expenditure	Final Appropriation	Actual Expenditure
<b>TOTAL (brought forward)</b>	<b>287 466</b>	<b>286 270</b>	<b>278 243</b>	<b>273 091</b>
Reconciliation with statement of financial performance				
Departmental receipts	101 244		102 281	
<b>Actual amounts per statement of financial performance (total revenue)</b>	<b>388 710</b>		<b>380 524</b>	
ADD				
Prior year unauthorised expenditure approved without funding				
<b>Actual amounts per statement of financial performance (total expenditure)</b>		<b>286 270</b>		<b>273 091</b>

APPROPRIATION PER ECONOMIC CLASSIFICATION

2016/17								2015/16	
	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									
<b>Current payments</b>	<b>272 505</b>	<b>(3)</b>	<b>(1 341)</b>	<b>271 161</b>	<b>270 368</b>	<b>793</b>	<b>99.7%</b>	<b>263 221</b>	<b>258 434</b>
<b>Compensation of employees</b>	<b>161 577</b>	<b>-</b>	<b>1 139</b>	<b>162 716</b>	<b>162 714</b>	<b>2</b>	<b>100.0%</b>	<b>152 056</b>	<b>151 406</b>
Salaries and wages	140 795	1 174	746	142 715	142 856	(141)	100.1%	132 919	132 370
Social contributions	20 782	(1 174)	393	20 001	19 858	143	99.3%	19 137	19 036
<b>Goods and services</b>	<b>110 928</b>	<b>(3)</b>	<b>(2 480)</b>	<b>108 445</b>	<b>107 654</b>	<b>791</b>	<b>99.3%</b>	<b>111 165</b>	<b>107 028</b>
Administrative fees	660	-	-	660	653	7	98.9%	598	486
Advertising	1 142	-	-	1 142	1 003	139	87.8%	2 023	2 005
Minor assets	170	-	-	170	190	(20)	118.8%	1 326	992
Audit costs: External	3 916	-	-	3 916	3 772	144	96.3%	4 684	4 667
Catering: Departmental activities	437	-	-	437	426	11	97.5%	651	577
Communication	4 180	-	(9)	4 171	4 466	(295)	107.1%	3 935	3 873
Computer services	61 733	-	(1 474)	60 259	59 335	924	98.5%	57 681	55 488
Consultants: Business and advisory services	2 334	-	(1 500)	834	531	303	63.7%	4 901	4 519
Legal services	4	-	-	4	7	(3)	175.0%	-	-

APPROPRIATION PER ECONOMIC CLASSIFICATION									
2016/17								2015/16	
	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	-	-	495	495	832	(337)	168.1%	1 412	1 221
Agency and support / outsourced services	258	-	-	258	69	189	26.7%	-	-
Fleet services	1 386	-	-	1 386	1 335	51	96.3%	1 245	1 174
Consumable supplies	978	-	-	978	1 236	(258)	126.4%	1 218	1 140
Consumable: Stationery, printing and office supplies	2 582	-	-	2 582	1 915	667	74.2%	3 040	2 968
Operating leases	6 758	-	-	6 758	6 542	216	96.8%	6 183	6 181
Property payments	3 841	-	-	3 841	3 698	143	96.3%	3 633	3 829
Transport provided: Departmental activity	15	-	-	15	18	(3)	120.0%	6	3
Travel and subsistence	15 377	(3)	8	15 382	16 704	(1 322)	108.6%	14 889	14 487
Training and development	3 028	-	-	3 028	2 513	515	83.0%	1 751	1 689
Operating payments	1 036	-	-	1 036	1 331	(295)	128.5%	1 056	936
Venues and facilities	1 075	-	-	1 075	1 061	14	98.7%	933	793

APPROPRIATION PER ECONOMIC CLASSIFICATION

2016/17								2015/16	
	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
Rental and hiring	18	-	-	18	17	1	94.4%	-	-
<b>Transfers and subsidies</b>	<b>2 887</b>	<b>-</b>	<b>-</b>	<b>2 887</b>	<b>2 463</b>	<b>424</b>	<b>85.3%</b>	<b>3 583</b>	<b>3 580</b>
Provinces and municipalities	15	(2)	-	13	11	2	84.6%	3 010	3 010
Municipalities	15	(2)	-	13	11	2	84.6%	3 010	3 010
Municipal agencies and funds	15	(2)	-	13	11	2	84.6%	3 010	3 010
Departmental agencies and accounts	344	2	-	346	346	-	100.0%	299	299
Departmental agencies and accounts	344	2	-	346	346	-	100.0%	299	299
Households	2 528	-	-	2 528	2 106	422	83.3%	274	271
Social benefits	-	2 386	-	2 386	2 106	280	88.3%	189	187
Other transfers to households	2 528	(2 386)	-	142	-	142	-	85	84
<b>Payments for capital assets</b>	<b>12 074</b>	<b>-</b>	<b>1 341</b>	<b>13 415</b>	<b>13 436</b>	<b>(21)</b>	<b>100.2%</b>	<b>11 427</b>	<b>11 065</b>
Machinery and equipment	12 022	-	1 341	13 363	13 384	(21)	100.2%	10 301	9 940
Transport equipment	-	711	1 177	1 888	1 963	(75)	104.0%	874	873



APPROPRIATION PER ECONOMIC CLASSIFICATION									
2016/17								2015/16	
	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
Other machinery and equipment	12 022	(711)	164	11 475	11 421	54	99.5%	9 427	9 067
Intangible assets	52	-	-	52	52	-	100.0%	1 126	1 125
<b>Payments for financial assets</b>	-	<b>3</b>	-	<b>3</b>	<b>3</b>	-	<b>100.0%</b>	<b>12</b>	<b>12</b>
<b>TOTAL</b>	<b>287 466</b>	<b>-</b>	<b>-</b>	<b>287 466</b>	<b>286 270</b>	<b>1 196</b>	<b>99.6%</b>	<b>278 243</b>	<b>273 091</b>

PROGRAMME 1: ADMINISTRATION									
2016/17								2015/16	
	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
<b>Sub programme</b>									
1. Management Services	37 526	-	1 407	38 933	38 934	(1)	100.0%	33 682	33 603
2. Financial Management	44 025	-	2 166	46 191	46 190	1	100.0%	41 930	41 922
3. Internal Audit	4 523	-	(22)	4 501	4 492	9	99.8%	4 222	4 208
<b>TOTAL</b>	<b>86 074</b>	<b>-</b>	<b>3 551</b>	<b>89 625</b>	<b>89 616</b>	<b>9</b>	<b>100.0%</b>	<b>79 834</b>	<b>79 733</b>

PROGRAMME 1: ADMINISTRATION									
2016/17								2015/16	
	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
<b>Economic classification</b>									
<b>Current payments</b>	<b>80 364</b>	<b>-</b>	<b>2 210</b>	<b>82 574</b>	<b>82 655</b>	<b>(81)</b>	<b>100.1%</b>	<b>76 163</b>	<b>76 064</b>
Compensation of employees	50 559	-	1 715	52 274	52 274	-	100.0%	46 439	46 397
Salaries and wages	44 875	-	372	45 247	45 316	(69)	100.2%	39 887	39 853
Social contributions	5 684	-	1 343	7 027	6 958	69	99.0%	6 552	6 544
<b>Goods and services</b>	<b>29 805</b>	<b>-</b>	<b>495</b>	<b>30 300</b>	<b>30 381</b>	<b>(81)</b>	<b>100.3%</b>	<b>29 724</b>	<b>29 667</b>
Administrative fees	229	-	-	229	293	(64)	127.9%	182	139
Advertising	1 088	-	-	1 088	951	137	87.4%	1 994	1 976
Minor assets	170	-	-	170	190	(20)	111.8%	420	366
Audit costs: External	3 288	-	-	3 288	3 302	(14)	100.4%	4 148	4 141
Catering: Departmental activities	204	-	-	204	263	(59)	128.9%	345	339
Communication	2 909	-	-	2 909	3 336	(427)	114.7%	2 712	2 703
Computer services	17	-	-	17	17	-	100.0%	18	-

PROGRAMME 1: ADMINISTRATION									
2016/17								2015/16	
	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	324	-	-	324	296	28	91.4%	360	356
Legal services	4	-	-	4	7	(3)	175.0%	-	-
Contractors	-	-	495	495	739	(244)	149.3%	311	295
Agency and support / outsourced services	258	-	-	258	69	189	26.7%	-	-
Fleet services	1 386	-	-	1 386	1 335	51	96.3%	1 245	1 174
Consumable supplies	957	-	-	957	879	78	91.8%	1 116	1 071
Consumable: Stationery, printing and office supplies	2 271	-	-	2 271	1 796	475	79.1%	2 368	2 349
Operating leases	6 758	-	-	6 758	6 542	216	96.8%	6 183	6 181
Property payments	3 841	-	-	3 841	3 698	143	96.3%	3 333	3 565
Transport provided: Departmental activity	15	-	-	15	18	(3)	120.0%	6	3
Travel and subsistence	3 735	-	-	3 735	4 427	(692)	118.5%	3 313	3 368

PROGRAMME 1: ADMINISTRATION									
2016/17								2015/16	
	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
Training and development	1 213	-	-	1 213	1 177	36	97.0%	1 037	1 031
Operating payments	707	-	-	707	526	181	74.4%	387	364
Venues and facilities	413	-	-	413	503	(90)	121.8%	246	246
Rental and Hiring	18	-	-	18	17	1	94.4%	-	-
<b>Transfers and subsidies</b>	<b>833</b>	<b>-</b>	<b>-</b>	<b>833</b>	<b>689</b>	<b>144</b>	<b>82.7%</b>	<b>428</b>	<b>427</b>
Provinces and municipalities	15	(2)	-	13	11	2	84.6%	10	10
Municipalities	15	(2)	-	13	11	2	84.6%	10	10
Municipal agencies and funds	15	(2)	-	13	11	2	84.6%	10	10
Departmental agencies and accounts	344	2	-	346	346	-	100.0%	299	299
Departmental agencies	344	2	-	346	346	-	100.0%	299	299
Households	474	-	-	474	332	142	70.0%	119	118
Social benefits	-	332	-	332	332	-	100.0%	34	34
Other transfers to households	474	(332)	-	142	-	142	-	85	84
<b>Payments for capital assets</b>	<b>4 877</b>	<b>-</b>	<b>1 341</b>	<b>6 218</b>	<b>6 272</b>	<b>(54)</b>	<b>100.9%</b>	<b>3 243</b>	<b>3 242</b>

PROGRAMME 1: ADMINISTRATION									
2016/17								2015/16	
	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
Machinery and equipment	4 825	-	1 341	6 166	6 220	(54)	100.9%	3 243	3 243
Transport equipment	-	711	1 177	1 888	1 963	(75)	104.0%	874	873
Other machinery and equipment	4 825	(711)	164	4 278	4 257	21	99.5%	2 369	2 369
<b>Intangible assets</b>	<b>52</b>	<b>-</b>	<b>-</b>	<b>52</b>	<b>52</b>	<b>-</b>	<b>100.0%</b>	<b>-</b>	<b>-</b>
<b>TOTAL</b>	<b>86 074</b>	<b>-</b>	<b>3 551</b>	<b>89 625</b>	<b>89 616</b>	<b>9</b>	<b>100.0%</b>	<b>79 834</b>	<b>79 733</b>

