

WHEN THE SUN RISES  
WE WORK HARD TO DELIVER

OFFICE OF THE PREMIER  
PROVINCE OF MPUMALANGA  
VOTE 1

# ANNUAL REPORT 2017-2018



office of the premier  
MPUMALANGA PROVINCE  
REPUBLIC OF SOUTH AFRICA









**TABLE OF CONTENTS**

<b>PART A: GENERAL INFORMATION</b>	<b>8</b>
1. DEPARTMENTAL GENERAL INFORMATION	8
2. LIST OF ABBREVIATIONS/ACRONYMS	9
3. FOREWORD BY THE PREMIER	17
4. REPORT OF THE ACCOUNTING OFFICER	19
5. STATEMENT OF RESPONSIBILITY AND CONFIRMATION OF ACCURACY OF THE ANNUAL REPORT	25
6. STRATEGIC OVERVIEW	26
6.1 Vision	26
6.2 Mission	26
6.3 Values	26
7. LEGISLATIVE AND OTHER MANDATES	27
8. ORGANISATIONAL STRUCTURE	30
9. ENTITIES REPORTING TO THE OFFICE OF THE PREMIER	30
<b>PART B: PERFORMANCE INFORMATION</b>	<b>31</b>
1. AUDITOR GENERAL'S REPORT: PREDETERMINED OBJECTIVES	33
2. OVERVIEW OF DEPARTMENTAL PERFORMANCE	33
2.1 Service Delivery Environment	33
2.2 Service Delivery Improvement Plan	33
2.3 Organisational environment	35
2.4 Key policy developments and legislative changes	36
3. STRATEGIC OUTCOME ORIENTED GOALS	36
4. PERFORMANCE INFORMATION BY PROGRAMME	38
4.1 Programme 1: Administration	38
4.2. Programme 2: Institutional Development	51
4.3. Programme 3: Policy and Governance	66
5. TRANSFER PAYMENTS	80
5.1. Transfer payments to public entities	80

5.2. Transfer payments to all organisations other than public entities	80
6. CONDITIONAL GRANTS	80
6.1. Conditional grants and earmarked funds paid	80
6.2. Conditional grants and earmarked funds received	80
7. DONOR FUNDS	81
7.1. Donor Funds Received	81
8. CAPITAL INVESTMENT	81
8.1. Capital investment, maintenance and asset management plan	81
<b>PART C: GOVERNANCE</b>	<b>82</b>
1. INTRODUCTION	84
2. RISK MANAGEMENT	84
3. FRAUD AND CORRUPTION	85
4. MINIMISING CONFLICT OF INTEREST	85
5. CODE OF CONDUCT	86
6. HEALTH SAFETY AND ENVIRONMENTAL ISSUES	86
7. PORTFOLIO COMMITTEES	87
8. SCOPA RESOLUTIONS	99
9. PRIOR MODIFICATIONS TO AUDIT REPORTS	122
10. INTERNAL CONTROL UNIT	123
11. INTERNAL AUDIT AND AUDIT COMMITTEES	123
12. AUDIT COMMITTEE REPORT	126
<b>PART D: HUMAN RESOURCE MANAGEMENT</b>	<b>151</b>
1. INTRODUCTION	133
2. OVERVIEW OF HUMAN RESOURCE	133
3. HUMAN RESOURCE OVERSITE STATISTICS	137
<b>PART E: FINANCIAL INFORMATION</b>	<b>168</b>
1. REPORT OF THE AUDITOR GENERAL	171
2. ANNUAL FINANCIAL STATEMENTS	180





## PART A: GENERAL INFORMATION



**1. DEPARTMENT GENERAL INFORMATION**

**PHYSICAL ADDRESS:** : No. 7 Government Boulevard  
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Riverside Park,  
Extension 2  
Mbombela  
1200

**POSTAL ADDRESS:** : Private Bag X11291  
:  
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**2. LIST OF ABBREVIATIONS/ACRONYMS**

<b>AGSA</b>	Auditor-General South Africa
<b>AIDS</b>	Acquired Immunodeficiency Syndrome
<b>APP</b>	Annual Performance Plan
<b>ANC</b>	African National Congress
<b>AFS</b>	Annual Final Statement
<b>ARV</b>	Antiretroviral
<b>AO</b>	Accounting Officer
<b>BRICS</b>	Brazil, Russia ,India, China and South Africa
<b>CDW</b>	Community Development Worker
<b>COBIT</b>	Core Objectives of Information and Related Technologies
<b>COGTA</b>	Co-operative Governance and Traditional Affairs
<b>CFO</b>	Chief Financial Officer
<b>CRDP</b>	Comprehensive Rural Development Programme
<b>CCPMP</b>	Co-ordinating Chamber of the PSCBC for Mpumalanga Province
<b>DA</b>	Delivery Agreement

<b>DDG</b>	Deputy Director-General
<b>DARDLEA</b>	Department of Agriculture, Rural Development, Land and Environmental Affairs
<b>DCSR</b>	Department of Culture, Sport and Recreation
<b>DCSSL</b>	Department of Community Safety, Security and Liaison
<b>DG</b>	Director-General
<b>DIRCO</b>	Department of International Relations and Co-operation
<b>DHS</b>	Department of Human Settlements
<b>DPME</b>	Department of Planning Monitoring and Evaluation
<b>DPSA</b>	Department of Public Service and Administration
<b>DPWRT</b>	Department of Public Works, Roads and Transport
<b>DSD</b>	Department of Social Development
<b>DM</b>	District Municipality
<b>ECD</b>	Early Child Development
<b>EEA</b>	Employment Equity Act
<b>EHW</b>	Employee Health Wellness
<b>EHW&amp; WP</b>	Employee Health Wellness and Wellness Programme

<b>EMC</b>	Executive Management Committee
<b>EXCO</b>	Executive Council
<b>FSDM</b>	Frontline Service Delivery Monitoring
<b>GCJC</b>	Government Criminal Justice and Cluster
<b>GEPF</b>	Government Employees Pension Fund
<b>GPSSBC</b>	General Public Service Sector Bargaining Council
<b>GSDM</b>	Gert Sibande District Municipality
<b>GYO</b>	Gender, Youth and Older Persons
<b>GEMS</b>	Global Environmental Monitoring System
<b>GEWE</b>	Gender Equality and Women Empowerment
<b>HIV</b>	Human Immunodeficiency Virus
<b>HOD</b>	Head of Department
<b>HRD</b>	Human Resources Development
<b>HRM</b>	Human Resource Management
<b>HRPIR</b>	Human Resource Planning Implementation Report
<b>ICT</b>	Information Communication Technology

<b>ID</b>	Identity Document
<b>IDP</b>	Integrated Development Plan
<b>LM</b>	Local Municipality
<b>IFSM</b>	Integrated Financial Management System
<b>IMU</b>	Integrity Management Unit
<b>IRPF</b>	International Relations Policy Framework
<b>ISF</b>	Integrated Spatial Framework
<b>M &amp; E</b>	Monitoring and Evaluation
<b>MANCOM</b>	Management Committee
<b>MDCM</b>	Mpumalanga Development Co-ordinating Model
<b>MEC</b>	Member of the Executive Council
<b>MEGDP</b>	Mpumalanga Economic Growth and Development Path
<b>MLO</b>	Media Liaison Officer
<b>MOU</b>	Memorandum of Understanding
<b>MPAC</b>	Mpumalanga Provincial AIDS Council
<b>MPAT</b>	Management Performance Assessment Tool

<b>MTEF</b>	Medium Term Expenditure Framework
<b>MTSF</b>	Medium Term Strategic Framework
<b>MEGDP</b>	Mpumalanga Economic Growth Development Plan
<b>NACH</b>	National Anti-Corruption Hotline
<b>NCRF</b>	National Community Radio Stations Forum
<b>NDM</b>	Nkangala District Municipality
<b>NDP</b>	National Development Plan
<b>NSDP</b>	National Spatial Development Plan
<b>OPSC</b>	Office of the Public Service Commission
<b>OSW</b>	Office on the Status of Women
<b>OTP</b>	Office of the Premier
<b>OVS</b>	Operation Vuka Sisebente
<b>OJSC</b>	Open Joint Stock Company
<b>TB</b>	Tuberculosis
<b>PCC</b>	President's Co-ordinating Council
<b>PCF</b>	Premier's Co-ordinating Forum

<b>PETWG</b>	Provincial Evaluation Technical Working Group
<b>PERSAL</b>	Personnel Salaries
<b>PRIF</b>	Provincial International Relations Framework
<b>PFMA</b>	Public Finance Management Act
<b>PGCF</b>	Provincial Government Communication Forum
<b>PGITO</b>	Provincial Government Information & Technology Officer
<b>PIACC</b>	Provincial International Affairs Co-ordinating Committee
<b>PLOs</b>	Public Liaison Officers
<b>PMC</b>	Provincial Management Committee
<b>PMDMC</b>	Performance Management and Development Moderating Committee
<b>PMDS</b>	Performance Management and Development System
<b>PMDP</b>	Performance management Development Plan
<b>PRIME</b>	Planning, Research, Information, Monitoring and Evaluations
<b>PPOA</b>	Provincial Programme of Action
<b>PPP</b>	Public Private Partnership
<b>PPOA</b>	Provincial Programme of Action

<b>PSCBC</b>	Public Service Co-ordinating Bargaining Council
<b>PSDF</b>	Provincial Spatial Development Plan
<b>PSETA</b>	Public Sector Education and Training Authority
<b>QPR</b>	Quarterly Performance Report
<b>SALGA</b>	South African Local Government Association
<b>SARS</b>	South African Revenue Services
<b>SAQA</b>	South African Qualification Authority
<b>SCM</b>	Supply Chain Management
<b>SDF</b>	Spatial Development Framework
<b>SITA</b>	State Information and Technology Agency
<b>SMS</b>	Senior Management Service
<b>SONA</b>	State of the Nation Address
<b>SOPA</b>	State of the Province Address
<b>SSA</b>	State Security Agency
<b>STI</b>	Sexually Transmitted Infection
<b>SA</b>	South Africa



<b>STATSSA</b>	Statistic South Africa
<b>QMP</b>	Quarterly Monthly Programme
<b>QPR</b>	Quarterly Performance Report



### 3. FOREWORD BY THE PREMIER

The Annual Report serves as an accountability tool to the citizenry for how the Office implemented its mandate as contained in its strategic documents such as Strategic Plan 2015-2020, MTSF 2014-2019, as well as detailed in the 2017/18 APP.

Albeit a strong and well-designed Annual Performance Plan (APP), the implementation of the plan hinges on a number of variables, such as human resources and national fiscal, among other things. The Political and administrative will in the headwind of the economic environment downturn which characterize the financial year with a Sovereign debt downgrade by rating agencies to almost junk status and a standing moratorium on new appointments proved to be resilient against the plan at hand. This impacted negatively on government spending, affecting services meant for the citizenry and is still imposing a strain on the performance of the Office of the Premier, especially in key positions where officials perform their duties in acting capacity.

Despite the above challenges, the Office made great strides in fulfilling its mandate of coordinating and monitoring the work of the provincial government and making sure that all the provincial departments perform optimally as follows:

- Successfully co-ordinated intergovernmental structures i.e. PMCs, PCF and EXCO Makgotla. These meetings are key in enabling the Premier to execute her statutory responsibilities.
- Established a Compliance Management Unit that is headed by a Deputy Director General. The unit is responsible for reviewing the Departments' as well as the Office of the Premier's level of compliance to laws and regulations as well as internal controls and policies. A compliance monitoring tool to ensure that the departments identify and manage compliance to laws and regulations that affects its operations have since been developed and is yet to be implemented. Since its establishment, the Unit has developed regular reports at Management Committee meetings and the Audit Committee to ensure that the internal control deficiencies get addressed on an on-going basis.
- To enhance communication with the Mpumalanga citizenry particularly in area of service delivery matters affecting communities, the Office commissioned the development of a mobile application platform. The *Satise Silalele App* as it is known, places the power to report any service delivery issue of concern within communities in the palm of the general citizenry's hands.

- Developed the Mpumalanga Planning Commission Bill, 2018 and the Draft Framework on the Provincial Planning, Research, Information, Monitoring and Evaluation (PRIME), has been prioritized as part of institutionalizing long term planning in the Province.

Despite the political leadership transition of the Office after the 54<sup>th</sup> African National Congress (ANC) Elective Conference, the Office continues to the best of its ability and capacity to galvanise optimal service delivery to its constituency, the Province of Mpumalanga.

As a new Political Head of the Province, I will ensure that which works well for the province continues to work well and optimize areas of concern to better deliver the much needed services to our people.

I would like to express my sincere gratitude to the Executive Leadership under the auspices of the Director-General for continuous support in the realization of our mandate.



**Ms. RM MTSHWENI**  
**PREMIER: MPUMALANGA PROVINCE**

#### 4. REPORT OF THE ACCOUNTING OFFICER

##### 4.1. Overview of the operations of the department:



**Mr KM Mohlasedi**  
**Acting Director-General: Office**  
**of the Premier of Mpumalanga**

The PFMA requires that at the end of each Financial Year, we should reflect on our performance against a set of pre-determined objectives. The 2015-2020 Strategic Plan and 2017/18 Annual Performance Plan for the Office of the Premier clearly articulates these objectives. These plans are developed within the context provided by National and Provincial strategic mandates. For instance, the National Development Plan, the National 2014-19 MTSP (particularly Outcome 11: Creating a better South Africa and contributing to a better and safer Africa and the world and Outcome 12: An efficient, effective and development oriented Public Service and an empowered, fair and inclusive citizenship) and the Mpumalanga Provincial Vision 2030 Strategic Implementation Framework, inform these mandates.

In 2017/18, we initiated the process to institutionalize long term planning in the Province by facilitating the establishment of the Mpumalanga Planning Commission. The purpose of the Commission is to bring together practical, academic and technical expertise and experience from across the sectors of society, as a means of ensuring that there is an upward socio-economic trajectory for the Province, based on sound evidence and specialist advice. In this regard, the State Law Advisers have drafted and certified the Mpumalanga Planning Commission Bill as Constitutionally sound. The draft Bill was approved by the Executive Council for public comments in October 2017 and approved by the Executive Council for introduction in the Provincial Legislature during January 2018.

In strengthening the monitoring and evaluation capacity of Provincial Departments and Local Municipalities, we will accelerate the approval and implementation of the PRIME. This Framework seeks to foster collaboration amongst these tasks, thereby improving performance of both Provincial and local government, thereby enhancing service delivery. My Office will therefore endeavor to foster collaboration through a Provincial Integrated Stakeholders Forum to drive PRIME, which will bring together all these role players from both the Provincial and local government spheres.

The **budget cuts** across all Provincial Departments have put a lot of pressure on the Office of the Premier's financial and human resources. This has necessitated that the Office proactively plans to achieve more with less. It is against this background, that the Office is implementing initiatives like the establishment of the Regional Service Delivery Model.

To strengthen a governance and compliance culture in the entire administration, the Office established a



structure namely the Governance and Compliance Advisory Committee that comprises of management from the Office of the Premier as well as Provincial Treasury. The committee monitors, among others, the following matters that have a bearing on improvement of the audit outcomes: adherence to prescripts in clearing irregular expenditure for the entire administration as well as progress on implementation of the Audit Remedial Action Plans as well as the implementation of resolutions by Oversight Bodies.

Though the outcomes of MPAT 1.7 show that there is no improvement, especially under Financial Management KPA 4, the Office developed Improvement Plans to address these gaps. Areas of concern as noted by management include Evaluation, Planning of implementation programmes under KPA 1; Ethics under KPA 2; and Organizational design as well as delegations in KPA 3. The Office will monitor the implementation of the Improvement Plan internally on a monthly and quarterly basis through the Audit Committee. The Office will also monitor the implementation of these improvement plans in all 11 Provincial Departments, including the Office of the Premier, through the Compliance Management Unit.

During the 2017/18 Financial Year the Office of the Premier achieved an average of **71%** its planned targets in the APP. It also spent **99.8%** of the adjusted appropriation for the said Financial Year.

## 4.2. Overview of the financial results of the department:

### 4.2.1. Departmental receipts:

Departmental receipts	2017/2018			2016/2017		
	Estimate	Actual Amount Collected	(Over)/Under Collection	Estimate	Actual Amount Collected	(Over)/Under Collection
	R'000	R'000	R'000	R'000	R'000	R'000
Tax Receipts	-	-	-	-	-	-
Casino taxes	-	-	-	-	-	-
Horse racing taxes	-	-	-	-	-	-
Liquor licences	-	-	-	-	-	-
Motor vehicle licences	-	-	-	-	-	-
Sale of goods and services other than capital assets	88	77	11	203	194	9
Rent Officials	121	123	(2)			
Fines, penalties and forfeits						
Interest, dividends and rent on land	273	592	(319)	262	579	(317)
Sale of capital assets	12	129	(117)	-	284	(284)
Financial transactions in assets and liabilities	-	267	(267)	15	21	(6)
<b>Total</b>	<b>494</b>	<b>1 188</b>	<b>(694)</b>	<b>480</b>	<b>1 078</b>	<b>(598)</b>

The Office of the Premier collected a total amount of **R1 188 000,00** against projected revenue estimates of **R494 000,00**. This resulted in the over collection of revenue by an amount of **R695 000,00** in the 2017/18 Financial Year.

### 4.2.2. Programme Expenditure

Programme Name	2017/2018			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
Administration	176 445	176 353	92	135 385	135 353	32
Institutional Development	74 600	74 243	357	80 171	79 334	837
Policy and Governance	60 190	60 115	75	47 515	47 214	301
<b>Total</b>	<b>311 235</b>	<b>310 711</b>	<b>524</b>	<b>263 071</b>	<b>261 901</b>	<b>1 170</b>

The Office of the Premier spent the amount of **R310 711 000,00** which is 99.8% of the final appropriation budget of **R311 235 000,00** in the 2017/18 Financial Year. The Office underspent by 0.2%, which is within the acceptable threshold of 2%.

### 4.2.4. Virements/roll overs

- There were no rollovers granted for the 2017/18 Financial Year.
- Virements were done in terms of section 43 of the PFMA, to defray excess expenditure incurred under programme 1: Administration.

### 4.2.5. Reason for the virement

- Programme 1: Administration was projecting an over expenditure of **R1 772 000,00** which is equivalent to 1,0% and savings were identified under programme 2: Institutional Development of **R478 000,00** which is 0.6% and Programme 3: Policy and Governance, of **R1 294 000,00** which is a 2.1% savings respectively.
- The Total amount transferred from Programme 2: Institutional Development and Programme 3: Policy and Governance equalled to **R1 772 000,00** to defray the over- expenditure in Programme 1: Administration under goods and services, as a result of payment made towards litigation.

**4.2.6. Future plans of the Office of the Premier**

- Strengthen **Governance and Compliance Management** in the Province – focusing on improving audit outcomes, clearing irregular expenditure and improving MPAT scores
- Review the organisational structure to ensure alignment with the mandate of the Office of the Premier
- Implement appropriate **delegations of authority** in line with the Public Service Regulations, 2016 to senior and middle management to improve responsiveness and turn-around time in decision-making.
- Strengthen **Community Engagement and Feedback** platforms (Satise silalele APP, Community Based Monitoring, Frontline Service Delivery Monitoring, Presidential Hotline, Presidential Siyahlola).
- Monitor turnaround times on resolving service delivery challenges.
- Facilitate implementation of proposals from the Regional Service Delivery Report.
- Co-ordinate and monitor the implementation of the **Integrated Provincial Communication Plan**.
- Produce Provincial communication materials that document the achievements of the administration since 2009 titled “**The Journey**”.
- Finalize the roll-out of the **Broadband Connectivity** throughout the Province.
- Institutionalize long-term planning through the establishment of the **Mpumalanga Planning Commission** through the legislative process.
- Strengthen Monitoring and Evaluation.
- Roll-out the institutionalization of **Planning, Research, Information, Monitoring and Evaluation**.
- Framework to improve integration and co-ordination within the Provincial Government.
- Facilitate and monitor the implementation of the **Provincial Evaluation Plan** (2018-2020 PEP).
- Co-ordinate **Special Programmes** in the Province (Youth, Women and Elderly People)
- Co-ordinate the implementation of the **Provincial Implementation Plan (PIP)** for HIV and AIDS, STI and TB
- Facilitate **International and Intergovernmental Engagements** to forge technical and economic co-operation with neighbouring countries.
- Co-ordinate the implementation of **strategic infrastructure projects** in the Province through the established of a Project Management Unit and a **Public-Private Partnership Symposium** in collaboration with MEGA.

**4.2.7. Public Private Partnerships**

- The Office of the Premier is currently not engaging in any Public Private Partnerships (PPP).

**4.2.8. Discontinued activities/ activities to be discontinued**

- The Office of the Premier did not discontinue any activity for the year 2017/18

**4.2.9. New or proposed activities**

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

**4.2.10. Supply Chain Management**

- No unsolicited bid proposals were received or concluded during the period under review.
- Procurement of goods and services is done in accordance with the threshold values prescribed by the National Treasury.
- Procurement delegations are implemented and monitored regularly.
- The invitation of competitive bids for threshold values above R500 000,00 is implemented consistently to ensure that equal opportunity is afforded to all suppliers wishing to compete.
- Deviations from normal procurement processes (procurement without inviting competitive bids) are justified and substantiated, approved by the Accounting Officer, recorded and reported to both the Provincial Treasury and the Auditor-General.
- Due diligence is exercised when checking the completeness of the SBD4 forms, to ensure that service providers declare their interests and verify the Identity Numbers of the Directors on the PERSAL system.
- The VAT registration status of suppliers is verified on the SARS website to ensure that the status is active before any awards are made.
- Systems to ensure the proper safekeeping and management of contract records are in place which ensure that awards are made in accordance with the requirements of SCM legislation and prescripts.
- Implementation and monitoring of the Supply Chain Management compliance checklists to ensure compliance with relevant prescripts.

**4.2.11. Challenges experienced in SCM and how they were resolved**

NO	CHALLENGES	ACTION TAKEN TO RESOLVE CHALLENGES
1	Review of SCM policies and procedures	SCM policies and procedure manuals were reviewed to align with prevailing legislation, guidelines and practice notices.
2	Capacity constraints within contract management	The Office will adopt the Contract Management Framework that National Treasury is developing in order to alleviate the existing contract management challenges.

**4.2.12. Gifts and donations received in kind from non-related parties**

- The Office of the Premier did not receive any gifts or donations.



**4.2.13. Exemptions and deviations received in kind from the National Treasury**

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

**4.2.14. Events after the reporting date**

- No events took place after the reporting period.

**4.2.15. Other**

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

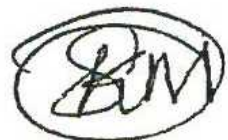
**4.2.16. Acknowledgement/s or Appreciation**

- The Office of the Premier acknowledges the role of relevant oversight institutions particularly the respective committees of the Provincial Legislature, Provincial Treasury as well as its Audit Committee. The professional work ethic, support and commitment of the staff of the Office of the Premier is highly appreciated.

**The Office of the Premier acknowledges the role of relevant oversight institutions**

**4.2.17. Conclusion**

- I would like to take this opportunity to express words of appreciation to all staff members in the Office of the Premier for the work undertaken in the interest of better service delivery for South Africans in general and the citizens of the Mpumalanga Province in particular.



**MR. KM MOHLASEDI**  
**ACTING DIRECTOR-GENERAL: OFFICE OF THE PREMIER OF MPUMALANGA**  
**DATE: 31 AUGUST 2018**

**5. STATEMENT OF RESPONSIBILITY AND CONFIRMATION OF ACCURACY OF 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 development of annual reports 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.

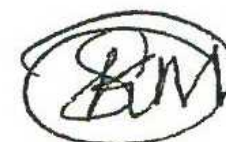
The Accounting Officer is responsible for the preparation of the annual financial statements and for the judgements made in this information.

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

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

In my opinion, the annual report fairly reflects the operations, the performance information, the human resources information and the financial affairs of the Office of the Premier for the Financial Year ended 31 March 2018.

Yours faithfully



**MR. KM MOHLASEDI**  
**ACTING DIRECTOR-GENERAL: OFFICE OF THE PREMIER OF MPUMALANGA**  
**DATE: 31 AUGUST 2018**

## 6. STRATEGIC OVERVIEW

### 6.1. Vision

A strategic centre of excellence for effective and efficient governance.

### 6.2. Mission

Provide strategic direction and support evidence based decision-making through research, monitoring and evaluation, integrated planning, co-ordination of government programmes and institutional development.

### 6.3. Values

The staff and management of the Office of the Premier is guided in their work by the following values:

- Professionalism
- Competence
- Accountability
- Responsiveness
- Innovation
- Integrity
- Punctuality
- Diligence

## 7. LEGISLATIVE AND OTHER MANDATES

There have been no significant changes to the Office of the Premier's legislative mandates.

### 7.1 Constitutional Mandates

The Office of the Premier derives its constitutional mandates primarily from the provisions of the Constitution, 1996. Section 125(2) of the Constitution, 1996, mandates the Office of the Premier to, among others:

- Implement Provincial legislation in the Province;
- Implement all National legislation within the functional areas of Schedules 4 and 5;
- Administer in the Province, National legislation outside the functional areas of Schedules 4 and 5;
- Develop and implement Provincial policies; and
- Co-ordinate the functions of the Provincial Administration.

### 7.2 Legislative Mandates

There have been no significant changes to the Office of the Premier's legislative mandates. There is sufficient capacity within the Office of the Premier to ensure compliance with all legal responsibilities that relate to its mandate.

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

- **Promotion of Access to Information Act, 2000 (Act No. 2 of 2000);**  
This Act gives effect to the Constitutional right of access to any information held by Government and which is required for the exercise or protection of any rights;
- **Promotion of Administrative Justice Act, 2000 (Act No. 3 of 2000);**  
This Act gives effect to the right to administrative action that is lawful, non-discriminatory and procedurally reasonable and fair;
- **Promotion of Equality and Prevention of Unfair Discrimination Act, 2000 (Act No. 4 of 2000);**  
This Act gives effect to section 9 of the Constitution so as to prevent and prohibit unfair discrimination and harassment and to promote equality and eliminate unfair discrimination;
- **Intergovernmental Relations Framework Act, 2005 (Act No. 13 of 2005);**  
This Act establishes a framework for the National Government, Provincial Government and Local Government to promote and facilitate intergovernmental relations and also provides for mechanisms and procedures to facilitate the settlement of intergovernmental disputes;
- **Public Finance Management Act, 1999 (Act No. 1 of 1999);**  
This Act regulates financial management in the National Government and Provincial Governments in order to ensure that all Government revenue, expenditure, assets and liabilities are managed efficiently and effectively;



- **Preferential Procurement Policy Framework Act, 2000 (Act No. 5 of 2000);**  
This Act gives effect to section 217(3) of the Constitution by providing a framework for the implementation of Government's procurement policy as contemplated in section 217(2) of the Constitution;
- **Broad-Based Black Economic Empowerment Act, 2003 (Act No. 53 of 2003);**  
This Act establishes a legislative framework for the promotion of Black Economic Empowerment;
- **Division of Revenue Act (annually);**  
To annually provide for the equitable division of revenue raised among the National, Provincial and Local Spheres of Government;
- **Public Service Act, 1994 (Proclamation No. 103 of 1994);**  
This Act provides for the organisation and administration of the Public Service of the Republic of South Africa;
- **Labour Relations Act, 1995 (Act No. 66 of 1995);**  
This Act gives effect to section 27 of the Constitution and seeks to regulate the organisational rights of trade unions and to promote and facilitate collective bargaining;
- **Basic Conditions of Employment Act, 1997 (Act No. 75 of 1997);**  
This Act gives effect to the right to fair labour practices referred to in section 23(1) of the Constitution;
- **Employment Equity Act, 1998 (Act No. 55 of 1998);**  
This Act provides for equity in all levels and categories of employment;
- **Protected Disclosures Act, 2000 (Act No. 26 of 2000);**  
This Act provides for procedures in terms of which employees in both the private and the public sector may disclose information regarding unlawful or irregular conduct to their employers and also provides for the protection of such employees;
- **Prevention and Combating of Corrupt Activities Act, 2004 (Act No. 12 of 2004);**  
This Act provides for the strengthening of measures to prevent and combat corruption and corrupt activities;
- **State Information Technology Agency Act, 1998 (Act No. 88 of 1998);**  
This Act establishes a company responsible for the provision of information technology services to the Public Administration;
- **Public Administration Management Act, 2014 (Act No. 11 of 2014)**  
This Act seeks to promote the basic values and principles governing the public administration referred to in section 195(1) of the Constitution.

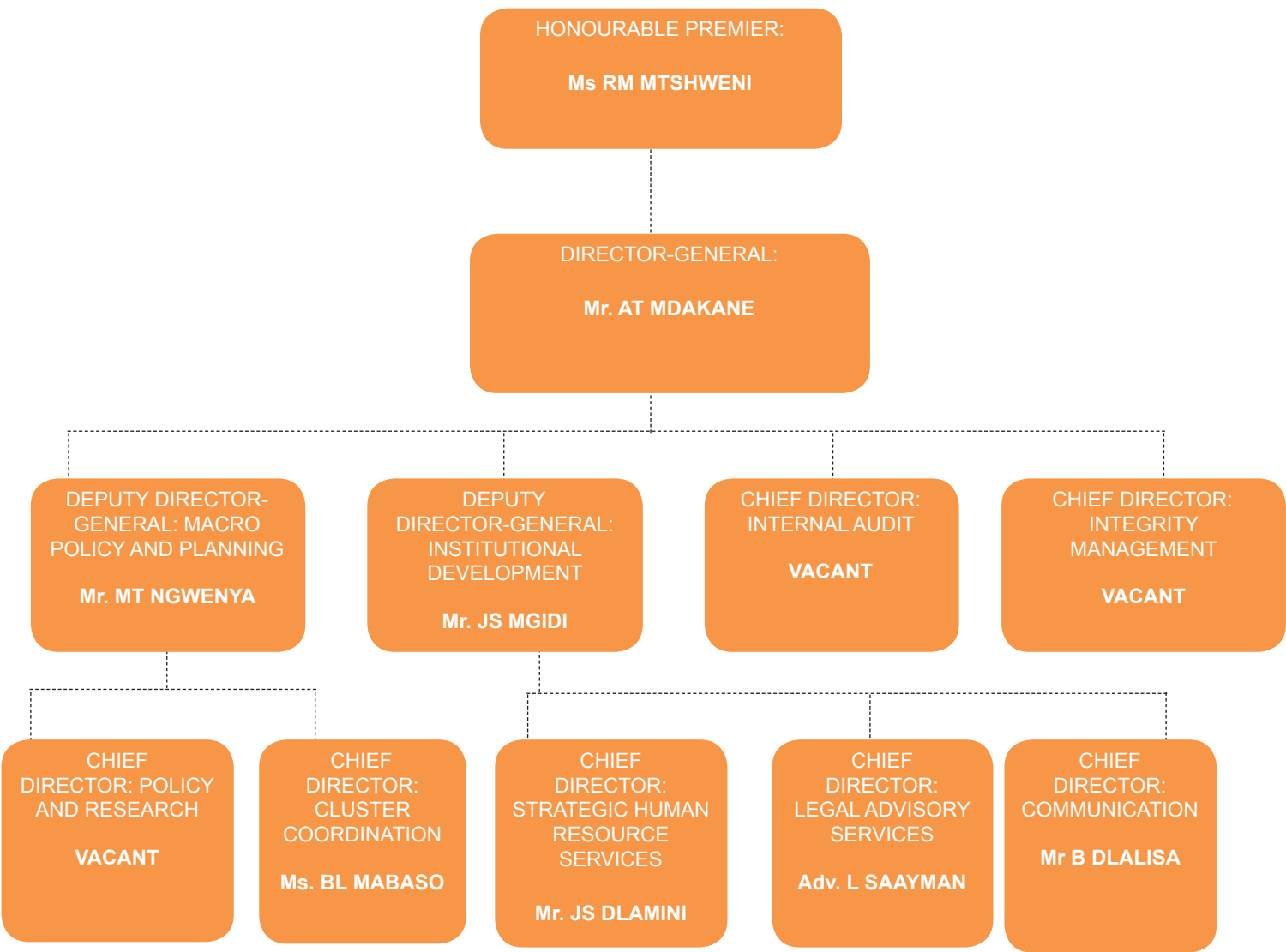
### 7.3 Policy Mandates

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

- The annual **State of the Nation Address** (SONA) - the Office of the Premier ensures implementation and monitoring of the policy direction stated in the SONA;
- The annual **State of the Province Address** (SOPA) - the Office of the Premier ensures implementation

- and monitoring of SOPA;
- The annual Premier's **Budget and Policy Speech**;
- The National and the Provincial **Medium Term Strategic Framework** (MTSF) 2014-2019 Priorities – the Office of the Premier ensures implementation and monitoring of MTSF;
- The **National Strategic Framework of the Department for Women, Children and People with Disabilities**;
- Specific National Policy Frameworks on Gender and Women's Empowerment, Disability and Children;
- National Strategic Plan (NSP) for **HIV and AIDS, TB and STIs** 2012–2016;
- The White Paper on the **Transformation of the Public Service** (1995);
- The White Paper on **Public Service Training and Education** (1997);
- The White Paper on a **New Employment Policy for the Public Service** (1997);
- The **National Youth Policy** (2015-2020) of the National Youth Development Agency;
- Policy Frameworks of the **National Department of Public Service and Administration on Gender Equality, Disability and Youth in the Public Service**;
- White Paper on the **Rights of Persons with Disabilities**, 2016;
- **National Development Plan** (2012);
- **Mpumalanga Vision 2030 Strategic Implementation Framework** (2013-2030)
- The Policy Framework for **Government Wide Monitoring and Evaluation** (2007);
- The Framework for **Strategic Plan and Annual Performance Plans** (2010);
- The National Treasury **Framework for Managing Programme Performance Information** (2007);
- The Green Paper on **National Performance Management** (2009);
- The **National Evaluation Policy Framework**;
- Electronic Communications Act, 2005 (Act No. 36 of 2005);
- National Integrated ICT Policy White Paper.

8. ORGANISATIONAL STRUCTURE



PART B: PERFORMANCE INFORMATION

9. ENTITIES REPORTING TO THE OFFICE OF THE PREMIER

There are no entities reporting to the Office of the Premier.





## 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 and regulatory requirements section of the auditor's report. Refer to page 171 of the report of the Auditor General, published as Part E: Financial Information

## 2. OVERVIEW OF DEPARTMENTAL PERFORMANCE

### 2.1 Service Delivery Environment

The National Development Plan as localised through the Mpumalanga Vision 2030 Strategic Implementation Framework, The Provincial MTSF, in particular outcomes 11 and 12, the White Paper on Transforming Public Service Delivery 1997, the Batho Pele Revitalising Strategy and the Public Service Regulations 2016 are the key systems shaping the service delivery environment in the Office of the Premier.

The core business of the Office of the Premier provides the foundation for further strategic planning and has been encapsulated as follows:

- **Support the Premier** in executing the executive functions of the Province to achieve integrated social development and economic growth;
- **Support the executive decision-making processes** of the Premier-in-Executive Council to inculcate good governance and effective public service delivery;
- **Monitor and evaluate performance** of all Provincial executive functions and strategic programmes for Provincial growth and development to enable the Premier to be accountable for the overall executive performance of the Province.
- **Coordinate strategic alignment and integration** of sectorial and sub-sectorial strategies, policies and programmes to facilitate social transformation and development and economic growth.
- Support the Premier to **implement Provincial public service transformation**, reform and **service delivery improvement** to build the capability of the Provincial government to fulfil its Constitutional obligations.

### 2.2 Service Delivery Improvement Plan

The Office of the Premier has completed a Service Delivery Improvement Plan. The tables below highlight the service delivery improvement 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 the implementation of Batho Pele Change Management Engagement Programme and produce 12 reports for Departments, OTP, and 12 reports for the Municipalities.	OTP /Sector Departments and Municipalities	11 Departments, OTP and 12 Municipalities monitored	Monitor the implementation of Batho Pele Change Management Engagement Programme for OTP, 11 Departments and 12 Municipalities and produce report	11 Departments, Office of the Premier and 12 Municipalities were monitored on Batho Pele Change Management Engagement Programme and reports were produced
Co-ordinate the monitoring and evaluation of the performance of Provincial Government structures and its strategic partnerships for public service delivery, social development and economic growth	Sector Departments PMC / EXCO	11 Departments and the Office of the Premier performance reports consolidated quarterly	11 Departments and the Office of the Premier performance reports commented on quarterly	11 Departments and the Office of the Premier performance reports consolidated quarterly

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

Current/actual arrangements	Desired arrangements	Actual achievements
Monitor the implementation of Service Standards in 11 Departments, OTP and 12 Municipalities.	Monitor the implementation of approved Service Standards and Service delivery Charters. Display Service Delivery Charters.	Monitored the implementation of Service Standards and Service Delivery Charters in 11 Departments, Office of the Premier and 12 Municipalities
Co-ordinate the submission of quarterly reports on the Implementation of SDIPs (2015-2018) for 11 Departments and Office of the Premier	Consolidate 11 Departments and the Office of the Premier quarterly reports on the implementation of SDIPs (2015 – 2018)	11 Departments and the Office of the Premier quarterly reports consolidated on the implementation of SDIPs (2015 – 2018)

**Service delivery information tool**

Current/actual information tools	Desired information tools	Actual achievements
Produce reports on Batho Pele Programmes	Monitoring reports on Batho Pele Programmes produced.	Khaedu deployment reports Annual Report Africa Public Service Day Report
Press release	Press release	EXCO Statements

**Complaints mechanism**

Current/actual complaints mechanism	Desired complaints mechanism	Actual achievements
<i>Satise silalele</i> APP, Community Based Monitoring, Frontline Service Delivery Monitoring, Presidential Hotline, Presidential <i>Siyahlola</i>	Integrate the service delivery systems to improve citizen/ public access to government services	Complaints on <i>Satise silalele</i> APP, Community Based Monitoring, Frontline Service Delivery Monitoring, Presidential Hotline and Presidential <i>Siyahlola</i> attended to

**2.3 Organisational environment**

The core mandate of the Office of the Premier is to co-ordinate and monitor the performance of Government in the Provincial Sphere. Without effective co-ordination and monitoring, it is impossible for effective and meaningful service delivery to take place. During the period under review, the Office of the Premier successfully co-ordinated intergovernmental structures i.e. PMCs, PCF and EXCO Makgotla. These meetings are key in enabling the Premier to execute her statutory responsibilities. It is also important to note that issues of audit outcomes and the action plan in addressing shortcomings as well as stepping up the co-ordination of the Local Sphere of Government on service delivery were given special focus in those structural meetings.

New developments in the political realm saw the Office of the Premier having a new Executive Authority, resulting from the political assignment of the former Premier to serve as the country's Deputy President. Management would like to congratulate Premier Mtshweni for her new role of being the political head of the Provincial Government, more importantly, it is worth noting that she is the first female Premier for this Province. Given her role in various structures of society, we believe that she will, among others, be a worthy champion of women empowerment.

The impact of the moratorium on new appointments, which was, amongst others, meant to curb the wage bill in the entire Provincial Administration is still imposing a strain on the performance of the Office of the Premier, especially in key areas where officials are performing their duties in acting capacities. The vacancy rate remains a challenge in the Office of the Premier, at 3.5% based on PERSAL establishment, and 38.3% based on the approved organogram. The following are the critical, vacant and funded posts: General Manager: Policy and Research; General Manager: Integrity Management; General Manager: Internal Audit; Senior Manager: Organizational Design and Job Evaluation; Senior Manager: International Relations; Senior Manager: Forensic Audit; Senior Manager: Office of the Director-General; and Manager: Office of the Director-



General. It should be noted that post of General Manager Communications is currently used for the functions of Compliance and Strategic Projects whilst the Deputy Director-General for the same function is out of adjustment. This arrangement has a negative impact on the performance of the affected units.

## 2.4 Key policy developments and legislative changes

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

## 3. STRATEGIC OUTCOME ORIENTED GOALS

The Office of the Premier is directly responsible for the implementation of Outcomes 11 and 12 namely:

**Outcome 11:** Creating a better South Africa and contributing to a better and safer Africa in a better World.

Presented in the table below is the 2017/18 target for this outcome:

SUB-OUTCOMES	KEY ACTIVITIES
A sustainable, developed and economically integrated Africa	Negotiate 4 international partnerships that are in line with Provincial priorities as well as the Provincial International Strategy Framework
	Conduct research on possible opportunities in identified countries in West Africa and the Gulf Region
	Co-ordinate the signing of 3 MOUs

**Outcome 12:** An efficient, effective and development oriented Public Service and an empowered, fair and inclusive citizenship.