1.1 MANAGEMENT SERVICES									
2016/17								2015/16	
Economic classification	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final Appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<b>Current payments</b>	<b>35 326</b>	-	<b>1 243</b>	<b>36 569</b>	<b>36 733</b>	<b>(164)</b>	<b>100.4%</b>	<b>33 299</b>	<b>33 221</b>
Compensation of employees	29 297	-	748	30 045	30 047	(2)	100.0%	26 485	26 441
Goods and services	6 029	-	495	6 524	6 686	(162)	102.5%	6 814	6 780
<b>Transfers and subsidies</b>	<b>818</b>	-	-	<b>818</b>	<b>676</b>	<b>142</b>	<b>82.6%</b>	<b>383</b>	<b>382</b>
Departmental agencies and accounts	344	-	-	344	344	-	100.0%	298	298
Households	474	-	-	474	332	142	70.0%	85	84
<b>Payment for capital assets</b>	<b>1 382</b>	-	<b>164</b>	<b>1 546</b>	<b>1 525</b>	<b>21</b>	<b>98.6%</b>	-	-
Machinery and equipment	1 330	-	164	1 494	1 473	21	98.6%	-	-
<b>Other machinery and equipment</b>	<b>1 330</b>	-	<b>164</b>	<b>1 494</b>	<b>1 473</b>	<b>21</b>	<b>98.6%</b>	-	-
Intangible assets	52		-	52	52	-	100.0%		
<b>TOTAL</b>	<b>37 526</b>	-	<b>1 407</b>	<b>38 933</b>	<b>38 934</b>	<b>(1)</b>	<b>100.0%</b>	<b>33 682</b>	<b>33 603</b>



1.2 FINANCIAL MANAGEMENT									
Economic classification	2016/17							2015/16	
	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
<b>Current payments</b>	<b>40 515</b>	<b>-</b>	<b>989</b>	<b>41 504</b>	<b>41 430</b>	<b>74</b>	<b>99.8%</b>	<b>38 642</b>	<b>38 635</b>
Compensation of employees	17 438	-	989	18 427	18 426	1	100.0%	16 400	16 393
Goods and services	23 077	-	-	23 077	23 004	73	99.7%	22 242	22 242
<b>Transfers and subsidies</b>	<b>15</b>	<b>-</b>	<b>-</b>	<b>15</b>	<b>13</b>	<b>2</b>	<b>86.7%</b>	<b>45</b>	<b>45</b>
Provinces and municipalities	15	(2)	-	13	11	2	84.6%	10	10
Departmental agencies and accounts	-	2	-	2	2	-	100.0%	1	1
Households	-	-	-	-	-	-	-	34	34
<b>Payments for capital assets</b>	<b>3 495</b>	<b>-</b>	<b>1 177</b>	<b>4 672</b>	<b>4 747</b>	<b>(75)</b>	<b>101.6%</b>	<b>3 243</b>	<b>3 242</b>
Machinery and equipment	3 495	-	1 177	4 672	4 747	(75)	101.6%	3 243	3 242
<b>TOTAL</b>	<b>44 025</b>	<b>-</b>	<b>2 166</b>	<b>46 191</b>	<b>46 190</b>	<b>1</b>	<b>100.0%</b>	<b>41 930</b>	<b>41 922</b>

1.3 INTERNAL AUDIT									
2016/17								2015/16	
Economic classification	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final Appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<b>Current payments</b>	<b>4 523</b>	<b>-</b>	<b>(22)</b>	<b>4 501</b>	<b>4 492</b>	<b>9</b>	<b>99.8%</b>	<b>4 222</b>	<b>4 208</b>
Compensation of employees	3 824	-	(22)	3 802	3 801	1	100.0%	3 554	3 563
Goods and services	699	-	-	699	691	8	98.9%	668	645
<b>TOTAL</b>	<b>4 523</b>	<b>-</b>	<b>(22)</b>	<b>4 501</b>	<b>4 492</b>	<b>9</b>	<b>99.8%</b>	<b>4 222</b>	<b>4 208</b>

PROGRAMME 2: SUSTAINABLE RESOURCE MANAGEMENT									
2016/17								2015/16	
Economic Classification	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final Appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<b>Sub programme</b>									
1. Programme Support	1 444	-	8	1 452	1 453	(1)	100.1%	<b>1 643</b>	<b>1 614</b>
2. Provincial Administration Fiscal Discipline	9 323	-	(174)	9 149	8 929	220	97.6%	<b>14 208</b>	<b>14 138</b>
3. Budget and Expenditure Management	9 459	-	-	9 459	9 381	78	99.2%	<b>8 968</b>	<b>8 914</b>
4. Municipal Finance	20 184	-	(640)	19 544	19 460	84	99.6%	24 506	24 448

PROGRAMME 2: SUSTAINABLE RESOURCE MANAGEMENT									
2016/17								2015/16	
Economic Classification	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final Appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
5. Infrastructure Co-ordination	4 029	-	(69)	3 960	3 912	48	98.8%	3 778	3 716
<b>Total for sub programmes</b>	<b>44 439</b>	<b>-</b>	<b>(875)</b>	<b>43 564</b>	<b>43 135</b>	<b>429</b>	<b>99.0%</b>	<b>53 103</b>	<b>52 830</b>
<b>Economic classification</b>									
<b>Current payments</b>	<b>44 439</b>	<b>(3)</b>	<b>(875)</b>	<b>43 561</b>	<b>43 132</b>	<b>429</b>	<b>99.0%</b>	<b>44 841</b>	<b>44 625</b>
Compensation of employees	37 739	-	626	38 365	38 364	1	100.0%	38 002	37 853
Salaries and wages	32 999	682	800	34 481	34 506	(25)	100.1%	34 109	34 036
Social contributions	4 740	(682)	(174)	3 884	3 858	26	99.3%	3 893	3 817
<b>Goods and services</b>	<b>6 700</b>	<b>(3)</b>	<b>(1 501)</b>	<b>5 196</b>	<b>4 768</b>	<b>428</b>	<b>91.8%</b>	<b>6 839</b>	<b>6 772</b>
Administrative fees	109	-	-	109	78	31	71.6%	133	109
Minor assets	-	-	-	-	-	-	-	650	597
Audit costs: External	300	-	-	300	150	150	50.0%	290	280
Catering: Departmental activities	123	-	-	123	64	59	52.0%	84	61
Communication	503	-	(9)	494	449	45	90.9%	465	457
Consultants: Business and advisory services	1 621	-	(1 500)	121	-	121	-	-	-

PROGRAMME 2: SUSTAINABLE RESOURCE MANAGEMENT									
2016/17								2015/16	
Economic Classification	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final Appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Consumable: Stationery, printing and office supplies	298	-	-	298	119	179	39.9%	515	508
<b>Travel and subsistence</b>	<b>3 314</b>	<b>(3)</b>	<b>8</b>	<b>3 319</b>	<b>3 180</b>	<b>139</b>	<b>95.8%</b>	<b>4 090</b>	<b>4 147</b>
Training and development	188	-	-	188	213	(25)	113.3%	304	316
Operating payments	166	-	-	166	316	(150)	190.4%	122	120
Venues and facilities	78	-	-	78	199	(121)	255.1%	186	177
<b>Transfers and subsidies</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3 051</b>	<b>3 051</b>
Provinces and municipalities	-	-	-	-	-	-	-	3 000	3 000
Municipalities	-	-	-	-	-	-	-	3 000	3 000
Municipal agencies and funds	-	-	-	-	-	-	-	3 000	3 000
<b>Households</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>51</b>	<b>51</b>
Social benefits	-	-	-	-	-	-	-	51	51
<b>Payments for capital assets</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>5 200</b>	<b>5 143</b>
Machinery and equipment	-	-	-	-	-	-	-	5 200	5 143
<b>Other machinery and equipment</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>5 200</b>	<b>5 143</b>

PROGRAMME 2: SUSTAINABLE RESOURCE MANAGEMENT									
2016/17								2015/16	
Economic Classification	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final Appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Payments for financial assets	-	3	-	3	3	-	100.0%	11	11
<b>TOTAL</b>	<b>44 439</b>	<b>-</b>	<b>(875)</b>	<b>43 564</b>	<b>43 135</b>	<b>429</b>	<b>99.0%</b>	<b>53 103</b>	<b>52 830</b>

2.1 PROGRAMME SUPPORT									
2016/17								2015/16	
Economic Classification	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final Appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<b>Current payments</b>	<b>1 444</b>	<b>-</b>	<b>8</b>	<b>1 452</b>	<b>1 453</b>	<b>(1)</b>	<b>100.1%</b>	<b>1 643</b>	<b>1 614</b>
Compensation of Employees	1 333	-	-	1 333	1 334	(1)	100.1%	1 571	1 525
Goods and services	111	-	8	119	119	-	100.0%	72	89
<b>TOTAL</b>	<b>1 444</b>	<b>-</b>	<b>8</b>	<b>1 452</b>	<b>1 453</b>	<b>(1)</b>	<b>100.1%</b>	<b>1 643</b>	<b>1 614</b>

## 2.2 PROVINCIAL ADMINISTRATION FISCAL DISCIPLINE

2016/17								2015/16	
Economic classification	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final Appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<b>Current payments</b>	<b>9 323</b>	<b>-</b>	<b>(174)</b>	<b>9 149</b>	<b>8 929</b>	<b>220</b>	<b>97.6%</b>	<b>9 008</b>	<b>8 995</b>
Compensation of employees	8 407	-	(174)	8 233	8 233	-	100.0%	7 400	7 395
Goods and services	916	-	-	916	696	220	76.0%	1 608	1 600
<b>Payments for capital assets</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>5 200</b>	<b>5 143</b>
Machinery and equipment								5 200	5 143
<b>TOTAL</b>	<b>9 323</b>	<b>-</b>	<b>(174)</b>	<b>9 149</b>	<b>8 929</b>	<b>220</b>	<b>97.6%</b>	<b>14 208</b>	<b>14 138</b>

## 2.3 BUDGET AND EXPENDITURE MANAGEMENT

2016/17								2015/16	
Economic classification	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final Appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<b>Current payments</b>	<b>9 459</b>	<b>-</b>	<b>-</b>	<b>9 459</b>	<b>9 381</b>	<b>78</b>	<b>99.2%</b>	<b>8 968</b>	<b>8 914</b>
Compensation of employees	8 353	-	-	8 353	8 353	-	100.0%	7 836	7 823
Goods and services	1 106	-	-	1 106	1 028	78	92.9%	1 132	1 091
<b>TOTAL</b>	<b>9 459</b>	<b>-</b>	<b>-</b>	<b>9 459</b>	<b>9 381</b>	<b>78</b>	<b>99.2%</b>	<b>8 968</b>	<b>8 914</b>



2.4 MUNICIPAL FINANCE									
2016/17								2015/16	
Economic classification	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final Appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<b>Current payments</b>	<b>20 184</b>	<b>(3)</b>	<b>(640)</b>	<b>19 541</b>	<b>19 457</b>	<b>84</b>	<b>99.6%</b>	<b>21 455</b>	<b>21 397</b>
Compensation of employees	16 140	-	860	17 000	17 000	-	100.0%	17 895	17 877
Goods and services	4 044	(3)	(1 500)	2 541	2 457	84	96.7%	3 560	3 520
<b>Transfers and subsidies</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3 051</b>	<b>3 051</b>
Provinces and municipalities	-	-	-	-	-	-	-	3 000	3 000
Households	-	-	-	-	-	-	-	51	51
<b>TOTAL</b>	<b>20 184</b>	<b>-</b>	<b>(640)</b>	<b>19 544</b>	<b>19 460</b>	<b>84</b>	<b>99.6%</b>	<b>24 506</b>	<b>24 448</b>

2.5 INFRASTRUCTURE CO-ORDINATION									
2016/17								2015/16	
Economic classification	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final Appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<b>Current payments</b>	<b>4 029</b>	<b>-</b>	<b>(69)</b>	<b>3 960</b>	<b>3 912</b>	<b>48</b>	<b>98.8%</b>	<b>3 767</b>	<b>3 705</b>
Compensation of employees	3 506	-	(60)	3 446	3 444	2	99.9%	3 300	3 233
Goods and services	523	-	(9)	514	468	46	91.1%	467	472
<b>Payments for financial assets</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>11</b>	<b>11</b>
<b>TOTAL</b>	<b>4 029</b>	<b>-</b>	<b>(69)</b>	<b>3 960</b>	<b>3 912</b>	<b>48</b>	<b>98.8%</b>	<b>3 778</b>	<b>3 716</b>

**PROGRAMME 3: ASSETS AND LIABILITIES MANAGEMENT**

2016/17								2015/16	
	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
<b>Sub programme</b>									
1. Programme Support	1 226	-	(16)	1 210	1 237	(27)	102.2%	1 572	1 507
2. Provincial Supply Chain Management	16 403	-	(59)	16 344	16 056	288	98.2%	15 690	15 270
3. Public Sector Liabilities	5 185	-	(79)	5 106	5 160	(54)	101.1%	4 743	4 669
4. Physical Asset Management	6 955	-	(178)	6 777	6 569	208	96.9%	4 848	4 741
5. Interlinked Financial Systems	13 472	-	62	13 534	13 834	(300)	102.2%	11 830	11 751
6. Information Technology	84 981	-	(1 631)	83 350	82 740	610	99.3%	75 562	72 639
<b>Total for sub programmes</b>	<b>128 222</b>	<b>-</b>	<b>(1 901)</b>	<b>126 321</b>	<b>125 596</b>	<b>725</b>	<b>99.4%</b>	<b>114 245</b>	<b>110 577</b>
<b>Economic classification</b>									
<b>Current payments</b>	<b>119 015</b>	<b>-</b>	<b>(1 901)</b>	<b>117 114</b>	<b>116 702</b>	<b>412</b>	<b>99.6%</b>	<b>112 440</b>	<b>109 078</b>
Compensation of employees	50 968	-	(427)	50 541	50 541	-	100.0%	47 956	47 600
Salaries and wages	45 979	(1 565)	(427)	43 987	44 035	(48)	100.1%	41 660	41 331
Social contributions	4 989	1 565	-	6 554	6 506	48	99.3%	6 296	6 269

PROGRAMME 3: ASSETS AND LIABILITIES MANAGEMENT									
2016/17								2015/16	
	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
<b>Goods and services</b>	<b>68 047</b>	<b>-</b>	<b>(1 474)</b>	<b>66 573</b>	<b>66 161</b>	<b>412</b>	<b>99.4%</b>	<b>64 484</b>	<b>61 478</b>
Administrative fees	104	-	-	104	115	(11)	110.6%	76	63
Advertising	28	-	-	28	27	1	96.4%		
Minor assets	-	-	-	-	-	-	-	232	5
Catering: Departmental activities	82	-	-	82	56	26	68.3%	152	131
Communication	473	-	-	473	417	56	88.2%	518	473
Computer services	61 716	-	(1 474)	60 242	59 318	924	98.5%	57 663	55 488
Consultants: Business and advisory services	-	-	-	-	-	-	-	180	177
Contractors	-	-	-	-	47	(47)	-	975	839
Consumable supplies	21	-	-	21	357	(336)	1700.0%	102	69
Consumable: Stationery, printing and office supplies	-	-	-	-	-	-	-	111	65
Travel and subsistence	3 976	-	-	3 976	4 340	(364)	109.2%	3 674	3 599
Training and development	1 178	-	-	1 178	812	366	68.9%	177	136

**PROGRAMME 3: ASSETS AND LIABILITIES MANAGEMENT**

2016/17								2015/16	
	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 payments	131	-	-	131	447	(316)	341.2%	425	350
Venues and facilities	338	-	-	338	225	113	66.6%	199	83
<b>Transfers and subsidies</b>	<b>2 010</b>	<b>-</b>	<b>-</b>	<b>2 010</b>	<b>1 730</b>	<b>280</b>	<b>86.1%</b>	<b>104</b>	<b>102</b>
Households	2 010	-	-	2 010	1 730	280	86.1%	104	102
Social benefits	-	2 010	-	2 010	1 730	280	86.1%	104	102
Other transfers to households	2 010	(2 010)	-	-	-	-	-	-	-
<b>Payments for capital assets</b>	<b>7 197</b>	<b>-</b>	<b>-</b>	<b>7 197</b>	<b>7 164</b>	<b>33</b>	<b>99.5%</b>	<b>1 700</b>	<b>1 396</b>
Machinery and equipment	7 197	-	-	7 197	7 164	33	99.5%	1 515	1 212
Other machinery and equipment	7 197	-	-	7 197	7 164	33	99.5%	1 515	1 212
Software and Other Intangible Assets	-	-	-	-	-	-	-	185	184
<b>Payments for financial assets</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1</b>	<b>1</b>
<b>TOTAL</b>	<b>128 222</b>	<b>-</b>	<b>(1 901)</b>	<b>126 321</b>	<b>125 596</b>	<b>725</b>	<b>99.4%</b>	<b>114 245</b>	<b>110 577</b>

3.1 PROGRAMME SUPPORT									
2016/17								2015/16	
Economic Classification	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final Appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<b>Current payments</b>	<b>1 226</b>	<b>-</b>	<b>(16)</b>	<b>1 210</b>	<b>1 237</b>	<b>(27)</b>	<b>102.2%</b>	<b>1 572</b>	<b>1 507</b>
Compensation of employees	1 115	-	(16)	1 099	1 100	(1)	100.1%	1 400	1 365
Goods and services	111	-	-	111	137	(26)	123.4%	172	142
<b>TOTAL</b>	<b>1 226</b>	<b>-</b>	<b>(16)</b>	<b>1 210</b>	<b>1 237</b>	<b>(27)</b>	<b>102.2%</b>	<b>1 572</b>	<b>1 507</b>

3.2 PROVINCIAL SUPPLY CHAIN MANAGEMENT									
2016/17								2015/16	
Economic Classification	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final Appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<b>Current payments</b>	<b>15 328</b>	<b>-</b>	<b>(59)</b>	<b>15 269</b>	<b>15 026</b>	<b>243</b>	<b>98.4%</b>	<b>15 585</b>	<b>15 167</b>
Compensation of employees	12 811	-	(59)	12 752	12 751	1	100.0%	13 241	13 068
Goods and services	2 517	-	-	2 517	2 275	242	90.4%	2 344	2 099
<b>Transfers and subsidies</b>	<b>1 075</b>	<b>-</b>	<b>-</b>	<b>1 075</b>	<b>1 030</b>	<b>45</b>	<b>95.8%</b>	<b>104</b>	<b>102</b>
<b>Payments for Financial Assets</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1</b>	<b>1</b>
<b>TOTAL</b>	<b>16 403</b>	<b>-</b>	<b>(59)</b>	<b>16 344</b>	<b>16 056</b>	<b>288</b>	<b>98.2%</b>	<b>15 690</b>	<b>15 270</b>

### 3.3 PUBLIC SECTOR LIABILITIES

2016/17								2015/16	
Economic Classification	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final Appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<b>Current payments</b>	<b>4 850</b>	<b>-</b>	<b>(79)</b>	<b>4 771</b>	<b>4 938</b>	<b>(167)</b>	<b>103.5%</b>	<b>4 743</b>	<b>4 669</b>
Compensation of employees	4 521	-	(79)	4 442	4 441	1	100.0%	4 353	4 296
Goods and services	329	-	-	329	497	(168)	151.1%	390	373
<b>Transfers and subsidies</b>	<b>335</b>	<b>-</b>	<b>-</b>	<b>335</b>	<b>222</b>	<b>113</b>	<b>66.3%</b>	<b>-</b>	<b>-</b>
<b>TOTAL</b>	<b>5 185</b>	<b>-</b>	<b>(79)</b>	<b>5 106</b>	<b>5 160</b>	<b>(54)</b>	<b>101.1%</b>	<b>4 743</b>	<b>4 669</b>

### 3.4 PHYSICAL ASSETS MANAGEMENT

2016/17								2015/16	
Economic Classification	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final Appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<b>Current payments</b>	<b>6 741</b>	<b>-</b>	<b>(178)</b>	<b>6 563</b>	<b>6 477</b>	<b>86</b>	<b>98.7%</b>	<b>4 848</b>	<b>4 741</b>
Compensation of employees	5 530	-	(178)	5 352	5 354	(2)	100.0%	4 114	4 035
Goods and services	1 211	-	-	1 211	1 123	88	92.7%	734	706
<b>Transfers and subsidies</b>	<b>214</b>	<b>-</b>	<b>-</b>	<b>214</b>	<b>92</b>	<b>122</b>	<b>43.0%</b>	<b>-</b>	<b>-</b>
<b>TOTAL</b>	<b>6 955</b>	<b>-</b>	<b>(178)</b>	<b>6 777</b>	<b>6 569</b>	<b>208</b>	<b>96.9%</b>	<b>4 848</b>	<b>4 741</b>

### 3.5 INTERLINKED FINANCIAL SYSTEMS

2016/17								2015/16	
Economic Classification	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final Appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<b>Current payments</b>	<b>13 472</b>	<b>-</b>	<b>62</b>	<b>13 534</b>	<b>13 834</b>	<b>(300)</b>	<b>102.2%</b>	<b>11 830</b>	<b>11 751</b>
Compensation of employees	9 130	-	62	9 192	9 190	2	100.0%	8 394	8 391
Goods and services	4 342	-	-	4 342	4 644	(302)	107.0%	3 436	3 360
<b>TOTAL</b>	<b>13 472</b>	<b>-</b>	<b>62</b>	<b>13 534</b>	<b>13 834</b>	<b>(300)</b>	<b>102.2%</b>	<b>11 830</b>	<b>11 751</b>