Presented in the table below is the 2017/18 targets for this outcome:

SUB-OUTCOMES	KEY ACTIVITIES
A stable political-administrative interface	Finalise all disciplinary processes within 90 days
	Co-ordinate the recruitment process for vacant HOD positions in all Departments
	Mainstream target groups into Government Programmes and Projects
Increased responsiveness of public servants and accountability to citizens	Co-ordinate the development and review of Service Standards in all Departments and Municipalities
	Monitor the implementation of site improvement plans at identified frontline service delivery sites
	Visit and assess frontline service delivery sites and facilitate the development of improvement plans
	Roll-out MPAT cycle 1.7 with 11 Provincial Departments and the Office of the Premier and facilitate the development of improvement plans
Improved inter-departmental co-ordination	Provide technical support and advice on macro policies to Cluster Committees

SUB-OUTCOMES	KEY ACTIVITIES
Improved mechanisms to promote ethical behaviour in the Public Service	100% financial disclosures for HODs and SMS members electronically submitted within the prescribed period
	Co-ordinate Anti-Corruption Awareness Campaigns on Anti-Corruption Strategy and National Whistleblowing
	Facilitate conclusion of 100% of all received and reported cases of alleged fraud and corruption
	Co-ordinate vetting of officials in prioritized offices

#### 4. PERFORMANCE INFORMATION BY PROGRAMME

##### 4.1 Programme 1: Administration

The Programme is responsible for performing appropriate and effective co-ordinating and monitoring functions as they relate to administrative and strategic matters, within the Office of the Premier and across the Provincial Government as well as the Local Sphere of Government.

***Programme 1 consists of the following Sub-Programmes:***

- Premier Support;
- Director-General Support;
- Executive Council Support; and
- Financial Management.

***Programme 1 is mainly responsible for the following strategic objectives:***

- Strategic management improved; and
- Proper financial management.

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

Programme 1: Administration is key to achieving the Office of the Premier's strategic objectives of improving strategic management and proper financial management.

The Office has, through this Programme, realized good outcomes from the strategic planning workshop held in January 2018 which promotes the integration of objectives. This has seen the Office being able to address the silo approach in planning and implementing its plans. Plans were presented in clusters namely, Executive Support; Governance and Compliance; Communication and ICT as well as Service Delivery.

With regards to MPAT, there is no improvement, especially under Financial Management KPA 4. Areas of concerns as noted by management include Evaluation, Planning of the implementation programme under KPA 1; Ethics under KPA 2; and Organizational design as well as delegations in KPA 3. Improvement Plans on these underperforming areas have been developed and the plan is monitored internally on a monthly and quarterly basis through the Audit Committee. The Office will monitor the implementation of these Improvement Plans in all 11 Provincial Departments, including the Office, through the Compliance Management Unit.

Under this Programme the Office introduced a new system as a control measure to improve financial management and this will be tested through the audit outcomes of the 2017/18 financial statements by the end of July 2018.

The Programme has, through the Office of the Director-General, provided strategic support to sections within the Office of the Premier and to Departments in the Provincial Administration. The Office co-ordinated MANCOM meetings for the Office. The Programme has provided Strategic leadership and direction by supporting other intergovernmental structures such as the PMC, PCF, EXCO, Budget and Finance Committee and Makgotla.

In the spirit of creating a safe environment for service delivery through a centralized security management system in the 11 Provincial Departments as well as the Office of the Premier, the Office of the Premier was able to monitor the Security Management function in the 11 Provincial Government Departments and the Office of the Premier. To ensure that the correct calibre of individuals are absorbed and retained within the Public Service, the Office of the Premier conducted vetting for 41 employees.

The sub-programme provides ***financial management support and advisory services*** to ensure compliance with the Public Finance Management Act and Treasury Regulations. It is also responsible for the management of the payroll to eliminate ghost employees as well as assets and logistics support through the Supply Chain Management Unit. The Office managed to live up to the expectations of good governance by ensuring that 100% of verified invoices are paid within 30 days.

The exercises on the Risk Management and Fraud Prevention function has been closely monitored at the departmental Executive Management level and the risk register and 4 status reports were developed in this regard.



Strategic objectives, performance indicators, planned targets and actual achievements

Strategic objectives

Strategic objectives	Strategic Objective Indicator	Actual Achievement 2016/17	Planned Target 2017/18	Actual Achievement 2017/18	Deviation from planned target to Actual Achievement 2017/18	Comment on deviations
Strategic management improved	MPAT level 4 in all 4 KPAs (Strategic Management, Governance and Accountability; Human Resource and Systems Management; and Financial Management)	New indicator	MPAT level 4 in all 4 KPAs (Strategic Management, Governance and Accountability; Human Resource and Systems Management; and Financial Management)	MPAT levels for each KPA are as follows: Strategic Management: <b>2.25</b> ; Governance and Accountability: <b>3</b> ; Human Resource and Systems Management: <b>2.25</b> ; and Financial Management: <b>2.4</b>	All 4 KPAs are below level 4	The Office will monitor implementation of the MPAT Improvement Plan
Proper financial management	Audit opinion	New indicator	Unqualified audit opinion	Audit opinion will be issued by the end of July 2018	None	None

Reasons for all deviations

- MPAT level 4 not achieved in all 4 KPAs due to among others, insufficient documentation to support self-assessment scores.

Strategy to overcome areas of under performance

- Improve document management and quality assure documents before uploading.
- Monitor implementation of the improvement plan.

**Performance indicators**

Sub-Programme: Director-General Support: Planning and Programme Management							
Performance Indicator	Actual Achievement 2014/15	Actual Achievement 2015/16	Actual Achievement 2016/17	Planned Target 2017/18	Actual Achievement 2017/18	Deviation from planned target to Actual Achievement 2017/18	Comment on deviations
Number of plans approved	Approved Office of the Premier 5 Year Strategic Plan and APP for 2015/16	APP for 2016/17 developed and submitted to the Provincial Legislature as per the plan	Approved Office of the Premier APP for 2017/18 developed and submitted to the Legislature and Provincial Treasury	2Plans Approved (APP and Operational Plan 2018/19)	<b>Not achieved</b>	2 Plans for 2018/19 not approved	2018/19 APP and Operational Plans to be approved by EXCO in the First quarter of 2018/19
Number of performance reports approved	Four 2014/15 Quarterly Reports and 2013/14 Annual Performance Reports developed	Fourth Quarter report for 2014/15/ and 3 quarterly reports for 2015/16 developed and the 2014/15 Annual Report was developed and tabled in the Provincial Legislature	One 2015/16 and three 2016/17 Quarterly performance reports developed	1 Annual Report (2016/17) and 4 Quarterly Performance reports approved	<b>Achieved</b> 1 Annual Report (2016/17 ) and 4 Quarterly Performance Reports approved	None	None

Sub-Programme: Director-General Support: Security Management							
Performance Indicator	Actual Achievement 2014/15	Actual Achievement 2015/16	Actual Achievement 2016/17	Planned Target 2017/18	Actual Achievement 2017/18	Deviation from planned target to Actual Achievement 2017/18	Comment on deviations
Number of monitoring reports on security management submitted	Monitored Security Management function in 10 Provincial Departments as well as the OTP	Monitored Security Management function in 11 Provincial Departments as well as the OTP	Security Management function monitored as planned	4 monitoring reports on security management	<b>Achieved</b> 4 monitoring reports on security management submitted	None	None
Develop Integrated Security master Plan	New Target	New Target	New Target	Integrated Security master Plan developed	<b>Not achieved</b>	The Draft Integrated Security Master Plan not developed	Further consultations to be held on the Draft Integrated Security Master Plan in the 2018/19 Financial Year
% of received officials files vetted	Conducted 72 vettings on 100% of officials in sensitive or classified areas received from SSA (Supply Chain Management, BID Committee members, MECs, HODs and DDG's support staff)	72 files were received from SSA. 100% (72) of officials vetted as per the plan	Vetting on 100% (51) of files received from the SSA of officials in sensitive or classified areas conducted	Conduct vetting on 100% of all officials' files received	<b>Achieved</b> Conducted vetting on 100% (41 of 41) officials' files received	None	None

Sub-Programme: Director-General Support: Internal Audit							
Performance Indicator	Actual Achievement 2014/15	Actual Achievement 2015/16	Actual Achievement 2016/17	Planned Target 2017/18	Actual Achievement 2017/18	Deviation from planned target to Actual Achievement 2017/18	Comment on deviations
% completion of audit engagements in the Annual Internal Audit Plans	52 Internal Audit assignments completed in the 5 Cluster Departments	70 Internal Audit assignments completed in 5 Cluster Departments	71 audit reports issued	100% completion of audit engagements in the Annual Internal Audit Plans	<b>Achieved</b> A total of 82 out of 78 (105%) audit projects/engagements in the Annual Internal Audit Plans were completed for 2017/18 Financial Year	There were four ad hoc audit engagements that were requested by the Audit Committee on the adequacy review of AG Actions plans for four Cluster Departments	The Internal Audit Section will implement the audit project according to the Internal Audit Plan

Sub-Programme: Director-General Support: Forensic Audit Services and Integrity Management							
Performance Indicator	Actual Achievement 2014/15	Actual Achievement 2015/16	Actual Achievement 2016/17	Planned Target 2017/18	Actual Achievement 2017/18	Deviation from planned target to Actual Achievement 2017/18	Comment on deviations
Number of reports on fraud and corruption cases	Out of 454 cases received 129 were investigated and finalized, being 28.55%	7 new cases were received in the financial year, 4 were resolved; i.e. $4/7 \times 100 = 4.59\%$	12 status reports produced on 120 finalized cases	4 reports on fraud and corruption cases	<b>Achieved</b> 4 reports on fraud and corruption cases produced	None	None
Number reports on litigations	–	There were 285 cases at the beginning of the financial year. 130 cases were finalized; i.e. $130/285 \times 100 = 45.6\%$	4 report produced on 21 finalized pieces of litigations.	4 reports on litigations	<b>Achieved</b> 4 reports litigations produced	None	None
% of calls from Presidential Hotline resolved	82.55% of complaints were resolved	83.80% of the 3520 calls received in the financial year were resolved	90.74% of the calls were resolved	100% calls from the Presidential Hotline resolved	<b>Not achieved</b> However, 95.17% calls from Presidential Hotline resolved	4.83% calls from Presidential Hotline not resolved	The outstanding calls will be resolved in the first quarter of 2018/19 Financial Year



Sub-Programme: Director-General Support: Forensic Audit Services and Integrity Management							
Performance Indicator	Actual Achievement 2014/15	Actual Achievement 2015/16	Actual Achievement 2016/17	Planned Target 2017/18	Actual Achievement 2017/18	Deviation from planned target to Actual Achievement 2017/18	Comment on deviations
Number of reports on the implementation of Anti-Corruption and Whistleblowing Strategy	Anti-corruption awareness workshops co-ordinated in 3 District Municipalities and Provincial Departments	Anti-corruption strategy implemented through 17 Anti-Corruption awareness workshop/ training	10 awareness workshops/ training conducted in:	4 reports on the implementation of the Anti-Corruption and Whistleblowing Strategy	<b>Achieved</b>  4 reports on the implementation of the Anti-Corruption and Whistleblowing Strategy produced	None	None
			2x Nkangala DM				
			1x Ehlanzeni DM				
			1x Gert Sibande DM				
			2x Thaba Chweu				
			1x Mkhondo				
1x Chief Albert Lithuli							
1x Mbombela							

Sub-Programme: Financial Management							
Performance Indicator	Actual Achievement 2014/15	Actual Achievement 2015/16	Actual Achievement 2016/17	Planned Target 2017/18	Actual Achievement 2017/18	Deviation from planned target to Actual Achievement 2017/18	Comment on deviations
Number of Annual and interim financial statements submitted	2013/14 Annual and 4 2014/15 Interim Financial statements submitted to the AGSA and the Provincial Treasury	Annual Financial statement submitted to the AGSA and the Provincial Treasury, and Interim Financial Statements submitted to Provincial Treasury	1 2015/16 Annual Financial statement and 3 2016/17 Interim Financial statements produced and submitted to AGSA and Provincial Treasury	1 Annual and 3 Interim Financial Statements submitted to AG and Provincial Treasury	<b>Achieved</b> 1 Annual and 3 Interim Financial Statements submitted to AG and Provincial Treasury	None	None
Number of risk management and fraud prevention reports developed.	4 Risk Management and Fraud Prevention reports developed	4 Risk Management and Fraud Prevention reports developed as planned	4 Risk Management and Fraud Prevention reports developed	4 Risk Management and Fraud Prevention reports developed	<b>Achieved</b> 4 Risk Management and Fraud Prevention reports developed	None	None
% of payroll verified to account for all personnel	New target	Payroll verified as planned	100% (249) personnel verified	100% payrolls verified to account for all personnel	<b>Achieved</b> 100% (252) of payroll verified to account for all personnel	None	None
Number of Reports on Asset Registers Updated	New Indicator	Asset verification conducted, discrepancies updated and accurate register kept	Asset verification conducted and register updated	4 Reports on Asset Registers Updated	<b>Achieved</b> 4 reports on Asset Registers updated	None	None

Sub-Programme: Financial Management							
Performance Indicator	Actual Achievement 2014/15	Actual Achievement 2015/16	Actual Achievement 2016/17	Planned Target 2017/18	Actual Achievement 2017/18	Deviation from planned target to Actual Achievement 2017/18	Comment on deviations
Percentage of unopposed invoices paid within 30 days	Achieved	100% of legitimate invoices received and paid within 30 days as required	100 % (3 643) of unopposed invoices paid within 30 days of receipt	100% of unopposed invoices paid within 30 days of receipt	<b>Achieved</b> 100% (3 535) of unopposed invoices paid within 30 days of receipt	None	None

**Reasons for all deviations****Planning and Programme Management**

- The 2018/19 Annual Performance Plan and the Operational Plan were not approved on the within stipulated time as there were delays in the approval of the plans by EXCO.

**Security Management**

- The Integrated Security Master Plan was not developed as planned as further consultations with the stakeholders are still required.

**Internal Audit**

- The Internal Audit Unit undertook more audit engagements than planned as there were four ad hoc audit engagements that were requested by the Audit Committee on the adequacy review of AG Action plans for four Cluster Departments.

**Forensic and Integrity Management**

- Not all the cases reported on the Presidential Hotline could be resolved due to lack of trained personnel to access and use the system.

**Strategy to overcome areas of under performance****Planning and Programme Management**

- The 2018/19 Annual Performance Plan and Operational Plan will be approved by EXCO during the first quarter of the 2018/19 Financial Year.

**Security Management**

- Further consultations to be held on the Draft Integrated Security Master Plan in the 2018/19 Financial Year

**Internal Audit**

- The Internal Audit Section will implement the audit projects according to the approved Internal Audit Plan.

**Forensic and Integrity management**

- The outstanding calls will be resolved in the first quarter of 2018/19 Financial Year

**Changes to planned targets**

There were no changes effected to the APP during the reporting period.

**Linking performance with budgets**

The Programme spent the amount of **R176 353 000,00** which is 99,9% of the final appropriation budget of **R176 445 000,00** in the 2017/18 Financial Year. The Programme underspent by 0.1%, which is within the acceptable threshold of 2%. Programme 1 had 15 planned targets under review during the reporting period. The Programme achieved 12 targets which translate to an 80% achievement rate.

**Sub-programme expenditure**

Programme Name	2017/2018			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
Administration						
Premier Support	21 182	21 174	8	17 955	17 953	2
Executive Council Support	6 168	6 156	12	5 672	5 670	2
Director-General Support	114 545	114 491	54	79 003	78 980	23
Financial Management	34 550	34 532	18	32 755	32 750	5
<b>Total</b>	<b>176 445</b>	<b>176 353</b>	<b>92</b>	<b>135 385</b>	<b>135 353</b>	<b>32</b>

**4.2. Programme 2: Institutional Development****Purpose of the Programme**

To provide institutional development services, legal advisory services, strategic support, co-ordination and development of policies to ensure operational efficiency, alignment and corporate compliance with a view to improve the capacity of the Mpumalanga Provincial Government to deliver effective and efficient services.

**The Programme consists of the following five sub-programmes**

- Strategic Human Resources;
- Public Service Transformation and Service Delivery Improvement;
- Information Communication Technology;
- Legal Advisory Services; and
- Government Communication and Information Services.

**The Programme is guided by the following strategic objectives:**

- Comprehensive strategic HR Frameworks;
- Strategic Communication Support;
- Relevant and innovative information and communication; and
- Legal Advisory Services.

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

Programme 2 is responsible for co-ordinating and monitoring the implementation of human resource practices and strategies by Departments in the Provincial Administration. It ensures that the Mpumalanga Provincial Government and the Office of the Premier's human resource management practices are performed within the applicable legal frameworks and prescripts.

Through the Chief Directorate: Legal Advisory Services the Programme has rendered legal advisory services to the Mpumalanga Provincial Government in general and the Office of the Premier in particular by drafting legally sound formal, written, legal opinions the furnishing of oral legal advice as requested as well as the drafting and certification of legally and Constitutionally sound Provincial legislation.

The Office of the Premier provided an ICT support function across all Provincial Departments and the Office of the Premier through ICT related projects which include Broadband, GIS, ISO 38500, Centralised ICT services and Provincial ICT Strategy. The Provincial Broadband Feasibility study was completed and presented to the Executive Council. After approval the feasibility study was submitted and presented to National Treasury for approval and is currently under consideration.



The Satise Silalele application was successfully developed and introduced to the Province, the application allows citizens to report complaints and compliments to the Provincial Government and Municipalities. Citizens can through this application see service delivery improvements and allows for discussion between citizens and the government.

The ICT unit further provided effective management of information and communication technology as a service delivery enabler and a strategic resource.

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

Strategic objectives	Strategic Objective Indicator	Actual Achievement 2016/17	Planned Target 2017/18	Actual Achievement 2017/18	Deviation from planned target to Actual Achievement 2017/18	Comment on deviations
Comprehensive strategic HR Frameworks	Number of HR Management Reports submitted to departments	Monitor progress on all labour related matters in the 11 Provincial Departments and the OTP	Monitor progress on all labour related matters in the 11 Provincial Departments and the OTP	Progress on all labour related matters in the 11 Provincial Departments and the OTP monitored	None	None
Strategic Communications Support	Number of reports on brand publications and events	4 government to public and 6 internal electronic newsletters of the OTP published	10 publications produced (4 print and 6 electronic)	12 publications produced (4 print 8 electronic)	2 additional electronic publications produced	The additional electronic publications were special request based on the demand
Relevant and innovative information and communication	Number of departmental ICT plans reviewed	New indicator	11 Provincial Departments and the Office of the Premier with relevant ICT plans approved	11 Provincial Departments and the Office of the Premier with relevant ICT plans approved	None	None
	Average percentage systems uptime and availability	New indicator	Maintain systems and applications reliability and availability at 99%	Systems and applications reliability and availability maintained at 99%	None	None

Strategic objectives	Strategic Objective Indicator	Actual Achievement 2016/17	Planned Target 2017/18	Actual Achievement 2017/18	Deviation from planned target to Actual Achievement 2017/18	Comment on deviations
Legal Advisory Services	Number of Legal Advisory Services	Provided legal advisory services through formal written legal opinions, letters and other documents with a legal bearing, have legal consultations, and attend to various aspects pertaining to Provincial Bills	Provide legal advisory services through formal written legal opinions, letters and other documents with a legal bearing, certification of Provincial Bills	Legal advisory services through formal written legal opinions, letters and other documents with a legal bearing, legal consultations provided , and various aspects pertaining to Provincial Bills provided	None	None
Public Service Transformation and Services Delivery Improvement	Number of reports on the Batho Pele Change Management Programme	Co-ordinate and monitor the implementation of 5 Batho Pele projects	Co-ordinate and monitor the implementation of 5 Batho Pele projects	Co-ordinated and monitored the implementation of 5 Batho Pele projects	None	None

**Reasons for all deviations**

- 2 additional internal publications produced to enhance internal communication.

**Strategy to overcome areas of under performance**

- The additional electronic publications were special request based on the demand.

**Performance indicators**

Sub-Programme: Internal Human Resource Management							
Performance Indicator	Actual Achievement 2014/15	Actual Achievement 2015/16	Actual Achievement 2016/17	Planned Target 2017/18	Actual Achievement 2017/18	Deviation from planned target to Actual Achievement 2017/18	Comment on deviations
Number of monitoring reports developed on the implementation of WSP	4 quarterly reports prepared and submitted on the implementation of the WSP	4 quarterly reports on implementation of the WSP developed	4 Quarterly Monitoring Reports (QMR) produced and submitted to PSETA	4 quarterly reports on the implementation of WSP	<b>Achieved</b> 4 quarterly reports on the implementation of WSP developed	None	None
Number of Reports on signing of Performance Undertakings/Agreements and assessment of staff	Monitor and facilitate 100% Units' submission of PUs and quarterly assessment reports on PMDS for officials on salary levels 3-12 in line with the Provincial Performance Management and Development Policy	95,4% of PUs and Quarterly assessment reports submitted	100% (29 of 29 units) submitted 4 quarterly assessment reports	4 quarterly reports on signing of Performance Undertakings/Agreements and assessment of staff	<b>Not Achieved</b> However, 3 quarterly reports on signing of Performance Undertakings/Agreements and assessment of staff submitted	1 quarterly report was not developed	The outstanding report will be provided during the 1 <sup>st</sup> Quarter of 2018/19
Number of Reports on the implementation of the Premier's Bursary fund	New Indicator	New Indicator	4 monitoring reports developed	4 quarterly reports on the implementation of the Premier's Bursary fund	<b>Achieved</b> 4 quarterly reports compiled on the implementation of Premier's Bursary Fund	None	None

Programme / Sub-programme: Organizational Design and Job Evaluation							
Performance Indicator	Actual Achievement 2014/15	Actual Achievement 2015/16	Actual Achievement 2016/17	Planned Target 2017/18	Actual Achievement 2017/18	Deviation from planned target to Actual Achievement 2017/18	Comment on deviations
Number of organograms developed or reviewed for provincial departments and the OTP, within 45 working days after receipt of request.	Developed 17 organograms for Provincial Departments within 30 working days after receipt of request	27 organograms developed within 30 working days	Developed organograms for 3 Provincial Departments and the OTP, within 30 working days after receipt of request	Develop organograms for the 11 Provincial Departments and the OTP, within 45 working days after receipt of request	<b>Achieved</b> Developed 1 organogram for the Department of Social Development within 45 working days after receipt of request	None	None
Number of monitoring report on the implementation of Effective Regional Service Delivery Model	New Indicator	New Indicator	New Indicator	4 Monitoring Reports on the development and implementation of the Effective Regional Service Delivery Model	<b>Achieved</b> 4 monitoring reports on the development and implementation of the Effective Regional Service Delivery Model compiled	None	None
Percentage of posts evaluated and graded in Provincial Departments within 30 working days after receipt of the request	Evaluate posts in the 12 Provincial Departments and 21 Municipalities within 14 days after receipt of the request	112 posts evaluated within 30 working days after the receipt of request	101 posts evaluated for the 11 Provincial Departments and the Office of the Premier within 30 working days after receipt of the request	100% of posts evaluated in Provincial Departments within 30 working days after receipt of the request	<b>Achieved</b> 100% (261 of 261) posts evaluated in Provincial Departments within 30 working days after receipt of the request	None	None
Number of service delivery models developed for Provincial Departments	New Indicator	New Indicator	New Indicator	Develop 4 service delivery models developed for 4 Provincial Departments	<b>Not achieved</b> 1 draft Service Delivery Model developed for the Department of Human Settlements	3 Service Delivery models not developed	Filling of critical, vacant positions to be prioritised



Sub-programme: Labour Relations							
Performance Indicator	Actual Achievement 2014/15	Actual Achievement 2015/16	Actual Achievement 2016/17	Planned Target 2017/18	Actual Achievement 2017/18	Deviation from planned target to Actual Achievement 2017/18	Comment on deviations
% of disputes dealt with within 90 days of receipt in 11 Provincial Departments as well as the OTP	The unit attended and presided over 100% of 16 disciplinary hearings	100% (15/15) disputes dealt with	100% (9) of reported disputes dealt with	100% of disputes dealt with within 90 days of receipt in 11 Provincial Departments as well as the OTP	<b>Achieved</b> 100% (16 of 16) of reported disputes dealt with within 90 days of receipt in 11 Provincial Departments as well as the OTP	None	None
Number of reports on Labour Relations	New Indicator	New Indicator	New Indicator	4 reports on Labour Relations	<b>Achieved</b> 4 reports on Labour Relations developed	None	None
Number of Provincial Chambers co-ordinated	New Indicator	New Indicator	Co-ordinated 4 CCPMP Meetings	4 General Public Services Sector Bargaining Chamber (GPSSBC) and 4 Public Service Coordinating Bargaining Chamber (PSCBC) co-ordinated	<b>Achieved</b> 4 General Public Services Sector Bargaining Chamber (GPSSBC) meetings and 4 Public Service Coordinating Bargaining Chamber (PSCBC) meetings co-ordinated	None	None

Sub-programme: Public Service Transformation and Service Delivery Improvement							
Performance Indicator	Actual Achievement 2014/15	Actual Achievement 2015/16	Actual Achievement 2016/17	Planned Target 2017/18	Actual Achievement 2017/18	Deviation from planned target to Actual Achievement 2017/18	Comment on deviations
Number of Provincial HRM policy frameworks reviewed / developed	Reviewed and developed HRM Policies/ Frameworks within one month of receipt of request	The following Draft policies were developed -Provincial Policy Framework on PMDS -Leave Management Guide for the Mpumalanga Provincial Government -Policy Framework on Protective Clothing for the Mpumalanga Provincial Government -Policy Framework on Remunerative Work Outside Employment -Implementation Strategy for the Framework on Reasonable Accommodation	100% (26) HRM Policies within the Office of the Premier were reviewed and approved	12 Provincial HRM policy frameworks reviewed / developed	<b>Achieved</b> 34 Provincial HRM policy frameworks reviewed/ developed	22 more policy frameworks were reviewed/ developed	The section to review / develop policy frameworks as per the plan

Sub-programme: Public Service Transformation and Service Delivery Improvement							
Performance Indicator	Actual Achievement 2014/15	Actual Achievement 2015/16	Actual Achievement 2016/17	Planned Target 2017/18	Actual Achievement 2017/18	Deviation from planned target to Actual Achievement 2017/18	Comment on deviations
Number of monitoring reports on the implementation of HRM prescripts developed	Monitored compliance of SMS/ Level 1-12 with HRM prescripts with reference to effective Performance and Management System, Financial Interest Disclosures in 11 Provincial Departments as well as the Office of the Premier.	compliance of SMS/ Level 1-12 with HRM prescripts with reference to effective PMDS, Financial Interest Disclosures in 11 Provincial Departments as well as the Office of the Premier was monitored	Co-ordinated and facilitated three PMDS Forum meetings  Co-ordinated and facilitated a DPSA workshop on the newly approved PSR, 2016 and HRM Delegations. Compiled a report on the compliance of the MTEF HR Plans and HRPIR for all departments and submitted to DPSA	4 Monitoring Reports on the implementation of HRM prescripts developed	<b>Achieved</b> 4 monitoring reports on the implementation of HRM prescripts developed	None	None
Number of monitoring reports on the implementation of Batho Pele Programmes in Departments and Municipalities	Co-ordinated and facilitated change engagement management programme workshops in 11 Departments and 13 Municipalities	15 Batho Pele Change Engagement Management Programme co-ordinated	12 reports for Departments, Office of the Premier and 12 Municipalities Developed	8 Monitoring Reports on the implementation of Batho Pele Programmes in 4 Departments & OTP and 4 Municipalities	<b>Achieved</b> 8 monitoring reports on the implementation of Batho Pele programmes in 12 departments and 12 municipalities developed	8 more departments and municipalities monitored on the implementation of Batho Pele Programmes	The number of departments and municipalities to be monitored were incorrectly captured in the annual target, this will be improved in the 2018/19 plan
Number of Batho Pele Projects co-ordinated	2 deployments of Senior Managers to coal face of service delivery co-ordinated	2 deployment sessions for Senior Management to coal face of service delivery co-ordinated. 1 in Bushbuckridge and 1 in Steve Tshwete Municipalities	Compiled Khaedu Deployment report and Conducted feedback session in Thaba Chweu Local Municipality	3 Batho Pele Projects co-ordinated (Africa Public Service Day, Service Delivery Improvement Plans and Khaedu deployments)	<b>Achieved</b> 3 Batho Pele Projects co-ordinated (Africa Public Service Day, Service Delivery Improvement Plans and Khaedu deployments)	None	None

Sub-programme: Legal Services							
Performance Indicator	Actual Achievement 2014/15	Actual Achievement 2015/16	Actual Achievement 2016/17	Planned Target 2017/18	Actual Achievement 2017/18	Deviation from planned target to Actual Achievement 2017/18	Comment on deviations
% of formal, written legal opinions drafted as requested and submitted to clients.	100% (3) formal written legal opinions drafted and submitted to clients	9 requests for formal written legal opinions were made by clients and 100% (9) legal opinions were drafted and submitted to clients	100% (7) legal opinions of the 7 requested were drafted and submitted to the clients	100% of formal, written legal opinions drafted as requested and submitted to clients.	<b>Achieved</b>  100% (6 of 6) formal, written legal opinions requested were drafted and submitted to clients.	None	None

Sub-programme: Media, Departmental Liaison and Information Services							
Performance Indicator	Actual Achievement 2014/15	Actual Achievement 2015/16	Actual Achievement 2016/17	Planned Target 2017/18	Actual Achievement 2017/18	Deviation from planned target to Actual Achievement 2017/18	Comment on deviations
Number of Communication Plans Developed and implemented	New Indicator	New Indicator	New Indicator	1 Plan Developed and 4 Reports on the Implementation of the Communication Plan	<b>Achieved</b> 1 Plan and 4 reports on the Implementation of the Communication Plan developed	None	None

Sub Programme: Office of the Provincial Government Information Technology							
Performance Indicator	Actual Achievement 2014/15	Actual Achievement 2015/16	Actual Achievement 2016/17	Planned Target 2017/18	Actual Achievement 2017/18	Deviation from planned target to Actual Achievement 2017/18	Comment on deviations
Number of departments supported on systems and ICT Governance	Assisted 1 Department (PWRT) and 7 units in the Office of the Premier with the system. 745 technical callouts undertaken	1227 technical callouts were made to 11 Departments and the Office of the Premier	Technical support was provided to departments and the Office of the Premier (1011 technical callouts were made	11 Provincial Departments and the Office of the Premier supported on systems and ICT Governance	<b>Achieved</b> 11 Provincial Departments and the Office of the Premier supported on systems and ICT Governance	None	None
Number of ICT related projects co-ordinated	The COBIT rollout is taking place in line with the roll out of Phase Two of ICT Governance Framework. Developments at National level regarding licence fee payments are making progress	Co-ordinated and monitored 2 IT projects in the Province.  COBIT, and Gert Sibande Pilot Project on Broad Band roll-out	Projects were co-ordinated and Broadband meetings were held with Municipalities, Departments and Provincial Government Western Cape	5 ICT related projects co-ordinated (Broadband, GIS, ISO 38500, Centralised ICT services and Provincial ICT Strategy)	<b>Achieved</b> 5 ICT related projects co-ordinated (Broadband, GIS, ISO 38500, Centralised ICT services and Provincial ICT Strategy)	None	None
Number of Reports developed to monitor the performance of Transactional Adviser	New Indicator	New Indicator	The performance of the Transactional Adviser was monitored and 4 reports were submitted regarding the Transactional Adviser	4 reports developed to monitor the performance of Transactional Adviser	<b>Achieved</b> 4 reports to monitor the performance of Transactional Adviser developed	None	None



**Reasons for all deviations****Internal Human Resource Management**

- PMDS Policy changes resulted in the misalignment between APP reporting period (4) and revised PMDS reporting timelines (2)

**Organisational Design and Job Evaluation**

- 3 Service Delivery models not developed due to human capacity constraints

**Public Service Transformation and Service Delivery Improvement**

- Typing error of the number of departments and municipalities to be monitored when concluding the 2017-18 APP.
- 22 more policy frameworks were reviewed/ developed as per the management decision to review all outdated policies.

**Strategy to overcome areas of under performance****Internal Human Resource Management**

- The Annual Assessment reports will be provided during the 1<sup>st</sup> Quarter of 2018/19.

**Organisational Design and Job Evaluation**

- Filling of critical, vacant posts to be prioritised.

**Public Service Transformation and Service Delivery Improvement**

- The target will be improved in the 2018/19 plan
- HR Policy framework will review / develop policy frameworks as per the plan.

**Changes to planned targets**

There were no changes in the Annual Performance Plan during the reporting period.

**Linking performance with budgets**

The Programme spent the amount of **R74 243 000,00** which is 99,5% of the final appropriation budget of **R74 600 000,00** in the 2017/18 Financial Year. The Programme underspent by 0.5%, which is within the acceptable threshold of 2%. The Programme had 19 planned targets during the period under review. It

achieved 17 of the targets and this translates to 89% achievement rate.

**Sub-programme expenditure**

Programme Name Institutional Development	2017/2018			2016/2017		
	Final Appropriation	Actual Expenditure	(Over)/ Under Expenditure	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure
	R'000	R'000	316	R'000	R'000	R'000
Strategic Human Resources	37 580	37 241	339	42 900	42 584	316
Information Communication Technology	10 162	10 162	-	8 386	7 920	466
Legal services	3 856	3 852	4	3 528	3 524	4
Communication services	20 603	20 594	9	23 366	23 321	45
Programme Support	2 399	2 394	5	1 991	1 985	6
<b>Total</b>	<b>74 600</b>	<b>74 243</b>	<b>357</b>	<b>80 171</b>	<b>79 334</b>	<b>837</b>

#### 4.3. Programme 3: Policy and Governance

##### ***Purpose of the Programme***

This Programme is responsible for providing informed macro policy advice, co-ordination and monitoring of the following key focus areas in the Provincial Government:

- Provincial Planning;
- Monitoring of Implementation of Provincial Programmes;
- Mainstreaming of gender, youth and older person's issues;
- Regional and International co-operation;
- Research and information management; and
- Advisory services to the Premier, EXCO committees, EXCO and MPAC.

##### ***The Programme consists of the following sub-programmes:***

- Special Programmes;
- Intergovernmental Relations;
- Provincial Policy Management; and
- Monitoring and Evaluation.

##### ***Key to the mandate of Programme 3 are the following strategic objectives:***

- Integrated Planning and Policy Development;
- International Relations and Strategic Partnerships; and
- Information Management Monitoring and Evaluation.

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

Programme 3 is aimed at providing effective macro policy advice, co-ordination and monitoring across the Provincial Government. The Programme managed to improve co-ordination, monitoring and integrated planning within the Province. The development of the Mpumalanga Planning Commission Bill, 2018 and the Draft Framework on the Provincial Planning, Research, Information, Monitoring and Evaluation (PRIME), has been prioritized as part of institutionalizing long term planning in the Province.

The Programme co-ordinated the alignment of Departmental Annual Performance Plans (APPs) and Municipal Integrated Development Plans (IDPs) with Provincial and National macro policies. It also facilitated international partnerships and signed an MoU with the Ural Association of Tourism Sverdlovsk Region-Russia Federation to support Socio Economic Development in the Province.

The Programme facilitated the implementation and management of the M&E tools, namely, MPAT and FSDM as well as the roll-out of the *Satise silalele* Application to ensure good governance and delivery of services to the people of Mpumalanga. Strategic support to the Cluster Committees (Governance, Economy and Social Cluster) and the Executive Council (Makgotla and meetings) was provided throughout the year under review.

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

Strategic objectives	Strategic Objective Indicator	Actual Achievement 2016/17	Planned Target 2017/18	Actual Achievement 2017/18	Deviation from planned target to Actual Achievement 2017/18	Comment on deviations
Integrated Planning and Policy Development	Technical support provided annually to all 12 Provincial Departments and 20 Municipalities on the implementation of long term plans (V2030, PSDF, MTSF, PSP for HIV/AIDS, STI and TB)	3 Analysis Reports on alignment of 12 2016/17 departmental plans with macro policies (2014-19 MTSF, DAs and 2016/17 SOPA) developed	Guide planning in the province through provision of technical support to all 12 Provincial Departments and 20 Municipalities on the implementation of long term plans (V2030, PSDF, MTSF, PSP for HIV/AIDS, STI and TB)	Guided planning in the province through provision of technical support to all 12 Provincial Departments and 20 Municipalities on the implementation of long term plans (V2030, PSDF, MTSF, PSP for HIV/AIDS, STI and TB)	None	None
International Relations and Strategic Partnerships	Number of strategic partnerships facilitated to support Socio Economic Development in the Province	5 strategic international partnerships concluded.	4 International partnerships facilitated to support Socio Economic Development in the Province	3 International partnerships facilitated to support Socio Economic Development in the Province, namely: Ural Association of Tourism Sverdlovsk Region, Maputo Provincial Government and Russia Federation.	The actual target for the year under review should be 3 and not 4. This was a typo in the strategic objective table	Ensure that documents are quality assured
Information Management Monitoring and Evaluation	Developed Provincial Planning, Research, Information, Monitoring and Evaluation (PRIME) Framework.	4 capacity development events support departments to align their M&E Systems and reports with the Mpumalanga M&E System	Develop Provincial Planning, Research, Information, Monitoring & Evaluation (PRIME) Framework	Provincial Planning, Research, Information, Monitoring and Evaluation (PRIME) Framework developed	None	None
	Functional Integrated Data Centre	48 performance information reports analysed	Roll-out the implementation of Integrated Data Centre	The implementation of Integrated Data Centre rolled out	None	None

**Reasons for all deviations**

- The actual target for the year under review should be 3 and not 4. This was a typo in the strategic objective table.