### 3.6 INFORMATION TECHNOLOGY

2016/17								2015/16	
Economic Classification	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final Appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<b>Current payments</b>	<b>77 398</b>	<b>-</b>	<b>(1 631)</b>	<b>75 767</b>	<b>75 190</b>	<b>577</b>	<b>99.2%</b>	<b>73 862</b>	<b>71 243</b>
Compensation of employees	17 861	-	(157)	17 704	17 705	(1)	100.0%	16 454	16 445
Goods and services	59 537	-	(1 474)	58 063	57 485	578	99.0%	57 408	54 798
<b>Transfers and subsidies</b>	<b>386</b>	<b>-</b>	<b>-</b>	<b>386</b>	<b>386</b>	<b>-</b>	<b>100.0%</b>	<b>-</b>	<b>-</b>
<b>Payments for capital assets</b>	<b>7 197</b>	<b>-</b>	<b>-</b>	<b>7 197</b>	<b>7 164</b>	<b>33</b>	<b>99.5%</b>	<b>1 700</b>	<b>1 396</b>
Machinery and equipment	7 197	-	-	7 197	7 164	33	99.5%	1 515	1 212



3.6 INFORMATION TECHNOLOGY									
2016/17								2015/16	
Economic Classification	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final Appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Other machinery and equipment	7 197	-	-	7 197	7 164	33	99.5%	1 515	1 212
Software and Other Intangible assets	-	-	-	-	-	-	-	185	184
<b>TOTAL</b>	<b>84 981</b>	<b>-</b>	<b>(1 631)</b>	<b>83 350</b>	<b>82 740</b>	<b>610</b>	<b>99.3%</b>	<b>75 562</b>	<b>72 639</b>

PROGRAMME 4: FINANCIAL GOVERNANCE									
2016/17								2015/16	
	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
<b>Sub Programme</b>									
1. Programme Support	6 999	-	(588)	6 411	6 876	(465)	107.3%	8 433	7 863
2. Accounting Services	5 481	-	(171)	5 310	5 110	200	96.2%	4 969	4 949
3. Norms and Standards	12 414	-	4	12 418	12 360	58	99.5%	13 929	13 560
4. Risk Management	2 229	-	(3)	2 226	2 126	100	95.5%	2 066	1 986
5. Provincial Internal Audit	1 608	-	(17)	1 591	1 451	140	91.2%	1 664	1 593

PROGRAMME 4: FINANCIAL GOVERNANCE									
2016/17								2015/16	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final Appropriation	Final Appropriation	Actual Expenditure
<b>Total for sub programmes</b>	<b>28 731</b>	<b>-</b>	<b>(775)</b>	<b>27 956</b>	<b>27 923</b>	<b>33</b>	<b>99.9%</b>	<b>31 061</b>	<b>29 951</b>
<b>Economic Classification</b>									
<b>Current payments</b>	<b>28 687</b>	<b>-</b>	<b>(775)</b>	<b>27 912</b>	<b>27 879</b>	<b>33</b>	<b>99.9%</b>	<b>29 777</b>	<b>28 667</b>
Compensation of employees	22 311	-	(775)	21 536	21 535	1	100.0%	19 659	19 556
Salaries and wages	16 942	2 057	1	19 000	18 999	1	100.0%	17 263	17 150
Social contributions	5 369	(2057)	(776)	2 536	2 536	-	100.0%	2 396	2 406
<b>Goods and services</b>	<b>6 376</b>	<b>-</b>	<b>-</b>	<b>6 376</b>	<b>6 344</b>	<b>32</b>	<b>99.5%</b>	<b>10 118</b>	<b>9 111</b>
Administrative fees	218	-	-	218	167	51	76.6%	207	175
Advertising	26	-	-	26	25	1	96.2%	29	29
Minor assets	-	-	-	-	-	-	-	24	24
Audit costs: External	328	-	-	328	320	8	97.6%	246	246
Catering: Departmental activities	28	-	-	28	43	(15)	153.6%	70	46
Communication	295	-	-	295	264	31	89.5%	240	240
Consultants: Business and advisory services	389	-	-	389	235	154	60.4%	4 361	3 986
Contractors	-	-	-	-	46	(46)	-	126	87

PROGRAMME 4: FINANCIAL GOVERNANCE									
2016/17								2015/16	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final Appropriation	Final Appropriation	Actual Expenditure
Consumable: Stationery, printing and office supplies	13	-	-	13	-	13	-	46	46
Property payments	-	-	-	-	-	-	-	300	264
Travel and subsistence	4 352	-	-	4 352	4 757	(405)	109.3%	3 812	3 373
Training and development	449	-	-	449	311	138	69.3%	233	206
Operating payments	32	-	-	32	42	(10)	131.3%	122	102
Venues and facilities	246	-	-	246	134	112	54.5%	302	287
<b>Transfers and subsidies</b>	<b>44</b>	<b>-</b>	<b>-</b>	<b>44</b>	<b>44</b>	<b>-</b>	<b>100.0%</b>	<b>-</b>	<b>-</b>
Households	44	-	-	44	44	-	100.0%	-	-
Social benefits	-	44	-	44	44	-	100.0%	-	-
Other transfers to households	44	(44)	-	-	-	-	-	-	-
Payments for capital assets	-	-	-	-	-	-	-	1 284	1 284
Machinery and equipment	-	-	-	-	-	-	-	343	343
Other machinery and equipment	-	-	-	-	-	-	-	343	343

PROGRAMME 4: FINANCIAL GOVERNANCE									
2016/17								2015/16	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final Appropriation	Final Appropriation	Actual Expenditure
Software and Intangible assets	-	-	-	-	-	-	-	941	941
<b>TOTAL</b>	<b>28 731</b>	<b>-</b>	<b>(775)</b>	<b>27 956</b>	<b>27 923</b>	<b>33</b>	<b>99.9%</b>	<b>31 061</b>	<b>29 951</b>

4.1 PROGRAMME SUPPORT									
2016/17								2015/16	
Economic Classification	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final Appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<b>Current payments</b>	<b>6 999</b>	<b>-</b>	<b>(588)</b>	<b>6 411</b>	<b>6 876</b>	<b>(465)</b>	<b>107.3%</b>	<b>7 149</b>	<b>6 579</b>
Compensation of employees	4 414	-	(588)	3 826	3 824	2	99.9%	2 350	2 345
Goods and services	2 585	-	-	2 585	3 052	(467)	118.1%	4 799	4 234
<b>Payments for capital assets</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1 284</b>	<b>1 284</b>
Machinery and equipment	-	-	-	-	-	-	-	343	343
Intangible assets	-	-	-	-	-	-	-	941	941
<b>TOTAL</b>	<b>6 999</b>	<b>-</b>	<b>(588)</b>	<b>6 411</b>	<b>6 876</b>	<b>(465)</b>	<b>107.3%</b>	<b>8 433</b>	<b>7 863</b>

#### 4.2 ACCOUNTING SERVICES

2016/17								2015/16	
Economic Classification	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final Appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<b>Current payments</b>	<b>5 481</b>	<b>-</b>	<b>(171)</b>	<b>5 310</b>	<b>5 110</b>	<b>200</b>	<b>96.2%</b>	<b>4 969</b>	<b>4 949</b>
Compensation of employees	3 997	-	(171)	3 826	3 826	-	100.0%	3 629	3 625
Goods and services	1 484	-	-	1 484	1 284	200	86.5%	1 340	1 324
<b>TOTAL</b>	<b>5 481</b>	<b>-</b>	<b>(171)</b>	<b>5 310</b>	<b>5 110</b>	<b>200</b>	<b>96.2%</b>	<b>4 969</b>	<b>4 949</b>

#### 4.3 NORMS AND STANDARDS

2016/17								2015/16	
Economic Classification	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final Appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<b>Current payments</b>	<b>12 370</b>	<b>-</b>	<b>4</b>	<b>12 374</b>	<b>12 316</b>	<b>58</b>	<b>99.5%</b>	<b>13 929</b>	<b>13 560</b>
Compensation of employees	11 059	-	4	11 063	11 062	1	100.0%	10 842	10 833
Goods and services	1 311	-	-	1 311	1 254	57	95.7%	3 087	2 727
<b>Transfers and subsidies</b>	<b>44</b>	<b>-</b>	<b>-</b>	<b>44</b>	<b>44</b>	<b>-</b>	<b>100.0%</b>	<b>-</b>	<b>-</b>
<b>TOTAL</b>	<b>12 414</b>	<b>-</b>	<b>4</b>	<b>12 418</b>	<b>12 360</b>	<b>58</b>	<b>99.5%</b>	<b>13 929</b>	<b>13 560</b>

4.4 RISK MANAGEMENT									
2016/17								2015/16	
Economic Classification	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final Appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<b>Current payments</b>	<b>2 229</b>	<b>-</b>	<b>(3)</b>	<b>2 226</b>	<b>2 126</b>	<b>100</b>	<b>95.5%</b>	<b>2 066</b>	<b>1 986</b>
Compensation of employees	1 681	-	(3)	1 678	1 679	(1)	100.1%	1 621	1 577
Goods and services	548	-	-	548	447	101	81.6%	445	409
<b>TOTAL</b>	<b>2 229</b>	<b>-</b>	<b>(3)</b>	<b>2 226</b>	<b>2 126</b>	<b>100</b>	<b>95.5%</b>	<b>2 066</b>	<b>1 986</b>

4.5 PROVINCIAL INTERNAL AUDIT									
2016/17								2015/16	
Economic Classification	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final Appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<b>Current payments</b>	<b>1 608</b>	<b>-</b>	<b>(17)</b>	<b>1 591</b>	<b>1 451</b>	<b>140</b>	<b>91.2%</b>	<b>1 664</b>	<b>1 593</b>
Compensation of employees	1 160	-	(17)	1 143	1 144	(1)	100.1%	1 217	1 176
Goods and services	448	-	-	448	307	141	68.5%	447	417
<b>TOTAL</b>	<b>1 608</b>	<b>-</b>	<b>(17)</b>	<b>1 591</b>	<b>1 451</b>	<b>140</b>	<b>91.2%</b>	<b>1 664</b>	<b>1 593</b>

**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 - B) 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	Actual Expenditure	Variance R'000	Variance as a % of Final Appropriation
	R'000	R'000	R'000	R'000
Administration	89 625	89 616	9	0%
None.				
Sustainable Resource Management	43 564	43 135	429	1%
The underspending is mainly on goods and services due to audit fees and consultant fees being lower than anticipated				
Assets and Liabilities Management	126 321	125 596	725	1%
The underspending is mainly on goods and services due to computer costs being lower than anticipated.				
Financial Governance	27 956	27 923	33	0%
None.				