**Strategy to overcome areas of under performance**

- Ensure that documents are quality assured



Sub-programme: International Relations							Comment on deviations
Performance Indicator	Actual Achievement 2014/15	Actual Achievement 2015/16	Actual Achievement 2016/17	Planned Target 2017/18	Actual Achievement 2017/18	Deviation from planned target to Actual Achievement 2017/18	
Number of high level reports on international engagements and resulting partnerships for trade, investment, technical support & ODA in line with the IR Framework	New Indicator	New Indicator	New Indicator	4 high-level reports on international engagements and resulting partnerships for trade, investment, technical skills & ODA as part of implementing the IR Framework	<b>Achieved</b> 4 high-level reports on international engagements and resulting partnerships for trade, investment, technical skills & ODA as part of implementing the IR Framework developed	None	None
Number of MoUs finalised	2 International partnerships monitored (Oman and Brazil) in line with Provincial Priorities	None	3 MoUs signed with Cuando Cubango Province in Angola, Republic of Mogilev Regional Executive Committee of the Republic of Belarus and OJSC Minsk Tractor Works in Republic of Belarus	Finalise 3 MoUs	<b>Not achieved</b> 1 MoU with Ural Association of Tourism Sverdlovsk Region-Russia Federation finalised	2 MoUs were not finalised	MOU with Mozambique will be finalised in the 1 <sup>st</sup> quarter of 2018/19

Sub-programme: Macro-Planning							Comment on deviations
Performance Indicator	Actual Achievement 2014/15	Actual Achievement 2015/16	Actual Achievement 2016/17	Planned Target 2017/18	Actual Achievement 2017/18	Deviation from planned target to Actual Achievement 2017/18	
Number of assessment reports on 2018/19 APPs from 11 Provincial Departments and the Office of the Premier	3	3	3	3 assessment reports on 2018/19 APPs from 11 Provincial Departments and the Office of the Premier by March 2018	<b>Achieved</b> 3 assessment reports on 2018/19 APPs from 11 Provincial Departments and the Office of the Premier produced by March 2018	None	None
Number of assessment reports on 2018/19 IDPs from all 20 municipalities by September 2018	3	3	4	4 assessment reports on 2018/19 IDPs from 20 municipalities by September 2018	<b>Not achieved</b> No assessment reports on 2018/19 IDPs for 20 municipalities produced by September 2018	2 assessment reports on 2017/18 IDPs for 20 municipalities as well as 2018/19 IDP Assessment Framework developed	The indicator will be improved in the 2018/19 plan
Established Provincial Planning Commission with appointed members	New Indicator	New Indicator	New Indicator	Co-ordinate the establishment of PPC and appoint members	<b>Not achieved</b> However, the Mpumalanga Planning Commission Bill, 2018 developed	Provincial Planning Commission was not established	PPC will be established in 2018/19 Financial Year once the Bill has been enacted into an Act

Sub-programme: Cluster Management							
Performance Indicator	Actual Achievement 2014/15	Actual Achievement 2015/16	Actual Achievement 2016/17	Planned Target 2017/18	Actual Achievement 2017/18	Deviation from planned target to Actual Achievement 2017/18	Comment on deviations
Approved Provincial Programme of Action (PPOA) for 2018/19	2015/16 PPOA developed and approved by EXCO	Approved 2016/17 (PPOA)	2017/18 approved in April 2017	Approved 2018/19 Provincial Programme of Action (PPOA)	<b>Not achieved</b> Draft Provincial Programme of Action developed.	Draft POA not yet approved by EXCO	Draft POA to be approved in the First Quarter of 2018/19 Financial Year
Number of PPOA assessment (analysis) reports developed for 2017/18	3	3	2 reports (6 and 9 months PPOA Assessment report) was developed for Makgotla	Three PPOA Assessment reports developed for Makgotla & other Provincial strategic fora	<b>Achieved</b> Three PPOA Assessment reports for Makgotla & other Provincial strategic fora developed	<b>None</b>	<b>None</b>
Established Strategic Project Management Unit	New Indicator	New Indicator	New Indicator	Co-ordinate the establishment of Project Management Office	<b>Not achieved</b> However, report on the implementation of strategic projects developed. i.e Terms of reference and benchmarking exercise to guide implementation of the PMU were finalised and approved.  Concept document developed and presented to the Technical Cluster.	Project Management Unit not established	Fast-track approval process through PMC and EXCO by the end of 2 <sup>nd</sup> quarter of 2018/19 Financial Year

Sub-programme: Monitoring and Evaluation							
Performance Indicator	Actual Achievement 2014/15	Actual Achievement 2015/16	Actual Achievement 2016/17	Planned Target 2017/18	Actual Achievement 2017/18	Deviation from planned target to Actual Achievement 2017/18	Comment on deviations
Number of Quarterly Performance Assessment s reports completed (QPR)	New Indicator	New Indicator	4 Quarterly consolidated QPR Reports submitted to DPME	4 Quarterly performance assessment reports completed (QPR)	<b>Achieved</b> 4 quarterly performance assessment report completed (QPR)	None	None
2017-19 Provincial Evaluation Plan (PEP) and quarterly reports produced	Provincial Evaluation Plan was developed, approved by PMC and submitted to DPME  2 Diagnostic evaluations completed	-	2 Annual evaluation information sessions were held with Departments Draft PEP presented for consideration and inputs	Develop 2017-19 Provincial Evaluation Plan and produce 2 monitoring reports	<b>Not Achieved</b>	The 2017-19 Provincial Evaluation Plan and 2 monitoring reports were not developed, and produced, respectively	The PEP will be finalised in the 2018/19 Financial Year
Number of progress reports on the implementation of MPAT cycle in the Province	Roll-out of MPAT cycle to all Provincial and the Departments Office of the Premier and improvement plans developed	Roll-out of MPAT cycle to all Provincial Departments	12 Provincial Departments supported throughout the MPAT processes.	4 progress reports on the implementation of MPAT cycle in the Province	<b>Achieved</b> 4 progress reports on the implementation of MPAT cycle in the Province	None	None
Number of progress reports on FSDM sites monitored	Improvement plans at 16 visited sites monitored  12 FSDM public facilities visited and assessed & improvement plans developed	Improvement plans at 16 visited sites monitored	<b>Not Achieved</b> 11 institutions visited and feedback provided to 14 public facilities. One sector meeting concluded	4 progress reports on FSDM sites monitored	<b>Achieved</b> 4 progress reports on FSDM sites monitored	None	None

Sub-programme: Research and Strategic Information Management System							
Performance Indicator	Actual Achievement 2014/15	Actual Achievement 2015/16	Actual Achievement 2016/17	Planned Target 2017/18	Actual Achievement 2017/18	Deviation from planned target to Actual Achievement 2017/18	Comment on deviations
Number of reports on implementation of the Provincial Research Agenda to enhance planning and decision making.	New Indicator	New Indicator	New Indicator	4 monitoring reports on the implementation of the Provincial Research Agenda to enhance planning and decision making.	<b>Achieved</b>  4 monitoring reports on the implementation of the Provincial Research Agenda produced	None	None
Number of research information / reports disseminated	New Indicator	New Indicator	New Indicator	Disseminate 16 sound research quality reports to enhance planning and decision making.	<b>Not achieved</b>  16 research reports disseminated to Macro Policy and the Office to enhance planning and decision making	The 16 research reports were not disseminated to Departments	Ensure research reports are disseminated to all intended stakeholders
Number of high level analytical reports assessing the state of service delivery and citizen access to support executive decision making	New Indicator	New Indicator	New Indicator	Compile 8 high level analytical reports assessing the state of service delivery and citizen access to support executive decision making.	<b>Achieved</b>  8 high level analytical reports assessing the state of service delivery and citizen access to support executive decision making developed	None	none

Sub-programme: Mpumalanga Provincial AIDS Council Secretariat							
Performance Indicator	Actual Achievement 2014/15	Actual Achievement 2015/16	Actual Achievement 2016/17	Planned Target 2017/18	Actual Achievement 2017/18	Deviation from planned target to Actual Achievement 2017/18	Comment on deviations
Number of reports on the implementation of the Provincial Strategic Plan for HIV and AIDS, STI and TB compiled – In line with the PIP	New Indicator	4	2 quarterly reports developed	4 Quarterly reports on the implementation of the Provincial Strategic Plan for HIV and AIDS, STI and TB compiled – In line with the PIP	<b>Achieved</b> 4 quarterly reports on the implementation of the Provincial Strategic Plan for HIV and AIDS, STI and TB compiled in line with the PIP	None	None
Number of reports on the implementation of the ZAZI campaign compiled	New Indicator	New Indicator	Entry meetings were facilitated with the service provider after his appointment	4 Quarterly reports on the implementation of the ZAZI campaign compiled	<b>Achieved</b> 4 quarterly reports on the implementation of the ZAZI campaign compiled	None	None



Sub-programme: Special Programmes							
Performance Indicator	Actual Achievement 2014/15	Actual Achievement 2015/16	Actual Achievement 2016/17	Planned Target 2017/18	Actual Achievement 2017/18	Deviation from planned target to Actual Achievement 2017/18	Comment on deviations
2018/19 PoA on GEWE developed and quarterly monitoring reports produced	New Indicator	New Indicator	2 POAs for GEWE and Older Persons developed	Develop 2018/19 POA on Gender Equality and Women Empowerment (GEWE) and produce 4 quarterly monitoring reports on the implementation of 2017/18 POA	<b>Not achieved</b> However, 4 quarterly monitoring reports on the implementation of 2017/18 Gender Equality and Women Empowerment (GEWE) POA produced	2018/19 POA on 2017/18 Gender Equality and Women Empowerment (GEWE) was not developed	Expedite the consultation of other stakeholders on the 2018/19 POA for Gender Equality and Women Empowerment (GEWE) and solicit EXCOs approval
2018/19 PoA on ROP developed and quarterly monitoring reports produced	New Indicator	New Indicator	New Indicator	Develop 2018/19 PoA on the Rights of Older Persons (ROP) and produce 4 quarterly monitoring reports on the implementation of 2017/18 POA	<b>Not achieved</b> However, 4 quarterly monitoring reports on the implementation of 2017/18 (ROP) POA produced	2018/19 POA on Rights of Older Persons (ROP) was not developed	Expedite the production of the 2018/19 POA for ROP and present to relevant structures and solicit EXCOs approval

Sub-programme: Youth Development							
Performance Indicator	Actual Achievement 2014/15	Actual Achievement 2015/16	Actual Achievement 2016/17	Planned Target 2017/18	Actual Achievement 2017/18	Deviation from planned target to Actual Achievement 2017/18	Comment on deviations
Number of monitoring reports on the implementation of Provincial Youth Development 2017/18-2019/20 Programme of Action (POA) developed	New Indicator	New Indicator	4 quarterly mainstreaming reports on the implementation of the Youth Development PoA compiled	4 reports on the implementation of the Provincial Youth Development 2017/18-2019/20 Programme of Action (POA)	<b>Not achieved</b>	No quarterly report on the implementation of the Provincial Youth Development 2017/18-2019/20 Programme of Action (POA) was produced	Reports on the implementation of other youth programmes by Departments were monitored and reports compiled, whilst awaiting the approval of the Provincial Youth Development 2017/18-2019/20 Programme of Action
Number of municipalities capacitated on war room based Youth Development	New Indicator	New Indicator	New Indicator	17 municipalities capacitated on war room based Youth Development	<b>Not Achieved</b> However 10 municipalities were capacitated on war room based youth development	7 municipalities were not capacitated on war room based youth development	OTP will consult with COGTA to facilitate the training of the remaining war rooms in various municipalities.

**Reasons for all deviations****International Relations**

- Two MoUs could not be signed as the Russian Federation held Regional elections to appoint new Governors during that period. The Maputo Provincial Government had not responded to a proposal to sign an MoU during the period under review.

**Macro-Planning**

- 2 reports did not meet the indicator description criteria (one report is an assessment framework and the other report is based on approved 2017/18 APP and IDPs)
- The Mpumalanga Planning Commission Bill must be passed by the Legislature prior to the appointment of PPC members.

**Cluster Management**

- The Draft 2018/19 Provincial Programme of Action (PPOA) has not yet been approved by EXCO.
- Concept document awaiting finalisation of approval process to establish the Strategic Project Management Unit.

**Monitoring and Evaluation**

- Slow response by Departments to complete their Departmental Evaluation Plan, which informs the development of the Provincial Evaluation Plan.

**Research and Strategic Information Management System**

- Research information was supposed to be disseminated internally to the Macro Policy and Planning branch and to provincial departments, however, management advised that the focus should be internal for 2017-18.

**Special Programmes**

- Awaiting the finalization of consultations for the 2018/19 POA for GEWE and ROP with other stakeholders and present to Governance and Criminal Justice Cluster, PMC and solicit approval from EXCO.

**Youth Development**

- The draft Provincial Youth Development 2017/18-2019/20 Programme of Action (POA) was presented in PMC Lekgotla and comments made are being incorporated prior to approval by EXCO.
- 7 outstanding Municipalities were not capacitated on war room based Youth Development. However, all Municipalities participated in the consultations on Integrated Youth Development Strategy that will inform youth development programmes at Provincial as well as ward level.

**Strategy to overcome areas of under performance****International Relations**

- MOU with Mozambique will be finalised in the 1<sup>st</sup> quarter of 2018/19 and follow up with SA Missions in Russia will be made.

**Macro Planning**

- The indicator will be improved in the 2018/19 plans
- The establishment of the PPC will be finalised in the 2018/19 Financial Year once the Mpumalanga Planning Commission Bill has been enacted.

**Cluster Management**

- A Draft POA to be approved in the First Quarter of 2018/19 Financial Year.
- Fast-track approval process of the establishment Strategic Project Management Unit through PMC and EXCO by the end of the 2<sup>nd</sup> quarter of 2018/19 Financial Year.

**Monitoring and Evaluation**

- Fast track the submission of the Departmental Evaluation Plans and present the draft PEP to EXCO for approval in the first quarter of the 2018/19 Financial Year.

**Research and Strategic Information Management System**

- The unit will disseminate information internally within the branch and to relevant departments in 2018-19.

**Special Programmes**

- Expedite the consultation of other stakeholders on the 2018/19 POA on Gender Equality and Women Empowerment (GEWE) and solicit EXCOs approval
- Expedite the production of the 2018/19 POA on the Rights of Older Persons (ROP) and present to relevant structures and solicit EXCOs approval

**Youth Development**

- Reports on the implementation of other youth programmes by Departments were monitored and reports compiled, whilst awaiting the approval of the Provincial Youth Development 2017/18-2019/20 Programme of Action
- OTP will consult with COGTA to facilitate the training of the remaining war rooms in various municipalities.

**Changes to planned targets**

There were no changes in the Annual Performance Plan during the reporting period..

**Linking performance with budgets**

The Programme spent the amount of **R60 115 000,00** which is 99,9% of the final appropriation budget of **R60 190 000,00** in the 2017/18 Financial Year. The Programme underspent by 0.1%, which is within the acceptable threshold of 2%. Programme 3 had 21 planned targets during the period under review. The Programme achieved 10 of its planned targets and this translates to 48%.

**Sub-programme expenditure**

Programme Name  Policy and Governance	2017/18			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
Special Programmes	10 376	10 342	34	7 997	7 763	234
Intergovernmental Relations	8 421	8 416	5	5 066	5 066	-
Provincial Policy Management	39 446	39 414	32	33 334	33 270	64
Programme Support	1 947	1 943	4	1 118	1 115	3
<b>Total</b>	<b>60 190</b>	<b>60 115</b>	<b>75</b>	<b>47 515</b>	<b>47 214</b>	<b>301</b>

**5. TRANSFER PAYMENTS****5.1. Transfer payments to public entities**

The Office of the Premier did not make any transfer payments to public entities

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

The Office of the Premier did not make any transfer payments to organisations other than public entities.

**6. CONDITIONAL GRANTS****6.1. Conditional grants and earmarked funds paid**

The Office of the Premier did not pay conditional grants during the year under review.

**6.2. Conditional grants and earmarked funds received**

The Office of the Premier did not receive any conditional grants during the year under review.

**7. DONOR FUNDS****7.1. Donor Funds Received**

The Office of the Premier did not receive donor funding

**8. CAPITAL INVESTMENT****8.1. Capital investment, maintenance and asset management plan**

Infrastructure projects	2017/18			2016/17		
	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure R'000	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure R'000
	R'000	R'000	R'000	R'000	R'000	R'000
New and replacement assets	29 776	29 771	5-	26 584	26 498	86
Existing infrastructure assets	-	-	-	-	-	-
- Upgrades and additions	-	-	-	-	-	-
- Rehabilitation, renovations and refurbishments	-	-	-	-	-	-
- Maintenance and repairs	-	-	-	-	-	-
Infrastructure transfer	-	-	-	-	-	-
- Current	-	-	-	-	-	-
- Capital	29 776	29 771	5-	26 584	26 498	86
<b>Total</b>	<b>29 776</b>	<b>29 771</b>	<b>5</b>	<b>26 584</b>	<b>26 498</b>	<b>86</b>





BROADREACH

## PART C: GOVERNANCE



## 1. INTRODUCTION

Commitment by the Office of the Premier to maintain the highest standards of governance is fundamental to the management of public finances and resources. Users want assurance that the Office of the Premier has good governance structures in place to effectively, efficiently and economically utilize the State's resources, which is funded by the tax payer.

## 2. RISK MANAGEMENT

The Office of the Premier understands that risk management is a strategic imperative within high performing organisations. As such, risk management is considered a strategic imperative within the Office of the Premier. The Risk Management Unit was established in terms of section 38(1) of the PFMA and it is under the custodianship of the Office of the Chief Financial Officer.

The Office of the Premier has a Risk Management Policy and Strategy developed in terms of the Public Sector Risk Management Framework. The Policy and Strategy communicates the OTP's risk management philosophy on how it is expected to support the organisation in achieving its objectives and how the policy will be implemented.

It is the strategy of the OTP to conduct risk assessments and reviews annually in accordance with Treasury Regulations 3.2.1. This helps the OTP to direct its Internal Audit effort and prioritise where to direct resources.

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

The Audit Committee provides oversight of the risk management function in the OTP and as such, risk management is a standing item on the quarterly meetings of the Audit Committee. The Audit Committee provides an independent and objective view of the Office's risks and effectiveness of the management processes.

To improve the maturity level of risk management in the OTP, through the recommendation of the Risk Management Committee, the Accounting Officer has appointed the Operational Risk Sub-Committee to monitor the implementation of risk management strategies around the operational environment. The Sub-Committee works together with other structures put in place to ensure that the risk management culture is cultivated and embedded in all operations of the Office.

As at 31 March 2018, the OTP has managed to implement 53.6% of the action plans to mitigate the strategic risks

## 3. FRAUD AND CORRUPTION

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

Nevertheless, management accepts fraud and corruption as a business risk. Acceptance, however, does not mean it condones fraud and it therefore commits itself to actively fight fraud and corruption including all other acts of dishonesty with perseverance and vigour.

There are measures in place to ensure that fraudulent activities are reported, investigated and resolved within a specified period. Employees and the public are encouraged through awareness programmes and initiatives to report any suspected fraud and corruption activities. There is NACH, the Presidential Hotline and Satise Silalele (a new system for Mpumalanga Province) which employees and the public can use to report allegations of fraud. Reporting can be made either anonymously or through walk-ins, from department through reference. The OTP has a Whistle-Blowing Policy which provides an assurance to provide protection to all whistle-blowers.

All incidences of fraud and corruption detected, are dealt with. for the Office of the Premier in 2017/18, 2 incidences were reported both of which are still under investigation.

The Office of the Premier has a responsibility to investigate all cases for the Province. Due to capacity challenges in the Office of the Premier, a service provider has been contracted to investigate the cases and a case management system has been procured for this purpose. The intervention has made a notable improvement in the backlog of cases (all backlog cases were investigated and finalised).

## 4. MINIMISING CONFLICT OF INTEREST

Conflict of Interest refers to "any financial or other private interest or undertaking that could directly or indirectly compromise the performance of the public servant's duties or the reputation of a public servant's Department in its relationship with its stakeholders"; or

"A situation in which a public official has a private interest which influences, or appears to influence a public decision."

In order to manage conflict of interest, management has put in place the following measures:

- Declaration of financial interests by SMS, MMS, Ethics officers, Supply Chain & Financial Management Officials.
- Declaration of interest forms which are completed during Committee meetings for attendances to declare any conflict of interest.

- The Office of the Premier requires potential service providers to declare on SBD forms if they are connected to any person employed by the State.
- Employees in the Office of the Premier are prohibited from conducting business with an organ of state.
- Employees are required to make an application to render any remunerative work outside Public Service.

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

## 5. CODE OF CONDUCT

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

The Office of the Premier has adopted the Public Service Code of Conduct as its value system. The conduct and behaviour of employees in the Office of the Premier is guided by the Public Service Code of Conduct. Management in the Office of the Premier promotes a high standard of professional ethics. Awareness workshops are conducted annually for new and existing employees in the Office of the Premier on the Code of Conduct. All employees are expected to understand and abide by the Code of Conduct. Any breach of Code of Conduct is regarded as misconduct and is dealt with accordingly in line with the provisions of the Disciplinary Code and Procedure.

## 6. HEALTH SAFETY AND ENVIRONMENTAL ISSUES

Transversal Human Resource Management Services has been entrusted with the responsibility of implementing the programme within the Office of the Premier and Co-ordinating the Programme implementation including HCT campaigns across the Mpumalanga Provincial Government.

The team has four staff members who facilitate the implementation of the Employee Health and Wellness (EH&W) Strategic Plan and Occupational Health and Safety Plan to ensure the employee wellness, safety in the workplace and co-ordination of the services of Employee Health and Wellness across Departments within the Provincial Government in accordance with the relevant prescripts. There is, however, no budget specifically allocated for EH&W. During the course of this Financial Year, an internal Employee Health and Wellness official was appointed, after having identified her from another unit. However, the desired results could not be achieved.

Towards the end of this Financial Year, i.e. February 2018, an Internal Employee Health and Wellness Officer was appointed, after she was identified from another Department (Provincial Treasury). The official focuses solely on ensuring that the employee health and wellness programme within the Office of the Premier is implemented, as per the applicable policies and guidelines.

## 7. PORTFOLIO COMMITTEES

The Office of the Premier reports to the Portfolio Committee on Premier's Office; Finance, Economic Development and Tourism in the Mpumalanga Legislature. The Committee reviews the Department's Performance Plans and budgets annually prior to approval for implementation. Once approved, the committee monitors implementation of those plans and budgets on a quarterly basis and annually. The following table outlines key deliberations for the 2<sup>nd</sup> quarter report 2017/18 that took place on 14 November 2017.



Date	Subject / Agenda	Matters raised	Implementation by the department
14 November 2017	Quarter 2 Performance Report	The sub programme: <b>Security Management:</b> had 3 planned targets and achieved 2 targets. - OTP has failed to hold consultations with stakeholders on the first Draft Integrated Security Master Plan. The reason for deviation is that consultations were not held due to non-availability of relevant stakeholders who are vital in the development of the master plan. It should be noted that the same target was not achieved even in 2016/17 financial year and in the first quarter 2017/18 and the same reason as is now was provided, currently they are saying consultation will be done in the 3rd quarter.	
		<b>a) If consultation will be done in the third quarter, when was the first draft developed (first Draft Integrated Security Master Plan), given the fact that the same target has not been achieved in the past financial year?</b>	a) The First Draft Integrated Security Master Plan was produced in August 2017 for consultation. We note the slow progress in the finalisation of the consultation however, these processes have already started and will be finalised by the end of November.
		<b>b) Who are these stakeholders who are always unavailable and what is their reason for their unavailability?</b>	b) Internal stakeholders include the HODs and the Security Managers from the various Departments. The external stakeholders include the Security Cluster and Municipalities. The reasons for the unavailability include the changes on the dates of the Makgotla that affected negatively on the scheduled dates for consultations with stakeholders.
		The sub programme - <b>Forensic and integrity Management:</b> had 4 planned targets and achieved 3 targets. - OTP has failed to resolve 100% calls received on the presidential hotline but managed to resolve <b>92.01%</b> and the reason for the deviation is that only one forum was held in Nkangala for community development workers which assisted in reducing the number of complaints to the Presidency. It should be noted that the same target was not achieved in the previous Financial Year 2016/17. <b>How did the forum that was held in Nkangala for community development workers assist in reducing the number of complaints to the Presidency?</b>	- The forum assists in sharing best practices that improves the effectiveness of PLOs and efficiency in responding to complaints. Nkangala overall performance has improved from 88.69% to 90.02% to date.
		<b>a) Can OTP explain the 66.6% over expenditure on Goods and services?</b>	a) The over expenditure on goods and services under this programme is attributed to payment of the maintenance and support costs for the case management system which is a once-off payment for the Financial Year.

Date	Subject / Agenda	Matters raised	Implementation by the department
		<b>b) Can the OTP explain the low expenditure on Goods and Services?</b>	b) The low expenditure on goods and services under this programme is attributed to a slow take-off of planned projects (regional service delivery model, Vodacom Smart Citizen, Broadband PPP) during the first quarter of the financial year. Payments on these projects are based on achievement of project milestones
		<b>Programme 3: Policy and Governance</b>  Sub-programme <b>Monitoring and Evaluation</b> had 4 planned targets and 3 were achieved. OTP was supposed to have a final draft 2017-2019 Provincial Evaluation Plan (PEP) and the reason for deviation is that training of officials will be conducted and these sessions will enable Departments to develop plausible Department Evaluation Plans (DEPs). <b>When the Portfolio Committee met with OTP during the 1st quarter, it indicated that it has commenced with the implementation of the recommendations of 2014-16 Review Report Evaluation Plan, with regard to building capacity on co-ordination and management of evaluations. Training will be rolled out to Departments with effect from September 2017.</b> <b>a) Can the OTP give progress made in the implementation of the final draft 2017-2019 Provincial Evaluation Plan (PEP)?</b>	a) Due to delays on the finalisation of the agreement with National School of Government, the training could not take place in September 2017 as planned. However, all contracting processes have since been finalised.  The first block of training session is commencing on Monday, 20 November 2017, targeting 25 participants (2 representatives per Department). This block will complete their training programme in February 2017. Part of the training sessions will include practical exercises on how to develop credible Departmental Evaluation Plans. The final draft Provincial Evaluating Plan will be finalised after the training sessions, by end of March 2018.
		1. OTP should ensure that the achievement of the non-achieved targets from the previous year does not negatively affect the achievement of the current year's targets.	1. Targets that were not achieved from the previous financial year will not affect performance on the planned targets of the current year, as reported to the Committee during the first quarter engagement. To date, out of the nine targets that were carried over from the previous year five have been achieved and four are in progress.
		2. The OTP should lead by example and achieve all the targets as planned. Furthermore, the Office must ensure that all planned targets adhere to the SMART principle.	2. The Office monitors implementation of plans on a monthly and quarterly basis through monthly and quarterly reports as well as quarterly business review sessions. All the targets in the draft 2018/19 APP are reviewed to ensure compliance with the SMART principle and feedback from quality assurance bodies will also be effected before the finalization of the APP. An invitation to the Office of the Auditor-General South Africa has been sent.
		3. Prioritise the matter of assigning departmental PLOs to assist municipalities to ensure that 100% of cases received on the Presidential Hotline are resolved.	3. PLOs in all Provincial Departments and Municipalities were appointed.

Date	Subject / Agenda	Matters raised	Implementation by the department
	<b>2016/17 AR</b>	The Office of the Premier must achieve planned targets in line with the allocated budget to ensure that there is correlation on the budget spent and targets achieved.	The Office of the Premier will ensure that the planned targets are achieved in line with the allocated budget, and planned targets that could not be implemented, are being reported on in the quarterly performance reports
		The Office of the Premier must address all the findings raised by the Auditor-General. The Office must lead by example and achieve a clean audit in the 2017/18 Financial Year.	The Office of the Premier has developed an Audit Action Plan to address all the findings raised by the Auditor-General. Monthly progress reports are submitted to the Provincial Treasury and quarterly progress reports are presented to the Audit Committee. The Office of the Premier has put control measures in place to minimise internal control deficiencies in an endeavour to achieve a clean audit in the 2017/18 Financial Year.
		The Office of the Premier must finalize all investigations before the end of March 2018 and implement corrective measures as per findings made.	The investigation process differs case by case. Other cases takes longer to close due to the complexity of their nature, timeliness of availing information, required documentation etc. The Office will however ensure that all outstanding cases are given priority attention.  Implementation of corrective measures lie with Accounting Officer(s) of respective department(s). The Office of the Public Service Commission follow-up with the accounting officers in that regard.
		The Office of the Premier must finalise the outstanding 311 cases before the end of 2017/18 Financial Year as committed by the Office.	The Office of the Premier will ensure that respective Departments as well as Municipalities resolve these outstanding cases by the end of 2017/2018.

Date	Subject / Agenda	Matters raised	Implementation by the department
<b>28 February 2018</b>	<b>2016/17 Annual Report</b>	<b>a. Can AO Share with the committee what measures have OTP put in place in the current financial year 2017/18 to improve its audit outcome?</b>	<ul style="list-style-type: none"> <li>The Office has developed an audit action plan to address all the findings raised by the Auditor-General and the action plan was reviewed by both the Internal Audit unit and office of the Accountant-General.</li> <li>Progress on the Audit action plan will be reviewed by the Audit Committee on a quarterly basis.</li> <li>The Financial Statements and draft APR are reviewed by the Internal Audit unit before submission to the office of the Accountant-General.</li> <li>The draft 18/19 APP is reviewed by Internal Audit.</li> <li>The Office has assigned the responsibilities of checking compliance with all prescripts and clearing of irregular expenditure to a DDG for the entire administration.</li> <li>The Office established a Provincial Compliance Monitoring Committee, jointly championed by the OTP and the Provincial Treasury. The committee is chaired by a DDG, and is mandated to play an oversight role in monitoring compliance across the Provincial Administration. The committee monitors among others the following matters that have a bearing on improvement of the audit outcomes: <ul style="list-style-type: none"> <li>o Adherence to prescripts in clearing irregular expenditure for the entire administration, including the Office of the Premier;</li> <li>o Monitor progress on implementation of the Audit action plan based on the 2016/17 audit and matters pending from previous audit outcomes.</li> </ul> </li> <li>The DDG responsible for compliance is a standing invitee in all Audit Committee meetings and the OTPs Departmental business review sessions. This enables her to immediately escalate matters of concern, on the five cluster Departments which includes the OTP, for the attention of the Accounting Officers' concerned and the Provincial Management Committee (PMC).</li> </ul>

Date	Subject / Agenda	Matters raised	Implementation by the department
		<p>In Performance Indicator: <b>100 % calls from Presidential Hotline resolved</b> the OTP has not achieved the target for investigating of <b>100%</b> but managed to resolve <b>90.74% (AR: 39)</b>. The reason for variance is that the Departments do not have PLO'S as they were transferred to other units.</p> <p><b>a) How many cases have been investigated and concluded in terms of numbers not percentages as reflected in the Annual Report?</b>  <b>b) How many are still pending and when will the cases be concluded?</b>  <b>c) How many Departments are affected by this failure to resolve all cases reported in the presidential Hotline?</b>  <b>d) Can OTP share with the committee the few success stories that they managed to finalise that were reported in the presidential Hotline?</b>  <b>e) How will the issue of PLO'S be addressed as it hampers the progress of resolving cases quickly?</b></p>	<p>a) As at 31 March 2017, 5 414 were resolved and the outstanding number was 425. However, since the inception of the Presidential Hotline in 2009 the total number of cases received by the Province is 6061.  b) As at 31 March 2017 cases that were pending were 425. To date the Province reduced the backlog by 114. The outstanding cases should be finalized by the end of the 2017/2018 Financial Year.  c) A report on Provincial Departments' as well as Municipal performance is submitted to the Committee;  d) The Province successfully resolved a complaint, case no. <b>INC000012591695</b> that related to poor services at the Valschfontein Clinic in Siyabuswa whereby patients would not be attended to when they visited the Centre due to staff shortages. The other problem was overcrowding at the clinic.  e) New management methods were introduced and this resulted in improved operations at the center such as staff allocation, leave management, timeous service etc.</p> <p>All Departments have now designated the PLO function and this will assist in the attendance of reported cases. The forum will meet in November 2017.</p>
		<p>In Performance Indicators: <b>report on assessment of Organisational efficiency developed (AR: 52)</b>, OTP was supposed to conduct assessment of Organizational efficiencies across administration-regional offices and the reason for deviation was that the service provider was appointed late in September 2016</p> <p><b>a) Given that the target was not achieved even in the financial year 2015/16, can OTP give progress on the implementation of this target to date?</b></p>	<p>b) A service provider was appointed in September 2016. A draft report, on the proposed Rationalization Framework, Road map and Options have been presented to EXCO. An EXCO Sub-committee was appointed in August 2017 to process the options and road-map that have been presented. Consultations have been held with Labour and a final draft will be presented to PMC and EXCO sub-committee during the month of November 2017.  The Portfolio Committee will be updated on the progress made during the quarter 3 reporting process.</p>

Date	Subject / Agenda	Matters raised	Implementation by the department
		<p>In Performance Indicators: <b>% of disputes dealt with (AR: 53)</b>. OTP was supposed to Deal with 100% disputes but only managed to resolve 22 % ( 2/9) within 90 days of receipt in 11 Provincial Department as well as the OTP</p> <p><b>a) Why did OTP only manage to resolve 2 disputes out of 9 that were reported?</b>  <b>b) Can OTP give progress on the pending disputes as to date?</b></p>	<p>a) The reason for this state of affairs is that these cases/disputes are being heard in agencies over which we have no control i.e The GPSSBC Council, Labour Court and the CCMA. These agencies are not bound by our timelines.</p> <p>b) Four (04) of the seven disputes have since been finalized in the current Financial Year. Two (02) Labour Court matters are still outstanding. One is scheduled for the 18th of March 2018.  One dispute is pending at the GPSSBC Council for arbitration. One is scheduled for the 27th of November 2017.</p>
		<p>In Performance indicators: <b>Number of capacity development events supporting Departments to align their M&amp;E systems and reports with the Mpumalanga M &amp; E System</b>. The OTP was supposed to have held 4 development events supporting Departments to align their M&amp;E systems and reports with the Mpumalanga M&amp;E System, however only two were held and the other two could not be held due to unavailability of stakeholders.</p> <p><b>a) Can OTP give an update on the pending 2 capacity development events and an update on the initiative to improve Provincial M&amp;E?</b></p>	<p>a) The Office of the Premier is still in a process of procuring the services of the National School of Government to conduct the training sessions that will commence during the third quarter of 2017/18.  As part of initiatives to improve Provincial M&amp;E, the process to finalize the Provincial Research Information Monitoring and Evaluation (PRIME) is currently underway.</p>
		<p>The OTP has <b>17</b> (14 Africans + 3 whites) males out of <b>24</b> posts at senior management level which is <b>70.8%</b> and <b>7</b> (5 Africans + 1 white + 1 Indian) females which is <b>29.2%</b> which is below the <b>50%</b> policy that is outlined in the EEA. The <b>249</b> posts include <b>9</b> people with disabilities which translate to 3.6% (<b>pg.145</b>) which is higher than <b>2%</b> as outlined by the EEA, but this is an improvement as compared to 2% during the 2015/16 Financial Year.</p> <p><b>a) What measures has the accounting officer taken to ensure the fair representation of females in top and senior management of the Department?</b></p>	<p>a) The Office of the Premier has an Employment Equity Plan and through the rationalization process, it will continue implementing the target set for women in the SMS positions.</p>



Date	Subject / Agenda	Matters raised	Implementation by the department
20 February 2018	Quarter 2 Report	The Office must lead by example and improve in the achievement of targets during the two remaining quarters. Furthermore, the Office must ensure that all planned targets adhere to the SMART Principle	<p>The Office is committed to lead by example and to improve the achievement of targets during the remaining two quarters of the current Financial Year. For instance, during the period under review, there were 52 targets and only 5 targets were not achieved, representing 90.4% achievement rate. The 90.4% overall achievement rate is higher than that of Quarter 2 which was at 89%.</p> <p>As part of ensuring that all planned targets adhere to the SMART Principle, the Office had one-on-one sessions with all Sections in the Office on 23 November 2017, before the submission of the 2018/19 2nd draft Annual Performance Plan to the Department of Planning, Monitoring and Evaluations (DPME). The Office also held a two-day strategic review session on 25 and 26 January 2018.</p>
		The Office must ensure that the target (to co-ordinate consultation with stakeholders on the 1st draft integrated security master plan) is achieved before the end of the third quarter.	The target was achieved by the end of the third quarter. Consultation sessions with stakeholders on the 1st Draft Integrated Security Master Plan were held on Thursday, 7 December 2017.
		The Office must ensure that the duties of the PLOs are added to the key performance areas (KPA's) of the officials the responsibilities have been assigned to.	The Office will support Departments and Municipalities in collaboration with COGTA to ensure that officials who are assigned responsibility of PLO have key performance areas that speaks to the function (Presidential Hotline) before the end of the Financial Year.
		The Office must finalise the schedule on the training of PLO's with the Presidency and ensure that PLOs are trained as per schedule. Furthermore, the Office must ensure that the target of resolving 100% of complaints received on the Presidential Hotline is achieved.	<p>Training is provided by SITA in collaboration with the Presidency to the officials in OTP and COGTA. These officials are trained on the use of the system as co-ordinators of PLOs.</p> <p>Training for the new 5 PLOs in the Office is scheduled to take place in March 2018.</p> <p>There is notable progress on resolving complaints received in the Presidential Hotline - improvement from 92.01% in the 2nd quarter to 94.66% in the 3rd quarter. As of 31 January 2018, the resolving rate was at 94.7%.</p>

Date	Subject / Agenda	Matters raised	Implementation by the department
20 February 2018	Quarter 3 Report	<p>The total main budget was <b>R289 769 000.00</b> and it was adjusted up by <b>R16 881 000 (7.3%)</b> which is currently <b>R306 650 000.00</b>. Out of the <b>R306 650 000.00</b> the OTP actual expenditure is <b>R245 609 000.00 (80.1%)</b> of the total adjusted budget.</p> <p>According to the Provincial Budget and Expenditure Outcomes for the period ended 31 December 2017 it indicates that the OTP Projection total for the 9 months is <b>R225 814 000.00</b> and the Actual expenditure is <b>R245 603 000.00</b> and the Cash Transferred from is <b>R248 231 000.00</b>. (Annexure A)</p> <p><b>a) Can the OTP explain the overspending on Administration of 83.7%?</b></p>	<p>a) The overspending on Administration during the third quarter was as a result of the following factors:</p> <ul style="list-style-type: none"> <li>Payment for investigation and litigation of which an additional budget was allocated during the adjustment budget process.</li> <li>Payment of services for the investigation of irregular expenditure for all the Departments.</li> <li>Payment of the Value Added Tax for the case management system which was settled during the first quarter. However, the budget in the first quarter could not accommodate the taxable portion. These funds were only made available during the budget adjustment process in the third quarter.</li> </ul>
		<p>For the Compensation of employees, the main budget was <b>R143 892 000</b> and it was adjusted down by <b>R70 000.00</b> to <b>R143 822 000.00</b> and the actual expenditure <b>R108 698 000.00 (75.6%)</b>. For Goods and services the main budget was <b>R116 277 000.00</b> and it was adjusted up by <b>R8 988 000.00</b> to <b>R125 265 000.00</b> and the actual expenditure was <b>R101 993 000.00 (81.4%)</b>. For Transfers and subsidies the main budget was <b>R6 950 000.00</b> and it was adjusted down by <b>R2 057 000.00</b> to <b>R4 893 000.00</b> and the actual expenditure is <b>R4 087 000.00 (83.5%)</b>. For Payments for capital assets the main budget was <b>R22 650 000.00</b> and it was adjusted up by <b>R9 950 000.00</b> to <b>R32 600 000.00</b> and the actual expenditure is <b>R30 831 000.00 (94%)</b>.</p> <p><b>a) Can OTP explain the over expenditure on Goods and Services, Transfers and Subsidies and Payments for Capital Assets?</b></p>	<p>b) The over expenditure on Goods and Services is mainly as a result of the following:</p> <ul style="list-style-type: none"> <li>Payment for investigations and litigation cases.</li> <li>Once-off payment for the maintenance and support for the case management system.</li> <li>Payment of services for the investigation of irregular expenditure for all the Departments.</li> </ul> <p>The over-expenditure on <b>Transfers and Subsidies</b> is as a result of the following:</p> <ul style="list-style-type: none"> <li>Payments of bursary holders which are payable during the first quarter and the third quarter for tuition fees.</li> <li>Payment of leave gratuities which are payable as and when employees leave the Public Service or when an employee passes away.</li> </ul> <p>The over-expenditure under payments of <b>Capital Assets</b> is as a result of Payment of the Value Added Tax (VAT) for the acquisition of the Case Management System which was acquired or settled during the first quarter.</p>

Date	Subject / Agenda	Matters raised	Implementation by the department
		<p>The OTP has <b>8</b> sub-programmes under the administration with a total of <b>15</b> targets. Out of the <b>15</b> targets <b>13 (86.6%)</b> targets where achieved in the quarter under review. The OTP achieved all targets under the following sub-programmes: planning and Programme Management, Internal Audit and Financial Management.</p> <p>The sub-programme <b>Security Management</b> has achieved <b>2</b> out of the <b>3</b> planned targets. OTP failed to develop a 2nd Draft Integrated Security Master Plan due to on-going consultation processes with stakeholders.</p> <p><b>a) During the 2nd quarter deliberations with OTP, they indicated that the 1st draft has been produced in August and consultation is scheduled for 24 November 2017</b></p> <p><b>I. Can OTP explain why is the first Draft Integrated Security Master Plan taking so long to finalise? What are the real challenges for the draft to be finalised given that they were supposed to have started drafting the 2nd Integrated Security Master Plan during the quarter under review?</b></p>	<p>I. There were delays in the coordination of consultation sessions on the 1<sup>st</sup> draft <b>Integrated Security Master Plan (ISMP)</b> due to non-availability of stakeholders. However, a consultation session was co-ordinated and it took place on 7 December 2017. Inputs received from this session are incorporated in the 2nd draft ISMP but the process could not be finalised due to the unavailability of key stakeholders for a follow-up consultation session.</p>

Date	Subject / Agenda	Matters raised	Implementation by the department
		<p>The OTP is appropriated an adjusted budget of <b>R171 673 000.00</b> and the actual expenditure is <b>R143 630 000.00</b> as in December 2017, translating to an expenditure of <b>83.7%</b>. The budget was adjusted up by <b>R17 006 000. (10.9%)</b> from <b>R154 667 000</b> to <b>R171 673 000</b> after adjustments.</p> <p>The OTP on compensation of employees is appropriated <b>R59 542 000.00</b> and during adjustment it did not change and the actual expenditure is <b>R45 826 000.00 (77%)</b>. The goods and services budget has been adjusted up by <b>R6 974 000 (9.6%)</b> from <b>R72 425 000</b> to <b>R79 399 000</b>, the actual expenditure is <b>R66 924 000 (84.3)</b> which shows an overspending of <b>9.3%</b>. For the OTP on transfers and subsidies the actual expenditure is <b>R49 000.00 (79%)</b> from an adjusted appropriation of <b>R62 000.00</b> it was adjusted up by <b>R12 000.00 (24%)</b>. On payments for capital assets the actual expenditure is <b>R30 831 000.00 (94.6%)</b> from an adjusted appropriation of <b>R32 600 000.00</b>, the budget shows an overspending of <b>19.6 %</b> even when the budget has been adjusted up by <b>R9 950 000</b>.</p> <p><b>b) Can OTP explain the overspending on goods and services and also on payments for capital assets?</b></p>	<p>The over expenditure on Goods and Services is mainly as a result of the following:</p> <ul style="list-style-type: none"> <li>The payment for investigations and litigation cases;</li> <li>A once-off payment for the maintenance and support for the case management system.</li> </ul> <p>b) The over-expenditure on <b>Payments for Capital Assets</b> is mainly as a result of payment of the Value Added Tax (VAT) for the Case Management System which was settled during the first quarter. However, the budget could not accommodate the taxable portion during the first quarter. The budget for this taxable portion was only made available during the budget adjustment process in the third quarter</p>
		<p><b>Programme 3: Policy and Governance</b></p> <p>On sub- programme: <b>Youth Development</b> it achieved 0 of the 2 planned targets. OTP failed to produce 1 report on the implementation of the Provincial Youth Development 2017/18-2019/20 Programme of action and the reason for deviation is that the target is dependent on the approval of the Provincial Youth Development 2017/18-2019/20 POA which is not yet approved.</p> <p>OTP has also failed to capacitate 4 Municipalities on war room based youth development and the reason for deviation is that the plenary with identified Municipalities collapsed due to pre-arranged Matric support programmes. It will be done the fourth quarter</p> <p><b>Can the OTP clarify who is responsible for the approval of the Provincial Youth Development 2017/18-2019/20 Programme of action and why is it taking so long to get approval?</b></p>	<p>The Executive Council (EXCO) is responsible for approval of the Provincial Youth Development Programme (PYDP) once all other governance processes have been finalised. The PYDP was presented to EXCO on 28 June 2017 and the Office of the Premier was directed to prioritise the implementation of the Social Enterprise Model and Government Nutrition Programme that are aimed at developing opportunities for young people. A comprehensive plan on this has been presented at the EXCO Lekgotla (February 2018) and will be finalised once the refinements directed by the Lekgotla are effected.</p>

Date	Subject / Agenda	Matters raised	Implementation by the department
		<b>The Youth Development programme failed to achieve both its targets in the first quarter and, in the second quarter it achieved 1 out of two and currently both targets were not achieved but the budget for this sub-programme is at 87% actual expenditure. Can OTP explain what is the budget for this programme used for ?</b>	The Office appointed a service provider to develop and co-implement the Mpumalanga Provincial Youth Development Programme (PYDP) of Action. The 87% actual expenditure on the sub-programme's budget, was used for the payment of services rendered, including the development of the Programme of Action, consultation sessions with various youth formations.