4.2 Per economic classification	Final Appropriation	Actual Expenditure	Variance	Variance as a % of Final Appropriation
	R'000	R'000	R'000	R'000
Current payments				
Compensation of employees	162 716	162 714	2	0%
Goods and services	108 445	107 654	791	1%
Interest and rent on land				
Transfers and subsidies				
Provinces and municipalities	13	11	2	15%
Departmental agencies and accounts	346	346	0	0%
Households	2 528	2 106	422	17%
Payments for capital assets				
Buildings and other fixed structures				
Machinery and equipment	13 363	13 384	(21)	0%
Intangible assets	52	52	0	0%
Payments for financial assets	3	3	0	0%



	Note	2016/17 R'000	2015/16 R'000
<b>REVENUE</b>			
Annual appropriation	1	287 466	278 243
Departmental revenue	2	101 244	102 281
<b>TOTAL REVENUE</b>		<b>388 710</b>	<b>380 524</b>
<b>EXPENDITURE</b>			
Current expenditure			
Compensation of employees	3	162 714	151 406
Goods and services	4	107 654	107 028
<b>Total current expenditure</b>		<b>270 368</b>	<b>258 434</b>
Transfers and subsidies			
Transfers and subsidies	6	2 463	3 580
<b>Total transfers and subsidies</b>		<b>2 463</b>	<b>3 580</b>
Expenditure for capital assets			
Tangible assets	7	13 384	9 940
Intangible assets	7	52	1 125
<b>Total expenditure for capital assets</b>		<b>13 436</b>	<b>11 065</b>
Payments for financial assets	5	3	12
<b>TOTAL EXPENDITURE</b>		<b>286 270</b>	<b>273 091</b>
<b>SURPLUS FOR THE YEAR</b>		<b>102 440</b>	<b>107 433</b>
Reconciliation of Net Surplus/(Deficit) for the year			
<b>Voted funds</b>		<b>1 196</b>	<b>5 152</b>
Annual appropriation		1 196	5 152
Departmental revenue and NRF Receipts	11	101 244	102 281
<b>SURPLUS FOR THE YEAR</b>		<b>102 440</b>	<b>107 433</b>

Note	2016/17	2015/16
	R'000	R'000

## ASSETS

### Current assets

Cash and cash equivalents

8	3 299	6 141
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Receivables

9	159	337
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### Non-current assets

Receivables

9	530	530
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### TOTAL ASSETS

3 988	7 008
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## LIABILITIES

### Current liabilities

Voted funds to be surrendered to the Revenue Fund

10	1 196	5 152
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Departmental revenue to be surrendered to the Revenue Fund

11	1 774	1 004
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Payables

12	421	195
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### TOTAL LIABILITIES

3 391	6 351
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### NET ASSETS

597	657
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Note	2016/17	2015/16
	R'000	R'000

Represented by:

Recoverable revenue

597	657
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### TOTAL

597	657
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	Note	2016/17 R'000	2015/16 R'000
Recoverable revenue			
<b>Opening balance</b>		<b>657</b>	<b>596</b>
Transfers:		(60)	61
Irrecoverable amounts written off	<b>5.1</b>	(3)	(12)
Debts recovered (included in departmental receipts)		(94)	(17)
Debts raised		37	90
<b>Closing balance</b>		<b>597</b>	<b>657</b>
<b>TOTAL</b>		<b>597</b>	<b>657</b>

	Note	2016/17 R'000	2015/16 R'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
<b>Receipts</b>		<b>397 929</b>	<b>389 011</b>
Annual appropriated funds received	1.1	287 466	278 243
Departmental revenue received	2	3 079	3 054
Interest received	2.2	107 384	107 714
<b>Net decrease in working capital</b>		404	98
Surrendered to Revenue Fund		(114 881)	(118 556)
Current payments		(270 368)	(258 434)
Payments for financial assets		(3)	(12)
Transfers and subsidies paid		(2 463)	(3 580)
<b>Net cash flow available from operating activities</b>	<b>13</b>	<b>10 618</b>	<b>8 527</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Payments for capital assets	7	(13 436)	(11 065)
Proceeds from sale of capital assets	2.3	36	370
<b>Net cash flows from investing activities</b>		<b>(13 400)</b>	<b>(10 695)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Increase/(decrease) in net assets		(60)	61
<b>Net cash flows from financing activities</b>		<b>(60)</b>	<b>61</b>
<b>Net (decrease) in cash and cash equivalents</b>		<b>(2 842)</b>	<b>(2 107)</b>
<b>Cash and cash equivalents at beginning of period</b>		<b>6 141</b>	<b>8 248</b>
<b>Cash and cash equivalents at end of period</b>	<b>14</b>	<b>3 299</b>	<b>6 141</b>

## Summary of significant accounting policies

The financial statements have been prepared in accordance with the following policies, which have been applied consistently in all material aspects, unless otherwise indicated. Management has concluded that the financial statements present fairly the department's primary and secondary information.

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

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

<b>1</b>	<b>Basis of preparation</b> The financial statements have been prepared in accordance with the Modified Cash Standard.
<b>2</b>	<b>Going concern</b> The financial statements have been prepared on a going concern basis.
<b>3</b>	<b>Presentation currency</b> Amounts have been presented in the currency of the South African Rand (R), which is also the functional currency of the department.
<b>4</b>	<b>Rounding</b> Unless otherwise stated financial figures have been rounded to the nearest one thousand Rand (R'000).
<b>5</b>	<b>Foreign currency translation</b> 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.
<b>6</b>	<b>Comparative information</b>
<b>6.1</b>	<b>Prior period comparative information</b> 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.
<b>6.2</b>	<b>Current year comparison with budget</b> A comparison between the approved, final budget and actual amounts for each programme and economic classification is included in the appropriation statement.

<b>7</b>	<b>Revenue</b>
<b>7.1</b>	<b>Appropriated funds</b> Appropriated funds comprises of departmental allocations as well as direct charges against the revenue fund (i.e. statutory appropriation). Appropriated funds are recognised in the statement of financial performance on the date the appropriation becomes effective. Adjustments made in terms of the adjustments budget process are recognised in the statement of financial performance on the date the adjustments become effective. The net amount of any appropriated funds due to / from the relevant revenue fund at the reporting date is recognised as a payable / receivable in the statement of financial position.
<b>7.2</b>	<b>Departmental revenue</b> 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.

<b>7.3</b>	<p><b>Accrued departmental revenue</b></p> <p>Accruals in respect of departmental revenue (excluding tax revenue) are recorded in the notes to the financial statements when:</p> <ul style="list-style-type: none"> <li>it is probable that the economic benefits or service potential associated with the transaction will flow to the department; and</li> <li>the amount of revenue can be measured reliably.</li> </ul> <p>The accrued revenue is measured at the fair value of the consideration receivable.</p> <p>Accrued tax revenue (and related interest and / penalties) is measured at amounts receivable from collecting agents.</p> <p>Write-offs are made according to the department's debt write-off policy</p>
<b>8</b>	<b>Expenditure</b>
<b>8.1</b>	<b>Compensation of employees</b>
<b>8.1.1</b>	<p><b>Salaries and wages</b></p> <p>Salaries and wages are recognised in the statement of financial performance on the date of payment.</p>
<b>8.1.2</b>	<p><b>Social contributions</b></p> <p>Social contributions made by the department in respect of current employees are recognised in the statement of financial performance on the date of payment.</p> <p>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.</p>
<b>8.2</b>	<p><b>Other expenditure</b></p> <p>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.</p>
<b>8.3</b>	<p><b>Accruals and payables not recognised</b></p> <p>Accruals and payables not recognised are 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.</p> <p>Accruals and payables not recognised are measured at cost.</p>
<b>8.4</b>	<b>Leases</b>
<b>8.4.1</b>	<p><b>Operating leases</b></p> <p>Operating lease payments made during the reporting period are recognised as current expenditure in the statement of financial performance on the date of payment.</p> <p>The operating lease commitments are recorded in the notes to the financial statements.</p>
<b>8.4.2</b>	<p><b>Finance leases</b></p> <p>Finance lease payments made during the reporting period are recognised as capital expenditure in the statement of financial performance on the date of payment.</p> <p>The finance lease commitments are recorded in the notes to the financial statements and are not apportioned between the capital and interest portions.</p> <p>Finance lease assets acquired at the end of the lease term are recorded and measured at the lower of:</p> <ul style="list-style-type: none"> <li>cost, being the fair value of the asset; or</li> <li>the sum of the minimum lease payments made, including any payments made to acquire ownership at the end of the lease term, excluding interest.</li> </ul>
<b>9</b>	<b>Aid Assistance</b>
<b>9.1</b>	<p><b>Aid assistance received</b></p> <p>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.</p> <p>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.</p>

<b>9.2</b>	<p><b>Aid assistance paid</b></p> <p>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.</p>
<b>10</b>	<p><b>Cash and cash equivalents</b></p> <p>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.</p> <p>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.</p>
<b>11</b>	<p><b>Prepayments and advances</b></p> <p>Prepayments and advances are recognised in the statement of financial position when the department receives or disburses the cash.</p> <p>Prepayments and advances are initially and subsequently measured at cost.</p> <p>&lt;Indicate when prepayments are expensed and under what circumstances.&gt;</p>
<b>12</b>	<p><b>Loans and receivables</b></p> <p>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.</p>
<b>13</b>	<p><b>Investments</b></p> <p>Investments are recognised in the statement of financial position at cost.</p>
<b>14</b>	<p><b>Financial assets</b></p>
<b>14.1</b>	<p><b>Financial assets (not covered elsewhere)</b></p> <p>A financial asset is recognised initially at its cost plus transaction costs that are directly attributable to the acquisition or issue of the financial.</p> <p>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.</p>
<b>14.2</b>	<p><b>Impairment of financial assets</b></p> <p>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.</p>
<b>15</b>	<p><b>Payables</b></p> <p>Loans and payables are recognised in the statement of financial position at cost.</p>
<b>16</b>	<p><b>Capital Assets</b></p>
<b>16.1</b>	<p><b>Immovable capital assets</b></p> <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 are measured at fair value as at the date of acquisition.</p> <p>Where the cost of immovable capital assets cannot be determined reliably, the immovable capital assets are measured at fair value for recording in the asset register.</p> <p>Immovable capital assets are subsequently carried at cost and are not subject to depreciation or impairment.</p> <p>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	<p><b>Movable capital assets</b></p> <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.</p> <p>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.</p> <p>All assets acquired prior to 1 April 2002 (or a later date as approved by the OAG) may be recorded at R1.</p> <p>Movable capital assets are subsequently carried at cost and are not subject to depreciation or impairment.</p> <p>Biological assets are subsequently carried at fair value.</p> <p>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	<p><b>Intangible assets</b></p> <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.</p> <p>Internally generated intangible assets are recorded in the notes to the financial statements when the department commences the development phase of the project.</p> <p>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.</p> <p>All assets acquired prior to 1 April 2002 (or a later date as approved by the OAG) may be recorded at R1.</p> <p>Intangible assets are subsequently carried at cost and are not subject to depreciation or impairment.</p> <p>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	<p><b>Provisions and Contingents</b></p>
17.1	<p><b>Provisions</b></p> <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	<p><b>Contingent liabilities</b></p> <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	<p><b>Contingent assets</b></p> <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>
17.4	<p><b>Commitments</b></p> <p>Commitments (other than for transfers and subsidies) are recorded at cost in the notes to the financial statements when there is a contractual arrangement or an approval by management in a manner that raises a valid expectation that the department will discharge its responsibilities thereby incurring future expenditure that will result in the outflow of cash.</p>
18	<p><b>Unauthorised expenditure</b></p> <p>Unauthorised expenditure is recognised in the statement of financial position until such time as the expenditure is either:</p> <ul style="list-style-type: none"> <li>• approved by Parliament or the Provincial Legislature with funding and the related funds are received; or</li> <li>• approved by Parliament or the Provincial Legislature without funding and is written off against the appropriation in the statement of financial performance; or</li> <li>• transferred to receivables for recovery.</li> </ul> <p>Unauthorised expenditure is measured at the amount of the confirmed unauthorised expenditure.</p>

19	<p><b>Fruitless and wasteful expenditure</b></p> <p>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.</p> <p>Fruitless and wasteful expenditure is removed from the notes to the financial statements when it is resolved or transferred to receivables for recovery.</p> <p>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.</p>
20	<p><b>Irregular expenditure</b></p> <p>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.</p> <p>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.</p> <p>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.</p>
21	<p><b>Changes in accounting policies, accounting estimates and errors</b></p> <p>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.</p> <p>Changes in accounting estimates are applied prospectively in accordance with MCS requirements.</p> <p>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.</p>
22	<p><b>Events after the reporting date</b></p> <p>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.</p>
23	<p><b>Principal-Agent arrangements</b></p> <p>The department is party to a principal-agent arrangement [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.</p>
24	<p><b>Departures from the MCS requirements</b></p> <p>The 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.</p>
25	<p><b>Capitalisation reserve</b></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><b>Recoverable revenue</b></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><b>Related party transactions</b></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/MEC'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><b>Inventories</b> (<i>Effective from date determined in a Treasury Instruction</i>)</p> <p>At the date of acquisition, inventories are recorded at cost price in the statement of financial performance.</p> <p>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> <p>Subsequent measurement of the cost of inventory is determined on the weighted average basis.</p>
29	<p><b>Public-Private Partnerships</b></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>
30	<p><b>Employee benefits</b></p> <p>The value of each major class of employee benefit obligation (accruals, payables not recognised and provisions) is disclosed in the Employee benefits note.</p>

## 1. ANNUAL APPROPRIATION

### 1.1 Annual Appropriation

Included are funds appropriated in terms of the Appropriation Act (and the Adjustments Appropriation Act) for Voted funds and Provincial Departments:

	2016/17			2015/16	
	Final Appropriation	Actual Funds Received	Funds not requested/not received	Final Appropriation	Appropriation received
	R'000	R'000	R'000	R'000	R'000
Administration	89 625	89 625	-	79 834	79 834
Sustainable Resource Management	43 564	43 564	-	53 103	53 103
Assets and Liabilities Management	126 321	126 321	-	114 245	114 245
Financial Governance	27 956	27 956	-	31 061	31 061
<b>Total</b>	<b>287 466</b>	<b>287 466</b>	<b>-</b>	<b>278 243</b>	<b>278 243</b>

## 2. DEPARTMENTAL REVENUE

	Note	2016/17	2015/16
		R'000	R'000
<b>Tax revenue</b>		-	-
Sales of goods and services other than capital assets	2.1	2 977	2 871
Interest, dividends and rent on land	2.2	107 384	107 714
Sales of capital assets	2.3	36	370
Transactions in financial assets and liabilities	2.4	102	183
<b>Total revenue collected</b>		<b>110 499</b>	<b>111 138</b>
<b>Less: Own revenue included in appropriation</b>	11	9 255	8 857
<b>Departmental revenue collected</b>		<b>101 244</b>	<b>102 281</b>

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

	Note	2016/17	2015/16
		R'000	R'000
Sales of goods and services produced by the department	2	2 977	2 871
Sales by market establishment		18	-
Administrative fees		92	-
Other sales		2 867	2 871
<b>Total</b>		<b>2 977</b>	<b>2 871</b>

Sales of goods and services refer to sale of tender documents.

## 2.2 Interest, dividends and rent on land

	Note	2016/17	2015/16
	<u>2</u>	R'000	R'000
Interest		107 384	107 714
<b>Total</b>		<b>107 384</b>	<b>107 714</b>

## 2.3 Sale of capital assets

	Note	2016/17	2015/16
	<u>2</u>	R'000	R'000
<b>Tangible assets</b>		36	370
Machinery and equipment	25	<b>36</b>	<b>370</b>
<b>Total</b>		<b>36</b>	<b>370</b>

Sale of Capital refers to sale of GG Vehicles, Computers and Office Furniture.

## 2.4 Transactions in financial assets and liabilities

	Note	2016/17	2015/16
	<u>2</u>	R'000	R'000
Receivables		102	183
<b>Total</b>		<b>102</b>	<b>183</b>

## 3. COMPENSATION OF EMPLOYEES

### 3.1 Salaries and Wages

	Note	2016/17	2015/16
		R'000	R'000
Basic salary		106 800	103 223
Performance award		2 533	2 413
Service Based		-	26
Compensative/circumstantial		3 377	11 246
Periodic payments		222	-
Other non-pensionable allowances		29 924	15 462
<b>Total</b>		<b>142 856</b>	<b>132 370</b>

### 3.2 Social contributions

	Note	2016/17 R'000	2015/16 R'000
Employer contributions			
Pension		13 692	13 158
Medical		6 144	5 856
Bargaining council		22	22
<b>Total</b>		<b>19 858</b>	<b>19 036</b>
<b>Total compensation of employees</b>		<b>162 714</b>	<b>151 406</b>
<b>Average number of employees</b>		<b>365</b>	<b>326</b>

Number of employees includes 291 permanent workers and 74 contract workers.

## 4. GOODS AND SERVICES

	Note	2016/17 R'000	2015/16 R'000
Administrative fees		653	486
Advertising		1 003	2 007
Minor assets	4.1	190	990
Catering		426	577
Communication		4 466	3 865
Computer services	4.2	59 335	55 488
Consultants: Business and advisory services		531	4 518
Legal services		7	-
Contractors		832	1 221
Agency and support / outsourced services		69	-
Audit cost – external	4.3	3 772	4 667
Fleet services		1 335	1 174
Consumables	4.4	3 151	4 108
Operating Lease		6 542	6 181
Property payments	4.5	3 698	3 828
Rental and hiring		17	-
Transport provided as part of the departmental activities		18	3
Travel and subsistence	4.6	16 704	14 494
Venues and facilities		1 061	794

Training and development		2 513	1 690
Other operating expenditure	4.7	1 331	937
<b>Total</b>		<b>107 654</b>	<b>107 028</b>

#### 4.1 Minor assets

	Note	2016/17	2015/16
	4	R'000	R'000
<b>Tangible assets</b>		<b>190</b>	<b>990</b>
Machinery and equipment		190	990
<b>Total</b>		<b>190</b>	<b>990</b>

#### 4.2 Computer services

	Note	2016/17	2015/16
	4	R'000	R'000
SITA computer services		51 466	55 488
External computer service providers		7 869	-
<b>Total</b>		<b>55 488</b>	<b>55 488</b>

#### 4.3 Audit cost – External

	Note	2016/17	2015/16
	4	R'000	R'000
Regularity audits		3 259	4 667
Computer audits		513	-
<b>Total</b>		<b>3 772</b>	<b>4 667</b>

#### 4.4 Consumables

	Note	2016/17	2015/16
	4	R'000	R'000
Consumable supplies		1 236	1 141
Uniform and clothing		131	62
Household supplies		749	1 031
IT consumables		356	48
Stationery, printing and office supplies		1 915	2 967
<b>Total</b>		<b>3 151</b>	<b>4 108</b>



#### 4.5 Property payments

	<b>Note</b>	<b>2016/17</b>	<b>2015/16</b>
	<b>4</b>	<b>R'000</b>	<b>R'000</b>
Municipal services		3 625	3 828
Property maintenance and repairs		73	-
<b>Total</b>		<b>3 698</b>	<b>3 828</b>

#### 4.6 Travel and subsistence

	<b>Note</b>	<b>2016/17</b>	<b>2015/16</b>
	<b>4</b>	<b>R'000</b>	<b>R'000</b>
Local		16 704	14 494
<b>Total</b>		<b>16 704</b>	<b>14 494</b>

#### 4.7 Other operating expenditure

	<b>Note</b>	<b>2016/17</b>	<b>2015/16</b>
	<b>4</b>	<b>R'000</b>	<b>R'000</b>
Professional bodies, membership and subscription fees		34	24
Resettlement costs		15	39
Other		1 282	874
<b>Total</b>		<b>1 331</b>	<b>937</b>

Other is for payment of Insurance for Subsidy Vehicles and Courier Services.

### 5. PAYMENTS FOR FINANCIAL ASSETS

	<b>Note</b>	<b>2016/17</b>	<b>2015/16</b>
		<b>R'000</b>	<b>R'000</b>
<b>Debts written off</b>	<b>5.1</b>	<b>3</b>	<b>12</b>
Total		3	12

#### 5.1 Debts written off

	<b>Note</b>	<b>2016/17</b>	<b>2015/16</b>
	<b>5</b>	<b>R'000</b>	<b>R'000</b>
Recoverable revenue written off			
<b>Staff debt</b>		<b>3</b>	<b>1</b>
<b>Supplier Overpayment</b>		<b>-</b>	<b>11</b>
Total		3	12
<b>Total debt written off</b>		<b>3</b>	<b>12</b>

## 6. TRANSFERS AND SUBSIDIES

		2016/17	2015/16
		R'000	R'000
	<i>Note</i>		
Provinces and municipalities	<b>28</b>	11	3 010
Departmental agencies and accounts	<b>Annex 1B</b>	346	299
Households	<b>Annex 1G</b>	2 106	271
<b>Total</b>		<b>2 463</b>	<b>3 580</b>

## 7. EXPENDITURE FOR CAPITAL ASSETS

		2016/17	2015/16
		R'000	R'000
	<i>Note</i>		
<b>Tangible assets</b>		<b>13 384</b>	<b>9 940</b>
Machinery and equipment	<b>25</b>	13 384	9 940
<b>Intangible assets</b>		<b>52</b>	<b>1 125</b>
Software	<b>26</b>	52	1 125
<b>Total</b>		<b>13 436</b>	<b>11 065</b>

### 7.1 Analysis of funds utilised to acquire capital assets – 2016/17

	Voted funds	Total
	R'000	R'000
<b>Tangible assets</b>	<b>13 384</b>	<b>13 384</b>
Machinery and equipment	13 384	13 384
<b>Intangible assets</b>	<b>52</b>	<b>52</b>
Software	52	52
<b>Total</b>	<b>13 436</b>	<b>13 436</b>

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

	Voted funds	Total
	R'000	R'000
<b>Tangible assets</b>	<b>9 940</b>	<b>9 940</b>
Machinery and equipment	9 940	9 940
<b>Intangible assets</b>	<b>1 125</b>	<b>1 125</b>
Software	1 125	1 125
<b>Total</b>	<b>11 065</b>	<b>11 065</b>

## 8. CASH AND CASH EQUIVALENTS

	Note	2016/17	2015/16
		R'000	R'000
Consolidated Paymaster General Account		3 299	6 141
<b>Total</b>		<b>3 299</b>	<b>6 141</b>

## 9. RECEIVABLES

		2016/17			2015/16		
		Current	Non-current	Total	Current	Non-current	Total
	Note	R'000	R'000	R'000	R'000	R'000	R'000
Claims recoverable	9.1	2	-	2	80	-	80
Staff debt	9.2	79	-	79	74	-	74
Other debtors	9.3	78	530	608	183	530	713
<b>Total</b>		<b>159</b>	<b>530</b>	<b>689</b>	<b>337</b>	<b>530</b>	<b>867</b>

### 9.1 Claims recoverable

	Note	2016/17	2015/16
		R'000	R'000
Provincial departments	9	2	57
Public entities		-	23
<b>Total</b>		<b>2</b>	<b>80</b>

## 9.2 Staff debt

	<i>Note</i>	2016/17	2015/16
	9	R'000	R'000
Overpayment		10	13
Recovery for loss/damage to assets		69	61
<b>Total</b>		<b>79</b>	<b>74</b>

## 9.3 Other debtors

	<i>Note</i>	2016/17	2015/16
	9	R'000	R'000
Ex-Employees _Tax Debt		10	11
Amount to be recovered from Irregular Expenditure		530	602
Ex-Employees _ Salary Overpayment		68	100
<b>Total</b>		<b>608</b>	<b>713</b>

An amount of R 251 000 of the R530 000 on current assets has been paid over to the Asset for Forfeiture Unit on behalf of the Provincial Treasury.