## 8. SCOPA RESOLUTIONS

### RESPONSES TO PRELIMINARY QUESTIONS OF THE SELECT COMMITTEE ON PUBLIC ACCOUNTS FOR OFFICE OF THE PREMIER FOR THE FINANCIAL YEAR 2016/17

#### IMPLEMENTATION OF PREVIOUS SCOPA RESOLUTIONS 2015/16

Resolution No	Subject	Details	Response by the department	Resolved (Yes/No)
<b>1</b>	<b>Irregular Expenditure:</b>	<p>i. The Accounting Officer must take disciplinary action against all officials who caused irregular, fruitless and wasteful expenditure in 2015/16 as required by section 38(1)(h)(iii) of the PFMA.</p> <p>ii. The Accounting Officer must submit a report of the Integrity Management Unit in relation to the <b>R147 390 000,00</b> of irregular expenditure.</p>	<p>i. The Accounting Officer has not taken any disciplinary action against officials at this stage pending the investigation that is currently underway. Once the investigation is concluded, the Accounting Officer will implement the recommendations accordingly.</p> <p>ii. The investigations are taking longer than anticipated due to capacity constraints. However, the investigations will be concluded by the end of the third quarter since a service provider has been assigned to finalize the process.</p>	Pending



Resolution No	Subject	Details	Response by the department	Resolved (Yes/No)
2	<b>Contingent Liabilities and Contingent Assets</b>	<p>i. The Accounting Officer must develop a strategy to minimize contingent liabilities.</p> <p>ii. The Accounting Officer must expedite the Riena Charles matter and provide a progress report to the Committee on quarterly basis.</p> <p>iii. The Accounting Officer must ensure that the pending cases are finalized especially where other Departments are involved.</p>	<p>i. The Office has concluded a process of conducting ethics risk assessment. Based on the outcomes of this assessment, an ethics strategy is currently being developed and will be finalised by the end of the Financial Year. It is envisaged that the strategy would highlight the organisational ethical values that should be adhered to and mainstreamed in all decision making processes as well as Departmental activities. These would result in thoroughness as we carry out our normal duties and intervention initiatives in case of a Province-wide disaster which will ultimately lead to less litigation cases against the State.</p> <p>ii. The matter is in the hands of the Court and the Accounting Officer has no power to intervene as it is another Sphere of Government.</p> <p>iii. The Accounting Officer does not have control on other processes of finalising litigation cases. Such matters depend on the Court's legal processes, as well as the time in which applicants respond to matters raised by Courts.</p>	Pending

Resolution No	Subject	Details	Response by the department	Resolved (Yes/No)
3	<b>Procurement and Contract Management:</b>	<p>i. The Accounting Officer must take disciplinary action against officials who have contravened Treasury Regulation 16A6.4.</p> <p>ii. The Executive Authority must take disciplinary action against the Accounting Officer at the time and or who approved the deviations wherein it was not impractical to invite competitive bids and permitted contravention of Treasury Regulation 16A6.4.</p> <p>iii. The Executive Authority must recoup the irregular expenditure from the Accounting Officer wherein he / she is found liable in law for contravening Treasury Regulation 16A6.4. in the 2015/16 Financial year.</p>	<p>iv. The Accounting Officer has not taken any disciplinary action against officials at this stage pending the investigation that is still currently underway. Once the investigation is concluded, the Accounting Officer will implement the recommendations accordingly.</p> <p>v. The investigations will be concluded by the end of the third quarter.</p> <p>vi. The Executive Authority will be advised accordingly on the outcome of the investigation once a report is issued by the service provider.</p>	Pending
4	<b>Expenditure Management</b>	<p>i. The Accounting Officer must take disciplinary against officials who contravened section 38(i)(c)(iii) of the PFMA and TR 9.1.1 that subsequently led to fruitless and wasteful expenditure.</p>	<p>i. The Accounting Officer has not taken any disciplinary action against officials at this stage pending the investigation that is currently underway. The investigations will be concluded by end of the third quarter.</p>	Pending

Resolution No	Subject	Details	Response by the department	Resolved (Yes/No)
<b>5</b>	<b>Internal Controls</b>			
<b>5.1</b>	<b>Leadership</b>	<p>i. The Accounting Officer must take disciplinary action against the failure to effectively exercise oversight responsibility regarding performance reporting and compliance as well as related controls.</p> <p>ii. the Accounting Officer must develop an effective strategy that will ensure that internal controls are strengthened.</p>	<p>i. The Accounting Officer will consult on the appropriate action to be taken against the failure to effectively exercise oversight responsibility regarding performance reporting and compliance related controls.</p> <p>ii. The Office has established a Provincial Compliance Monitoring Committee, jointly championed by the OTP and the Provincial Treasury. The committee is chaired by a DDG, and is mandated to play an oversight role in monitoring compliance across the provincial administration. The committee monitors among others the following matters that have a bearing on improvement of the audit outcomes:</p> <ul style="list-style-type: none"> <li>Adherence to prescripts in clearing irregular expenditure for the entire administration, including the Office of the Premier;</li> <li>Monitor progress on implementation of the Audit action plan.</li> <li>The Office has established a finance committee that verifies all procurement of goods and services.</li> <li>The Supply Chain Management policy has been reviewed to accommodate new Legislation and guidelines on best practices.</li> </ul>	Pending

Resolution No	Subject	Details	Response by the department	Resolved (Yes/No)
<b>5.2</b>	<b>Financial and Performance Management</b>	<p>i. The Accounting Officer must effectively exercise responsibility regarding performance reporting and compliance as well as related controls.</p>	<p>i. The Office has established an executive management committee, chaired by the DDG: Compliance Monitoring which is mandated to play an oversight role regarding performance reporting and compliance related matters. The executive management committee monitors among others the following matters that have a bearing on improvement of the audit outcomes:</p> <ul style="list-style-type: none"> <li>Quarterly business reviews which include both financial and performance reporting information.</li> <li>Review reports and documents for submission to oversight bodies.</li> <li>Monitor progress on the implementation of the audit action plan.</li> </ul>	Pending
<b>2</b>	<b>2016/17 Audit Action Plan</b>	<p>a) <b>Can the Accounting Officer provide the progress report on the implementation of the 2016/17 Audit plan</b></p>	<p>The Office of the Premier obtained an unqualified Audit Opinion during the 2016/17 Financial Year. There are fifty (50) findings raised by the Auditor-General and below is the summary of the progress made thus far:</p> <ul style="list-style-type: none"> <li>Six (6) findings have been addressed satisfactorily;</li> </ul> <p>Forty four (44) findings are in progress. Monthly progress reports will be submitted to the Provincial Treasury in line with the reporting requirements.</p>	Pending

**3. REPORT ON FINANCIAL STATEMENTS**

Resolution No	Subject	Details	Response by the department	Resolved (Yes/No)
3.1	Irregular Expenditure (R147 390 000)	As disclosed in note 21 to the financial statements, irregular expenditure of R147 390 000,00 incurred in the previous years was still under investigation - page 170 of AG's report.	The irregular expenditure of R147 390 000,00 is an accumulative figure dating back from 2013/14 until 2015/16.  Therefore the Accounting Officer did not intentionally contravene section 38(1)(c)(ii) of the PFMA and Treasury Regulation (TR) 9.1.1 in the procurement of goods and services that resulted in irregular expenditure of R147 390 000,00. However it is important to note that these are cumulative figures from the 2013/14 Financial Year as a result of multiyear contracts that will come to an end in 2017/18 Financial Year.	Pending
		a) Why did the Accounting Officer contravene section 38(1)(c)(ii) of the PFMA and Treasury Regulation (TR) 9.1.1?		
		b) Why did the Accounting Officer incur Irregular Expenditure amounting to R147 39 000,00?	The irregular expenditure is as a result of multiyear contracts where procurement processes were not followed and the contracts will come to an end in the 2017/18 Financial Year. The Office of the Premier has appointed a service provider to investigate all irregular expenditure within the Provincial Administration with a view to ask for condonation by the end of the Financial Year.	Pending
		c) Can the Accounting Officer provide a detailed breakdown of the irregular expenditure amounting to R147 390 000,00 per instance?	The irregular expenditure register amounting to R147 390 000,00 was submitted to SCOPA	Pending

Resolution No	Subject	Details	Response by the department	Resolved (Yes/No)
		d) Did the Accounting Officer take disciplinary action against those who caused the Department to incur the Irregular expenditure amounting to R147 390 000,00 as required by section 38 (1) (h) of the PFMA? Relate per instance and provide proof of action taken and sanction.	The Accounting Officer has not taken any disciplinary action against officials at this stage because the investigation is currently underway, once the investigation is concluded, the Accounting Officer will implement the recommendations accordingly.  The investigations will be concluded by the end of the third quarter since a service provider has been appointed to finalize the process.	Pending
		e) Can the AO outline challenges that lead to irregular expenditure as this matter is recurring even when systems are/were put in place to prevent recurrence?	The irregular expenditure is as a result of multiyear contracts where procurement processes were not followed and the contracts will come to an end in 2017/18 Financial Year.	Pending
		f) Can the AO explain why are the investigations on Irregular Expenditure are taking so long?	The investigations are taking longer than anticipated due to capacity constraints; however the investigations will be concluded by the end of the third quarter since a service provider has been appointed to finalize the process.	Pending
		g) Can the Accounting Officer submit correspondence proof that each instance of Irregular Expenditure was reported to the relevant Treasury as required by section 38(1)(g) of the PFMA?	The irregular expenditure was reported to Provincial Treasury and proof submitted to SCOPA	Pending



Resolution No	Subject	Details	Response by the department	Resolved (Yes/No)
		h) What progress has the Accounting Officer made towards recovering the money from the responsible/liable officials?	<p>The Accounting Officer has not made any progress towards recovering the money from the responsible officials as investigations are currently underway.</p> <p>The investigations are taking longer than anticipated due to capacity constraints; however the investigations will be concluded by the end of the third quarter since a service provider has been appointed to finalize the process.</p>	Pending
3.1.2		<p>On page 175, the AG reported that effective steps were not taken to prevent irregular expenditure, amounting to R64 601 000,00 as disclosed in note 21 of the AFS, as required by section 38(i)(c)(ii) of the PFMA and TR 9.1.1. The majority of the irregular expenditure resulted from the use of deviations that were not justifiable, and the adjudication committee that was not constituted in terms of the supply chain policy of the Department.</p> <p>a) Why did the Accounting Officer fail to take steps to prevent irregular expenditure, amounting to R64 601 000,00 as disclosed in note 21 of the AFS, as required by section 38(i)(c)(ii) of the PFMA and TR 9.1.1.</p>	<p>The irregular expenditure of R64 601 000,00 is as a result of multi-year contracts which were awarded in 2014/15 Financial Year and will only come to an end during 2017/18.</p> <p>Therefore the Accounting Officer did not intentionally contravene section 38(1)(c)(ii) of the PFMA and Treasury Regulation(TR) 9.1.1 in the procurement of goods and services that resulted in irregular expenditure.</p> <p>However it is important to note that these irregular expenditures will have to be disclosed until the contracts come to an end in the 2017/18 Financial Year.</p>	Pending

Resolution No	Subject	Details	Response by the department	Resolved (Yes/No)
		b) Can the Accounting Officer submit copies of all the deviations amounting to R64 601 000,00 to the Committee for scrutiny?	<p>The irregular expenditure of R64 601 000,00 is made up of the following breakdown:</p> <p>Multiyear contracts amount to R63 210 164.00;</p> <p>Deviations amount to R384 968.74;</p> <p>Other irregular expenditure amount to R1 005 864.26;</p> <p>The list irregular expenditure register is submitted to the Committee.</p>	Pending
		c) Can the AO provide proof that disciplinary action was taken against officials for causing the Department to incur Fruitless and Wasteful Expenditure as required by section 38(1)(h)(iii) of the PFMA?. Provide proof per incident.	<p>The Accounting Officer has not taken any disciplinary action against officials at this stage because the investigation is currently underway. Once the investigation is concluded, the Accounting Officer will implement the recommendations accordingly.</p> <p>The investigations will be concluded by the end of the third quarter since a service provider has been appointed to finalize the process.</p>	Pending
		d) Why did the AO fail to put effective internal controls for payment approval and processing in place, as required by TR 8.1.1 as payment were approved without adequate supporting documents for the expenditure amount?	<p>The Accounting Officer did not intentionally fail to put effective internal controls for payment approval and processing as required by TR 8.1.1.</p> <p>The supporting documents from the contracted service providers are kept in the supplier file, and are made available during the audit. The Office of the Premier has since improved in this area of work.</p>	Pending

Resolution No	Subject	Details	Response by the department	Resolved (Yes/No)
		e) Did the Accounting Officer take any disciplinary action against officials who caused the Department to incur Irregular Expenditure amounting to R64 601 000,00 as required by Treasury Regulation 91.3?	The Accounting Officer has not taken any disciplinary action against officials at this stage because the investigation is currently underway. Once the investigation is concluded, the Accounting Officer will implement the recommendations accordingly.  The investigations will be concluded by the end of the third quarter since a service provider has been appointed to finalize the process.	Pending
		f) What progress has the Accounting Officer made towards recovering the money from the responsible/liable officials?	The Accounting Officer is not approving any deviations under normal circumstances; deviations are only approved where the prescripts permit.	Pending
		g) What progress has the Accounting Officer made towards regularising expenditure amounting R to R64 601 000,00	The Accounting Officer has appointed a service provider to conclude the investigation of the irregular expenditure with the intention to regularize the expenditure after condonation by the relevant authorities.	Pending

Resolution No	Subject	Details	Response by the department	Resolved (Yes/No)
		h) What systems has the Accounting Officer put in place to ensure that the reported finding does not recur in the 2017/18 Financial Year?	<p>The Office established a Provincial Compliance Monitoring Committee, jointly championed by the OTP and the Provincial Treasury. The committee is chaired by a DDG, and is mandated to play an oversight role in monitoring compliance across the Provincial Administration. The committee monitors among others the following matters that have a bearing on improvement of the audit outcomes:</p> <ul style="list-style-type: none"> <li>Adherence to prescripts in clearing irregular expenditure for the entire Administration, including the Office of the Premier;</li> <li>Monitor progress on implementation of the Audit action plan based on the 2016/17 audit and matters pending from previous audit outcomes.</li> </ul> <p>The Accounting Officer has established a finance committee that verifies all procurement of goods and services.</p> <p>The Supply Chain Management policy has been reviewed to accommodate new Legislation and guidelines.</p>	Pending

Resolution No	Subject	Details	Response by the department	Resolved (Yes/No)
3.1.3	Fruitless and wasteful expenditure	The OTP has reported a total amount of R5 083 000,00 as fruitless and wasteful expenditure incurred in the prior year was not investigated in the current year (AR: 233 note 22)	The fruitless and wasteful expenditure is as a result of payments made to contracted service providers, who could not submit third party invoices as proof of services rendered in line with the approved SLA.	Pending
		a) Why did the Accounting Officer incur fruitless and wasteful expenditure amounting to R5 083 000,00?	The Office of the Premier has since built capacity around contract management to avoid such instances from happening in the future.	
		b) Why did the AO fail to investigate the fruitless and wasteful expenditure amounting to R5 083 000,00?	The investigations are taking longer than anticipated due to capacity constraints; however the investigations will be concluded by the end of the third quarter since a service provider has been appointed to finalize the process.	
		c) Can the Accounting Officer disclose how much of the R5 083 000 has been recovered from the official(s) who caused the department to incur Fruitless and Wasteful Expenditure? Provide proof	<p>The Accounting Officer has not made any progress towards recovering the money from the responsible officials or from the service providers concerned as investigations are currently underway.</p> <p>The investigations are taking longer than anticipated due to capacity constraints; however the investigations will be concluded by end of the third quarter since a service provider has been assigned to finalize the process.</p>	Pending

Resolution No	Subject	Details	Response by the department	Resolved (Yes/No)
		d) Can the AO provide proof that disciplinary action against officials for causing the department to incur Fruitless and Wasteful Expenditure as required by section 38(1) (h) (iii) of the PFMA? Provide proof per incident	<p>The Accounting Officer has not taken any disciplinary action against officials at this stage because the investigation is currently underway, once the investigation is concluded, the Accounting Officer will implement the recommendations accordingly.</p> <p>The investigations will be concluded by end of the third quarter since a service provider has been assigned to finalize the process.</p>	Pending
		e) Can the AO provide proof that the fruitless and wasteful expenditure was reported as required by Treasury Regulation 9.1.2?	The fruitless and wasteful expenditure was reported to Provincial Treasury, proof thereof was submitted to SCOPA	Pending
3.1.4	Accruals and Payables not recognised	<p>As disclosed in note 18 (AR: pg.229) to the financial statements, OTP has accruals and payables not recognised amounting to R64 869 000</p> <p>a) What impact will the R64 869 000 have on activities of the OTP should it be paid using the 2017/18 voted funds?</p> <p>b) The AO must clarify as to why the OTP's payables are more than the OTP's surrendered funds?</p>	<p>The payment of accruals and payables have a minimum impact on the 2017/18 voted funds because an amount of R55 988 000 has been provided for in the main appropriation as part of the multiyear contracts. An amount of R8 881 000 for VAT on the procurement of the case management system was not cash backed and funds will be shifted from under spending programmes or projects during the adjustment process.</p> <p>The payables are part of the multiyear contracts and are provided for in the 2017/18 financial year as per the addendum to the Service Level Agreement. Therefore the amount surrendered cannot be equal to the payables.</p>	Pending



Resolution No	Subject	Details	Response by the department	Resolved (Yes/No)
		<p>c) Why did the Accounting Officer fail to take effective steps to prevent unauthorised, irregular and fruitless and wasteful expenditure as required by the section 38(1) (c) (ii) of the PFMA and Treasury Regulation 9.1.1?</p> <p>d) Why did the Accounting Officer fail to settle all contractual obligations and money owed by the OTP within 30 days or agreed period as required by the section 38(1) (f) of the PFMA and Treasury Regulations 8.2.3?</p>	<p>The Accounting Officer did not intentionally contravene section 38 (1)(c) (ii) of the PFMA and Treasury Regulation (TR) 9.1.1 in the procurement of goods and services that resulted into unauthorised, irregular and fruitless and wasteful expenditure.</p> <p>The Office of the Premier normally processes all payments within 30 days in line with the requirement of section 38(i) of the PFMA and Treasury Regulations 8.2.3 In this instance the payments was captured and authorized on the system, however it could not interface on the safety web as all payments above R1million were required to be capture on the safety web.</p> <p>The matter was however resolved by both Provincial and National Treasury and therefore the payment could not be processed within the stipulated period.</p>	Pending

Resolution No	Subject	Details	Response by the department	Resolved (Yes/No)																					
4.1	Procurement and Contract Management	On page 151, the AG reported that goods and services with a transaction value above R500 000 were procured without obtaining the required price quotation, as per the requirements of the Treasury Regulation (TR) 16A6.1. Similar non-compliance was also reported in the prior year		Pending																					
		a) Why did the Accounting Officer contravene procure goods and services above R500 000 without obtaining the required price quotations (TR 16A6.1, TR 16A6.4)?	a) The finding is not applicable to the 2016/17 Annual Report, the finding referred to is in the 2015/16 Annual Report, page 151. In 2016/17 financial year there was no procurement of goods and services above R500 000 without obtaining the required quotation.																						
		b) Can the Accounting Officer list the awards that were awarded to bidders in contravention of Treasury Regulation 16A6.4 during the financial year under review? Provide a detail description of award, value, nature of service.	<table><tr><th>No</th><th>Supplier Name</th><th>Description</th><th>Amount audited</th></tr><tr><td>1</td><td>HELENA BURGER AND ASSOCIATES</td><td>PROTOCOL TRAINING</td><td>R118 500.00</td></tr><tr><td>2</td><td>PRIME CORNER FILLING STATION</td><td>NEWS PAPERS</td><td>R16 665.90</td></tr><tr><td>3</td><td>FLOWER MARKET</td><td>FRESH FLOWERS</td><td>R17 310.00</td></tr><tr><td>4</td><td>CROSSING SUPER SPAR</td><td>GROCERY FOR SPECIAL MEETINGS</td><td>R126 392.84</td></tr><tr><td>5</td><td>MPUMALANGA NCRF HUB</td><td>RADIO ADVERTS</td><td>R224 600.00</td></tr></table>		No	Supplier Name	Description	Amount audited	1	HELENA BURGER AND ASSOCIATES	PROTOCOL TRAINING	R118 500.00	2	PRIME CORNER FILLING STATION	NEWS PAPERS	R16 665.90	3	FLOWER MARKET	FRESH FLOWERS	R17 310.00	4	CROSSING SUPER SPAR	GROCERY FOR SPECIAL MEETINGS	R126 392.84	5
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5	MPUMALANGA NCRF HUB	RADIO ADVERTS	R224 600.00																						

Resolution No	Subject	Details	Response by the department	Resolved (Yes/No)
		c) What action has the Accounting Officer taken against the officials who failed to adhere to the requirements of Treasury Regulation 16A6.4?	The Accounting Officer has not taken any disciplinary action against officials at this stage because the investigation is currently underway, once the investigation is concluded, the Accounting Officer will implement the recommendations accordingly.  The investigations will be concluded by end of the third quarter since a service provider has been assigned to finalize the process.	Pending
		d) What measures has the Accounting Officer taken to ensure that the requirements of Treasury Regulation 16A6.4 in terms of awarded contracts are always adhered to as the matter is recurring?	The Accounting Officer has established a compliance unit within the Office of the Premier.  The Accounting Officer has established a finance committee that verifies all procurement of goods and services.  The Supply Chain Management policy has been reviewed to accommodate new Legislations and guidelines.	Pending
		a) Why did the AO fail to compose the bid adjudication committees in accordance with the policies of the department, as required by TR 16A6.2 (a), (b) and (c)?	The bid adjudication committee consists of four senior managers of the Department which include the CFO, as per the appointment letter signed by the Accounting Officer. Three senior managers were present on the day of the sitting and constituted a quorum for the meeting to proceed. However Auditor-General argues that the policy does not indicate that a quorum should be met for the meeting to continue.  The Supply Chain Management policy has been reviewed and amended accordingly to address the shortcoming and the expenditure condoned by the relevant authority.	Pending

Resolution No	Subject	Details	Response by the department	Resolved (Yes/No)
4.1.3		- Bid documentation for procurement of commodities designated for local content and production did not stipulate the minimum threshold for local production and content, as required by preferential procurement regulation 9(1)  - Commodities designated for local content and production were procured from suppliers who did not submit a declaration on local production and content, as required by preferential procurement regulation 9(1)  b) Why did the AO contravene the preferential procurement regulation 9(1) by not stipulating the minimum threshold for local production on bid documentation?	The Accounting Officer did not intentionally contravene the preferential procurement regulation 9(1) by not stipulating the minimum threshold for local production on bid documentation.  The goods and services were procured through quotations and all quotations received from the service providers were evaluated on the same criteria and no unfair advantage was given to any of the suppliers as all goods were produced locally.	Pending
		c) Why did the AO contravene the preferential procurement regulation 9(1) by procuring from suppliers who did not submit a declaration on local production and content as required?	The Accounting Officer did not intentionally contravene the preferential procurement regulation 9(1) by procuring from suppliers who did not submit a declaration on local production and content as required.  The goods and services were procured through quotations and all quotations received from the service providers were evaluated on the same criteria and no unfair advantage was given to any of the suppliers as all goods were produced locally.	Pending

## IMPLEMENTATION OF PREVIOUS SCOPA RESOLUTIONS 2015/16

Resolution No	Subject	Details	Response by the department	Resolved (Yes/No)
a)		<p><b>Can the Accounting Officer provide the progress made in implementing SCOPA resolutions with reference to the 2015/16 financial year?</b></p> <p>i. The accounting officer must submit report of the Integrity Management Unit in relation to the Irregular expenditure incidents relating to the R 68 266 667.38</p>	i. The Integrity Management report was submitted to SCOPA	Pending
		(II) The Accounting Officer must develop a strategy to minimize the contingent liabilities and report to the committee progress towards clearing them.	(ii) The cases that are listed under the Contingent liability are handled by the State Attorneys. Follow ups are made on a regular basis to check the status of each case. The delay in the finalisation of these cases is due to the fact that dates for the sitting of the labour courts are controlled and determined by the registrar of the court.	Pending
		(III) The Accounting Officer must ensure that the remedial audit plan for 2014/15 financial year is implemented and adhered to.	(III) The Accounting Officer managed to implement all the remedial audit plan for 2014/15 financial year and the results thereof are reflected on the 2015/16 audit findings. In the main the areas of improvement are in the Supply Chain Management, Policy Development, Information Technology and oversight responsibilities.	Pending
		(IV) The Accounting Officer must develop system and mechanism to enhance the Supply Chain Unit.	(IV) The Supply Chain Management Unit has since been enhanced by the appointment of the manager and the introduction of the Central Supplier Data Base System which contributed positively to the overall procurement of goods and services within the public sector. The Office has established a finance committee that verifies all procurement of goods and services before signing off by the Accounting Officer.	Pending

## PROGRESS REPORT ON IMPLEMENTATION OF SCOPA RESOLUTIONS EMANATING FROM 2016/17 ANNUAL REPORT DELIBERATIONS

Resolution No	Subject	Details	Response by the department	Resolved (Yes/No)
1	Implementation of the 2016/17 audit action plan	<p>I) The committee recommended that the house resolve that the Accounting Officer must submit progress report on the implementation of the audit remedial plan for 2016/17</p>	<p>The Auditor General raised thirty nine (39) findings during the 2016/17 financial year and thirty seven (37) findings have since been resolved in line with the Audit Action Plan. A report was submitted to SCOPA.</p> <p>The two (2) unresolved audit findings are as follows:-</p> <ul style="list-style-type: none"> <li>Documents misplaced due to misfiling;</li> <li>Reasons for deviating from planned targets were not adequate to justify the deviation.</li> </ul>	Pending



Resolution No	Subject	Details	Response by the department	Resolved (Yes/No)
2	Report on financial statements	I) Irregular Expenditure  The Accounting Officer must take disciplinary actions against all officials who caused irregular expenditure amounting R 147 390 000, fruitful and wasteful expenditure in 2015/16 as required by section 38(1)(h)(iii) of the PFMA and TR 9.1.1.	The Accounting Officer will implement the relevant corrective measures in line with the directive from National Treasury once the condonation has been considered because contravention of the PFMA and the Treasury Regulations are dealt with by National Treasury.	Pending
		II) The Accounting Officer must submit a report of service provider conducting this investigation in relation to the R147 390 000 and progress report addressing the matters.	Report indicating that investigations have been concluded was submitted SCOPA .	
		III) The Accounting Officer must submit the investigation report indicating the members/ staff in the Integrity Management Unit.	Profile was submitted to SCOPA	Pending
		IV) The Accounting Officer must submit the investigation report of the Integrity Management Unit in relation to the R147 390 000 of irregular expenditure.	A report indicating the status of investigation submitted SCOPA.	Pending
		V) The Accounting Officer must ensure that proper process is followed to regularize the expenditure amounting R147 390 000.	Investigations were finalised in the third quarter the report was submitted to the National Treasury for condonation and appropriate disciplinary processes will be implemented in accordance with recommendations.	Pending

Resolution No	Subject	Details	Response by the department	Resolved (Yes/No)
3	Compliance with legislation	Expenditure Management  i) The Accounting Officer must put in place systems to ensure effective internal controls.	The Office of the Premier has established a Compliance Unit that monitors compliance with legislation across the Mpumalanga Provincial Administration including the Office of the Premier. The Accounting Officer further appointed a Finance Committee chaired by the CFO to verify compliance to all procurement of goods and services before sign off by the Accounting Officer.  The Accounting Officer appointed Bid Committees in line with the requirement of the Supply Chain Management prescripts, and all the members were trained on SCM.	Pending
		ii) The Accounting Officer must take disciplinary actions against responsible/ liable officials who caused the department to incur irregular expenditure of R64 601 000.	The irregular expenditure of R64 601 000 is part of the investigations conducted by the appointed service provider and reports have been submitted to the National Treasury for condonation and the Office is awaiting response thereof. The Accounting Officer will implement the necessary corrective measures in line with the recommendations from National Treasury.	Pending
		iii) The Accounting Officer must ensure that Integrity Management Unit timely finalise investigation and report on quarterly bases on progress made per referred case to user department	The Integrity Management Unit will strive to finalise investigations within the turn-around time of 90 days; however, certain cases are more complex than others, which makes it difficult in other instances to meet the targeted timelines. During the year under review, 74 out of 162 cases have been finalised.	Pending
		iv) The Accounting Office must follow correct procedure to timely regularise the irregular Expenditure amounting R64 601 000.	The Accounting Officer has followed proper processes towards regularizing the irregular expenditure.	Pending

Resolution No	Subject	Details	Response by the department	Resolved (Yes/No)
4	<b>Fruitfulness and wasteful expenditure</b>	i)The Accounting Officer must take disciplinary actions against officials who caused the department to incur fruitless and wasteful expenditure amounting R5 083 000	The Fruitless and wasteful expenditure of R5 083 000 is part of the investigations conducted by the appointed service provider. The investigation is taking longer than previously anticipated and the Accounting Officer will take corrective measures accordingly in line with the outcome of the investigations.	Pending
		ii) The Accounting Officer must recover Fruitless and wasteful expenditure amounting R5 083 000 from liable official(s).	The Fruitless and wasteful expenditure of R5 083 000 is part of the investigations conducted by the appointed service provider. The investigation is taking longer than previously anticipated and the Accounting Officer will recover from liable officials or service providers if the report indicate such corrective measures.	Pending
		iii) The Accounting Officer must take disciplinary actions against employees who contravened Section 38(1) (h) (iii) of the PFMA and the Treasury Regulations 9.1.2.	The Accounting Officer has not taken any disciplinary action against officials pending the investigation that is currently underway. Once the investigation is concluded, the Accounting Officer will implement the recommendations accordingly.	Pending
		iv) The Accounting Officer must send a detailed report indicating matters referred to the service provider (Mosadi Arch) and progress made since appointment and total amount paid per investigation.	A detailed report on the matters referred to the service provider (Mosadi Arch) was submitted to SCOPA	Pending
5	<b>Accruals and payables not recognized</b>	i) The Accounting Officer must submit a report on progress made in clearing all accruals of the Multi-Year Contracts (IMU).	The Accounting Officer has cleared all the accruals for the 2016/17 financial year for the multi-year contracts except payables to the value of R16 721 000 which is provided for in the 2018/19 financial year in line with the addendum to the SLA.	Pending

Resolution No	Subject	Details	Response by the department	Resolved (Yes/No)
6	<b>Procurement and Contract Management</b>	i)The Accounting Officer must take disciplinary actions against official(s) who contrived Treasury Regulations 14A6.1 Treasury Regulation 16A6.4.	The Accounting Officer will implement the relevant corrective measures in line with the directive from National Treasury once the condonation has been considered because contravention of the PFMA and the Treasury Regulations are dealt with by National Treasury.	Pending
		ii) The Executive Authority must take disciplinary action against the Accounting Officer at the time and or who approved deviations wherein it was not impractical to invite competitive bids and permitted contravention of Treasury Regulation 16A6.4	The Executive Authority will be guided by the recommendations of the investigation on what cause of action to be followed.	Pending
		iii) The Executive Authority must recoup the irregular expenditure from the Accounting Officer wherein she/he is found liable in law of contravening Treasury Regulation 16A6.4, in the 2016/17 Financial Year.	The Executing Authority will implement the relevant corrective measures in line with the directive from National Treasury once the condonation has been considered because contravention of the PFMA and the Treasury Regulations are dealt with by National Treasury.	Pending
7	<b>Preferential procurement</b>	The Accounting Officer must take disciplinary actions against official(s) who caused the Office of the Premier to contravened Preferential Procurement Regulations 9(1).	The Accounting Officer will implement the relevant corrective measures in line with the directive from National Treasury once the condonation has been considered because contravention of the Preferential Procurement Regulations is dealt with by National Treasury.	Pending

## 9. PRIOR MODIFICATIONS TO AUDIT REPORTS

During the previous Financial Year, the Office of the Premier received an unqualified audit opinion with three matters of significant non-compliance with legislation being reported in the AGSA's Audit Report, namely: Procurement and Contract Management; Expenditure Management and Annual Financial Statement. The Office of the Premier embarked on a robust integrated approach to address all matters of emphasis raised in previous report of the AGSA

Management developed Audit Remedial Action Plan to respond to all audit findings raised based on 2016/17 reports for the Office. The Office of the CFO monitors progress the implementation of this remedial action plan on monthly basis.

## 10. INTERNAL CONTROL UNIT

The Department has established a Compliance Management Unit that is headed by a Deputy Director General. The unit is responsible for reviewing the Department's level of compliance to laws and regulations as well as internal controls and policies. A compliance monitoring tool to ensure that the department identify and manage compliance to laws and regulations that affects its operations have since been developed and is yet to be implemented. The Unit has since its establishment, regularly reports to Management Committee meetings and the Audit Committee to ensure that the internal control deficiencies get addressed on an on-going basis.

## 11. INTERNAL AUDIT AND AUDIT COMMITTEES

### 1.1 Internal Audit

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

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

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

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

In accordance with the Treasury Regulation 3.2.6, which requires that internal audit must be in accordance with the Standards; during the year under review, the shared Internal Audit function ensured that its operations are aligned with the revised Standards.



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

During the year under review, the shared Internal Audit function developed a rolling three-year Strategic Internal Audit Plan and an Annual Internal Audit Coverage/Operational Plan based on the results of the risk assessment. The plans were in consultation with Management and were supported by the Director-General and approved by the Audit Committee in May 2017.

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

In addition, as required in terms of the PFMA and the approved Internal Audit Charter, the identified control weaknesses were also communicated and tabled at the meetings of the Audit Committee to allow for effective monitoring and oversight. The following is the summary of the audit work done by the shared Internal Audit function during the year under review as per the approved plans:

#### **Assurance services**

- Review of Annual Financial Statements; and Interim Financial Statements;
- Supply Chain Management;
- Records Management;
- Financial Management: Transfer Payments and DORA;
- Performance Information: Mid-Term Review;
- Risk Management;
- Monitoring and tracking of audit findings as previously reported by both AGSA and the shared Internal Audit function in order to evaluate progress made by Management in implementing agreed audit action plans. Follow-up reviews were performed to evaluate the effectiveness and improvements to internal control environment;
- Follow-up: Performance Audit on use of and management of Government of Government Vehicle.
- Information Technology General and Applications and Controls; and
- Information Technology Governance.

#### **Consulting services**

- Consulting work included the review of the Management self-scoring and adequacy of evidence provided in support of such scoring as per the Management Performance Assessment Tool (MPAT); and
- Participation in informal consulting engagements including routine activities such as participating on standing Management Committee meetings, provision of advice, as and when invited and required.

#### **Ad-hoc services**

- Staff Verification; and
- Adequacy of Audit Action Plans.

#### **1.2 Audit Committee**

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

The Shared Audit Committee constituted to ensure that its independence and comprises of external non-official members (appointed from outside the Public Service). It operates in terms of formally documented and approved terms of reference referred to as the Audit Committee Charter, which deals with matters such as its membership, authority and responsibilities amongst others. The said Terms of Reference are reviewed annually, and in accordance with the requirements set by the PFMA and its Treasury Regulations. Further, it has direct and unobstructed lines of communication to the Accounting Officer, Senior Management, the Provincial Treasury, Shared Internal Audit Function and Auditor-General South Africa.

#### **Attendance of Audit Committee meetings by the Audit Committee Members**

In accordance with the Legislation, Section 77(b) of the PFMA, an Audit Committee must meet at least twice a year, however, as per the approved Audit Committee Terms of Reference (Audit Committee Charter), the Shared Audit Committee shall meet at least 4 times a year, with authority to convene additional meetings as may be deemed necessary.

In the meetings held, the Accounting Officer and Executive Management were always represented. The Auditor-General South Africa was always invited to attend the meetings of the shared Audit Committee, thus ensuring that meetings are as effective and transparent as possible.

The Shared Audit Committee meetings held were attended as follows:

Name	Qualifications	Role	No of meetings Attended
Ms P Mzizi CA(SA)	BBusSci Finance (UCT) BCompt Hons CTA (UNISA) BCom Hons in Transport Economics (UNISA)	<b>Chairperson</b> External Member Appointed - 01 Feb 2016	9
Adv G Khoza	BProc (UWC) LLB (UWC) HDip in Tax Law (RAU)	External Member Appointed - 01 Feb 2016	8
Mr MS Mthembu	Masters of Business Leadership (UNISA) BCom Accounting (UNISWA) Commercial Banking (IOB)SA, FAP(IAC) SA	External Member Appointed - 01 Feb 2016	8
Mr. HG Hlomane	Masters in IT (UP) BSc Degree in Mathematical Science (UCT) Diploma in Project Management (Varsity College) Diploma in Business Management (Varsity College)	External Member Appointed – 01 March 2017	8
Mr. M Sebeelo	BTech Internal Auditing (UNISA) Nat Diploma Internal Auditing (TUT) Advance Programme in Project Management (UNISA)	External Member Appointed – 01 March 2017	9

## 12. Report of the Audit Committee

We are pleased to present our final report for the financial year ended 31 March 2018.

### 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.

The Audit Committee also reports that it has adopted appropriate formal terms of reference as its Audit Committee Charter, has regulated its affairs in compliance with this charter and has discharged all its responsibilities as contained therein, except that we have not reviewed the changes in accounting policies as these changes are as per the National Treasury instruction.

The non-timeous submission of Audit Committee minutes at the beginning of the financial year nearly impacted negatively on the effective functioning of the Audit Committee as the Committee could not effectively track the implementation of resolutions taken. The minutes were however, subsequently finalised, submitted and approved by the Audit Committee.

### The effectiveness of internal control

In line with the PFMA, Internal Audit provides the Audit Committee and management with assurance that the internal controls are appropriate and effective. This is achieved by evaluating internal controls to determine their effectiveness and efficiency, and by developing recommendations for enhancement or improvement. The accounting officer retains responsibility for implementing such recommendations as per Treasury Regulation 3.1.12.