## 10 VOTED FUNDS TO BE SURRENDERED TO THE REVENUE FUND

	<i>Note</i>	2016/17	2015/16
		R'000	R'000
<b>Opening balance</b>		<b>5 152</b>	<b>7 271</b>
As restated		5 152	7 271
Transfer from statement of financial performance (as restated)		1 196	5 152
Paid during the year		(5 152)	(7 271)
<b>Closing balance</b>		<b>1 196</b>	<b>5 152</b>

## 11 DEPARTMENTAL REVENUE AND NRF RECEIPTS TO BE SURRENDERED TO THE REVENUE FUND

	<i>Note</i>	2016/17	2015/16
		R'000	R'000
<b>Opening balance</b>		<b>1 004</b>	<b>1 151</b>
As restated		1 004	1 151
Transfer from Statement of Financial Performance (as restated)		101 244	102 281
Own revenue included in appropriation		9 255	8 857
Paid during the year		(109 729)	(111 285)
<b>Closing balance</b>		<b>1 774</b>	<b>1 004</b>

## 12 PAYABLES – CURRENT

	<i>Note</i>	<b>2016/17</b>	<b>2015/16</b>
		<b>R'000</b>	<b>R'000</b>
Clearing accounts	<b>12.1</b>	421	195
<b>Total</b>		<b>421</b>	<b>195</b>

### 12.1 Clearing accounts

	<i>Note</i>	<b>2016/17</b>	<b>2015/16</b>
	<b>12</b>	<b>R'000</b>	<b>R'000</b>
Sal: Income Tax		361	137
Disallowance		-	8
Capital Contributions (Interns)		38	42
Sal: Pension		7	8
Donation not appropriated not utilised		15	-
<b>Total</b>		<b>421</b>	<b>195</b>

## 13 NET CASH FLOW AVAILABLE FROM OPERATING ACTIVITIES

	<i>Note</i>	<b>2016/17</b>	<b>2015/16</b>
		<b>R'000</b>	<b>R'000</b>
Net surplus as per Statement of Financial Performance		102 440	107 433
<b>Add back non cash/cash movements not deemed operating activities</b>		<b>(91 822)</b>	<b>(98 906)</b>
(Increase)/decrease in receivables – current		178	(86)
Increase in payables – current		26	184
Proceeds from sale of capital assets		(36)	(370)
Expenditure on capital assets		13 436	11 065
Surrenders to Revenue Fund		(114 881)	(118 556)
Own revenue included in appropriation		9 255	8 857
<b>Net cash flow generated by operating activities</b>		<b>10 618</b>	<b>8 527</b>

## 14 RECONCILIATION OF CASH AND CASH EQUIVALENTS FOR CASH FLOW PURPOSES

	<i>Note</i>	<b>2016/17</b>	<b>2015/16</b>
		<b>R'000</b>	<b>R'000</b>
Consolidated Paymaster General account		3 299	6 141
<b>Total</b>		<b>3 299</b>	<b>6 141</b>

## 15 CONTINGENT LIABILITIES AND CONTINGENT ASSETS

### 15.1 Contingent liabilities

	<i>Note</i>	2016/17 R'000	2015/16 R'000
Claims against the department	Annex 3B	3 962	71
Intergovernmental payables (unconfirmed balances)	Annex 5	-	9
<b>Total</b>		<b>3 962</b>	<b>80</b>

## 16 COMMITMENTS

	<i>Note</i>	2016/17 R'000	2015/16 R'000
Current expenditure		81	689
Approved and contracted		81	689
<b>Total Commitments</b>		<b>81</b>	<b>689</b>

## 17 ACCRUALS AND PAYABLES NOT RECOGNISED

### 17.1 Accruals

			2016/17 R'000	2015/16 R'000
Listed by economic classification				
	30 Days	30+ Days	Total	Total
Goods and services	3 563	-	3 563	4 911
Other	-	-	-	147
<b>Total</b>	<b>3 563</b>	<b>-</b>	<b>3 563</b>	<b>5 058</b>

	<i>Note</i>	2016/17 R'000	2015/16 R'000
Listed by programme level			
Administration		980	1 416
Sustainable Resource Management		173	295
Assets and Liabilities Management		2 361	3 187
Financial Governance		49	160
<b>Total</b>		<b>3 563</b>	<b>5 058</b>

Material balances include audit fees, fleet services, SITA and Operating leases.

## 17.2 Payables not recognised

			2016/17	2015/16
			R'000	R'000
Listed by economic classification				
	30 Days	30+ Days	Total	Total
Goods and services	61	-	61	206
Capital assets	1 338	-	1 338	-
Other	188	-	188	-
<b>Total</b>	<b>1 587</b>	<b>-</b>	<b>1 587</b>	<b>206</b>

	Note	2016/17	2015/16
		R'000	R'000
Listed by programme level			
Administration		67	189
Sustainable Resource Management		41	17
Assets and Liabilities Management		1 413	-
Financial Governance		66	
<b>Total</b>		<b>1 587</b>	<b>206</b>

Included in the above totals are the following:

	Note	2016/17	2015/16
		R'000	R'000
<b>Confirmed balances with other departments</b>	<b>Annex 5</b>	<b>3</b>	<b>74</b>
<b>Total</b>		<b>3</b>	<b>74</b>

## 18. EMPLOYEE BENEFITS

	Note	2016/17	2015/16
		R'000	R'000
Leave entitlement		8 160	6 596
Service bonus (Thirteenth cheque)		4 224	4 055
Performance awards		2 565	2 457
Capped leave commitments		7 975	8 470
Other		148	232
<b>Total</b>		<b>23 072</b>	<b>21 810</b>

The leave entitlement includes amount of negative leave days of R 70 191 and other is a provision of Long Service Award for 11 Officials that will complete 20 and 30 years of services in the next twelve months. .

Lease commitments

## 19.1 Operating leases expenditure

### 2016/17

Not later than 1 year
Later than 1 year and not later than 5 years
<b>Total lease commitments</b>

Buildings and other fixed structures	Machinery and equipment	Total
2 547	1 222	3 769
1 073	670	1 743
<b>3 620</b>	<b>1 892</b>	<b>5 512</b>

### 2015/16

Later than 1 year and not later than 5 years
Later than five years
<b>Total lease commitments</b>

Buildings and other fixed structures	Machinery and equipment	Total
2 574	1 332	3 906
2 950	1 239	4 189
<b>5 524</b>	<b>2 571</b>	<b>8 095</b>

## 19. ACCRUED DEPARTMENTAL REVENUE

	Note	2016/17 R'000	2015/16 R'000
Transactions in financial assets and liabilities		251	130
<b>Total</b>		<b>251</b>	<b>130</b>

An amount of R 251 000 has been paid over to the Asset Forfeiture unit on behalf of the Provincial Treasury by an ex-employee as accrued revenue (of which R 130 000 was accrued as at 31 March 2016. and has been corrected as prior period error).

### 19.1 Analysis of Accrued Revenue

	Note	2016/17 R'000	2015/16 R'000
Opening		130	-
Add: Amount Recognised		121	130
<b>Closing Balance</b>		<b>251</b>	<b>130</b>

## 20. IRREGULAR EXPENDITURE

### 20.1 Reconciliation of irregular expenditure

	Note	2016/17 R'000	2015/16 R'000
<b>Opening balance</b>		<b>-</b>	<b>121</b>
As restated		-	121
Less: Amounts not condoned and recoverable		-	(66)
Less: Amounts not condoned and not recoverable		-	(55)
<b>Closing balance</b>		<b>-</b>	<b>-</b>



## 21. RELATED PARTY TRANSACTION

During the financial year 2016/2017, Provincial Treasury occupied building number four (4) upper and lower grounds in the Riverside Government Complex, a service provided by the Department of Public Works, Roads and Transport free of charge.

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

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

## 22. KEY MANAGEMENT PERSONNEL

	No. of Individuals	2016/17 R'000	2015/16 R'000
<b>Officials:</b>			
Level 15 to 16	1	1 459	1 416
Level 14 (incl. CFO if at a lower level)	2	2 202	4 170
<b>Total</b>		<b>3 661</b>	<b>5 586</b>

## 23. PROVISIONS

	Note	2016/17 R'000	2015/16 R'000
VAT VW SA		-	252
GG Vehicle Accident		71	-
<b>Total</b>		<b>71</b>	<b>252</b>

### 23.1 Reconciliation of movement in provisions – 2016/17

	Provision 1 R'000	Provision 2 R'000	Total provisions R'000
<b>Opening balance</b>	<b>252</b>	<b>-</b>	<b>252</b>
Increase in provision	-	71	71
Settlement of provision	(116)	-	(116)
<b>Unused amount reversed</b>	<b>(136)</b>	<b>-</b>	<b>(136)</b>
<b>Closing balance</b>	<b>-</b>	<b>71</b>	<b>71</b>

### 2.3.2 Reconciliation of movement in provisions – 2015/16

	Provision 1	Provision 2	Total provisions
	R'000	R'000	R'000
Opening balance	252	-	252
Closing balance	252	-	252

## 24. MOVABLE TANGIBLE CAPITAL ASSETS

### MOVEMENT IN MOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2017

	Opening balance	Value adjustments	Additions	Disposals	Closing Balance
	R'000	R'000	R'000	R'000	R'000
<b>MACHINERY AND EQUIPMENT</b>	<b>40 702</b>	<b>-</b>	<b>14 722</b>	<b>7 862</b>	<b>47 562</b>
Transport assets	4 557	-	1 963	269	6 251
Computer equipment	29 357	-	11 275	7 312	33 320
Furniture and office equipment	4 204	-	244	160	4 288
Other machinery and equipment	2 584	-	1 240	121	3 703
<b>TOTAL MOVABLE TANGIBLE CAPITAL ASSETS</b>	<b>40 702</b>	<b>-</b>	<b>14 722</b>	<b>7 862</b>	<b>47 562</b>

### 24.1 Additions

### ADDITIONS TO MOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2017

	Cash	Non-cash	(Capital Work in Progress current costs and finance lease payments)	Received current, not paid (Paid current year, received prior year)	Total
	R'000	R'000	R'000	R'000	R'000
<b>MACHINERY AND EQUIPMENT</b>	<b>13 384</b>	<b>-</b>	<b>-</b>	<b>1 338</b>	<b>14 722</b>
Transport assets	1 963	-	-	-	1 963
Computer equipment	9 937	-	-	1 338	11 275
Furniture and office equipment	244	-	-	-	244
Other machinery and equipment	1 240	-	-	-	1 240
<b>TOTAL ADDITIONS TO MOVABLE TANGIBLE CAPITAL ASSETS</b>	<b>13 384</b>	<b>-</b>	<b>-</b>	<b>1 338</b>	<b>14 722</b>

The amount of **R1 338** million relates to services rendered and could not be paid before the end of the financial year; incomplete information / details lead to the rejection of the payment on BAS; hence the disclosure above. The assets were already received on LOGIS when the payment was rejected.