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

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

#### Assurance services

- Review of Annual Financial Statements; and Interim Financial Statements;
- Supply Chain Management;
- Records Management;
- Financial Management: Transfer Payments and DORA;
- Performance Information: Mid-Term Review;
- Risk Management;
- Monitoring and tracking of audit findings as previously reported by both AGSA and the shared Internal Audit function in order to evaluate progress made by Management in implementing agreed audit action plans. Follow-up reviews were performed to evaluate the effectiveness and improvements to internal control environment;
- Follow-up: Performance Audit on use of and management of Government of Government Vehicle.
- Information Technology General and Applications and Controls; and
- Information Technology Governance.

#### Consulting services

- Consulting work included the review of the Management self-scoring and adequacy of evidence provided in support of such scoring as per the Management Performance Assessment Tool (MPAT); and
- Participation in informal consulting engagements including routine activities such as participating on standing Management Committee meetings, provision of advice, as and when invited and required.

#### Ad-hoc services

- Staff Verification; and
- Adequacy of Audit Action Plans.

### The following were areas of concern:

- Delays and/or challenges in implementation of agreed management corrective action plans to address identified control weaknesses;
- Instances of non-compliance to policies and procedures by employees required ongoing review and assessment to ensure that the Department does not find itself regressing in terms of the good positive outcomes previously achieved; and

- Some deficiencies noted within SCM - procurement management.

Through our analysis of audit reports and engagement with the Department it can be reported that the system on internal controls for the period under review was not entirely adequate and effective.

Based on our interaction with the department we conclude that the department does have adequate but not fully effective action plan management system to address internal audit and Auditor-General South Africa findings.

### **Risk Management**

The Audit Committee is responsible for the oversight of risk management. The Risk Management Committee reports to the Audit Committee on a quarterly basis on the governance and management of risk.

Based on the Audit Committee quarterly reviews of the reports from the Risk Management Committee, it can be concluded that the departmental processes and system relating to fraud prevention and risk management is adequate and effective.

### **In-Year Management and Quarterly Reporting**

The Department has confirmed that they have reported to the Treasury as is required by the PFMA.

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

The Audit Committee has reviewed the draft annual financial statements prepared by the department and has advised the accounting officer to ensure that all the review notes and comments of the Internal Audit and Audit Committee are fully addressed prior to submission of the annual financial statements to the Auditor-General South Africa.

Subsequently the material misstatements identified during the external audit process were also reviewed when the management report of the Auditor-General South Africa was discussed with the Audit Committee.

### **Evaluation of the reporting on predetermined objectives**

The Audit Committee has reviewed the draft annual report prepared by the department and has advised the accounting officer to ensure that all the review notes and comments of the Internal Audit and Audit Committee are fully addressed prior to submission of the annual report to the Auditor-General South Africa.

The Audit Committee has discussed the external audit outcomes on the reporting on predetermined objectives to be included in the annual report with the Auditor-General South Africa and the Accounting Officer.

### **Compliance with laws and regulations**

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

### **Internal Audit**

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

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

The Audit Committee noted with concerns the transferring of officials from Internal Audit function and that the function remains under-resourced without interventions being made.

The Audit Committee further appreciates improvements made by the Internal Audit, the support provided by the Acting Chief Audit Executive and all the Internal Audit Officials, by assisting the Committee in discharging its responsibilities.

### **Auditor-General South Africa**

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

The Audit Committee is not aware of any unresolved issues with respect to the current audit.

The Audit Committee concurs and accepts the conclusions of the Auditor-General South Africa 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 South Africa.



## Conclusion

The Audit Committee strongly recommends that the Office of the Premier must ensure adequate and effective implementation and frequent monitoring of the audit action plans for both internal and external audits so as to keep improving their audit outcome.

The Audit Committee wishes to extend its appreciation to the Executive Authority, Accounting Officer and Management, Internal Auditors and Auditor-General South Africa for their tireless efforts, commitment and support throughout the year.

Signed on behalf of the Audit Committee by:



**Mr. MS Mthembu**  
Chairperson of the Audit Committee  
Date: 31 July 2018

## PART D: HUMAN RESOURCE MANAGEMENT



## 1. INTRODUCTION

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

## 2. OVERVIEW OF HUMAN RESOURCES

### The status of human resources in the Office of the Premier

The Office of the Premier recognises the significance of the fast growing environmental changes in the Human Resource fraternity. Therefore, it positions itself accordingly and continues to emphasise on the importance of keeping up with the latest human resource trends, aimed at improving effectiveness and efficiency within its ranks. The Human Resource Management and Development Unit, under the auspices of the General Manager: Strategic Human Resource Services is strategically positioned in a way that facilitates the functioning of the Office of the Premier's line units. It plays a pivotal role in providing support to all the line units with the purpose of facilitating the achievement of the goals and objectives of the Office of the Premier as outlined at the beginning of the Financial Year.

### Human Resource priorities for the year under review and the impact of these

The recruitment process informed by legal prescripts such as the selection and recruitment policies and code of remuneration have played a major role in identifying and acquiring effective and relevant skills for the Office of the Premier. In addition, the competency assessment process conducted prior to filling posts of managers and those of Senior Management Services has also contributed immensely towards bridging the gaps of the acquired work force. An analysis of human resources indicates that the Office of the Premier has made very few appointments during the course of the Financial Year 2017/18. Most of those appointments were done in terms of section 12 of the Public Service Act, 1994. The few appointments made in terms of section 9 of the Public Service Act, 1994 were effected through transfers. The main reason for making few appointments in terms of section 9 of the Public Service Act, 1994 is because of the moratorium that was imposed in February 2015. The moratorium indicated that no vacant and funded posts shall be filled as at the 4<sup>th</sup> of February 2015 until further notice. Departments may, if need be, seek approval of the Executive Council for special exemption in respect of posts to be filled. However, during the course of this Financial Year, no approval was obtained from the Executive Council. The occupancy rate stood at 96.5%, while the vacancy rate was 3.6% at the end of the Financial Year, as all vacant funded positions, except for eight posts, namely: General Manager: Policy and Research; General Manager: Integrity Management; General Manager: Internal Audit; Senior Manager: Organizational Design and Job Evaluation; Senior Manager: International Relations; Senior Manager: Forensic Audit; Senior Manager: Office of the Director-General; and Manager: Office of the Director-General had to be abolished on the establishment. Note must be taken though that the vacancy rate



based on the approved organogram has remained high throughout the Financial Year, because of the same moratorium.

#### **Capacitate employees by implementing Workplace Skills Plan**

The Office of the Premier has conducted a total number of six (06) out of the planned seven (07) workshops and training programmes aimed at improving the knowledge, skills and competency of the staff members. The one outstanding training programme (Foundation Programme) could not be conducted, owing to the challenge that quotations could not be secured from various accredited service providers by the Supply Chain Management Unit. The six training programmes were as follow: Executive Development Programme; Advance Management Development Programme; Management Development Programme; Customer Care in the Public Sector; Root Cause Identification, Compulsory Induction Programme.

The following Training Programme and Workshops were not part of the Workplace Skills Plan, however, they were conducted upon request by the Director-General: Records Management; Women Empowerment Conference; Secretaries' Day (Executive/Personal Assistants in the Public Sector); and GEPP Pre-retirement Campaign Session.

In addition, nine (9) Interns participated in the Internship Programme during this Financial Year for the purpose of exposing them to the working environment, as well as accelerating development and utilization of available skills and qualified people for service delivery in the Public Service. Twenty (20) Interns were received from the Department of Education – TVET Colleges – for the purpose of experiential learning.

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

The Office of the Premier has an approved Human Resource Plan that had to be adjusted slightly to incorporate the provisions and requirements of the moratorium. The HR Plan was reviewed and submitted to the Department of Public Service and Administration (DPSA) as per the requirement. It outlines clearly the need and strategies to attract and recruit a skilled workforce. It also outlines the need to reduce the period taken to fill vacant posts to at least six (6) months and reduce the vacancy rate to be below the National norm of 10%. It further emphasizes the need to meet all employment equity targets as reflected in the approved Employment Equity Plan of the Office of the Premier. The Office of the Premier acknowledges that there is still a long way to go before all employment equity goals are reached – especially with regard to representation of women in the senior management services level (28.6%). However, it will keep developing and implementing strategies aimed at achieving this crucial goal. To achieve ultimate equity in the Office of the Premier, additional measures such as policies, programmes and plans must be integrated and implemented in harmony. These policies, programmes and plans must be developed in an interactive, participative, consultative and transparent manner. Both, the Employment Equity Act, 1998 ("the Act") and the Employment Equity Policy of the Office of the Premier place an obligation upon the Office to develop, implement and monitor an employment equity plan. The Office of the Premier is however doing extremely well in terms of the representation of people with disabilities within its ranks (3.7%). With regard to representation of females in

the middle and junior positions, the Office of the Premier stands at 48.4%. On post levels 3 to 12, the Office of the Premier stands at 63.5% in relation to representation of females. All in all, the entire Office of the Premier has a total of 58.4% representation of females within its ranks.

#### **Implementation of Performance Management and Development System (PMDS)**

The Office of the Premier has shown stability in relation to the implementation of the Performance Management and Development System (PMDS) in terms of the approved Performance Management and Development Policy (PMDP), for officials on salary levels 3-12, i.e. 95.2% compliance in terms of signing of Performance Undertakings. The signing of Performance Agreements by SMS members on or before the deadline as per Chapter 4 of the SMS Handbook has recorded an 85.7% compliance rate - It must be noted that the four Special advisors have not submitted their PA's, even though they are required to do so by the legislative frameworks. There has also been a slight improvement on the assessment of SMS members in this regard. The various workshops on PMDS as conducted annually are gradually yielding the desired results.

#### **Implementation of Employee Health and Wellness Programme**

The Office of the Premier has a transversal unit (Transversal Human Resource Management Services), which is entrusted with the responsibility of implementing the employee health and wellness program within the Office of the Premier and further co-ordinates EH&W programmes across the Mpumalanga Provincial Government. Towards the end of this financial year, i.e. February 2018, an Internal Employee Health and Wellness Officer was appointed, after she was identified from another Department (Provincial Treasury). However, the desired results are still to be seen.

#### **Finalisation of disciplinary cases within ninety days**

No cases were received in the Office of the Premier during this Financial Year. The fact that there are no disciplinary cases is a clear indication that officials have a sound understanding of the code of conduct as outlined in the Public Service Act and Regulations respectively.

#### **Implementation of Policy and Procedure and Incapacity and Ill-health Retirement (PILIR)**

The number of applications for incapacity leave has decreased from ten (10) to nine (9) during the course of this Financial Year, when compared with the previous one. The reason for the decrease of applications on incapacity leave could be attributed to the fact that employees understand the provisions of the Policy and Procedure and Incapacity and Ill-health Retirement (PILIR). Thus, the abuse of sick leave has decreased significantly. The extension of the contract of the Health Risk Manager by the DPSA has ensured continuity in terms of handling PILIR cases within the predetermined and regulated timeframes.



### Achievements and challenges faced by the Office of the Premier, as well as future human resource plans/goals.

#### Achievements

- Availability of an approved organogram. It must be noted though that the current organogram was approved in 2014. There is therefore a need to have it reviewed to align it with the latest developments and pronouncements by the Executive Council.
- Availability of an approved comprehensive human resource plan, which was submitted to the DPSA before the deadline.
- Availability of an approved comprehensive human resource planning implementation report, which was submitted to the DPSA before the deadline.
- Availability of an approved Employment Equity Plan and report, which were submitted to the DPSA and the Department of Labour, respectively before the deadline.
- Representation of people with disabilities, i.e. 3.7% (9 out of 243) employees.
- Availability of an approved strategy to reduce time period taken to fill vacant posts leading to a decrease in the vacancy rate, i.e. The Office of the Premier had 243 filled posts and 17 vacant critical posts by the 31<sup>st</sup> of March 2018. Thus, the occupancy rate stood at 96.5% while the vacancy rate was 3.5%. The figures above are based on the fact that after a thorough PERSAL clean-up which was triggered by the moratorium, the Office of the Premier had a total of 260 of approved and funded posts on the establishment by the end of the financial year.
- Appointments were effected only after security screening and verification of qualifications were finalized.
- Successful implementation of competency assessment before filling of posts on salary levels 11-16.
- Availability of several approved human resource policies.
- Evaluation of seventy five (75) posts as per the Job Evaluation Policy.

#### Challenges

- Non-achievement of 50% target on women representation at SMS level – No or very limited posts that can be used to absorb women.
- Limited appointments (through transfers) in terms of section 9 of the Public Service Act, 1994, owing to the Moratorium – Appointments were only done in terms of section 12 of the Public Service Act, 1994.
- Limited Departmental activities on Employee Health and Wellness.
- The imposed moratorium not to fill vacant funded posts and/or abolishing of vacant funded posts on the establishment.

### 3. HUMAN RESOURCES OVERSIGHT STATISTICS

#### 3.1 Personnel related expenditure

The tables below summarises personnel related expenditure by programme and by programme and by salary band. They provide an indication of the following:

- amount spent on personnel;
- amount spent on salaries, overtime, homeowner's allowance and medical aid;

**Table 3.1.1 Personnel expenditure by programme for the period 1 April 2017 to 31 March 2018**

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	176 353	60 441	0.00	0.00	34.20	240
Institutional Development	74 243	48 647	0.00	0.00	65.50	194
Policy & Governance	60 115	34 419	0.00	0.00	56.90	137
<b>Total as on Financial Systems (BAS)</b>	<b>310 711</b>	<b>143 507</b>	<b>0.00</b>	<b>0.00</b>	<b>46.10</b>	<b>571</b>

**Table 3.1.2 Personnel costs by salary band for the period 1 April 2017 to 31 March 2018**

Salary band	Personnel expenditure (R'000)	% of total personnel cost	No. of employees	Average personnel cost per employee (R'000)
Skilled (Levels 3-5)	13 243	8.80	56.00	245.2
Highly skilled production (Levels 6-8)	20 041	13.30	51.00	393
Highly skilled supervision (Levels 9-12)	57 263	38.00	84.00	681.7
Senior management (Levels 13-16)	35 281	24.60	29.00	1 216.2
Contract (Levels 1-2)	15	0.00	1.00	15
Contract (Levels 3-5)	1 478	1.00	7.00	211.1
Contract (Levels 6-8)	324	0.20	1.00	324
Contract (Levels 9-12)	6 727	4.50	9.00	747.4
Contract (Levels 13-16)	9 053	6.00	7.00	1 293.3

Salary band	Personnel expenditure (R'000)	% of total personnel cost	No. of employees	Average personnel cost per employee (R'000)
Contract Other	82	0.10	8.00	10.3
<b>TOTAL</b>	<b>143 507</b>	<b>96.40</b>	<b>253.00</b>	<b>571.7</b>

**Table 3.1.3 Salaries, Overtime, Home Owners Allowance and Medical Aid by programme for the period 1 April 2017 to 31 March 2018**

Programme	Salaries		Overtime		Home Owners Allowance		Medical Aid	
	Amount (R'000)	Salaries as a % of personnel costs	Amount (R'000)	Overtime as a % of personnel costs	Amount (R'000)	HOA as a % of personnel costs	Amount (R'000)	Medical aid as a % of personnel costs
Pr1: Administration	51 479.00	81.30	163.00	0.30	1 261.00	2.00	2 085.00	3.30
Pr2: Institutional Development	40 883.00	81.20	240.00	0.50	1 010.00	2.00	1 846.00	3.70
Pr3: Policy and Planning	28 599.00	79.30	2.00	0.00	598.00	1.70	1 329.00	3.70
Pr3: Policy and Governance	762.00	77.70	0.00	0.00	24.00	2.40	43.00	4.40
<b>Total</b>	<b>121 723.00</b>	<b>80.80</b>	<b>406.00</b>	<b>0.30</b>	<b>2 893.00</b>	<b>1.90</b>	<b>5 302.00</b>	<b>3.50</b>

**Table 3.1.4 Salaries, Overtime, Home Owners Allowance and Medical Aid by salary band for the period 1 April 2017 to 31 March 2018**

Salary band	Salaries		Overtime		Home Owners Allowance		Medical Aid	
	Amount (R'000)	Salaries as a % of personnel costs	Amount (R'000)	Overtime as a % of personnel costs	Amount (R'000)	HOA as a % of personnel costs	Amount (R'000)	Medical aid as a % of personnel costs
Skilled (Levels 3-5)	9 802	73.5	104	0.8	759	5.7	1 320	9.9
Highly skilled production (Levels 6-8)	15 764	77.0	189	0.9	712	3.5	1 351	6.6
Highly skilled supervision (Levels 9-12)	49 218	80.7	108	0.2	742	1.2	1 871	3.1
Senior management (Levels 13-16)	35 107	84.7	0	0.0	258	0.7	517	1.4

Salary band	Salaries		Overtime		Home Owners Allowance		Medical Aid	
	Amount (R'000)	Salaries as a % of personnel costs	Amount (R'000)	Overtime as a % of personnel costs	Amount (R'000)	HOA as a % of personnel costs	Amount (R'000)	Medical aid as a % of personnel costs
Contract (Levels 1-2)	15	93.8	0	0.0	0	0.0	0.00	0.0
Contract (Levels 3-5)	1 155	78.0	0	0.0	86	5.8	103.00	7.0
Contract (Levels 6-8)	279	84.8	0	0.0	15	4.6	0.00	0.0
Contract (Levels 9-12)	5 925	84.1	5	0.1	81	1.1	141.00	2.0
Contract (Levels 13-16)	8 032	81.4	0	0.0	240	2.4	0.00	0.0
Contract Other	82	100.0	0	0.0	0	0.0	0.00	0.0
<b>TOTAL</b>	<b>125 379</b>	<b>80.8</b>	<b>406</b>	<b>0.3</b>	<b>2 893</b>	<b>1.9</b>	<b>5 302.</b>	<b>3.5</b>

### 3.2 Employment and Vacancies

**Table 3.2.1 Employment and vacancies by programme as on 31 March 2018**

Programme	Number of posts on approved establishment	Number of posts filled	Vacancy Rate	Number of employees additional to the establishment
PR1: ADMINISTRATION*, Permanent	104.00	97.00	6.70	0.00
PR2: INSTITUTIONAL DEVELOPMENT*, Permanent	98.00	97.00	1.00	0.00
PR3: POLICY AND PLANNING, Permanent	55.00	56.00	1.80	0.00
PROGRAM 3:*POLICY AND GOVERNANCE, Permanent	3.00	3.00	0.00	0.00
<b>TOTAL</b>	<b>260.00</b>	<b>253.00</b>	<b>3.50</b>	<b>0.00</b>

**Table 3.2.2 Employment and vacancies by salary band as on 31 March 2018**

Salary band	Number of posts on approved establishment	Number of posts filled	Vacancy Rate	Number of employees additional to the establishment
02 Skilled (Levels 3-5), Permanent	54	54	0.0	0.00
03 Highly Skilled Production (Levels 6-8), Permanent	51	51	0.0	0.00
04 Highly Skilled Supervision (Levels 9-12), Permanent	87	84	3.4	0.00
05 Senior Management (Levels 13-16), Permanent	35	29	17.1	0.00
09 Other, Permanent	8	8	0.0	0.00
10 Contract (Levels 1-2), Permanent	1	1	0.0	0.00

Salary band	Number of posts on approved establishment	Number of posts filled	Vacancy Rate	Number of employees additional to the establishment
11 Contract (Levels 3-5), Permanent	7	7	0.0	0.00
12 Contract (Levels 6-8), Permanent	1	1	0.0	0.00
13 Contract (Levels 9-12), Permanent	9	9	0.0	0.00
14 Contract (Levels 13-16), Permanent	7	7	0.0	0.00
<b>TOTAL</b>	<b>260.00</b>	<b>251</b>	<b>3.5</b>	<b>0.00</b>

**Table 3.2.3 Employment and vacancies by critical occupations as on 31 March 2018**

Critical occupation	Number of posts on approved establishment	Number of posts filled	Vacancy Rate	Number of employees additional to the establishment
ADMINISTRATIVE RELATED, Permanent	58	56.0	3.4	0.0
CLEANERS IN OFFICES WORKSHOPS HOSPITALS ETC., Permanent	9	9.0	0.0	0.0
CLIENT INFORM CLERKS(SWITCHB RECEIPT INFORM CLERKS), Permanent	3	3.0	0.0	0.0
COMMUNICATION AND INFORMATION RELATED, Permanent	18.0	18.0	0.0	0.0
ECONOMISTS, Permanent	1.0	1.0	0.0	0.0
FINANCE AND ECONOMICS RELATED, Permanent	12	12	0	0
FINANCIAL AND RELATED PROFESSIONALS, Permanent	2	1	50	0
FINANCIAL CLERKS AND CREDIT CONTROLLERS, Permanent	20	20	0	0
HEAD OF DEPARTMENT/CHIEF EXECUTIVE OFFICER, Permanent	1	1	0	0
HOUSEHOLD FOOD AND LAUNDRY SERVICES RELATED, Permanent	1	1	0	0
HUMAN RESOURCES & ORGANISAT DEVELOPM & RELATE PROF, Permanent	4	4	0	0
HUMAN RESOURCES CLERKS, Permanent	15	15	0	0
HUMAN RESOURCES RELATED, Permanent	17	17	0	0
LEGAL RELATED, Permanent	1	1	0	0
LIBRARY MAIL AND RELATED CLERKS, Permanent	6	6	0	0
MESSENGERS PORTERS AND DELIVERERS, Permanent	1	1	0	0
MOTOR VEHICLE DRIVERS, Permanent	3	3	0	0
OTHER ADMINISTRAT & RELATED CLERKS AND ORGANISERS, Permanent	27	27	0	0
OTHER ADMINISTRATIVE POLICY AND RELATED OFFICERS, Permanent	2	2	0	0

Critical occupation	Number of posts on approved establishment	Number of posts filled	Vacancy Rate	Number of employees additional to the establishment
OTHER OCCUPATIONS, Permanent	5	4	20	0
REGULATORY INSPECTORS, Permanent	1	1	0	0
RISK MANAGEMENT AND SECURITY SERVICES, Permanent	1	1	0	0
SECRETARIES & OTHER KEYBOARD OPERATING CLERKS, Permanent	25	25	0	0
SENIOR MANAGERS, Permanent	27	24	11	0
<b>TOTAL</b>	<b>260</b>	<b>253</b>	<b>3.5</b>	<b>0</b>

**3.3. Filling of SMS Posts****Table 3.3.1 SMS post information as on 31 March 2018**

SMS Level	Total number of funded SMS posts	Total number of SMS posts filled	% of SMS posts filled	Total number of SMS posts vacant	% of SMS posts vacant
Director-General/ Head of Department	1	1	100%	0	0%
Salary Level 16	0	0	100%	0	0%
Salary Level 15	6	6	100%	0	0%
Salary Level 14	8	5	62.5%	3	37.5
Salary Level 13	24	23	96%	1	4%
<b>Total</b>	<b>39</b>	<b>35</b>	<b>89.7%</b>	<b>4</b>	<b>10.3%</b>

**Table 3.3.2 SMS post information as on 30 September 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
Director-General/ Head of Department	1	1	100%	0	0%
Salary Level 16	0	0	100%	0	0%
Salary Level 15	6	6	100%	0	0%
Salary Level 14	8	5	62.5%	3	37.5
Salary Level 13	25	24	96%	1	4%
<b>Total</b>	<b>40</b>	<b>36</b>	<b>90%</b>	<b>4</b>	<b>10%</b>



**Table 3.3.3 Advertising and filling of SMS posts for the period 1 April 2017 to 31 March 2018**

SMS Level	Advertising	Filling of Posts	
	Number of vacancies per level advertised in 6 months of becoming vacant	Number of vacancies per level filled in 6 months of becoming vacant	Number of vacancies per level not filled in 6 months but filled in 12 months
Director-General/ Head of Department	0.00	0.00	0.00
Salary Level 16	0.00	0.00	0.00
Salary Level 15	0.00	0.00	0.00
Salary Level 14	0.00	0.00	0.00
Salary Level 13	0.00	0.00	0.00
<b>Total</b>	0.00	0.00	0.00

**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 2018**

Reasons for vacancies not advertised within six months
No approval for filling of posts was obtained from the Executive Council, as per the provisions of Moratorium.
Reasons for vacancies not filled within twelve months
No approval for filling of posts was obtained from the Executive Council, as per the provisions of Moratorium.

**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 2018**

Reasons for vacancies not advertised within six months
Not applicable

Reasons for vacancies not filled within six months
Not applicable

### 3.4 Job Evaluation

**Table 3.4.1 Job Evaluation by Salary band for the period 1 April 2017 to 31 March 2018**

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
Skilled (Levels 3-5)	54.00	0.00	0.00	4.00	100.00	0.00	0.00
Highly Skilled Production (Levels 6-8)	51.00	0.00	0.00	4.00	75.00	0.00	0.00

Salary band	Number of posts on approved establishment	Number of Jobs Evaluated	% of posts evaluated by salary bands	Posts Upgraded		Posts downgraded	
				Number	% of posts evaluated	Number	% of posts evaluated
Highly Skilled Supervision (Levels 9-12)	87.00	14.00	16.10	22.00	72.73	1.00	100.00
Senior Management Service Band A	25.00	0.00	0.00	1.00	0.00	0.00	0.00
Senior Management Service Band B	6.00	0.00	0.00	0.00	0.00	0.00	0.00
Senior Management Service Band C	3.00	0.00	0.00	0.00	0.00	0.00	0.00
Senior Management Service Band D	1.00	0.00	0.00	0.00	0.00	0.00	0.00
Other	8.00	0.00	0.00	0.00	0.00	0.00	0.00
Contract (Levels 1-2)	1.00	0.00	0.00	0.00	0.00	0.00	0.00
Contract (Levels 3-5)	7.00	0.00	0.00	0.00	0.00	0.00	0.00
Contract (Levels 6-8)	1.00	0.00	0.00	0.00	0.00	0.00	0.00
Contract (Levels 9-12)	9.00	1.00	11.10	0.00	0.00	0.00	0.00
Contract Band A	2.00	0.00	0.00	0.00	0.00	0.00	0.00
Contract Band B	1.00	0.00	0.00	0.00	0.00	0.00	0.00
Contract Band C	3.00	0.00	0.00	0.00	0.00	0.00	0.00
Contract Band D	1.00	0.00	0.00	0.00	0.00	0.00	0.00
<b>TOTAL</b>	<b>260.00</b>	<b>15.00</b>	<b>5.80</b>	<b>31.00</b>	<b>74.19</b>	<b>1.00</b>	<b>100.00</b>

**Table 3.4.2 Profile of employees whose positions were upgraded due to their posts being upgraded for the period 1 April 2017 to 31 March 2018**

Gender	African	Asian	Coloured	White	Total
Female	0.00	0.00	0.00	0.00	0.00
Male	0.00	0.00	0.00	0.00	0.00
<b>Total</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>

Employees with a disability	0.00
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**Table 3.4.3 Employees with salary levels higher than those determined by job evaluation by occupation for the period 1 April 2017 to 31 March 2018**

Occupation	Number of employees	Job level	evaluation	Remuneration level	Reason for deviation
	0		0	0	0
	0.00		0.00	0.00	0.00
	0.00		0.00	0.00	0.00
	0.00		0.00	0.00	0.00
Total number of employees whose salaries exceeded the level determined by job evaluation					0
Percentage of total employed					0

**Table 3.4.4 Profile of employees who have salary levels higher than those determined by job evaluation for the period 1 April 2017 to 31 March 2018**

Gender	African	Asian	Coloured	White	Total
Female	0.00	0.00	0.00	0.00	0.00
Male	0.00	0.00	0.00	0.00	0.00
Total	0.00	0.00	0.00	0.00	0.00

Employees with a disability	0.00	0.00	0.00	0.00	0.00
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Total number of Employees whose salaries exceeded the grades determine by job evaluation	None
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### 3.5 Employment Changes

**Table 3.5.1 Annual turnover rates by salary band for the period 1 April 2017 to 31 March 2018**

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
Skilled (Levels 3-5) Permanent	56.00	0.00	2.00	3.60
Highly Skilled Production (Levels 6-8) Permanent	72.00	0.00	2.00	2.80
Highly Skilled Supervision (Levels 9-12) Permanent	67.00	0.00	3.00	4.50
Senior Management Service Band A Permanent	22.00	0.00	1.00	4.50
Senior Management Service Band B Permanent	5.00	0.00	1.00	20.00
Senior Management Service Band C Permanent	2.00	0.00	0.00	0.00

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
Senior Management Service Band D Permanent	1.00	0.00	1.00	100.00
Contract (Levels 3-5) Permanent	7.00	1.00	6.00	85.70
Contract (Levels 6-8) Permanent	1.00	0.00	1.00	100.00
Contract (Levels 9-12) Permanent	10.00	3.00	9.00	90.00
Contract Band A Permanent	2.00	1.00	3.00	150.00
Contract Band B Permanent	1.00	0.00	1.00	100.00
Contract Band C Permanent	2.00	0.00	3.00	150.00
Contract Band D Permanent	1.00	0.00	0.00	0.00
<b>TOTAL</b>	<b>249.00</b>	<b>18.00</b>	<b>37.00</b>	<b>14.90</b>

**Table 3.5.2 Annual turnover rates by critical occupation for the period 1 April 2017 to 31 March 2018**

Critical occupation	Number of employees at beginning of period-April 2017	Appointments and transfers into the department	Terminations and transfers out of the department	Turnover rate
ADMINISTRATIVE RELATED Permanent	56.00	2.00	8.00	14.30
CLEANERS IN OFFICES WORKSHOPS HOSPITALS ETC. Permanent	10.00	0.00	4.00	40.00
CLIENT INFORM CLERKS(SWITCHB RECEIPT INFORM CLERKS) Permanent	3.00	0.00	1.00	33.30
COMMUNICATION AND INFORMATION RELATED Permanent	19.00	0.00	2.00	10.50
ECONOMISTS Permanent	1.00	0.00	0.00	0.00
FINANCE AND ECONOMICS RELATED Permanent	14.00	0.00	0.00	0.00
FINANCIAL AND RELATED PROFESSIONALS Permanent	1.00	0.00	0.00	0.00
FINANCIAL CLERKS AND CREDIT CONTROLLERS Permanent	22.00	0.00	1.00	4.50
HEAD OF DEPARTMENT/CHIEF EXECUTIVE OFFICER Permanent	1.00	0.00	0.00	0.00
HOUSEHOLD FOOD AND LAUNDRY SERVICES RELATED Permanent	1.00	0.00	1.00	100.00
HUMAN RESOURCES & ORGANISAT DEVELOPM & RELATE PROF Permanent	3.00	0.00	0.00	0.00
HUMAN RESOURCES CLERKS Permanent	6.00	13.00	4.00	66.70
HUMAN RESOURCES RELATED Permanent	18.00	0.00	1.00	5.60
LEGAL RELATED Permanent	1.00	0.00	0.00	0.00
LIBRARY MAIL AND RELATED CLERKS Permanent	6.00	0.00	0.00	0.00
MESSENGERS PORTERS AND DELIVERERS Permanent	1.00	0.00	1.00	100.00
MOTOR VEHICLE DRIVERS Permanent	3.00	0.00	0.00	0.00

Critical occupation	Number of employees at beginning of period-April 2017	Appointments and transfers into the department	Terminations and transfers out of the department	Turnover rate
OTHER ADMINISTRAT & RELATED CLERKS AND ORGANISERS Permanent	27.00	0.00	0.00	0.00
OTHER ADMINISTRATIVE POLICY AND RELATED OFFICERS Permanent	2.00	0.00	0.00	0.00
OTHER OCCUPATIONS Permanent	5.00	1.00	5.00	100.00
RISK MANAGEMENT AND SECURITY SERVICES Permanent	1.00	0.00	0.00	0.00
SECRETARIES & OTHER KEYBOARD OPERATING CLERKS Permanent	25.00	1.00	3.00	12.00
SENIOR MANAGERS Permanent	23.00	1.00	6.00	26.10
<b>TOTAL</b>	<b>249.00</b>	<b>18.00</b>	<b>37.00</b>	<b>14.90</b>

**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
Death	2.00	5.40
Resignation	5.00	13.50
Expiry of contract	22.00	59.50
Dismissal – operational changes	0.00	0.00
Dismissal – misconduct	0.00	0.00
Dismissal – inefficiency	0.00	0.00
Discharged due to ill-health	0.00	0.00
Retirement	4.00	10.80
Other, Permanent	4.00	10.80
Transfer to other Public Service Departments	0.00	0.00
Other	0.00	0.00
<b>Total</b>	<b>37.00</b>	<b>100.00</b>
<b>Total number of employees who left as a % of total employment</b>	37	14.7%

It must be noted that there are five officials whose contracts expired, and were renewed.

**Table 3.5.4 Promotions by critical occupation for the period 1 April 2017 to 31 March 2018**

Occupation	Employees 1 April 2017	Promotions to another salary level	Salary level promotions as a % of employees by occupation	Progressions to another notch within a salary level	Notch progression as a % of employees by occupation
ADMINISTRATIVE RELATED	56.00	0.00	0.00	45.00	80.40
CLEANERS IN OFFICES WORKSHOPS HOSPITALS ETC.	10.00	0.00	0.00	5.00	50.00
CLIENT INFORM CLERKS(SWITCHB RECEIPT INFORM CLERKS)	3.00	0.00	0.00	3.00	100.00
COMMUNICATION AND INFORMATION RELATED	19.00	0.00	0.00	15.00	78.90
ECONOMISTS	1.00	0.00	0.00	0.00	0.00
FINANCE AND ECONOMICS RELATED	14.00	0.00	0.00	10.00	71.40

Occupation	Employees 1 April 2017	Promotions to another salary level	Salary level promotions as a % of employees by occupation	Progressions to another notch within a salary level	Notch progression as a % of employees by occupation
FINANCIAL AND RELATED PROFESSIONALS	1.00	0.00	0.00	0.00	0.00
FINANCIAL CLERKS AND CREDIT CONTROLLERS	22.00	0.00	0.00	19.00	86.40
HEAD OF DEPARTMENT/CHIEF EXECUTIVE OFFICER	1.00	0.00	0.00	0.00	0.00
HOUSEHOLD FOOD AND LAUNDRY SERVICES RELATED	1.00	0.00	0.00	0.00	0.00
HUMAN RESOURCES & ORGANISAT DEVELOPM & RELATE PROF	3.00	0.00	0.00	3.00	100.00
HUMAN RESOURCES CLERKS	6.00	0.00	0.00	5.00	83.30
HUMAN RESOURCES RELATED	18.00	0.00	0.00	20.00	111.10
LEGAL RELATED	1.00	0.00	0.00	1.00	100.00
LIBRARY MAIL AND RELATED CLERKS	6.00	0.00	0.00	4.00	66.70
MESSENGERS PORTERS AND DELIVERERS	1.00	0.00	0.00	1.00	100.00
MOTOR VEHICLE DRIVERS	3.00	0.00	0.00	2.00	66.70
OTHER ADMINISTRAT & RELATED CLERKS AND ORGANISERS	27.00	0.00	0.00	22.00	81.50
OTHER ADMINISTRATIVE POLICY AND RELATED OFFICERS	2.00	0.00	0.00	1.00	50.00
OTHER OCCUPATIONS	5.00	0.00	0.00	1.00	20.00
RISK MANAGEMENT AND SECURITY SERVICES	1.00	0.00	0.00	1.00	100.00
SECRETARIES & OTHER KEYBOARD OPERATING CLERKS	25.00	0.00	0.00	19.00	76.00
SENIOR MANAGERS	23.00	1.00	4.30	2.00	8.70
<b>TOTAL</b>	<b>249.00</b>	<b>1.00</b>	<b>0.40</b>	<b>179.00</b>	<b>71.90</b>

**Table 3.5.5 Promotions by salary band for the period 1 April 2017 to 31 March 2018**

Salary Band	Employees 1 April 2017	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
Skilled (Levels 3-5), Permanent	56.00	0.00	0.00	48.00	85.70
Highly Skilled Production (Levels 6-8), Permanent	72.00	0.00	0.00	37.00	51.40
Highly Skilled Supervision (Levels 9-12), Permanent	67.00	0.00	0.00	87.00	129.90
Senior Management (Levels 13-16), Permanent	30.00	1.00	3.30	3.00	10.00
Contract (Levels 3-5), Permanent	7.00	0.00	0.00	2.00	28.60
Contract (Levels 6-8), Permanent	1.00	0.00	0.00	1.00	100.00



Salary Band	Employees 1 April 2017	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
Contract (Levels 9-12), Permanent	10.00	0.00	0.00	1.00	10.00
Contract (Levels 13-16), Permanent	6.00	0.00	0.00	0.00	0.00
<b>TOTAL</b>	<b>249.00</b>	<b>1.00</b>	<b>0.40</b>	<b>179.00</b>	<b>71.90</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 2018**

Occupational category	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
PROFESSIONALS	31	2.00	1.00	1.00	22	0.00	0.00	0.00	57
TECHNICIANS AND ASSOCIATE PROFESSIONALS	23	0.00	0.00	1.00	31	0	0.00	1.00	56
LABOURERS AND RELATED WORKERS	3	0.00	0.00	0.00	8	0	0.00	0.00	11
PLANT AND MACHINE OPERATORS AND ASSEMBLERS	3	0.00	0.00	0.00	0	0	0.00	0.00	3
SERVICE SHOP AND MARKET SALES WORKERS	0	0.00	0.00	0.00	3	0	0.00	0.00	3
CLERKS	21	0.00	0.00	0.00	70	2	1.00	2.00	96
SENIOR OFFICIALS AND MANAGERS	14	0.00	0.00	3.00	6	1	1.00	0.00	25
<b>TOTAL</b>	<b>95</b>	<b>2.00</b>	<b>1.00</b>	<b>5.00</b>	<b>14</b>	<b>3</b>	<b>2.00</b>	<b>3.00</b>	<b>251</b>
Employees with disabilities	0	0	0	0	0	0	0	0	0

**Table 3.6.2 Total number of employees (including employees with disabilities) in each of the following occupational bands as on 31 March 2018**

Occupational band	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top Management, Permanent	2.00	0.00	0.00	0.00	1	0.00	0.00	0.00	3
Senior Management, Permanent	14.00	1.00	0.00	3.00	8	0.00	0.00	0.00	26
Professionally qualified and experienced specialists and mid-management, Permanent	40.00	1.00	1.00	2.00	37	1.00	0.00	2.00	84
Skilled technical and academically qualified workers, junior management, supervisors, foremen, Permanent	13.00	0.00	0.00	0.00	36	1.00	0.00	1.00	51
Semi-skilled and discretionary decision making, Permanent	11.00	0.00	0.00	0.00	41	1.00	1.00	0.00	54
Not Available, Permanent	2.00	0.00	0.00	0.00	6	0.00	0.00	0.00	8

Occupational band	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Contract (Top Management)	4.00	0.00	0.00	0.00	0	0.00	0.00	0.00	4
Contract (Senior Management), Permanent	2.00	0.00	0.00	0.00	0	0.00	1.00	0.00	3
Contract (Professionally Qualified), Permanent	3.00	0.00	0.00	0.00	6	0.00	0.00	0.00	9
Contract (Skilled Technical), Permanent	1.00	0.00	0.00	0.00	0	0.00	0.00	0.00	1
Contract (Semi-Skilled), Permanent	2.00	0.00	0.00	0.00	5	0.00	0.00	0.00	7
Contract (Unskilled), Permanent	1.00	0.00	0.00	0.00	0	0.00	0.00	0.00	1
<b>TOTAL</b>	<b>95.00</b>	<b>2.00</b>	<b>1.00</b>	<b>5.00</b>	<b>140</b>	<b>3.00</b>	<b>2.00</b>	<b>3.00</b>	<b>251</b>

**Table 3.6.3 Recruitment for the period 1 April 2017 to 31 March 2018**

Occupational band	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
07 Not Available, Permanent	3.00	0.00	0.00	0.00	8.00	0.00	0.00	0.00	11.00
09 Contract (Senior Management), Permanent	1.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1.00
10 Contract (Professionally qualified), Permanent	1.00	0.00	0.00	0.00	2.00	0.00	0.00	0.00	3.00
12 Contract (Semi-skilled), Permanent	0.00	0.00	0.00	0.00	1.00	0.00	0.00	0.00	1.00
13 Contract (Unskilled), Permanent	2.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	2.00
<b>TOTAL</b>	<b>7.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>11.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>18.00</b>
Employees with disabilities	0	0	0	0	0	0	0	0	0