## 24.2 Disposals

### DISPOSALS OF MOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2017

	Sold for cash	Non-cash disposal	Total disposals	Cash Received Actual
	R'000	R'000	R'000	R'000
<b>MACHINERY AND EQUIPMENT</b>	<b>1 456</b>	<b>6 406</b>	<b>7 862</b>	<b>36</b>
Transport assets	269	-	269	32
Computer equipment	1 166	6 146	7 312	3
Furniture and office equipment	21	139	160	1
Other machinery and equipment	-	121	121	-
<b>TOTAL DISPOSAL OF MOVABLE TANGIBLE CAPITAL ASSETS</b>	<b>1 456</b>	<b>6 406</b>	<b>7 862</b>	

## 24.3 Movement for 2015/16

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

	Opening balance	Prior period error	Additions	Disposals	Closing Balance
	R'000	R'000	R'000	R'000	R'000
<b>MACHINERY AND EQUIPMENT</b>	<b>34 475</b>	<b>63</b>	<b>10 159</b>	<b>3 995</b>	<b>40 702</b>
Transport assets	5 006	-	873	1 322	4 557
Computer equipment	23 848	50	7 742	2 283	29 357
Furniture and office equipment	3 549	13	855	213	4 204
Other machinery and equipment	2 072	-	689	177	2 584
<b>TOTAL MOVABLE TANGIBLE CAPITAL ASSETS</b>	<b>34 475</b>	<b>63</b>	<b>10 159</b>	<b>3 995</b>	<b>40 702</b>

### 24.3.1 Prior period error

Note 2015/16  
R'000

#### Nature of prior period error

<b>Relating to 2015/16 (affecting the opening balance)</b>	<b>63</b>
Computer Hardware and Systems – Correction Prior year balances	50
Office Furniture and Equipment – Correction Prior year balances	13
<b>Total prior period errors</b>	<b>63</b>

## 24.4 Minor assets

### MOVEMENT IN MINOR ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2017

	Intangible assets	Machinery and equipment	Total
	R'000	R'000	R'000
Opening balance	13	7 532	7 545
Additions	-	194	194
Disposals	-	1 207	1 207
<b>TOTAL MINOR ASSETS</b>	<b>13</b>	<b>6 519</b>	<b>6 532</b>

	Machinery and equipment	Total
Number of R1 minor assets	3	3
Number of minor assets at cost	3 278	3 278
<b>TOTAL NUMBER OF MINOR ASSETS</b>	<b>3 281</b>	<b>3 281</b>

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

	Intangible assets	Machinery and equipment	Total
	R'000	R'000	R'000
Opening balance	13	7 931	7 944
Prior period error	-	-	-
Additions	-	990	990
Disposals	-	1 389	1 389
<b>TOTAL MINOR ASSETS</b>	<b>13</b>	<b>7 532</b>	<b>7 545</b>

	Intangible assets	Machinery and equipment	Total
Number of R1 minor assets	-	3	3
Number of minor assets at cost	8	4 167	4 175
<b>TOTAL NUMBER OF MINOR ASSETS</b>	<b>8</b>	<b>4 170</b>	<b>4 178</b>

## 24.5 S42 Movable Capital Assets

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

	Machinery and equipment	Total
	R'000	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**

	<b>Machinery and equipment</b>	<b>Total</b>
	<b>R'000</b>	<b>R'000</b>
No. of Assets	303	303
Value of the assets (R'000)	598	598

**26. INTANGIBLE CAPITAL ASSETS**

**MOVEMENT IN INTANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2017**

	<b>Opening balance</b>	<b>Value adjustments</b>	<b>Additions</b>	<b>Disposals</b>	<b>Closing Balance</b>
	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>
SOFTWARE	5 082	-	52	-	5 134
<b>TOTAL INTANGIBLE CAPITAL ASSETS</b>	<b>5 082</b>	<b>-</b>	<b>52</b>	<b>-</b>	<b>5 134</b>

**26.1 Additions**

**ADDITIONS TO INTANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2017**

	<b>Cash</b>	<b>Non-Cash</b>	<b>(Development work in progress – current costs)</b>	<b>Received current year, not paid (Paid current year, received prior year)</b>	<b>Total</b>
	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>
SOFTWARE	52	-	-	-	52
<b>TOTAL ADDITIONS TO INTANGIBLE CAPITAL ASSETS</b>	<b>52</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>52</b>

**26.2 Movement for 2015/16**

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

	<b>Opening balance</b>	<b>Prior period error</b>	<b>Additions</b>	<b>Disposals</b>	<b>Closing Balance</b>
	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>
SOFTWARE	3 931	26	1 125	-	5 082
<b>TOTAL INTANGIBLE CAPITAL ASSETS</b>	<b>3 931</b>	<b>26</b>	<b>1 125</b>	<b>-</b>	<b>5 082</b>

### 26.2.1. Prior period error

Note 2015/16  
R'000

Nature of prior period error	26
<b>Software – Corrections of Prior year</b>	<b>26</b>
<b>Total prior period errors</b>	<b>26</b>

### 27. PRIOR PERIOD ERRORS

Note 2015/16  
R'000

#### Assets:

Major Assets	63
Minor Assets	-
Intangible Assets	26
<b>Net effect</b>	<b>89</b>

#### Assets: (e.g. Receivables, Investments, Accrued departmental revenue)

Accrued Revenue on Irregular expenditure	130
Receivables current	168
Receivables non-current	(168)
<b>Net effect</b>	<b>130</b>

### 28. STATEMENT OF CONDITIONAL GRANTS AND OTHER TRANSFERS TO MUNICIPALITIES

DEPARTMENT/ AGENCY/ ACCOUNT	GRANT ALLOCATION				TRANSFER		2015/16
	Adjusted Appropriation	Roll Overs	Adjustments	Total Available	Actual Transfer	Funds Withheld	Re- allocations by National Treasury or Nation Department
	R'000	R'000	R'000	R'000	R'000	R'000	R'000
Department of Community, Safety, Security and Liaison	15	-	(2)	13	11	-	-
<b>TOTAL</b>	<b>15</b>	<b>-</b>	<b>(2)</b>	<b>13</b>	<b>11</b>	<b>-</b>	<b>-</b>

## ANNEXURE 1B

### STATEMENT OF TRANSFERS TO DEPARTMENTAL AGENCIES AND ACCOUNTS

DEPARTMENT/ AGENCY/ ACCOUNT	TRANSFER ALLOCATION				TRANSFER		2015/16
	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
Finance and Accounting Services Sector Education and Training (FASSET)	344	-	-	344	344	100.0%	297
South African Broadcasting Corporation (SABC)	-	-	2	2	2	100.0%	2
				-			
TOTAL	344	-	2	346	346	100.0%	299

## ANNEXURE 1G

### STATEMENT OF TRANSFERS TO HOUSEHOLDS

	TRANSFER ALLOCATION				EXPENDITURE		2015/16
	Adjusted Appropriation Act	Roll Overs	Adjustments	Total Available	Actual Transfer	% of Available funds Transferred	Appropriation Act
	R'000	R'000	R'000	R'000	R'000	%	R'000
<b>HOUSEHOLDS</b>							
Transfers							
Leave Gratuity	2 528	-	-	2 528	2 106	83.3%	187
Women's Day Celebration	-	-	-	-	-	-	22
Freedom Day Celebration	-	-	-	-	-	-	19
Africa Day Celebration	-	-	-	-	-	-	25
Legacy Project	-	-	-	-	-	-	18
	<b>2 528</b>	<b>-</b>	<b>-</b>	<b>2 528</b>	<b>2 106</b>	<b>83.3%</b>	<b>271</b>
<b>Subsidies</b>				-			
<b>TOTAL</b>	<b>2 528</b>	<b>-</b>	<b>-</b>	<b>2 528</b>	<b>2 106</b>	<b>83.3%</b>	<b>271</b>



## ANNEXURE 3B

### STATEMENT OF CONTINGENT LIABILITIES AS AT 31 MARCH 2017

Nature of Liability	Opening Balance	Liabilities incurred during the year	Liabilities paid/ cancelled/reduced during the year	Liabilities recoverable (Provide details hereunder)	Closing Balance
	1 April 2016				31 March 2017
	R'000				R'000
<b>Claims against the department</b>					
Government Vehicle Accident	71	-	71	-	-
Columbus Technologies	-	3 962	-	-	3 962
<b>Subtotal</b>	<b>71</b>	<b>3 962</b>	<b>71</b>	<b>-</b>	<b>3 962</b>
<b>TOTAL</b>	<b>71</b>	<b>3 962</b>	<b>71</b>	<b>-</b>	<b>3 962</b>

## ANNEXURE 4

### CLAIMS RECOVERABLE

Government Entity	Confirmed balance outstanding		Unconfirmed balance outstanding		Total		Cash in transit at year end 2016/17	
	31/03/2017	31/03/2016	31/03/2017	31/03/2016	31/03/2017	31/03/2016	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
<b>DEPARTMENTS</b>								
Mpumalanga : Department of Health	-	57	-	-	-	57	-	-
	-	57	-	-	-	57		
<b>Other Government Entities</b>								
Mpumalanga Tourism and Parks Agency	-	23	-	-	-	23	-	-
	-	23	-	-	-	23	-	-
<b>TOTAL</b>	-	80	-	-	-	80	-	-

## ANNEXURE 5

### INTER-GOVERNMENT PAYABLES

GOVERNMENT ENTITY	Confirmed balance outstanding		Unconfirmed balance outstanding		TOTAL		Cash in transit at year end 2016/17	
	31/03/2017	31/03/2016	31/03/2017	31/03/2016	31/03/2017	31/03/2016	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	R'000
<b>DEPARTMENTS</b>								
<b>Current</b>								
Government Printing	-	-	-	9	-	9	-	-
Department of Public Works, Roads and Transport	3	-	-	-	3	-	-	-
COGTA	-	74	-	-	-	74	-	-
<b>Subtotal</b>	<b>3</b>	<b>74</b>		<b>9</b>	<b>3</b>	<b>83</b>	<b>-</b>	<b>-</b>
<b>TOTAL</b>	<b>3</b>	<b>74</b>		<b>9</b>	<b>3</b>	<b>83</b>	<b>-</b>	<b>-</b>