**Table 3.6.4 Promotions for the period 1 April 2017 to 31 March 2018**

Occupational band	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top Management, Permanent	1.00	0.00	0.00	0.00	1.00	0.00	0.00	0.00	2.00
Senior Management, Permanent	1.00	1.00	0.00	0.00	0.00	0.00	0.00	0.00	2.00
Professionally qualified and experienced specialists and mid-management, Permanent	39.00	1.00	1.00	1.00	43.00	0.00	0.00	2.00	87.00
Skilled technical and academically qualified workers, junior management, supervisors, foremen, Permanent	9.00	0.00	0.00	0.00	26.00	1.00	0.00	1.00	37.00
Semi-skilled and discretionary decision making, Permanent	8.00	0.00	0.00	0.00	38.00	1.00	1.00	0.00	48.00
Contract (Professionally qualified), Permanent	0.00	0.00	0.00	0.00	1.00	0.00	0.00	0.00	1.00
Contract (Skilled technical), Permanent	1.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1.00

Occupational band	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Contract (Semi-skilled), Permanent	1.00	0.00	0.00	0.00	1.00	0.00	0.00	0.00	2.00
<b>TOTAL</b>	<b>60.00</b>	<b>2.00</b>	<b>1.00</b>	<b>1.00</b>	<b>110.00</b>	<b>2.00</b>	<b>1.00</b>	<b>3.00</b>	<b>180.00</b>
<b>Employees with disabilities</b>	0	0	0	0	0	0	0	0	0

**Table 3.6.5 Terminations for the period 1 April 2017 to 31 March 2018**

Occupational band	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
01 Top Management, Permanent	1.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1.00
02 Senior Management, Permanent	1.00	0.00	0.00	0.00	0.00	0.00	0.00	1.00	2.00
03 Professionally qualified and experienced specialists and mid-management, Permanent	3.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	3.00
04 Skilled technical and academically qualified workers, junior management, supervisors, foremen, Permanent	2.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	2.00
05 Semi-skilled and discretionary decision making, Permanent	0.00	0.00	0.00	0.00	2.00	0.00	0.00	0.00	2.00
07 Not Available, Permanent	1.00	0.00	0.00	0.00	2.00	0.00	0.00	0.00	3.00
08 Contract (Top Management), Permanent	3.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	3.00
09 Contract (Senior Management), Permanent	3.00	0.00	0.00	0.00	0.00	0.00	1.00	0.00	4.00
10 Contract (Professionally qualified), Permanent	3.00	0.00	0.00	0.00	6.00	0.00	0.00	0.00	9.00
11 Contract (Skilled technical), Permanent	1.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1.00
12 Contract (Semi-skilled), Permanent	2.00	0.00	0.00	0.00	4.00	0.00	0.00	0.00	6.00
13 Contract (Unskilled), Permanent	1.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1.00
<b>TOTAL</b>	<b>21.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>14.00</b>	<b>0.00</b>	<b>1.00</b>	<b>1.00</b>	<b>37.00</b>
<b>Employees with Disabilities</b>	0	0	0	0	0	0	0	0	0

**Table 3.6.6 Disciplinary action for the period 1 April 2017 to 31 March 2018**

Disciplinary action	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Written warning	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
<b>TOTAL</b>	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00

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

Occupational category	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Legislators, Senior Officials and Managers	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Professionals	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Technicians and Associate Professionals	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Clerks	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Service and Sales Workers	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Skilled Agriculture and Fishery Workers	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Craft and related Trades Workers	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Plant and Machine Operators and Assemblers	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Elementary Occupations	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Employees with disabilities	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
<b>TOTAL</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>
<b>Employees with disabilities</b>	0	0	0	0	0	0	0	0	0

**3.7 Signing of Performance Agreements by SMS Members**

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

**Table 3.7.1 Signing of Performance Agreements by SMS members as on 31 May 2018**

SMS Level	Total number of funded SMS posts	Total number of SMS members	Total number of signed performance agreements	Signed performance agreements as % of total number of SMS members
Director-General/ Head of Department	1	1	1	100
Salary Level 16	0	0	0	0
Salary Level 15	6	6	3	50%
Salary Level 14	8	6	5	83.3
Salary Level 13	24	24	22	91.7
<b>Total</b>	<b>39</b>	<b>37</b>	<b>30</b>	<b>81.1</b>

**Table 3.7.2 Reasons for not having concluded Performance agreements for all SMS members as on 31 March 2018**

Reasons
4 SMS members are Special Advisors and are not required to enter into Performance Agreement as per the Public Service Regulation. The other 2 SMS members were still within the 3 months grace period after their appointment

**Table 3.7.3 Disciplinary steps taken against SMS members for not having concluded Performance agreements as on 31 March 2018**

Reasons
Not applicable

### 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 2017 to 31 March 2018**

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	52.00	139.00	37.40	785.96	15 115.00
African, Male	23.00	89.00	25.80	637.11	27 700.00
Asian, Female	1.00	2.00	50.00	10.12	10 121.00
Asian, Male	1.00	1.00	100.00	28.45	28 448.00
Coloured, Female	0.00	3.00	0.00	0.00	0.00
Coloured, Male	1.00	1.00	100.00	25.63	25 633.00
Total Blacks, Female	<b>53.00</b>	<b>144.00</b>	<b>36.80</b>	<b>796.08</b>	<b>15 020.00</b>
Total Blacks, Male	<b>25.00</b>	<b>91.00</b>	<b>27.50</b>	<b>691.19</b>	<b>27 648.00</b>
White, Female	1.00	3.00	33.30	27.61	27 614.00
White, Male	2.00	4.00	50.00	185.39	92 697.00
Employees with a disability	3.00	9.00	33.30	84.74	28 248.00
<b>TOTAL</b>	<b>84.00</b>	<b>251.00</b>	<b>33.50</b>	<b>1 785.02</b>	<b>21 250.00</b>

**Table 3.8.2 Performance Rewards by salary band for personnel below Senior Management Service for the period 1 April 2017 to 31 March 2018**

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	
Skilled (Levels 3-5)	32.00	54.00	59.30	326.14	10 192.00	02 Skilled (Levels 3-5)
Highly Skilled Production (Levels 6-8)	19.00	51.00	37.30	284.14	14 955.00	03 Highly Skilled Production (Levels 6-8)
Highly Skilled Supervision (Levels 9-12)	23.00	84.00	27.40	576.45	25 063.00	04 Highly Skilled Supervision (Levels 9-12)
Other	0.00	8.00	0.00	0.00	0.00	09 Other

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	
Contract (Levels 1-2)	0.00	1.00	0.00	0.00	0.00	10 Contract (Levels 1-2)
Contract (Levels 3-5)	0.00	7.00	0.00	0.00	0.00	11 Contract (Levels 3-5)
Contract (Levels 6-8)	1.00	1.00	100.00	12.67	12 672.00	12 Contract (Levels 6-8)
Contract (Levels 9-12)	1.00	9.00	11.10	18.71	18 707.00	13 Contract (Levels 9-12)
<b>TOTAL</b>	<b>76.00</b>	<b>215.00</b>	<b>35.30</b>	<b>1 218.12</b>	<b>16 028.00</b>	<b>TOTAL</b>

**Table 3.8.3 Performance Rewards by critical occupation for the period 1 April 2017 to 31 March 2018**

Critical occupation	Beneficiary Profile			Cost	
	Number of beneficiaries	Number of employees	% of total within occupation	Total Cost (R'000)	Average cost per employee
FINANCIAL CLERKS AND CREDIT CONTROLLERS	9.00	20.00	45.00	144.79	16 088.00
HOUSEHOLD FOOD AND LAUNDRY SERVICES RELATED	0.00	1.00	0.00	0.00	0.00
HUMAN RESOURCES CLERKS	1.00	15.00	6.70	11.23	11 234.00
HUMAN RESOURCES & ORGANISAT DEVELOPM & RELATE PROF	1.00	4.00	25.00	27.61	27 614.00
MESSENGERS PORTERS AND DELIVERERS	0.00	1.00	0.00	0.00	0.00
RISK MANAGEMENT AND SECURITY SERVICES	0.00	1.00	0.00	0.00	0.00
FINANCE AND ECONOMICS RELATED	2.00	12.00	16.70	54.08	27 041.00
OTHER ADMINISTRAT & RELATED CLERKS AND ORGANISERS	14.00	27.00	51.90	163.81	11 701.00
OTHER OCCUPATIONS	1.00	4.00	25.00	26.30	26 302.00
LEGAL RELATED	1.00	1.00	100.00	39.29	39 291.00
FINANCIAL AND RELATED PROFESSIONALS	0.00	1.00	0.00	0.00	0.00
ADMINISTRATIVE RELATED	14.00	54.00	25.90	392.19	28 014.00
COMMUNICATION AND INFORMATION RELATED	5.00	18.00	27.80	94.92	18 983.00
SECRETARIES & OTHER KEYBOARD OPERATING CLERKS	13.00	25.00	52.00	170.29	13 099.00
LIBRARY MAIL AND RELATED CLERKS	5.00	6.00	83.30	50.76	10 153.00
CLEANERS IN OFFICES WORKSHOPS HOSPITALS ETC.	4.00	9.00	44.40	32.07	8 018.00
HUMAN RESOURCES RELATED	6.00	17.00	35.30	116.95	19 492.00
HEAD OF DEPARTMENT/CHIEF EXECUTIVE OFFICER	0.00	1.00	0.00	0.00	0.00
REGULATORY INSPECTORS	0.00	1.00	0.00	0.00	0.00
OTHER ADMINISTRATIVE POLICY AND RELATED OFFICERS	0.00	2.00	0.00	0.00	0.00
SENIOR MANAGERS	5.00	24.00	20.80	430.48	86 096.00



Critical occupation	Beneficiary Profile			Cost	
	Number of beneficiarie	Number of employees	% of total within occupation	Total Cost (R'000)	Average cost per employee
CLIENT INFORM CLERKS(SWITCHB RECEIPT INFORM CLERKS)	1.00	3.00	33.30	8.05	8 048.00
ECONOMISTS	0.00	1.00	0.00	0.00	0.00
MOTOR VEHICLE DRIVERS	2.00	3.00	66.70	22.18	11 088.00
<b>TOTAL</b>	<b>84.00</b>	<b>251.00</b>	<b>33.50</b>	<b>1 785.02</b>	<b>21 250.00</b>

**Table 3.8.4 Performance related rewards (cash bonus), by salary band for Senior Management Service for the period 1 April 2017 to 31 March 2018**

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	6.00	24.00	25.00	357.50	59 582.80	27.4
Band B	1.00	5.00	20.00	100.70	100 698.50	7.8
Band C	1.00	6.00	16.70	108.71	108 709.40	7.6
Band D	0.00	1.00	0.00	0.00	0.00	0
<b>Total</b>	<b>8.00</b>	<b>36.00</b>	<b>22.20</b>	<b>566.90</b>	<b>70 863.10</b>	<b>42.8</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 2017 to 31 March 2018**

Salary band	01 April 2017		31 March 2018		Change	
	Number	% of total	Number	% of total	Number	% Change
Lower skilled	0.00	0.00	0.00	0.00	0.00	0.00
Highly skilled production (Lev. 6-8)	0.00	0.00	0.00	0.00	0.00	0.00
Highly skilled supervision (Lev. 9-12)	0.00	0.00	0.00	0.00	0.00	0.00
Contract (level 9-12)	0.00	0.00	0.00	0.00	0.00	0.00
Contract (level 13-16)	0.00	0.00	0.00	0.00	0.00	0.00
<b>Total</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>

**Table 3.9.2 Foreign workers by major occupation for the period 1 April 2017 to 31 March 2018**

Salary band	01 April 2017		31 March 2018		Change	
	Number	% of total	Number	% of total	Number	% Change
Lower skilled	0.00	0.00	0.00	0.00	0.00	0.00
Highly skilled production (Lev. 6-8)	0.00	0.00	0.00	0.00	0.00	0.00
Highly skilled supervision (Lev. 9-12)	0.00	0.00	0.00	0.00	0.00	0.00
Contract (level 9-12)	0.00	0.00	0.00	0.00	0.00	0.00

Salary band	01 April 2017		31 March 2018		Change	
	Number	% of total	Number	% of total	Number	% Change
Contract (level 13-16)	0.00	0.00	0.00	0.00	0.00	0.00
<b>Total</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>

### 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 2017**

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)
Contract (Levels 3-5)	47,00	100,00	4,00	2,70	12,00	37,00
Contract (Levels 9-12)	3,00	100,00	1,00	0,70	3,00	4,00
Highly skilled production (Levels 6-8)	316,00	87,30	36,00	24,50	9,00	439,00
Highly skilled supervision (Levels 9-12)	436,00	81,90	56,00	38,10	8,00	1 149,00
Senior management (Levels 13-16)	109,00	91,70	13,00	8,80	8,00	442,00
Skilled (Levels 3-5)	306,00	84,00	37,00	25,20	8,00	243,00
<b>TOTAL</b>	<b>1 217,00</b>	<b>85,50</b>	<b>147,00</b>	<b>100,00</b>	<b>8,00</b>	<b>2 314,00</b>

**Table 3.10.2 Disability leave (temporary and permanent) for the period 1 January 2016 to 31 December 2017**

Salary band	Total days	% Days with Medical certification	Number of Employees using disability leave	% of total employees using disability leave	Average days per employee	Estimated Cost (R'000)
Lower skilled (Levels 1-2)	0.00	0.00	0.00	0.00	0.00	0.00
Skilled (Levels 3-5)	0.00	0.00	0.00	0.00	0.00	0.00
Highly skilled production (Levels 6-8)	0.00	0.00	0.00	0.00	0.00	0.00
Highly skilled supervision (Levels 9-12)	0.00	0.00	0.00	0.00	0.00	0.00
Senior management (Levels 13-16)	0.00	0.00	0.00	0.00	0.00	0.00
<b>Total</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</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 2017**

Salary band	Total days taken	Number of Employees using annual leave	Average per employee
Contract (Levels 13-16)	49.00	16.00	3.00
Contract (Levels 3-5)	89.00	18.00	5.00
Contract (Levels 6-8)	24.00	24.00	1.00
Contract (Levels 9-12)	147.00	15.00	10.00
Highly skilled production (Levels 6-8)	1 279.00	21.00	62.00
Highly skilled supervision (Levels 9-12)	2 149.00	24.00	91.00
Senior management (Levels 13-16)	689.00	22.00	31.00
Skilled (Levels 3-5)	1 375.00	24.00	57.00
<b>TOTAL</b>	<b>5 801.00</b>	<b>22.00</b>	<b>260.00</b>

**Table 3.10.4 Capped leave for the period 1 January 2017 to 31 December 2017**

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 2018
Contract (Levels 13-16)	0.00	0.00	0.00	0.00
Contract (Levels 3-5)	0.00	0.00	0.00	0.00
Contract (Levels 6-8)	0.00	0.00	0.00	0.00
Contract (Levels 9-12)	0.00	0.00	0.00	0.00
Highly skilled production (Levels 6-8)	0.00	0.00	44.00	0.00
Highly skilled supervision (Levels 9-12)	0.00	0.00	53.00	0.00
Senior management (Levels 13-16)	0.00	0.00	69.00	0.00
Skilled (Levels 3-5)	0.00	0.00	40.00	0.00
<b>TOTAL</b>	<b>0.00</b>	<b>0.00</b>	<b>51.00</b>	<b>0.00</b>

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

**Table 3.10.5 Leave payouts for the period 1 April 2017 to 31 March 2018**

Reason	Total amount (R'000)	Number of employees	Average per employee (R'000)
Leave payout for 2016/17 due to non-utilisation of leave for the previous cycle	679	14	48.5
Capped leave payout on termination of service for 2016/17	69	2	34.5
Current leave payout on termination of service for 2016/17	247	6	41.2
<b>Total</b>	<b>995</b>	<b>22</b>	<b>45.2</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

**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		NO	The position of Senior Manager: Transversal HRM Services has been filled by the Head of Youth Development, who does not deal with HIV/AIDS Programmes at all.
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		The Division: Transversal Human Resource Management Services has been entrusted with the responsibility of implementing the program within the Office of the Premier and Coordinating the Programme implementation including HCT campaigns across the Mpumalanga Provincial Government. The team has four staff members who facilitate the implementation of the Employee Health and Wellness (EH&W) Strategic Plan and Occupational Health and Safety Plan to ensure the employee wellness, safety in the workplace and co-ordination of the services of Employee Health and Wellness across Departments within the Provincial Government in accordance with the relevant prescripts. There is however no budget specifically allocated for EH&W. During the course of this financial year, an internal Employee Health and Wellness official was appointed, after having identified her from another unit. However, the desired results could not be achieved, owing to various factors attributed to the said the official.
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		Financial Management, Stress management, Home Visits, Health Screening, Physical Activities, Pre-Counselling HIV Counselling and Testing. The Key elements of the Programme are: HIV&AIDS and TB management and mitigation; Prevention; Treatment; Care and Support; Wellness management; Safety Health Environment Risk and Quality Management; and Health Productivity Management in compliance with the National Policy Framework on Employee Health and Wellness.
4. Has the department established (a) committee(s) as contemplated in Part 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		The Office of the Premier co-ordinates the functioning of the Inter-Departmental Committee on EHW. There are measures in place to protect the infected and affected from discrimination which include the following: - Mainstreaming of HIV&AIDS in all HRM functions and practices within the workplace; - Awareness campaigns and peer education on rights of the affected and the infected; - Adherence to Chapter 2 of the Constitution of the RSA; - Monitoring by all key stakeholders to ensure compliance with all prescripts and the Constitution; - Commemorations and information sharing sessions on the prevalence and the causes thereof; - HIV & AIDS and TB policies; - identification of environmental risk factors; and -Employee Assistant Programme and support.

Question	Yes	No	Details, if yes
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		The Office of the Premier has reviewed its HIV/AIDS and TB Management Policy Framework, Wellness Management Policy and Bereavement policies. They are all awaiting approval by the Accounting Officer.
6. Has the department introduced measures to protect HIV-positive employees or those perceived to be HIV-positive from discrimination? If so, list the key elements of these measures.	YES		The OTP ensures that during its quarterly employee health and wellness programmes, it provides training on condom usage and condom distribution. In addition, there are policies in place that can be used as educational tools on important issues relating HIV/AIDS.
7. Does the department encourage its employees to undergo Voluntary Counselling and Testing? If so, list the results that you have achieved.	YES		Only 25% of employees got tested in the previous Financial year, i.e. employees on salary levels 3-12. During every Health and Wellness promotion event, employees are provided the opportunity to undergo voluntarily counselling and testing including General and Physical Health assessment. To date 112 officials in the Office of the Premier have undergone VCT.
8. Has the department developed measures/ indicators to monitor & evaluate the impact of its health promotion programme? If so, list these measures/indicators.	YES		There are several Policies in place to guide the implementation of EH&W and the conduct of employees Quarterly Sick leave utilization profile; Reduction in absenteeism; behaviour and lifestyle modification; the levels of compliance to treatment and healthy lifestyles; and the improved level of attendance to EH&W programmes and HCT campaigns. The Annual Performance Plans that talks to the four (4) Pillars, Implementation and Operation of the EH&W Management system and EH&W evaluation, corrective and preventative action makes provision for the effective monitoring and evaluation of the EH&W Programme.

### 3.12 Labour Relations

**Table 3.12.1 Collective agreements for the period 1 April 2016 to 31 March 2018**

Total number of Collective agreements	00
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The following table summarises the outcome of disciplinary hearings conducted within the department for the year under review.

**Table 3.12.2 Misconduct and disciplinary hearings finalised for the period 1 April 2017 to 31 March 2018**

Outcomes of disciplinary hearings	Number	% of total
Correctional counselling	0.00	0.00
Verbal warning	0.00	0.00
Written warning	0.00	0.00
Final written warning	0.00	0.00
Suspended without pay	0.00	0.00
Fine	0.00	0.00

Outcomes of disciplinary hearings	Number	% of total
Demotion	0.00	0.00
Dismissal	0.00	0.00
Not guilty	0.00	0.00
Case withdrawn	0.00	0.00
<b>Total</b>	0.00	0.00

**Table 3.12.3 Types of misconduct addressed at disciplinary hearings for the period 1 April 2017 to 31 March 2018**

Type of misconduct	Number	% of total
Absenteeism	0.00	0.00
<b>Total</b>	0.00	0.00

**Table 3.12.4 Grievances logged for the period 1 April 2017 to 31 March 2018**

Grievances	Number	% of Total
Number of grievances resolved	0.00	0.00
Number of grievances not resolved	0.00	0.00
<b>Total number of grievances lodged</b>	0.00	0.00

**Table 3.12.5 Disputes logged with Councils for the period 1 April 2017 to 31 March 2018**

Disputes	Number	% of Total
Number of disputes upheld	0.00	0.00
Number of disputes dismissed	0.00	0.00
<b>Total number of disputes lodged</b>	0.00	0.00

**Table 3.12.6 Strike actions for the period 1 April 2017 to 31 March 2018**

Total number of persons working days lost	0.00
Total costs working days lost	0.00
Amount recovered as a result of no work no pay (R'000)	0.00

**Table 3.12.7 Precautionary suspensions for the period 1 April 2017 to 31 March 2018**

Number of people suspended	0.00
Number of people whose suspension exceeded 30 days	0.00
Average number of days suspended	0.00
Cost of suspension(R'000)	0.00

### 1.13. Skills development

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



**Table 3.13.1 Training needs identified for the period 1 April 2017 to 31 March 2018**

Occupational category	Gender	Number of employees as at 1 April 2017	Training needs identified at start of the reporting period			Total
			Learnerships/ Internships	Skills Programmes & other short courses	Other forms of training	
Legislators, senior officials and managers	Female	8	0	Executive Management Programme; Women empowerment Conference; Awareness on HIV and AIDS; Customer Care Financial Auditing for Internal Auditors in the Public Sector	-	24
	Male	16	0	Executive Management Programme; Women empowerment Conference; Awareness on HIV and AIDS; Customer Care Financial Auditing for Internal Auditors in the Public Sector	-	
Professionals	Female	20	0	Advanced Management Development Programme; Executive Management Programme; Women empowerment Conference; Awareness on HIV and AIDS; Customer Care Financial Auditing for Internal Auditors in the Public Sector	-	60
	Male	40	0	Advanced Management Development Programme; Executive Management Programme; Women empowerment Conference; Awareness on HIV and AIDS; Customer Care Financial Auditing for Internal Auditors in the Public Sector	-	

Occupational category	Gender	Number of employees as at 1 April 2017	Training needs identified at start of the reporting period			
			Learnerships/ Internships	Skills Programmes & other short courses	Other forms of training	Total
Technicians and associate professionals	Female	35	0	Advanced Management Development Programme; Executive Management Programme; Women empowerment Conference; Awareness on HIV and AIDS; Customer Care Financial Auditing for Internal Auditors in the Public Sector	-	65
	Male	30	0	Advanced Management Development Programme; Executive Management Programme; Women empowerment Conference; Awareness on HIV and AIDS; Customer Care Financial Auditing for Internal Auditors in the Public Sector	-	

Occupational category	Gender	Number of employees as at 1 April 2017	Training needs identified at start of the reporting period			Total
			Learnerships/ Internships	Skills Programmes & other short courses	Other forms of training	
Clerks	Female	60	13	Women empowerment Conference; Customer Care in the Public Sector; Root course Identification, Compulsory Induction Programme; Archives and records management; Business Communication and report writing; Protocol; Compulsory Induction Programme; Awareness on HIV and AIDS;	-	103
	Male	22	8	Women empowerment Conference; Customer Care in the Public Sector; Root course Identification, Compulsory Induction Programme; Archives and records management; Business Communication and report writing; Protocol; Compulsory Induction Programme; Awareness on HIV and AIDS;	-	
Service and sales workers	Female	2	0	Customer Care in the Public Sector; HIV and AIDS; Archives and records management;	-	2
	Male	0	0	-	-	
Skilled agriculture and fishery workers	Female	0	0	-	-	0
	Male	0	0	-	-	
Craft and related trades workers	Female	0	0	-	-	0
	Male	0	0	-	-	

Occupational category	Gender	Number of employees as at 1 April 2017	Training needs identified at start of the reporting period			Total
			Learnerships/ Internships	Skills Programmes & other short courses	Other forms of training	
Plant and machine operators and assemblers	Female	0	0	-	-	3
	Male	3	0	Customer Care in the Public Sector; HIV and AIDS; Archives and records management; Women empowerment Conference;	-	
Elementary occupations	Female	11	0	Customer Care in the Public Sector; HIV and AIDS; Archives and records management;	-	15
	Male	4	0	Customer Care in the Public Sector; HIV and AIDS; Archives and records management; Women empowerment Conference;	-	
Sub Total	Female	136	13	-	-	149
	Male	110	8	-	-	118
<b>Total</b>		<b>251</b>	<b>21</b>	-	-	<b>272</b>

**Table 3.13.2 Training provided for the period 1 April 2017 to 31 March 2018**

Occupational category	Gender	Number of employees as at 1 April 2017	Training needs identified at start of the reporting period			Total
			Learnerships/ Internships	Skills Programmes & other short courses	Other forms of training	
Legislators, senior officials and managers	Female	8	0	Executive Management Programme; Women empowerment Conference; Awareness on HIV and AIDS; Customer Care Financial Auditing for Internal Auditors in the Public Sector	-	24
	Male	16	0	Executive Management Programme; Women empowerment Conference; Awareness on HIV and AIDS; Customer Care Financial Auditing for Internal Auditors in the Public Sector	-	

Occupational category	Gender	Number of employees as at 1 April 2017	Training needs identified at start of the reporting period			Total
			Learnerships/ Internships	Skills Programmes & other short courses	Other forms of training	
Professionals	Female	20	0	Advanced Management Development Programme; Executive Management Programme; Women empowerment Conference; Awareness on HIV and AIDS; Customer Care Financial Auditing for Internal Auditors in the Public Sector	-	60
	Male	40	0	Advanced Management Development Programme; Executive Management Programme; Women empowerment Conference; Awareness on HIV and AIDS; Customer Care Financial Auditing for Internal Auditors in the Public Sector	-	
Technicians and associate professionals	Female	35	0	Advanced Management Development Programme; Executive Management Programme; Women empowerment Conference; Awareness on HIV and AIDS; Customer Care Financial Auditing for Internal Auditors in the Public Sector	-	65
	Male	30	0	Advanced Management Development Programme; Executive Management Programme; Women empowerment Conference; Awareness on HIV and AIDS; Customer Care Financial Auditing for Internal Auditors in the Public Sector	-	

Occupational category	Gender	Number of employees as at 1 April 2017	Training needs identified at start of the reporting period			Total
			Learnerships/ Internships	Skills Programmes & other short courses	Other forms of training	
Clerks	Female	60	13	Women empowerment Conference; Customer Care in the Public Sector; Root course Identification, Compulsory Induction Programme; Archives and records management; Business Communication and report writing; Protocol; Compulsory Induction Programme; Awareness on HIV and AIDS;	-	103
	Male	22	8	Women empowerment Conference; Customer Care in the Public Sector; Root course Identification, Compulsory Induction Programme; Archives and records management; Business Communication and report writing; Protocol; Compulsory Induction Programme; Awareness on HIV and AIDS;	-	
Service and sales workers	Female	2	0	Customer Care in the Public Sector; HIV and AIDS; Archives and records management;	-	2
	Male	0	0	-	-	
Skilled agriculture and fishery workers	Female	0	0	-	-	0
	Male	0	0	-	-	0
Craft and related trades workers	Female	0	0	-	-	0
	Male	0	0	-	-	0
Plant and machine operators and assemblers	Female	0	0	-	-	3
	Male	3	0	Customer Care in the Public Sector; HIV and AIDS; Archives and records management; Women empowerment Conference;	-	



Occupational category	Gender	Number of employees as at 1 April 2017	Training needs identified at start of the reporting period			
			Learnerships/ Internships	Skills Programmes & other short courses	Other forms of training	Total
Elementary occupations	Female	11	0	Customer Care in the Public Sector; HIV and AIDS; Archives and records management;	-	15
	Male	4	0	Customer Care in the Public Sector; HIV and AIDS; Archives and records management; Women empowerment Conference;	-	
Sub Total	Female	136	13	-	-	149
	Male	110	8	-	-	118
<b>Total</b>		<b>251</b>	<b>21</b>	-	-	<b>272</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 2017 to 31 March 2018**

Nature of injury on duty	Number	% of total
Required basic medical attention only	1	0.4%
Temporary Total Disablement	0	0%
Permanent Disablement	0	0
Fatal	1	0.4%
<b>Total</b>	<b>2</b>	<b>0.8%</b>

### 3.15 Utilisation of Consultants

**Table 3.15.1 Report on consultant appointments using appropriated funds for the period 1 April 2017 to 31 March 2018**

Project title	Total number of consultants that worked on project	Duration (work days)	Contract value in Rand
0	0	0	0
<b>Total number of projects</b>	<b>Total individual consultants</b>	<b>Total duration Work days</b>	<b>Total contract value in Rand</b>
0	0	0	0

**Table 3.15.2 Analysis of consultant appointments using appropriated funds, in terms of Historically Disadvantaged Individuals (HDIs) for the period 1 April 2017 to 31 March 2018**

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

**Table 3.15.3 Report on consultant appointments using Donor funds for the period 1 April 2017 to 31 March 2018**

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

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

**Table 3.15.4 Analysis of consultant appointments using Donor funds, in terms of Historically Disadvantaged Individuals (HDIs) for the period 1 April 2017 to 31 March 2018**

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

### 3.16 Severance Packages

**Table 3.16.1 Granting of employee initiated severance packages for the period 1 April 2017 to 31 March 2018**

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



REPORT OF THE AUDITOR-GENERAL	171
APPROPRIATION STATEMENT	180
NOTES TO THE APPROPRIATION STATEMENT	212
STATEMENT OF FINANCIAL PERFORMANCE	213
STATEMENT OF FINANCIAL POSITION	215
CASH FLOW STATEMENT	216
NOTES TO THE ANNUAL FINANCIAL STATEMENTS (INCLUDING ACCOUNTING POLICIES)	217
UNAUDITED ANNEXURES	253

## REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS TO THE MPUMALANGA PROVINCIAL LEGISLATURE ON VOTE 1: OFFICE OF THE PREMIER for the year ended 31 march 2018

### Opinion

1. I have audited the financial statements of the Office of the Premier set out on pages 180 to 257, which comprise the appropriation statement, the statement of financial position as at 31 March 2018, 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 Office of the Premier as at 31 March 2018, and its financial performance and cash flows for the year then ended in accordance with the Modified Cash Standard (MCS) prescribed by the National Treasury and the requirements of the Public Finance Management Act of South Africa, 1999 (Act No. 1 of 1999) (PFMA) and the Division of Revenue Act of South Africa, 2017 (Act No. 3 of 2017) (Dora).

### Basis for opinion

3. I conducted my audit in accordance with the International Standards on Auditing (ISAs). My responsibilities under those standards are further described in the auditor-general's responsibilities for the audit of the financial statements section of this auditor's 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) and 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 opinion.

### Emphasis of matters

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

### Accruals and payables not recognised

7. As disclosed in note 19 to the financial statements, payables that exceeded the payment term of 30 days as required in treasury regulation 8.2.3 amounted to R9 609 000. This amount, in turn, exceeded the voted funds to be surrendered of R524 000 as per the statement of financial performance by R9 085 000. The amount of R9 085 000 would therefore have constituted unauthorised expenditure had the amounts due been paid in a timely manner.

### Irregular as well as fruitless and wasteful expenditure

8. As disclosed in note 22 to the financial statements, irregular expenditure of R98 032 000 was incurred, as supply chain management regulations had not been followed. 96% of the irregular expenditure incurred in the current year relates to multi-year contracts awarded in previous years.



**REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS TO THE MPUMALANGA  
PROVINCIAL LEGISLATURE ON VOTE 1: OFFICE OF THE PREMIER  
for the year ended 31 March 2018**

9. As disclosed in note 23 to the financial statements, fruitless and wasteful expenditure of R5 083 000 incurred in previous years was not investigated.

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

10. 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.
11. In preparing the financial statements, the accounting officer is responsible for assessing the department's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the accounting officer either intends to liquidate the department or to cease operations, or has no realistic alternative but to do so.

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

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

**Report on the audit of the annual performance report**

**Introduction and scope**

14. 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.
15. My procedures address the reported performance information, which must be based on the approved performance planning documents of the department. I have not evaluated the completeness and appropriateness of the performance indicators/measures 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.

**REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS TO THE MPUMALANGA  
PROVINCIAL LEGISLATURE ON VOTE 1: OFFICE OF THE PREMIER  
for the year ended 31 March 2018**

16. 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 department for the year ended 31 March 2018:

Programmes	Pages in the annual performance report
Programme 2 – institutional development	51 – 65
Programme 3 – policy and governance	66 – 81

17. I performed procedures to determine whether the reported performance information was properly presented and whether performance was consistent with the approved performance planning documents. I performed further procedures to determine whether the indicators and related targets were measurable and relevant, and assessed the reliability of the reported performance information to determine whether it was valid, accurate and complete.
18. The material findings in respect of the usefulness and reliability of the selected programmes are as follows:

**Programme 2 – institutional development**

**Number of departments supported on systems and ICT governance**

19. I was unable to obtain sufficient appropriate audit evidence to support the reported achievement of 11 provincial departments and the Office of the Premier supported on systems and ICT governance. This was due to inadequate technical indicator descriptions and documented systems and processes that predetermined how the achievement would be measured, monitored and reported. I was unable to confirm the reported achievement of the indicator by alternative means. Consequently, I was unable to determine whether any adjustments were required to the achievement of 11 as reported in the annual performance report.

**Various indicators: limitations**

20. I was unable to obtain sufficient appropriate audit evidence for the reported achievement of four out of the 19 indicators relating to this programme. This was due to limitations placed on the scope of my work, as the department did not have an adequate recordkeeping system to enable reliable reporting on the achievement of the indicators. I was unable to confirm the reported achievement by alternative means. Consequently, I was unable to determine whether any adjustments were required to the reported achievements in the annual performance report of the indicators listed below.

**REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS TO THE MPUMALANGA  
PROVINCIAL LEGISLATURE ON VOTE 1: OFFICE OF THE PREMIER  
for the year ended 31 march 2018**

Indicator	Reported achievement	Limitation
Number of organograms developed or reviewed for provincial departments and the OTP, within 45 working days after receipt of request	Developed 1 organogram for Social Development within 45 working days after receipt of request	Request register for organograms to be developed not provided
Percentage of posts evaluated and graded in provincial departments within 30 working days after receipts of the request	100% (261 of 261) posts evaluated in provincial departments within 30 working days after receipt of the request	Job evaluation request register incomplete and actual requests received not provided
% of disputes dealt within 90 days of receipts in 11 provincial departments as well as the OTP	100% (16 of 16) of reported disputes dealt with within 90 days of receipts in 11 provincial departments as well as the OTP	1. Dispute register not kept 2. Dispute outcome reports, minutes and attendance registers not provided
% of formal, written legal opinions drafted as requested and submitted to clients	100% (6 of 6) formal, written legal opinions requested were drafted and submitted to clients	Legal opinion request register incomplete

**Programme 3 – policy and governance**

**Number of reports on the implementation of the provincial strategic plan for HIV and AIDS, STI and TB compiled in line with the PIPs**

21. The planned target for this indicator was not specific in clearly identifying the year of the provincial strategic plan for which reporting should be done; and did also not specify the period or deadline for delivery.

**Number of municipalities capacitated on war room based youth development**

22. I was unable to obtain sufficient appropriate audit evidence for the reported achievement of 10 municipalities capacitated and to support the reason for the deviation between the planned target of 17 municipalities and the achievement of 10 reported in the annual performance report. This was due to limitations on the scope of my work, as the department did not keep adequate records of attendance registers for one municipality to support the reported achievements. I was unable to confirm the reported achievement and reason by alternative means. Consequently, I was unable to determine whether any adjustments were required to the achievement of 10 municipalities capacitated and the reason for the deviation as reported in the annual performance report.

**Number of research information / reports disseminated**

23. I was unable to obtain sufficient appropriate audit evidence to support the reason for the deviation between the planned target of 16 and the achievement of zero reported in the annual performance report. This was due to limitations placed on the scope of my work, as supporting records were not kept. I was unable to confirm the reported reason for the deviation by alternative means. Consequently, I was

**REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS TO THE MPUMALANGA  
PROVINCIAL LEGISLATURE ON VOTE 1: OFFICE OF THE PREMIER  
for the year ended 31 march 2018**

unable to determine whether any adjustments were required to the reported reason for the variance.

**Other matters**

24. I draw attention to the matters below.

**Achievement of planned targets**

25. Refer to the annual performance report on pages 33 to 81 for information on the achievement of planned targets for the year and explanations provided for the underachievement of a number of targets. This information should be considered in the context of the material findings on the usefulness and reliability of the reported performance information in paragraphs 19 to 23 of this report.

**Adjustment of material misstatements**

26. I identified material misstatements in the annual performance report submitted for auditing. These material misstatements were on the reported performance information of the institutional development and the policy and governance programmes. As management subsequently corrected only some of the misstatements, I raised material findings on the usefulness and reliability of the reported performance information. Those that were not corrected are reported above.

**Report on the audit of compliance with legislation**

**Introduction and scope**

27. 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 department with specific matters in key legislation. I performed procedures to identify findings but not to gather evidence to express assurance.

28. The material findings on compliance with specific matters in key legislation are as follows:

**Strategic planning and performance management**

29. Specific information systems were not established to enable the monitoring of progress made towards achieving targets, core objectives and service delivery, as required by public service regulation 25(1)(e) (i) and (iii).

**Financial statements and annual report**

30. The financial statements submitted for auditing were not prepared in accordance with the prescribed financial reporting framework, as required by section 40(1)(a) of the PFMA. Material misstatements of disclosure items identified by the auditors in the submitted financial statements were corrected, resulting in the financial statements receiving an unqualified opinion.

**REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS TO THE MPUMALANGA  
PROVINCIAL LEGISLATURE ON VOTE 1: OFFICE OF THE PREMIER  
for the year ended 31 march 2018**

**Procurement and contract management**

31. Some contracts were extended or modified without the approval of a properly delegated official, as required by section 44 of the PFMA and treasury regulation 8.1 and 8.2.
32. Some goods and services with a transaction value above R500 000 were procured without inviting competitive bids. These deviations were approved by the accounting officer although it was practical to invite competitive bids, contrary to treasury regulation 16A6.1 and 16A6.4.
33. Some quotations were awarded to bidders based on preference points that were not allocated and calculated in accordance with the requirements of the Preferential Procurement Policy Framework Act of South Africa, 2000 (Act No. 5 of 2000) and its regulations.
34. Some bid documentation for the procurement of commodities designated for local content and production did not meet the stipulated minimum threshold for local production and content, as required by the 2017 preferential procurement regulation 8(2). Similar non-compliance was also reported in the prior year.
35. Sufficient appropriate audit evidence could not be obtained that commodities designated for local content and production were procured from suppliers who met the prescribed minimum threshold for local production and content, as required by the 2017 preferential procurement regulation 8(5). Similar non-compliance was also reported in the prior year.
36. Some contracts were awarded to suppliers whose tax matters had not been declared by the South African Revenue Service to be in order, as required by treasury regulation 16A9.1(d). Similar non-compliance was also reported in the prior year.

**Expenditure management**

37. Effective and appropriate steps were not taken to prevent irregular expenditure amounting to R98 032 000, as disclosed in note 22 to the annual financial statements, as required by section 38(1)(c)(ii) of the PFMA and treasury regulation 9.1.1. The majority of the irregular expenditure disclosed in the financial statements was caused by the use of deviations that were not justifiable, and awards to suppliers who were not tax compliant.

**Consequence management**

38. Some instances of irregular expenditure had not been investigated to determine if disciplinary steps needed to be taken against the liable officials who had incurred the irregular expenditure, as required by section 38(1)(h)(iii) of the PFMA.
39. Instances of fruitless and wasteful expenditure had not been investigated to determine if disciplinary steps needed to be taken against the liable officials who had incurred the fruitless and wasteful expenditure, as required by section 38(1)(h)(iii) of the PFMA.

**REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS TO THE MPUMALANGA  
PROVINCIAL LEGISLATURE ON VOTE 1: OFFICE OF THE PREMIER  
for the year ended 31 march 2018**

**Other information**

40. The accounting officer is responsible for the other information. The other information comprises the information included in the annual report. The other information does not include the financial statements, the auditor's report and those selected programmes presented in the annual performance report that have been specifically reported in this auditor's report.
41. 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.
42. 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.
43. If, based on the work I have performed, I conclude that there is a material misstatement in this other information, I am required to report that fact.
44. I have nothing to report in this regard.

**Internal control deficiencies**

45. 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 on it. The matters reported below are limited to the significant internal control deficiencies that resulted in the findings on the annual performance report and the findings on compliance with legislation included in this report.

**Leadership**

46. There was insufficient oversight and monitoring of the implementation of internal controls during the year, resulting in material misstatements in the financial statements and annual performance report as well as instances of irregular expenditure.
47. There was inadequate review of the supporting documents for the financial statements and annual performance report.
48. The department did not develop and implement proper performance planning and management practices to provide for the development of performance indicators and targets, as some did not meet the 'SMART' criteria as defined in the Framework for Managing Programme Performance Information.

**Financial and performance management**

49. Management did not ensure that the annual performance report was adequately supported with documentation to validate recorded transactions and to ensure that these were accurate and complete.



**REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS TO THE MPUMALANGA  
PROVINCIAL LEGISLATURE ON VOTE 1: OFFICE OF THE PREMIER  
for the year ended 31 march 2018**

50. Non-compliance with legislation identified in procurement and contract management relating to the splitting of a tender, the use of deviations for awards to suppliers that were not sole providers, and emergency or exceptional cases for which there was no approval from the treasury, could have been prevented had compliance been properly reviewed and monitored. Non-compliance was also identified due to the material misstatements in the financial statements submitted for auditing.

**Governance**

51. Minutes of meetings were approved late, while the sittings of the audit committee to review quarterly reports took place late.

**Other reports**

52. I draw attention to the following engagements conducted by various parties that had, or could have, an impact on the matters reported in the department's financial statements, reported performance information, compliance with applicable legislation and other related matters. These reports did not form part of my opinion on the financial statements or my findings on the reported performance information or compliance with legislation.
53. The Public Protector conducted an investigation into irregular expenditure incurred for services rendered to the Mpumalanga provincial government during the Nelson Mandela memorial service. A final report will be issued once the Public Protector's office has finalised its internal processes.

*Auditor-General*

Mbombela

31 July 2018



AUDITOR-GENERAL  
SOUTH AFRICA

*Auditing to build public confidence*

**REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS TO THE MPUMALANGA  
PROVINCIAL LEGISLATURE ON VOTE 1: OFFICE OF THE PREMIER  
for the year ended 31 march 2018**

**Annexure – Auditor-general's responsibility for the audit**

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

**Financial statements**

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

**Communication with those charged with governance**

3. I communicate with the accounting officer regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.
4. I also confirm to the accounting officer that I have complied with relevant ethical requirements regarding independence, and communicate all relationships and other matters that may reasonably be thought to have a bearing on my independence and, where applicable, related safeguards.

ANNUAL FINANCIAL STATEMENTS

(MP: OFFICE OF THE PREMIER)  
VOTE 1  
APPROPRIATION STATEMENT  
for the year ended 31 March 2018

Appropriation per programme									
2017/18									
Programme	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
1. Administration	174 673	-	1 772	176 445	176 353	92	99.9%	135 385	135 353
2. Institutional Development	75 078	-	(478)	74 600	74 243	357	99.5%	80 171	79 334
3. Policy & Governance	61 484	-	(1 294)	60 190	60 115	75	99.9%	47 515	47 214
Subtotal	311 235	-	-	311 235	310 711	524	99.8%	263 071	261 901
Statutory Appropriation Premier's Salary	-	-	-	-	-	-	-	-	-
TOTAL	311 235	-	-	311 235	310 711	524	99.8%	263 071	261 901

2017/18									
TOTAL (brought forward)	Final Appropriation	Actual Expenditure	2016/17						
	Final Appropriation	Actual Expenditure	Final Appropriation	Actual Expenditure	Final Appropriation	Actual Expenditure	Final Appropriation	Actual Expenditure	Actual Expenditure
Reconciliation with statement of financial performance	1 188		1 078						
ADD									
Departmental receipts									
NRF Receipts									
Aid assistance									
Actual amounts per statement of financial performance (total revenue)	312 423		264 149						
Actual amounts per statement of financial performance (total expenditure)		310 711							261 901

(MP: OFFICE OF THE PREMIER)  
VOTE 1  
APPROPRIATION STATEMENT  
for the year ended 31 March 2018

Appropriation per economic classification									
2017/18									
Economic classification	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments	273 672	-	3 021	276 693	276 489	204	99.9%	232 794	231 717
Compensation of employees	143 822	-	(244)	143 578	143 507	71	100.0%	129 048	128 982
Salaries and wages	123 861	2 937	188	126 986	125 379	1 607	98.7%	112 185	112 219
Social contributions	19 961	(2 937)	(432)	16 592	18 128	(1 536)	109.3%	16 863	16 763
Goods and services	129 850	-	3 265	133 115	132 982	133	99.9%	103 746	102 735
Administrative fees	2 798	(852)	(204)	1 742	1 721	21	98.8%	1 778	1 772
Advertising	10 050	(3 480)	(1 313)	5 257	5 256	1	100.0%	10 880	10 880
Minor assets	-	63	-	63	63	-	100.0%	35	35
Audit costs: External	4 200	(145)	-	4 055	4 055	-	100.0%	3 800	3 800
Catering: Departmental activities	1 999	1 416	178	3 593	3 593	-	100.0%	3 781	3 741
Communication (G&S)	5 709	(797)	71	4 983	4 951	32	99.4%	4 663	4 633
Computer services	15 362	(464)	1 984	16 882	16 882	-	100.0%	1 390	1 390
Consultants: Business and advisory services	58 286	3 026	2 888	64 200	64 197	3	100.0%	46 478	45 508
Legal services	577	(363)	(119)	95	95	-	100.0%	102	102
Contractors	382	(261)	-	121	99	22	81.8%	31	31
Fleet services	2 076	315	-	2 391	2 391	-	100.0%	2 152	2 152

## 182

182

## 183

183



## 184

184

## 185

185

**(MP: OFFICE OF THE PREMIER)  
VOTE 1  
APPROPRIATION STATEMENT  
for the year ended 31 March 2018**

Programme 1: ADMINISTRATION									
	2017/18					2016/17			
	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
Transport equipment	-	451	-	451	451	-	100.0%	1 010	1 009
Other machinery and equipment	1 719	(451)	(104)	1 164	1 160	4	99.7%	421	416
Software and other Intangible assets	30 881	-	(2 720)	28 161	28 160	1	100.0%	22 000	22 000
<b>Payments for financial assets</b>	70	-	-	70	70	-	100.0%	13	13
<b>TOTAL</b>	<b>174 673</b>	<b>-</b>	<b>1 772</b>	<b>176 445</b>	<b>176 353</b>	<b>92</b>	<b>99.9%</b>	<b>135 385</b>	<b>135 353</b>

**(MP: OFFICE OF THE PREMIER)  
VOTE 1  
APPROPRIATION STATEMENT  
for the year ended 31 March 2018**

1.1 [PREMIER SUPPORT]									
	2017/18					2016/17			
	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>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>%</b>	<b>R'000</b>	<b>R'000</b>
<b>Current payments</b>	<b>19 676</b>	<b>-</b>	<b>1 287</b>	<b>20 963</b>	<b>20 956</b>	<b>7</b>	<b>100.0%</b>	<b>17 646</b>	<b>17 644</b>
Compensation of employees	13 169	-	344	13 513	13 508	5	100.0%	11 588	11 586
Salaries and Wages	11 095	633	344	12 072	12 070	2	100.0%	10 302	10 302
Social Contributions	2 074	(633)	-	1 441	1 438	3	99.8%	1 286	1 284
Goods and services	6 507	-	943	7 450	7 448	2	100.0%	6 058	6 058
Administrative Fees	420	-	79	499	499	-	100.0%	407	407
Minor Assets	-	5	-	5	5	-	100.0%	16	16
Catering: Departmental	63	-	330	393	393	-	100.0%	228	228
Communication (G&S)	399	(284)	-	115	115	-	100.0%	170	170
Computer Services	512	103	-	615	615	-	100.0%	484	484
Consultants: Business and advisory services	200	50	-	250	250	-	100.0%	288	288
Contractors	22	5	-	27	27	-	100.0%	17	17
Consumable Supplies	-	-	48	48	48	-	100.0%	47	47
Consumable: Stationery; printing and Office supplies	-	-	8	8	8	-	100.0%	12	12
Travel and Subsistence	4 796	(1)	453	5 248	5 248	-	100.0%	4 249	4 249
Operating Payments	-	-	25	25	23	2	92.0%	12	12
Venues and Facilities	95	122	-	217	217	-	100.0%	128	128
<b>Transfers and subsidies</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Payments for capital assets</b>	<b>219</b>	<b>-</b>	<b>-</b>	<b>219</b>	<b>218</b>	<b>1</b>	<b>99.5%</b>	<b>309</b>	<b>309</b>

**(MP: OFFICE OF THE PREMIER)  
VOTE 1  
APPROPRIATION STATEMENT  
for the year ended 31 March 2018**

<b>1.1 [PREMIER SUPPORT]</b>									
	<b>2017/18</b>					<b>2016/17</b>			
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
<b>Economic classification</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>%</b>	<b>R'000</b>	<b>R'000</b>
Machinery and equipment	219	-	-	219	218	1	99.5%	309	309
Other Machinery and Equipment	219	-	-	219	218	1	99.5%	309	309
<b>Payments for financial assets</b>	-	-	-	-	-	-	-	-	-
<b>TOTAL</b>	<b>19 895</b>	<b>-</b>	<b>1 287</b>	<b>21 182</b>	<b>21 174</b>	<b>8</b>	<b>100.0%</b>	<b>17 955</b>	<b>17 953</b>

**(MP: OFFICE OF THE PREMIER)  
VOTE 1  
APPROPRIATION STATEMENT  
for the year ended 31 March 2018**

<b>1.2 [EXECUTIVE COUNCIL SUPPORT]</b>									
	<b>2017/18</b>					<b>2016/17</b>			
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
<b>Economic classification</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>%</b>	<b>R'000</b>	<b>R'000</b>
<b>Current payments</b>	<b>6 222</b>	<b>-</b>	<b>(54)</b>	<b>6 168</b>	<b>6 156</b>	<b>12</b>	<b>99.8%</b>	<b>5 672</b>	<b>5 670</b>
Compensation of employees	4 742	-	396	5 138	5 137	1	100.0%	4 653	4 651
Salaries and Wages	4 221	-	267	4 488	4 487	1	100.0%	4 019	4 069
Social Contributions	521	-	129	650	650	-	100.0%	634	582
Goods and services	1 480	-	(450)	1 030	1 019	11	98.9%	1 019	1 019
Administrative Fees	102	(54)	-	48	48	-	100.0%	60	60
Minor Assets	-	31	-	31	31	-	100.0%	-	-
Catering: Departmental	135	103	-	238	238	-	100.0%	177	137
Communication (G&S)	106	(65)	-	41	41	-	100.0%	70	70
Consumable Supplies	-	-	-	-	-	-	-	4	4
Consumable: Stationery; printing and Office supplies	-	-	-	-	-	-	-	9	4
Travel and Subsistence	425	(15)	(65)	345	334	11	96.8%	221	216
Venues and Facilities	712	-	(385)	327	327	-	100.0%	478	528
<b>Transfers and subsidies</b>	-	-	-	-	-	-	-	-	-
<b>Payments for capital assets</b>	-	-	-	-	-	-	-	-	-
<b>Payments for financial assets</b>	-	-	-	-	-	-	-	-	-
<b>TOTAL</b>	<b>6 222</b>	<b>-</b>	<b>(54)</b>	<b>6 168</b>	<b>6 156</b>	<b>12</b>	<b>99.8%</b>	<b>5 672</b>	<b>5 670</b>



**(MP: OFFICE OF THE PREMIER)  
VOTE 1  
APPROPRIATION STATEMENT  
for the year ended 31 March 2018**

<b>1.3 [DIRECTOR- GENERAL SUPPORT]</b>									
	<b>2017/18</b>					<b>2016/17</b>			
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
<b>Economic classification</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>%</b>	<b>R'000</b>	<b>R'000</b>
<b>Current payments</b>	<b>82 835</b>	-	<b>3 388</b>	<b>86 223</b>	<b>86 170</b>	<b>53</b>	<b>99.9%</b>	<b>56 868</b>	<b>56 850</b>
Compensation of employees	26 584	-	372	26 956	26 925	31	99.9%	22 204	22 192
Salaries and Wages	19 789	3 613	372	23 774	23 774	-	100.0%	19 383	19 383
Social Contributions	6 795	(3 613)	-	3 182	3 151	31	99.0%	2 821	2 809
Goods and services	56 251	-	3 016	59 267	59 245	22	100.0%	34 664	34 658
Administrative Fees	466	(291)	-	175	154	21	88.0%	461	461
Minor Assets	-	4	-	4	4	-	100.0%	10	10
Catering: Departmental	421	188	-	609	609	-	100.0%	427	427
Communication (G& S)	835	(653)	-	182	182	-	100.0%	307	307
Computer services	14 080	-	1 984	16 064	16 064	-	100.0%	-	-
Consultants: Business and advisory services	36 100	1 897	1 032	39 029	39 029	-	100.0%	29 429	29 429
Legal services	298	(298)	-	-	-	-	-	-	-
Consumable Supplies	-	(53)	-	-	-	-	-	1	1
Contracts	53	-	-	-	-	-	-	-	-
Consumable: Stationery; printing and Office supplies	-	-	-	-	-	-	-	4	4
Travel and Subsistence	3390	(963)	-	2 427	2 427	-	100.0%	3 632	3 632
Training and Development	-	156	-	156	156	-	100.0%	6	6
Operating Payments	158	-	-	158	157	1	99.4%	136	130
Venues and facilities	450	13	-	463	463	-	100.0%	251	251
<b>Transfers and subsidies</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>23</b>	<b>23</b>

**(MP: OFFICE OF THE PREMIER)  
VOTE 1  
APPROPRIATION STATEMENT  
for the year ended 31 March 2018**

<b>1.3 [DIRECTOR- GENERAL SUPPORT]</b>									
	<b>2017/18</b>					<b>2016/17</b>			
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
<b>Economic classification</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>%</b>	<b>R'000</b>	<b>R'000</b>
Households	-	-	-	-	-	-	-	23	23
Social benefits	-	-	-	-	-	-	-	23	23
<b>Payments for capital assets</b>	<b>30 931</b>	<b>-</b>	<b>(2 609)</b>	<b>28 322</b>	<b>28 321</b>	<b>1</b>	<b>100.0%</b>	<b>22 112</b>	<b>22 107</b>
Machinery and equipment	50	-	111	161	161	-	100.0%	112	107
Other Machinery and Equipment	50	-	111	161	161	-	100.0%	112	107
Software and other intangible assets	30 881	-	(2 720)	28 161	28 160	1	100.0%	22 000	22 000
<b>Payments for financial assets</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>TOTAL</b>	<b>113 766</b>	<b>-</b>	<b>779</b>	<b>114 545</b>	<b>114 491</b>	<b>54</b>	<b>100.0%</b>	<b>79 003</b>	<b>78 980</b>

**(MP: OFFICE OF THE PREMIER)  
VOTE 1  
APPROPRIATION STATEMENT  
for the year ended 31 March 2018**

<b>1.4 [FINANCIAL SUPPORT]</b>									
<b>Economic classification</b>	<b>2017/18</b>					<b>2016/17</b>			
	<b>Adjusted Appropriation</b>	<b>Shifting of Funds</b>	<b>Virement</b>	<b>Final Appropriation</b>	<b>Actual Expenditure</b>	<b>Variance</b>	<b>Expenditure as % of final appropriation</b>	<b>Final Appropriation</b>	<b>Actual expenditure</b>
	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>%</b>	<b>R'000</b>	<b>R'000</b>
<b>Current payments</b>	<b>33 208</b>	-	<b>(18)</b>	<b>33 190</b>	<b>33 176</b>	<b>14</b>	<b>100.0%</b>	<b>31 712</b>	<b>31 711</b>
Compensation of employees	15 047	-	(173)	14 874	14 871	3	100.0%	14 522	14 521
Salaries and Wages	12 442	255	(173)	12 697	12 697	3	100.0%	12 446	12 446
Social Contributions	2 605	(255)	(173)	2 177	2 174	11	99.9%	2 076	2 075
Goods and services	18 161	-	155	18 316	18 305	43	99.9%	17 190	17 190
Administrative Fees	80	(38)	-	42	42	-	100.0%	43	43
Advertising	170	(170)	-	-	-	-	-	-	-
Minor assets	-	23	-	23	23	-	100.0%	-	-
Audit costs: External	4 200	(145)	-	4 055	4 055	-	100.0%	3 800	3 800
Catering: Departmental	-	40	-	40	40	-	100.0%	33	33
Communication (G& S)	3 086	1 000	155	4 241	4 241	-	100.0%	3 465	3 465
Computer Services	612	(592)	-	20	20	-	100.0%	70	70
Consultants: Business and advisory services	-	16	-	16	16	-	100.0%	24	24
Contractors	32	(27)	-	5	5	-	100.0%	10	10
Fleet Services	2 076	315	-	2 391	2 391	-	100.0%	2 152	2 152
Consumable Supplies	600	(372)	-	228	228	-	100.0%	266	266
Consumable: Stationery; printing and Office supplies	1 000	176	-	1 176	1 176	-	100.0%	911	911
Operating Leases	1 000	(115)	-	885	885	-	100.0%	594	594
Property Payments	5 162	(631)	-	4 531	4 531	-	100.0%	4 948	4 948
Travel and Subsistence	-	622	-	622	622	-	100.0%	617	617
Training and development	-	14	-	14	14	-	100.0%	-	-
Operating Payments	143	(118)	-	25	14	11	56.0%	257	257
Venue and facilities	-	2	-	2	2	-	100.0%	-	-

**(MP: OFFICE OF THE PREMIER)  
VOTE 1  
APPROPRIATION STATEMENT  
for the year ended 31 March 2018**

<b>1.4 [FINANCIAL SUPPORT]</b>									
<b>Economic classification</b>	<b>2017/18</b>					<b>2016/17</b>			
	<b>Adjusted Appropriation</b>	<b>Shifting of Funds</b>	<b>Virement</b>	<b>Final Appropriation</b>	<b>Actual Expenditure</b>	<b>Variance</b>	<b>Expenditure as % of final appropriation</b>	<b>Final Appropriation</b>	<b>Actual expenditure</b>
	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>%</b>	<b>R'000</b>	<b>R'000</b>
<b>Transfers and subsidies</b>	<b>62</b>	-	<b>(7)</b>	<b>55</b>	<b>54</b>	<b>1</b>	<b>98.2%</b>	<b>20</b>	<b>17</b>
Provinces and municipalities	20	-	(1)	19	18	1	94.7%	20	17
Municipalities	20	-	(1)	19	18	1	94.7%	20	17
Municipalities Agencies and Funds	20	-	(1)	19	18	1	94.7%	20	17
Households	42	-	(6)	36	36	-	100.0%	-	-
Social benefits	42	-	(6)	36	36	-	100.0%	-	-
<b>Payments for capital assets</b>	<b>1 450</b>	-	<b>(215)</b>	<b>1 235</b>	<b>1 232</b>	<b>3</b>	<b>99.8%</b>	<b>1 010</b>	<b>1 009</b>
Machinery and equipment	1 450	-	(215)	1 235	1 232	3	99.8%	1 010	1 009
Transport Equipment	-	451	-	451	451	-	100.0%	1 010	1 009
Other Machinery and equipment	1 450	(451)	(215)	784	781	3	99.6%	-	-
Payments for financial Assets	70	-	-	70	70	-	100.0%	13	13
<b>TOTAL</b>	<b>34 790</b>	<b>-</b>	<b>(240)</b>	<b>34 550</b>	<b>34 532</b>	<b>18</b>	<b>99.9%</b>	<b>32 755</b>	<b>32 750</b>

**(MP: OFFICE OF THE PREMIER)  
VOTE 1  
APPROPRIATION STATEMENT  
for the year ended 31 March 2018**

Programme 2: [INSTITUTIONAL DEVELOPMENT]									
	2017/18					2016/17			
	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. STRATEGIC HUMAN RESOURCE	38 617		(1 037)	37 580	37 241	339	99.1%	42 900	42 584
2. INFORMATION COMMUNICATION TECHNOLOGY	7 936		2 226	10 162	10 162	-	100.0%	8 386	7 920
3. LEGAL ADVISORY SERVICES	3 832		24	3 856	3 852	4	99.9%	3 528	3 524
4. COMMUNICATION SERVICES	22 356		(1 753)	20 603	20 594	9	100.0%	23 366	23 321
5. PROGRAMME SUPPORT	2 337		62	2 399	2 394	5	99.8%	1 991	1 985
<b>Total for sub programmes</b>	<b>75 078</b>		<b>(478)</b>	<b>74 600</b>	<b>74 243</b>	<b>357</b>	<b>99.5%</b>	<b>80 171</b>	<b>79 334</b>
<b>Economic classification</b>									
<b>Current payments</b>	<b>70 247</b>	<b>-</b>	<b>(233)</b>	<b>70 014</b>	<b>69 971</b>	<b>43</b>	<b>99.9%</b>	<b>75 344</b>	<b>74 569</b>
Compensation of employees	49 297	-	(637)	48 660	48 647	13	100.0%	46 539	46 524
Salaries and wages	44 799	(2 202)	(253)	42 344	42 332	12	100.0%	40 360	40 353
Social contributions	4 498	2 202	(384)	6 316	6 315	1	100.0%	6 179	6 171
Goods and services	20 950	-	404	21 354	21 324	30	99.9%	28 805	28 045
Administrative fees	269	300	(26)	543	543	-	100.0%	479	473
Advertising	9 880	(3 666)	(1 313)	4 901	4 900	1	100.0%	9 485	9 485
Minor assets	-	-	-	-	-	-	-	1	1

**(MP: OFFICE OF THE PREMIER)  
VOTE 1  
APPROPRIATION STATEMENT  
for the year ended 31 March 2018**

Programme 2: [INSTITUTIONAL DEVELOPMENT]									
	2017/18					2016/17			
	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
Catering: Departmental activities	727	772	(4)	1 495	1 495	-	100.0%	1 218	1 218
Communication	234	(23)	(31)	180	180	-	100.0%	332	302
Computer services	-	183	-	183	183	-	100.0%	836	836
Consultants: Business and advisory services	5 000	187	2 202	7 389	7 389	-	100.0%	10 638	9 915
Legal services	279	(65)	(119)	95	95	-	100.0%	102	102
Contractors		26		26	26	-	100.0%	2	2
Consumable supplies	50	-	(49)	1	1	-	100.0%	89	89
Consumable: Stationery, printing and office supplies	378	189	(32)	535	535	-	100.0%	390	390
Transport provided: Departmental activity	168	675	(168)	675	675	-	100.0%	920	920
Travel and subsistence	2 487	107	(56)	2 538	2 531	7	99.7%	2 684	2 683
Training and development	1 438	(313)	-	1 126	1 126	-	100.0%	1 185	1 185
Operating payments	40	8	-	48	26	22	54.2%	86	86
Venues and facilities	-	1 538	-	1 538	1 538	-	100.0%	342	342
Rental and hiring	-	81	-	81	81	-	100.0%	16	16
<b>Transfers and subsidies</b>	<b>4 831</b>	<b>-</b>	<b>(245)</b>	<b>4 586</b>	<b>4 272</b>	<b>314</b>	<b>93.2%</b>	<b>3 637</b>	<b>3 633</b>
Households	4 831	-	(245)	4 586	4 272	314	93.2%	3 637	3 633
Social benefits	331	-	(38)	293	292	1	99.7%	115	111



**(MP: OFFICE OF THE PREMIER)  
VOTE 1  
APPROPRIATION STATEMENT  
for the year ended 31 March 2018**

Programme 2: [INSTITUTIONAL DEVELOPMENT]									
2017/18									
	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 transfers to households	4 500	-	(207)	4 293	3 980	313	92.7%	3 522	3 522
Payments for capital assets	-	-	-	-	-	-	-	1 190	1 132
Machinery and equipment	-	-	-	-	-	-	-	838	780
Other machinery and equipment	-	-	-	-	-	-	-	838	780
Software and other Intangible assets	-	-	-	-	-	-	-	352	352
Payments for financial assets	-	-	-	-	-	-	-	-	-
Total	75 078		(478)	74 600	74 243	357	99.5%	80 171	79 334

**(MP: OFFICE OF THE PREMIER)  
VOTE 1  
APPROPRIATION STATEMENT  
for the year ended 31 March 2018**

2.1 [STRATEGIC HUMAN RESOURCE]									
	2017/18					2016/17			
	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>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>%</b>	<b>R'000</b>	<b>R'000</b>
<b>Current payments</b>	<b>33 917</b>		<b>(778)</b>	<b>33 139</b>	<b>33 113</b>	<b>26</b>	<b>99.9%</b>	<b>39 163</b>	<b>38 852</b>
Compensation of employees	30 097		(177)	29 920	29 916	4	100.0%	28 629	28 624
Salaries and Wages	28 585	(2 490)	(177)	25 918	25 914	4	100.0%	24 696	24 696
Social Contributions	1 512	2 490		4 002	4 002		100.0%	3 933	3 928
Goods and services	3 820		(601)	3 219	3 197	22	99.3%	10 534	10 228
Administrative Fees	74	57		131	131	-	100.0%	211	211
Advertising	500		(265)	235	235	-	100.0%	258	258
Catering: Departmental	250	(23)		227	227	-	100.0%	63	63
Communication (G&S)	50	55		105	105	-	100.0%	181	181
Computer Services	-					-	-	836	836
Consultants: Business and advisory services	-	29		29	29	-	100.0%	5 856	5 550
Legal Services	279	(65)	(119)	95	95	-	100.0%	102	102
Contractors	-	2		2	2	-	100.0%	2	2
Consumable Supplies	50		(49)	1	1	-	100.0%	23	23
Consumable: Stationery; printing and Office supplies	-			-	-	-	-	20	20
Transport provided: Departmental activity	168	-	(168)	-	-	-	-	-	-
Travel and subsistence	971	96		1 067	1 067	-	100.0%	1 442	1 442
Training and Development	1 438	(312)		1 126	1 126	-	100.0%	1 166	1 166
Operating Payment	40	(18)		22	-	22	-	23	23

## 198

198

## 199

199

(MP: OFFICE OF THE PREMIER)  
VOTE 1  
APPROPRIATION STATEMENT  
for the year ended 31 March 2018

2.2 [INFORMATION COMMUNICATION TECHNOLOGY]							
2017/18						2016/17	
Economic classification	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation
	R'000	R'000	R'000	R'000	R'000	R'000	%
Other Machinery and Equipment	-	-	-	-	-	-	-
Software and other Intangible	-	-	-	-	-	-	-
Payments for financial assets	-	-	-	-	-	-	-
TOTAL	7 936	-	2 226	10 162	10 162	-	100.0%
						8 386	7 920

(MP: OFFICE OF THE PREMIER)  
VOTE 1  
APPROPRIATION STATEMENT  
for the year ended 31 March 2018

2.3 [LEGAL SERVICES]							
2017/18						2016/17	
Economic classification	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation
	R'000	R'000	R'000	R'000	R'000	R'000	%
Current payments	3 832	-	24	3 856	3 852	4	99.9%
Compensation of employees	3 656	-	130	3 786	3 785	1	100.0%
Salaries and Wages	3 128	141	130	3 399	3 399	-	100.0%
Social Contributions	528	(141)	-	387	386	1	99.7%
Goods and services	176	-	(106)	70	67	3	95.7%
Administrative Fees	16	-	(16)	-	-	-	-
Catering: Departmental	4	-	(4)	-	-	-	-
Communication (G& S)	21	-	(21)	-	-	-	-
Consumable Stationery	95	-	(32)	63	63	-	100.0%
Printing and Office Supplies							
Travel and Subsistence	40	-	(33)	7	4	3	57.1%
Transfers and subsidies	-	-	-	-	-	-	-
Payments for capital assets	-	-	-	-	-	-	-
Payments for financial assets	-	-	-	-	-	-	-
TOTAL	3 832	-	24	3 856	3 852	4	99.9%
						3 528	3 524



**(MP: OFFICE OF THE PREMIER)  
VOTE 1  
APPROPRIATION STATEMENT  
for the year ended 31 March 2018**

<b>2.4 [COMMUNICATION SERVICES]</b>									
	<b>2018/19</b>					<b>2016/17</b>			
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
<b>Economic classification</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>%</b>	<b>R'000</b>	<b>R'000</b>
<b>Current payments</b>	<b>22 225</b>	<b>-</b>	<b>(1 767)</b>	<b>20 458</b>	<b>20 450</b>	<b>8</b>	<b>100.0%</b>	<b>23 336</b>	<b>23 289</b>
Compensation of employees	10 929	-	(719)	10 210	10 203	7	99.9%	10 196	10 191
Salaries and Wages	9 178	-	(304)	8 874	8 867	7	99.9%	8 762	8 759
Social Contributions	1 751	-	(415)	1 336	1 336	-	100.0%	1 434	1 432
Goods and services	11 296	-	(1 048)	10 248	10 247	1	100.0%	13 140	13 098
Administrative Fees	137	261	-	398	398	-	100.0%	258	258
Advertising	9 380	(3 666)	(1 048)	4 666	4 665	1	100.0%	9 227	9 227
Minor assets	-	-	-	-	-	-	-	-	-
Catering: Departmental	473	790	-	1 263	1 263	-	100.0%	1 147	1 147
Communication (G&S)	79	(47)	-	32	32	-	100.0%	61	61
Computer Services	-	183	-	183	183	-	100.0%	-	-
Consultants: Business and advisory services	-	-	-	-	-	-	-	243	201
Contractors	-	24	-	24	24	-	100.0%	-	-
Consumable: Stationery; printing and Office supplies	283	189	-	472	472	-	100.0%	294	294
Transport provided: Departmental Activity	-	675	-	675	675	-	100.0%	920	920
Travel and Subsistence	944	125	-	1 069	1 069	-	100.0%	952	952
Training and development	-	-	-	-	-	-	-	8	8
Operating payments	-	26	-	26	26	-	100.0%	23	23
Venues and Facilities	-	1 365	-	1 365	1 365	-	100.0%	-	-
Rental Hiring	-	75	-	75	75	-	100.0%	7	7

**(MP: OFFICE OF THE PREMIER)  
VOTE 1  
APPROPRIATION STATEMENT  
for the year ended 31 March 2018**

<b>2.4 [COMMUNICATION SERVICES]</b>									
	<b>2018/19</b>					<b>2016/17</b>			
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
<b>Economic classification</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>%</b>	<b>R'000</b>	<b>R'000</b>
<b>Transfers and subsidies</b>	<b>131</b>	<b>-</b>	<b>14</b>	<b>145</b>	<b>144</b>	<b>1</b>	<b>99.3%</b>	<b>-</b>	<b>-</b>
Household	131	-	14	145	144	1	99.3%	-	-
Social Benefit	131	-	14	145	144	1	99.3%	-	-
<b>Payments for capital assets</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>30</b>	<b>32</b>
Machinery and equipment	-	-	-	-	-	-	-	30	32
Other Machinery and equipment	-	-	-	-	-	-	-	30	32
<b>Payments for financial assets</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>TOTAL</b>	<b>22 356</b>	<b>-</b>	<b>(1 753)</b>	<b>20 603</b>	<b>20 594</b>	<b>9</b>	<b>100.0%</b>	<b>23 366</b>	<b>23 321</b>

**(MP: OFFICE OF THE PREMIER)  
VOTE 1  
APPROPRIATION STATEMENT  
for the year ended 31 March 2018**

<b>2.5 [PROGRAMME SUPPORT]</b>									
	2017/18					2016/17			
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
<b>Economic classification</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>%</b>	<b>R'000</b>	<b>R'000</b>
<b>Current payments</b>	<b>2 337</b>	<b>-</b>	<b>62</b>	<b>2 399</b>	<b>2 394</b>	<b>5</b>	<b>99.8%</b>	<b>1 991</b>	<b>1 985</b>
Compensation of employees	1 979	-	105	2 084	2 083	1	100.0%	1 818	1 816
Salaries and Wages	1 717	-	74	1 791	1 790	1	99.9%	1 650	1 648
Social Contributions	262	-	31	293	293	-	100.0%	168	168
Goods and services	358	-	(43)	315	311	4	98.7%	173	169
Administrative Fees	22	-	(10)	12	12	-	100.0%	4	1
Communication (G&S)	37	-	(10)	27	27	-	100.0%	32	32
Consumable	-	-	-	-	-	-	-	1	1
Travel and subsistence	299	-	(23)	276	272	4	98.6%	136	135
Consumable Supplies	-	-	-	-	-	-	-	1	1
<b>Transfers and subsidies</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Payments for capital assets</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Payments for financial assets</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>TOTAL</b>	<b>2 337</b>	<b>-</b>	<b>62</b>	<b>2 399</b>	<b>2 394</b>	<b>5</b>	<b>99.8%</b>	<b>1 991</b>	<b>1 985</b>

**(MP: OFFICE OF THE PREMIER)  
VOTE 1  
APPROPRIATION STATEMENT  
for the year ended 31 March 2018**

<b>Programme 3: [POLICY AND GOVERNANCE]</b>									
	2017/18					2016/17			
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>%</b>	<b>R'000</b>	<b>R'000</b>
<b>Sub programme</b>									
1. SPECIAL PROGRAMME	11 490	-	(1 114)	10 376	10 342	34	99.7%	7 997	7 763
2. INTERGOVERNMENTAL RELATIONS	8 002	-	419	8 421	8 416	5	99.9%	5 066	5 066
3. PROVINCIAL AND POLICY MANAGEMENT	39 988	-	(542)	39 446	39 414	32	99.9%	33 334	33 270
4. PROGRAMME SUPPORT	2 004	-	(57)	1 947	1 943	4	99.8%	1 118	1 115
<b>Total for sub programmes</b>	<b>61 484</b>	<b>-</b>	<b>(1 294)</b>	<b>60 190</b>	<b>60 115</b>	<b>75</b>	<b>99.9%</b>	<b>47 515</b>	<b>47 214</b>
<b>Economic classification</b>									
<b>Current payments</b>	<b>61 484</b>	<b>-</b>	<b>(1 349)</b>	<b>60 135</b>	<b>60 060</b>	<b>75</b>	<b>99.9%</b>	<b>45 552</b>	<b>45 273</b>
Compensation of employees	34 983	-	(546)	34 437	34 419	18	99.9%	29 542	29 508
Salaries and wages	31 515	638	(542)	31 611	30 019	1 592	95.0%	25 675	25 666
Social contributions	3 468	(638)	(4)	2 826	4 400	(1 574)	155.7%	3 867	3 842
Goods and services	26 501	-	(803)	25 698	25 641	57	99.8%	16 010	15 765
Administrative fees	1 461	(769)	(257)	435	435	-	100.0%	328	328
Advertising	-	356	-	356	356	-	100.0%	1 395	1 395
Minor assets	-	-	-	-	-	-	-	8	8
Catering: Departmental activities	653	313	(148)	818	818	-	100.0%	1 698	1 698

## 206

206

## 207

207



**(MP: OFFICE OF THE PREMIER)  
VOTE 1  
APPROPRIATION STATEMENT  
for the year ended 31 March 2018**

<b>3.1 [SPECIAL PROGRAMME]</b>									
	2017/18					2016/17			
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
<b>Economic classification</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>%</b>	<b>R'000</b>	<b>R'000</b>
<b>Current payments</b>	<b>11 490</b>	<b>-</b>	<b>(1 114)</b>	<b>10 376</b>	<b>10 342</b>	<b>34</b>	<b>99.7%</b>	<b>7 972</b>	<b>7 738</b>
Compensation of employees	3 941	-	410	4 351	4 346	5	99.9%	3 190	3 165
Salaries and Wages	3 208	53	410	3 671	3 671	-	100.0%	2 711	2 706
Social Contributions	733	(53)	-	680	675	5	99.3%	479	459
Goods and services	7 549	-	(1 524)	6 025	5 996	29	99.5%	4 782	4 573
Administrative Fees	336	-	(257)	79	79	-	100.0%	196	196
Minor Assets	-	-	-	-	-	-	-	1	1
Catering: Departmental	300	(15)	(148)	137	137	-	100.0%	189	189
Communication (G& S)	200	(152)	-	48	19	29	39.6%	41	41
Consultants: Business and advisory services	5 000	-	(346)	4 654	4 654	-	100.0%	2 288	2 079
Contractors	-	41	-	41	41	-	100.0%	2	2
Consumable Supplies	-	9	-	9	9	-	100.0%	-	-
Transport provided : Departmental Activity	580	-	(471)	109	109	-	100.0%	602	602
Travel and Subsistence	1 133	-	(302)	831	831	-	100.0%	426	426
Venues and facilities	-	117	-	117	117	-	100.0%	1 037	1 037
<b>Transfers and subsidies</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Payments for capital assets</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>25</b>	<b>25</b>
Machinery and equipment	-	-	-	-	-	-	-	25	25
Other Machinery and Equipment	-	-	-	-	-	-	-	25	25
<b>Payments for financial assets</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>TOTAL</b>	<b>11 490</b>	<b>-</b>	<b>(1 114)</b>	<b>10 376</b>	<b>10 342</b>	<b>34</b>	<b>99.7%</b>	<b>7 997</b>	<b>7 763</b>

**(MP: OFFICE OF THE PREMIER)  
VOTE 1  
APPROPRIATION STATEMENT  
for the year ended 31 March 2018**

<b>3.2 [INTERGOVERNMENTAL RELATIONS]</b>									
	2017/18					2016/17			
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
<b>Economic classification</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>%</b>	<b>R'000</b>	<b>R'000</b>
<b>Current payments</b>	<b>8 002</b>	<b>-</b>	<b>419</b>	<b>8 421</b>	<b>8 416</b>	<b>5</b>	<b>99.9%</b>	<b>5 034</b>	<b>5 035</b>
Compensation of employees	5 066	-	(163)	4 903	4 901	2	100.0%	4 359	4 356
Salaries and Wages	4 388	(5)	(163)	4 220	4 218	2	100.0%	3 751	3 748
Social Contributions	678	5	-	683	683	-	100.0%	608	608
Goods and services	2 936	-	582	3 518	3 515	3	99.9%	675	679
Administrative Fees	158	66	-	224	224	-	100.0%	25	25
Catering: Departmental	30	(30)	-	-	-	-	-	-	-
Communication (G& S)	248	(223)	-	25	25	-	100.0%	43	43
Consultants: Business and advisory services	1 000	(22)	-	978	975	3	99.7%	-	-
Transport provided: Departmental Activity	-	-	131	131	131	-	100.0%	-	-
Travel and subsistence	1 364	-	387	1 751	1 751	-	100.0%	607	611
Operating Payments	50	(50)	-	-	-	-	-	-	-
Venues and Facilities	86	259	64	409	409	-	100.0%	-	-
<b>Transfers and subsidies</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Payments for capital assets</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>32</b>	<b>31</b>
Machinery and equipment	-	-	-	-	-	-	-	32	31
Other Machinery and Equipment	-	-	-	-	-	-	-	32	31
<b>Payments for financial assets</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>TOTAL</b>	<b>8 002</b>	<b>-</b>	<b>419</b>	<b>8 421</b>	<b>8 416</b>	<b>5</b>	<b>99.9%</b>	<b>5 066</b>	<b>5 066</b>

**(MP: OFFICE OF THE PREMIER)  
VOTE 1  
APPROPRIATION STATEMENT  
for the year ended 31 March 2018**

<b>3.3 [PROVINCIAL AND POLICY MANAGEMENT]</b>									
<b>Economic classification</b>	<b>2018/19</b>					<b>2016/17</b>			
	<b>Adjusted Appropriation</b>	<b>Shifting of Funds</b>	<b>Virement</b>	<b>Final Appropriation</b>	<b>Actual Expenditure</b>	<b>Variance</b>	<b>Expenditure as % of final appropriation</b>	<b>Final Appropriation</b>	<b>Actual expenditure</b>
	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>%</b>	<b>R'000</b>	<b>R'000</b>
<b>Current payments</b>	<b>39 988</b>	-	<b>(597)</b>	<b>39 391</b>	<b>39 359</b>	<b>32</b>	<b>99.9%</b>	<b>31 428</b>	<b>31 385</b>
Compensation of employees	24 272	-	(789)	23 483	23 473	10	100.0%	20 962	20 957
Salaries and Wages	23 000	-	(789)	22 211	20 621	1 590	92.8%	18 311	18 311
Social Contributions	1 272	-	-	1 272	2 852	(1 580)	224.2%	2 651	2 646
Goods and services	15 716	-	192	15 908	15 886	22	99.9%	10 466	10 428
Administrative Fees	925	(801)	-	124	124	-	100.0%	107	107
Advertising	-	356	-	356	356	-	100.0%	1 395	1 395
Minor Assets	-	-	-	-	-	-	-	7	7
Catering: Departmental	323	350	-	673	673	-	100.0%	1 509	1 509
Communication (G&S)	525	(389)	-	136	136	-	100.0%	218	218
Computer Services	158	(158)	-	-	-	-	-	-	-
Consultants: Business and advisory services	10 986	898	-	11 884	11 884	-	100.0%	3 773	3 773
Contractors	275	(253)	-	22	-	22	-	-	-
Travel and Subsistence	1 543	605	192	2 340	2 340	-	100.0%	2 375	2 375
Training and Development	-	49	-	49	49	-	100.0%	880	880
Operating Payments	-	101	-	101	101	-	100.0%	47	47
Venues and facilities	981	(758)	-	223	223	-	100.0%	117	117
<b>Transfers and subsidies</b>	-	-	<b>55</b>	<b>55</b>	<b>55</b>	-	<b>100.0%</b>	-	-
Social Benefits	-	-	55	55	55	-	100.0%	-	-
Other Transfers and Subsidies	-	-	55	55	55	-	100.0%	-	-
<b>Payments for capital assets</b>	-	-	-	-	-	-	-	<b>1 906</b>	<b>1 885</b>
Machinery and equipment	-	-	-	-	-	-	-	1 906	1 885
Other Machinery and Equipment	-	-	-	-	-	-	-	1 906	1 885
<b>Payments for financial assets</b>	-	-	-	-	-	-	-	-	-
<b>TOTAL</b>	<b>39 988</b>	-	<b>(542)</b>	<b>39 446</b>	<b>39 414</b>	<b>32</b>	<b>99.9%</b>	<b>33 334</b>	<b>33 270</b>

**(MP: OFFICE OF THE PREMIER)  
VOTE 1  
APPROPRIATION STATEMENT  
for the year ended 31 March 2018**

<b>3.4 [PROGRAMME SUPPORT]</b>									
<b>Economic classification</b>	<b>2017/18</b>					<b>2016/17</b>			
	<b>Adjusted Appropriation</b>	<b>Shifting of Funds</b>	<b>Virement</b>	<b>Final Appropriation</b>	<b>Actual Expenditure</b>	<b>Variance</b>	<b>Expenditure as % of final appropriation</b>	<b>Final Appropriation</b>	<b>Actual expenditure</b>
	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>%</b>	<b>R'000</b>	<b>R'000</b>
<b>Current payments</b>	<b>2 004</b>	-	<b>(57)</b>	<b>1 947</b>	<b>1 943</b>	<b>4</b>	<b>99.8%</b>	<b>1 118</b>	<b>1 115</b>
Compensation of employees	1 704	-	(4)	1 700	1 699	1	99.9%	1 031	1 030
Salaries and Wages	919	590	-	1 509	1 509	-	100.0%	902	901
Social Contributions	785	(590)	(4)	191	190	1	99.5%	129	129
Goods and services	300	-	(53)	247	244	3	98.8%	87	85
Administrative Fees	42	(34)	-	8	8	-	100%	-	-
Catering Departmental Activities	-	8	-	8	8	-	100%	-	-
Communication (G&S)	76	(8)	(53)	15	12	3	80.0%	17	17
Travel and Subsistence	182	22	-	204	204	-	100%	70	68
Venues and Facilities	-	12	-	12	12	-	100%	-	-
<b>Transfers and subsidies</b>	-	-	-	-	-	-	-	-	-
<b>Payments for capital assets</b>	-	-	-	-	-	-	-	-	-
<b>Payments for financial assets</b>	-	-	-	-	-	-	-	-	-
<b>TOTAL</b>	<b>2 004</b>	-	<b>(57)</b>	<b>1 947</b>	<b>1 943</b>	<b>4</b>	<b>99.8%</b>	<b>1 118</b>	<b>1 115</b>

**(MP: OFFICE OF THE PREMIER)  
VOTE 1  
NOTES TO THE APPROPRIATION STATEMENT  
for the year ended 31 March 2018**

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

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

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

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

**3. Detail on payments for financial assets**

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

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

4.1	Per programme	Final	Actual	Variance	Variance as a % of
		Appropriation	Expenditure		Final Appropriation
		R'000	R'000	R'000	R'000
	Administration	176 445	176 353	92	0.05%
	Institutional Development	74 600	74 243	357	0.48%
	Policy and Governance	60 190	60 115	75	0.12%
4.2	Per economic classification	Final	Actual	Variance	Variance as a % of
		Appropriation	Expenditure		Final Appropriation
		R'000	R'000	R'000	R'000
	<b>Current payments</b>	276 693	276 489	204	0.07%
	Compensation of employees	143 578	143 507	71	0.05%
	Goods and services	133 115	132 982	133	0.10%
	<b>Transfers and subsidies</b>	4 696	4 381	315	6.71%
	Provinces and municipalities	19	18	1	5.26%
	Households	4 677	4 363	314	6.71%
	<b>Payments for capital assets</b>	<b>29 776</b>	<b>29 771</b>	<b>5</b>	<b>0.02%</b>
	Machinery and equipment	1 615	1 611	4	0.25%
	Software and other intangible assets	28 161	28 160	1	0.00%
	<b>Payments for financial assets</b>	70	70	0	0.00%

*There are no material variance under the economic classification except for transfer and subsidies where the variance can be attributed to low intake of students under the Premiers Bursary Funds.*

**(MP: OFFICE OF THE PREMIER)  
VOTE 1  
STATEMENT OF FINANCIAL PERFORMANCE  
for the year ended 31 March 2018**

	Note	2017/18 R'000	2016/17 R'000
<b>REVENUE</b>			
Annual appropriation	1	311 235	263 071
Departmental revenue	2	1 188	1 078
<b>TOTAL REVENUE</b>		<b>312 423</b>	<b>264 149</b>
<b>EXPENDITURE</b>			
<b>Current expenditure</b>			
Compensation of employees	3	143 507	128 982
Goods and services	4	132 982	102 735
<b>Total current expenditure</b>		<b>276 489</b>	<b>231 717</b>
<b>Transfers and subsidies</b>			
Transfers and subsidies	6	4 381	3 673
<b>Total transfers and subsidies</b>		<b>4 381</b>	<b>3 673</b>
<b>Expenditure for capital assets</b>			
Tangible assets	7	1 611	4 181
Intangible assets	7	28 160	22 317
<b>Total expenditure for capital assets</b>		<b>29 771</b>	<b>26 498</b>
<b>Payments for financial assets</b>	5	70	13
<b>TOTAL EXPENDITURE</b>		<b>310 711</b>	<b>261 901</b>
<b>SURPLUS/(DEFICIT) FOR THE YEAR</b>		<b>1 712</b>	<b>2 248</b>

**(MP: OFFICE OF THE PREMIER)**  
**VOTE 1**  
**STATEMENT OF FINANCIAL PERFORMANCE**  
for the year ended 31 March 2018

**Reconciliation of Net Surplus/(Deficit) for the year**

Annual Appropriation	<b>524</b>	<b>1 170</b>
Voted funds	524	1 170
Departmental revenue and NRF Receipts	<sup>12</sup> 1 188	1 078
<b>SURPLUS/(DEFICIT) FOR THE YEAR</b>	<b>1 712</b>	<b>2 248</b>

**(MP: OFFICE OF THE PREMIER)**  
**VOTE 1**  
**STATEMENT OF FINANCIAL POSITION**  
for the year ended 31 March 2018

	<i>Note</i>	2017/18 R'000	2016/17 R'000
<b>ASSETS</b>			
<b>Current assets</b>		<b>918</b>	<b>2 655</b>
Cash and cash equivalents		-	1 182
Prepayments and advances	<sup>9</sup>	126	141
Receivables	<sup>10</sup>	792	1 332
<b>TOTAL ASSETS</b>		<b>-</b>	<b>-</b>
<b>TOTAL ASSETS</b>		<b>918</b>	<b>2 655</b>
<b>LIABILITIES</b>			
<b>Current liabilities</b>		<b>918</b>	<b>2 655</b>
Voted funds to be surrendered to the Revenue Fund	<sup>11</sup>	524	1 170
Departmental revenue and NRF Receipts to be surrendered to the Revenue Fund	<sup>12</sup>	76	79
Bank Overdraft	<sup>13</sup>	318	-
Payables	<sup>14</sup>	-	1 406
<b>Non-current liabilities</b>			
<b>TOTAL LIABILITIES</b>		<b>918</b>	<b>2 655</b>
<b>NET ASSETS</b>		<b>-</b>	<b>-</b>



**(MP: OFFICE OF THE PREMIER)**  
**VOTE 1**  
**CASH FLOW STATEMENT**  
**for the year ended 31 March 2018**

	<i>Note</i>	<b>2017/18</b> <b>R'000</b>	<b>2016/17</b> <b>R'000</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Receipts		312 294	<b>263 865</b>
Annual appropriated funds received	1	311 235	263 071
Departmental revenue received	2	467	214
Interest received	2.2	592	580
Net (increase)/decrease in working capital		(851)	688
Surrendered to Revenue Fund		(2 361)	(6 346)
Current payments		(276 489)	(231 717)
Payments for financial assets		(70)	(13)
Transfers and subsidies paid		(4 381)	(3 673)
<b>Net cash flow available from operating activities</b>	15	<b>28 142</b>	<b>22 804</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Payments for capital assets	7	(29 771)	(26 498)
Proceeds from sale of capital assets	2.3	129	284
<b>Net cash flows from investing activities</b>		<b>(29 642)</b>	<b>(26 214)</b>
Net increase/(decrease) in cash and cash equivalents		(1 500)	(3 410)
Cash and cash equivalents at beginning of period		1 182	4 592
<b>Cash and cash equivalents at end of period</b>	13	<b>(318)</b>	<b>1 182</b>

**(MP: OFFICE OF THE PREMIER)**  
**VOTE 1**  
**ACCOUNTING POLICIES**  
**for the year ended 31 March 2018**

**PART A: ACCOUNTING POLICIES**

<b>Summary of significant accounting policies</b>	
<p>The financial statements have been prepared in accordance with the following policies, which have been applied consistently in all material aspects, unless otherwise indicated. Management has concluded that the financial statements present fairly the department's primary and secondary information.</p> <p>The historical cost convention has been used, except where otherwise indicated. Management has used assessments and estimates in preparing the annual financial statements. These are based on the best information available at the time of preparation.</p> <p>Where appropriate and meaningful, additional information has been disclosed to enhance the usefulness of the financial statements and to comply with the statutory requirements of the Public Finance Management Act (PFMA), Act 1 of 1999 (as amended by Act 29 of 1999), and the Treasury Regulations issued in terms of the PFMA and the annual Division of Revenue Act.</p>	
<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.

(MP: OFFICE OF THE PREMIER)  
VOTE 1  
ACCOUNTING POLICIES  
for the year ended 31 March 2018

<b>7</b>	<b>Revenue</b>
<b>7.1</b>	<b>Appropriated funds</b>
	<p>Appropriated funds comprises of departmental allocations as well as direct charges against the revenue fund (i.e. statutory appropriation).</p> <p>Appropriated funds are recognised in the statement of financial performance on the date the appropriation becomes effective. Adjustments made in terms of the adjustments budget process are recognised in the statement of financial performance on the date the adjustments become effective.</p> <p>The net amount of any appropriated funds due to / from the relevant revenue fund at the reporting date is recognised as a payable / receivable in the statement of financial position.</p>
<b>7.2</b>	<b>Departmental revenue</b>
	<p>Departmental revenue is recognised in the statement of financial performance when received and is subsequently paid into the relevant revenue fund, unless stated otherwise.</p> <p>Any amount owing to the relevant revenue fund at the reporting date is recognised as a payable in the statement of financial position.</p>
<b>7.3</b>	<b>Accrued departmental revenue</b>
	<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>	<b>Salaries and wages</b>
	Salaries and wages are recognised in the statement of financial performance on the date of payment.

(MP: OFFICE OF THE PREMIER)  
VOTE 1  
ACCOUNTING POLICIES  
for the year ended 31 March 2018

<b>8.1.2</b>	<b>Social contributions</b>
	<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>	<b>Other expenditure</b>
	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.
<b>8.3</b>	<b>Accruals and payables not recognised</b>
	<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.</p> <p>Accruals and payables not recognised are measured at cost.</p>
<b>8.4</b>	<b>Leases</b>
<b>8.4.1</b>	<b>Operating leases</b>
	<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>	<b>Finance leases</b>
	<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>

(MP: OFFICE OF THE PREMIER)  
VOTE 1  
ACCOUNTING POLICIES  
for the year ended 31 March 2018

<b>9.1</b>	<b>Aid assistance received</b>  Aid assistance received in cash is recognised in the statement of financial performance when received. In-kind aid assistance is recorded in the notes to the financial statements on the date of receipt and is measured at fair value.  Aid assistance not spent for the intended purpose and any unutilised funds from aid assistance that are required to be refunded to the donor are recognised as a payable in the statement of financial position.
<b>9.2</b>	<b>Aid assistance paid</b>  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.
<b>10</b>	<b>Cash and cash equivalents</b>  Cash and cash equivalents are stated at cost in the statement of financial position.  Bank overdrafts are shown separately on the face of the statement of financial position as a current liability.  For the purposes of the cash flow statement, cash and cash equivalents comprise cash on hand, deposits held, other short-term highly liquid investments and bank overdrafts.
<b>11</b>	<b>Prepayments and advances</b>  Prepayments and advances are recognised in the statement of financial position when the department receives or disburses the cash.  Prepayments and advances are initially and subsequently measured at cost.  <Indicate when prepayments are expensed and under what circumstances.>
<b>12</b>	<b>Loans and receivables</b>  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.
<b>13</b>	<b>Investments</b>  Investments are recognised in the statement of financial position at cost.
<b>14</b>	<b>Financial assets</b>
<b>14.1</b>	<b>Financial assets (not covered elsewhere)</b>  A financial asset is recognised initially at its cost plus transaction costs that are directly attributable to the acquisition or issue of the financial asset.  At the reporting date, a department shall measure its financial assets at cost, less amounts already settled or written-off, except for recognised loans and receivables, which are measured at cost plus accrued interest, where interest is charged, less amounts already settled or written-off.

(MP: OFFICE OF THE PREMIER)  
VOTE 1  
ACCOUNTING POLICIES  
for the year ended 31 March 2018

<b>14.2</b>	<b>Impairment of financial assets</b>  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.
<b>15</b>	<b>Payables</b>  Payables recognised in the statement of financial position are recognised at cost.
<b>16</b>	<b>Capital Assets</b>
<b>16.1</b>	<b>Immovable capital assets</b>  Immovable assets reflected in the asset register of the department are recorded in the notes to the financial statements at cost or fair value where the cost cannot be determined reliably. Immovable assets acquired in a non-exchange transaction are recorded at fair value at the date of acquisition. Immovable assets are subsequently carried in the asset register at cost and are not currently subject to depreciation or impairment.  Subsequent expenditure of a capital nature forms part of the cost of the existing asset when ready for use.  Additional information on immovable assets not reflected in the assets register is provided in the notes to financial statements.
<b>16.2</b>	<b>Movable capital assets</b>  Movable capital assets are initially recorded in the notes to the financial statements at cost. Movable capital assets acquired through a non-exchange transaction is measured at fair value as at the date of acquisition.  Where the cost of movable capital assets cannot be determined reliably, the movable capital assets are measured at fair value and where fair value cannot be determined; the movable assets are measured at R1.  All assets acquired prior to 1 April 2002 (or a later date as approved by the OAG) may be recorded at R1.  Movable capital assets are subsequently carried at cost and are not subject to depreciation or impairment.  Biological assets are subsequently carried at fair value. 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 of the existing asset when ready for use.

**(MP: OFFICE OF THE PREMIER)  
VOTE 1  
ACCOUNTING POLICIES  
for the year ended 31 March 2018**

<b>16.3</b>	<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><b>Subsequent expenditure that 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.</b></p>
<b>16.4</b>	<p><b>Project Costs: Work-in-progress</b></p> <p>Expenditure of a capital nature is initially recognised in the statement of financial performance at cost when paid.</p> <p>Amounts paid towards capital projects are separated from the amounts recognised and accumulated in work-in-progress until the underlying asset is ready for use. Once ready for use, the total accumulated payments are recorded in an asset register. Subsequent payments to complete the project are added to the capital asset in the asset register.</p> <p>Where the department is not the custodian of the completed project asset, the asset is transferred to the custodian subsequent to completion.</p>
<b>17</b>	<b>Provisions and Contingents</b>
<b>17.1</b>	<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>
<b>17.2</b>	<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>

**(MP: OFFICE OF THE PREMIER)  
VOTE 1  
ACCOUNTING POLICIES  
for the year ended 31 March 2018**

<b>17.3</b>	<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>
<b>17.4</b>	<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>
<b>18</b>	<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>
<b>19</b>	<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>
<b>20</b>	<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>



**(MP: OFFICE OF THE PREMIER)  
VOTE 1  
ACCOUNTING POLICIES  
for the year ended 31 March 2018**

<b>21</b>	<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>
<b>22</b>	<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>
<b>23</b>	<p><b>Principal-Agent arrangements</b></p> <p>The department is party to a principal-agent arrangement for [include details here]. In terms of the arrangement the department is the [principal / agent] and is responsible for [include details here]. All related revenues, expenditures, assets and liabilities have been recognised or recorded in terms of the relevant policies listed herein. Additional disclosures have been provided in the notes to the financial statements where appropriate.</p>
<b>24</b>	<p><b>Departures from the MCS requirements</b></p> <p><i>[Insert information on the following: that management has concluded that the financial statements present fairly the department's primary and secondary information; that the department complied with the Standard except that it has departed from a particular requirement to achieve fair presentation; and the requirement from which the department has departed, the nature of the departure and the reason for departure.]</i></p>
<b>25</b>	<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>
<b>26</b>	<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>

**(MP: OFFICE OF THE PREMIER)  
VOTE 1  
ACCOUNTING POLICIES  
for the year ended 31 March 2018**

<b>27</b>	<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>
<b>28</b>	<p><b>Inventories</b> <i>(Effective from date determined in a Treasury Instruction)</i></p> <p>At the date of acquisition, inventories are recognised at cost in the statement of financial performance.</p> <p>Where inventories are acquired as part of a non-exchange transaction, the cost of inventory is measured at fair value as 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 the measurement of the cost of inventories is assigned by using the weighted average cost basis.</p>
<b>29</b>	<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>
<b>30</b>	<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>

(MP: OFFICE OF THE PREMIER)  
VOTE 1  
NOTES TO THE ANNUAL FINANCIAL STATEMENTS  
for the year ended 31 March 2018

**PART B: EXPLANATORY NOTES****1. Annual Appropriation****1.1 Annual Appropriation**

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

	2017/18			2016/17	
	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	176 445	176 445	-	135 385	135 385
Institutional Development	74 600	74 600	-	80 171	80 171
Policy & Governance	60 190	60 190	-	47 515	47 515
<b>Total</b>	<b>311 235</b>	<b>311 235</b>	<b>-</b>	<b>263 071</b>	<b>263 071</b>

**2. Departmental revenue**

	2017/18	2016/17
	R'000	R'000
Sales of goods and services other than capital assets	200	193
Interest, dividends and rent on land	592	580
Sales of capital assets	129	284
Transactions in financial assets and liabilities	267	21
<b>Total revenue collected</b>	<b>1 188</b>	<b>1 078</b>
Less: Own revenue included in appropriation	-	-
<b>Departmental revenue collected</b>	<b>1 188</b>	<b>1 078</b>

(MP: OFFICE OF THE PREMIER)  
VOTE 1  
NOTES TO THE ANNUAL FINANCIAL STATEMENTS  
for the year ended 31 March 2018

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

	Note	2017/18	2016/17
	2	R'000	R'000
Sales of goods and services produced by the department		200	193
Sales by market establishment		200	193
<b>Total</b>		<b>200</b>	<b>193</b>

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

	Note	2017/18	2016/17
	2	R'000	R'000
Interest, dividends and rent on land		592	580
<b>Total</b>		<b>592</b>	<b>580</b>

**2.3 Sale of capital assets**

	Note	2017/18	2016/17
	2	R'000	R'000
<b>Tangible assets</b>		129	284
Machinery and equipment		129	284
<b>Total</b>		<b>129</b>	<b>284</b>

**2.4 Transactions in financial assets and liabilities**

	Note	2017/18	2016/17
	2	R'000	R'000
Other Receipts including Recoverable Revenue		267	21
Gains on GFECRA		-	-
<b>Total</b>		<b>267</b>	<b>21</b>

*Other Receipts including Recoverable Revenue consist of domestic service staff debt and previous year expenditure.*

(MP: OFFICE OF THE PREMIER)  
VOTE 1  
NOTES TO THE ANNUAL FINANCIAL STATEMENTS  
for the year ended 31 March 2018

### 3. Compensation of employees

#### 3.1 Salaries and Wages

	<i>Note</i>	2017/18	2016/17
		R'000	R'000
Basic salary		96 559	88 516
Performance award		1 860	1 304
Service Based		417	534
Compensative/circumstantial		4 170	1 652
Periodic payments		-	-
Other non-pensionable allowances		22 373	20 212
<b>Total</b>		<b>125 379</b>	<b>112 218</b>

*Other non-pensionable allowance comprises of Capital remuneration, Housing allowances and Service Bonus.*

#### 3.2 Social contributions

	<i>Note</i>	2017/18	2016/17
		R'000	R'000
<b>Employer contributions</b>			
Pension		12 629	11 615
Medical		5 479	5 130
Bargaining council		20	19
<b>Total</b>		<b>18 128</b>	<b>16 764</b>

#### Total compensation of employees

**143 507**    **128 982**

#### Average number of employees

**253**    **249**

(MP: OFFICE OF THE PREMIER)  
VOTE 1  
NOTES TO THE ANNUAL FINANCIAL STATEMENTS  
for the year ended 31 March 2018

### 4 Goods and services

	<i>Note</i>	2017/18	2016/17
		R'000	R'000
Administrative fees		1 721	1 774
Advertising		5 256	10 880
Minor assets	4.1	63	34
Catering		3 593	3 742
Communication		4 951	4 634
Computer services	4.2	16 882	1 390
Consultants: Business and advisory services		64 197	45 509
Legal services		95	102
Contractors		99	32
Audit cost – external	4.3	4 055	3 799
Fleet services		2 391	2 152
Consumables	4.4	2 005	1 728
Operating leases		885	594
Property payments	4.5	4 531	4 948
Rental and hiring		81	16
Transport provided as part of the departmental activities		915	1 522
Travel and subsistence	4.6	16 288	14 875
Venues and facilities		3 308	2 402
Training and development		1 345	2 071
Other operating expenditure	4.7	321	531
<b>Total</b>		<b>132 982</b>	<b>102 735</b>

*Other Operating Expenditure comprises of professional bodies, membership and subscription; resettlement costs and other*

#### 4.1 Minor assets

	<i>Note</i>	2017/18	2016/17
		R'000	R'000
<b>Tangible assets</b>	4	<b>63</b>	<b>34</b>
Machinery and equipment		63	34
<b>Total</b>		<b>63</b>	<b>34</b>

(MP: OFFICE OF THE PREMIER)  
VOTE 1  
NOTES TO THE ANNUAL FINANCIAL STATEMENTS  
for the year ended 31 March 2018

**4.2 Computer services**

	<i>Note</i>	2017/18	2016/17
	<i>4</i>	<b>R'000</b>	<b>R'000</b>
SITA computer services		818	1 390
External Computer service providers		16 064	-
<b>Total</b>		<b>16 882</b>	<b>1 390</b>

**4.3 Audit cost – External**

	<i>Note</i>	2017/18	2016/17
	<i>4</i>	<b>R'000</b>	<b>R'000</b>
Regularity audits		4 055	3 799
<b>Total</b>		<b>4 055</b>	<b>3 799</b>

**4.4 Consumables**

	<i>Note</i>	2017/18	2016/17
	<i>4</i>	<b>R'000</b>	<b>R'000</b>
Consumable supplies		<b>300</b>	<b>407</b>
Uniform and clothing		-	38
Household supplies		210	283
Communication accessories		12	-
IT consumables		14	19
Other consumables		<b>64</b>	67
Stationery, printing and office supplies		<b>1 705</b>	<b>1 321</b>
<b>Total</b>		<b>2 005</b>	<b>1 728</b>

**4.5 Property payments**

	<i>Note</i>	2017/18	2016/17
	<i>4</i>	<b>R'000</b>	<b>R'000</b>
Municipal services		4 188	4 605
Property maintenance and repairs		343	343
<b>Total</b>		<b>4 531</b>	<b>4 948</b>

(MP: OFFICE OF THE PREMIER)  
VOTE 1  
NOTES TO THE ANNUAL FINANCIAL STATEMENTS  
for the year ended 31 March 2018

**4.6 Travel and subsistence**

	<i>Note</i>	2017/18	2016/17
	<i>4</i>	<b>R'000</b>	<b>R'000</b>
Local		14 442	13 017
Foreign		1 846	1 858
<b>Total</b>		<b>16 288</b>	<b>14 875</b>

**4.7 Other operating expenditure**

	<i>Note</i>	2017/18	2016/17
	<i>4</i>	<b>R'000</b>	<b>R'000</b>
Professional bodies, membership and subscription fees		189	118
Resettlement costs		26	37
Other		106	376
<b>Total</b>		<b>321</b>	<b>531</b>

*Other operating expenditure comprises of the following: a) Laundry Services b) Courier and delivery services c) and non-Life Insurance*

**5. Payments for financial assets**

	<i>Note</i>	2017/18	2016/17
		<b>R'000</b>	<b>R'000</b>
Debts written off	<i>5.1</i>	70	13
<b>Total</b>		<b>70</b>	<b>13</b>



(MP: OFFICE OF THE PREMIER)  
VOTE 1  
NOTES TO THE ANNUAL FINANCIAL STATEMENTS  
for the year ended 31 March 2018

**5.1 Debts written off**

	<i>Note</i>	<b>2017/18</b>	<b>2016/17</b>
	<b>5</b>	<b>R'000</b>	<b>R'000</b>
<b>Nature of debts written off</b>			
(Group major categories, but list material items: debts written off relating to irregular expenditure, recoverable expenditure and other debts must be listed here)			
Other debt written off			
Theft and Losses		70	13
		-	-
<b>Total</b>		<b>70</b>	<b>13</b>
<b>Total debt written off</b>		<b>70</b>	<b>13</b>

**6 Transfers and subsidies**

		<b>2017/18</b>	<b>2016/17</b>
		<b>R'000</b>	<b>R'000</b>
	<i>Note</i>		
Provinces and Municipalities	<i>47&amp;48</i>	18	17
Households	<i>Annex 1G</i>	4 363	3 656
<b>Total</b>		<b>4 381</b>	<b>3 673</b>

**7 Expenditure for capital assets**

	<i>Note</i>	<b>2017/18</b>	<b>2016/17</b>
		<b>R'000</b>	<b>R'000</b>
<b>Tangible assets</b>			
Machinery and equipment	<i>7.1</i>	1 611	4 181
<b>Intangible assets</b>			
Software	<i>7.1</i>	28 160	22 317
<b>Total</b>		<b>29 771</b>	<b>26 498</b>

(MP: OFFICE OF THE PREMIER)  
VOTE 1  
NOTES TO THE ANNUAL FINANCIAL STATEMENTS  
for the year ended 31 March 2018

**7.1 Analysis of funds utilised to acquire capital assets – 2017/18**

	<b>Voted funds</b>	<b>Aid assis- tance</b>	<b>Total</b>
	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>
<b>Tangible assets</b>	<b>1 611</b>	<b>-</b>	<b>1 611</b>
Machinery and Equipment	1 611	-	1 611
<b>Intangible assets</b>	<b>28 160</b>	<b>-</b>	<b>28 160</b>
Software	28 160	-	28 160
<b>Total</b>	<b>29 771</b>	<b>-</b>	<b>29 771</b>

**7.2 Analysis of funds utilised to acquire capital assets – 2016/17**

	<b>Voted funds</b>	<b>Aid assis- tance</b>	<b>Total</b>
	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>
<b>Tangible assets</b>	<b>4 181</b>	<b>-</b>	<b>4 181</b>
Machinery and Equipment	4 181	-	4 181
<b>Intangible assets</b>	<b>22 317</b>	<b>-</b>	<b>22 317</b>
Software	22 317	-	22 317
<b>Total</b>	<b>26 498</b>	<b>-</b>	<b>26 498</b>

**8 Cash and cash equivalents**

	<i>Note</i>	<b>2017/18</b>	<b>2016/17</b>
		<b>R'000</b>	<b>R'000</b>
Consolidated Paymaster General Account		-	1 182
<b>Total</b>		<b>-</b>	<b>1 182</b>

(MP: OFFICE OF THE PREMIER)  
VOTE 1  
NOTES TO THE ANNUAL FINANCIAL STATEMENTS  
for the year ended 31 March 2018

**9 Prepayments and advances**

	<i>Note</i>	<b>2017/18</b>	<b>2016/17</b>
		<b>R'000</b>	<b>R'000</b>
Travel and subsistence		126	141
<b>Total</b>		<b>126</b>	<b>141</b>

**10 Receivables**

		2017/18			2016/17		
		<b>Current</b>	<b>Non-current</b>	<b>Total</b>	<b>Current</b>	<b>Non-current</b>	<b>Total</b>
		<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>
Claims recoverable	<i>Note 10.1</i>	331	-	331	872	-	872
Recoverable expenditure	<i>10.2</i>	237	-	237	319	-	319
Staff debt	<i>10.3</i>	79	-	79	71	-	71
Other debtors	<i>10.4</i>	145	-	145	70	-	70
<b>Total</b>		<b>792</b>	<b>-</b>	<b>792</b>	<b>1 332</b>	<b>-</b>	<b>1 332</b>

**10.1 Claims recoverable**

	<i>Note</i>	<b>2017/18</b>	<b>2016/17</b>
	<i>10</i>	<b>R'000</b>	<b>R'000</b>
Provincial Departments		331	872
<b>Total</b>		<b>331</b>	<b>872</b>

(MP: OFFICE OF THE PREMIER)  
VOTE 1  
NOTES TO THE ANNUAL FINANCIAL STATEMENTS  
for the year ended 31 March 2018

**10.2 Recoverable expenditure (disallowance accounts)**

	<i>Note</i>	<b>2017/18</b>	<b>2016/17</b>
	<i>10</i>	<b>R'000</b>	<b>R'000</b>
<b>Sal: Income Tax</b>		201	314
Sai: Medical Aid		5	5
Sal:Pension Fund		31	-
<b>Total</b>		<b>237</b>	<b>319</b>

**10.3 Staff debt**

	<i>Note</i>	<b>2017/18</b>	<b>2016/17</b>
	<i>10</i>	<b>R'000</b>	<b>R'000</b>
Employees		15	7
Ex- Employees		64	64
<b>Total</b>		<b>79</b>	<b>71</b>

**10.4 Other debtors**

	<i>Note</i>	<b>2017/18</b>	<b>2016/17</b>
	<i>10</i>	<b>R'000</b>	<b>R'000</b>
RA Moss		-	70
Ex- Employee		-	-
MTL		145	-
<b>Total</b>		<b>145</b>	<b>70</b>

**11 Voted funds to be surrendered to the Revenue Fund**

	<i>Note</i>	<b>2017/18</b>	<b>2016/17</b>
		<b>R'000</b>	<b>R'000</b>
Opening balance		1 170	5 256
Prior period error	<i>11</i>		
As restated		1 170	5 256
Transfer from statement of financial performance (as restated)		524	1 170
Paid during the year		(1 170)	(5 256)
<b>Closing balance</b>		<b>524</b>	<b>1 170</b>

(MP: OFFICE OF THE PREMIER)  
VOTE 1  
NOTES TO THE ANNUAL FINANCIAL STATEMENTS  
for the year ended 31 March 2018

**12 Departmental revenue and NRF Receipts to be surrendered to the Revenue Fund**

	<i>Note</i>	<b>2017/18</b>	<b>2016/17</b>
		<b>R'000</b>	<b>R'000</b>
Opening balance		79	91
Prior period error	12		
As restated		79	91
Transfer from Statement of Financial Performance (as restated)		1 188	1 078
Paid during the year		(1 191)	(1 090)
<b>Closing balance</b>		<b>76</b>	<b>79</b>

**13 Bank Overdraft**

	<i>Note</i>	<b>2017/18</b>	<b>2016/17</b>
		<b>R'000</b>	<b>R'000</b>
Consolidated Paymaster General Account		318	-
<b>Total</b>		<b>318</b>	<b>-</b>

**14 Payables – current**

	<i>Note</i>	<b>2017/18</b>	<b>2016/17</b>
		<b>R'000</b>	<b>R'000</b>
Advances received		-	1 406
<b>Total</b>		<b>-</b>	<b>1 406</b>

**14.1 Advances received**

	<i>Note</i>	<b>2017/18</b>	<b>2016/17</b>
		<b>R'000</b>	<b>R'000</b>
Other institutions	14	-	1 406
<b>Total</b>		<b>-</b>	<b>1 406</b>

(MP: OFFICE OF THE PREMIER)  
VOTE 1  
NOTES TO THE ANNUAL FINANCIAL STATEMENTS  
for the year ended 31 March 2018

**15 Net cash flow available from operating activities**

	<i>Note</i>	<b>2017/18</b>	<b>2016/17</b>
		<b>R'000</b>	<b>R'000</b>
Net surplus (deficit) as per Statement of Financial Performance		1 712	2 248
Add back non cash/cash movements not deemed operating activities		26 430	20 556
(Increase)/decrease in receivables- current		458	(43)
(Increase)/decrease in prepayment and advances		15	(141)
(Increase)/decrease in payables-current		(1 324)	872
Proceeds from sale of capital assets		(129)	(284)
Expenditure on capital assets		29 771	26 498
Surrenders to Revenue Fund		(2 361)	(6 346)
<b>Net cash generated by operating activities</b>		<b>28 142</b>	<b>22 804</b>

**16 Reconciliation of cash and cash equivalents for cash flow purposes**

	<i>Note</i>	<b>2017/18</b>	<b>2016/17</b>
		<b>R'000</b>	<b>R'000</b>
Consolidated Paymaster General account		(318)	1 182
<b>Total</b>		<b>(318)</b>	<b>1 182</b>

**17 Contingent liabilities and contingent assets****17.1 Contingent liabilities**

	<i>Note</i>	<b>2017/18</b>	<b>2016/17</b>
		<b>R'000</b>	<b>R'000</b>
<b>Liable to</b>			
<b>Nature</b>			
Claims against the department	<i>Annex 3B</i>	12 385	17 551
Intergovernmental payables (unconfirmed balances)	<i>Annex 5</i>	-	368
<b>Total</b>		<b>12 385</b>	<b>17 919</b>

*Timing and amounts of outflow cannot be reasonably estimated, as these are legal matters.*

*The possibility of reimbursement will only be known at the conclusion of the case.*

(MP: OFFICE OF THE PREMIER)  
VOTE 1  
NOTES TO THE ANNUAL FINANCIAL STATEMENTS  
for the year ended 31 March 2018

**18 Commitments**

	2017/18 R'000	2016/17 R'000
<b>Current expenditure</b>		
Approved and contracted	78 136	72 532
Approved but not yet contracted		
	<b>78 136</b>	<b>72 532</b>
<b>Capital expenditure</b>		
Approved and contracted	42 263	-
<b>Total Commitments</b>	<b>120 399</b>	<b>72 532</b>

*The following commitment is longer than a year.*

*JORDIMIX (PTY) LTD R10 106 650.00*

*BM GLOBAL CONSORTIUM R 8 270 745.76*

*GENIUS MANAGEMENT SOLUTIONS R1 683 780.00*

*CAJV R100 308 009.40*

(MP: OFFICE OF THE PREMIER)  
VOTE 1  
NOTES TO THE ANNUAL FINANCIAL STATEMENTS  
for the year ended 31 March 2018

**19 Accruals and payables not recognised****19.1 Accruals**

		2017/18 R'000	2016/17 R'000
<b>Listed by economic classification</b>			
	<b>30 Days</b>	<b>30+ Days</b>	<b>Total</b>
			<b>Total</b>
Goods and services	6 623	9 609	16 232
Interest and rent on land	-	-	-
Transfers and subsidies	-	-	3 447
Other			
<b>Total</b>	<b>6 623</b>	<b>9 609</b>	<b>16 232</b>
			<b>21 906</b>

**Listed by programme level**

	2017/18 R'000	2016/17 R'000
Goods and Services-Administration	14 091	12 185
Goods and Services- Institutional Development	1 590	7 578
Goods and Services- Policy and Governance	551	2 143
<b>Total</b>	<b>16 232</b>	<b>21 906</b>

*Note*



(MP: OFFICE OF THE PREMIER)  
VOTE 1  
NOTES TO THE ANNUAL FINANCIAL STATEMENTS  
for the year ended 31 March 2018

**19.2 Payables not recognised**

		2017/18 R'000	2016/17 R'000
<b>Listed by economic classification</b>			
	<b>30 Days</b>	<b>30+ Days</b>	<b>Total</b>
Goods and services	18 487	-	18 487
Capital assets	-	-	28 160
<b>Total</b>	<b>18 487</b>	<b>-</b>	<b>44 881</b>

**Listed by programme level**

Goods and Services- Administration	18 487	16 721
Capital assets- Administration	-	28 160
<b>Total</b>	<b>18 487</b>	<b>44 881</b>

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

	Note	2017/18 R'000	2016/17 R'000
Confirmed balances with other departments	Annex 5	517	656
Confirmed balances with other government entities	Annex 5		-
<b>Total</b>		<b>517</b>	<b>656</b>

(MP: OFFICE OF THE PREMIER)  
VOTE 1  
NOTES TO THE ANNUAL FINANCIAL STATEMENTS  
for the year ended 31 March 2018

**20 Employee benefits**

	Note	2017/18 R'000	2016/17 R'000
Leave entitlement		7 758	7 117
Service bonus (Thirteenth cheque)		3 643	3 462
Performance awards		1 785	1 347
Capped leave commitments		7 561	7 002
Other		19	99
<b>Total</b>		<b>20 766</b>	<b>19 027</b>

*Other comprises of long term service awards are to be paid in the financial year 2018/19*

*Leave entitlement includes negative leave balances of R0.00.*

(MP: OFFICE OF THE PREMIER)  
VOTE 1  
NOTES TO THE ANNUAL FINANCIAL STATEMENTS  
for the year ended 31 March 2018

**21 Lease commitments****21.1 Operating leases**

	Specialised military equipment	Land	Buildings and other fixed structures	Machinery and equipment	Total
<b>2017/18</b>					
Not later than 1 year	-	-	-	358	358
Later than 1 year and not later than 5 years	-	-	-	27	27
Later than five years					
<b>Total lease commitments</b>	-	-	-	<b>385</b>	<b>385</b>
	Specialised military equipment	Land	Buildings and other fixed structures	Machinery and equipment	Total
<b>2016/17</b>					
Not later than 1 year	-	-	-	585	585
Later than 1 year and not later than 5 years	-	-	-	209	209
Later than five years					
<b>Total lease commitments</b>	-	-	-	<b>794</b>	<b>794</b>

*Konika Minolta And Bytes Documents Solutions have a renewal option at discretion of the end user upon the completion of the Contracts Lowveld Office automation (Pty) LTD in case the Office is intending to dispose the asset concerned a prior written notice should be written within 3 months before the actual sale.*

(MP: OFFICE OF THE PREMIER)  
VOTE 1  
NOTES TO THE ANNUAL FINANCIAL STATEMENTS  
for the year ended 31 March 2018

**22 Irregular expenditure****22.1 Reconciliation of irregular expenditure**

	Note	2017/18 R'000	2016/17 R'000
Opening balance		211 991	147 390
Prior period error			
As restated		211 991	147 390
Add: Irregular expenditure – relating to prior year		-	-
Add: Irregular expenditure – relating to current year		98 032	64 601
Less: Prior year amounts condoned		(4 579)	
Less: Current year amounts condoned		(2 282)	
<b>Closing balance</b>		<b>303 162</b>	<b>211 991</b>

**Analysis of awaiting condonation per age classification**

Current year	98 032	64 601
Prior years	205 130	147 390
<b>Total</b>	<b>303 162</b>	<b>211 991</b>

Major portion of the investigation for the prior year figure has been investigated and sent to National Treasury for condonation, however a portion of it is still under investigation. The expenditure incurred by the following suppliers was condoned as follows: BM GLOBAL and JORDIMIX

**22.2 Details of irregular expenditure – added current year (relating to current and prior years)**

Incident	Disciplinary steps taken/criminal proceedings	2017/18 R'000
Non-compliance to supply chain management regulations	Under investigation	98 032
<b>Total</b>		<b>98 032</b>

(MP: OFFICE OF THE PREMIER)  
VOTE 1  
NOTES TO THE ANNUAL FINANCIAL STATEMENTS  
for the year ended 31 March 2018

**22.3 Details of irregular expenditure condoned**

Incident	Condoned by(Condoning Authority)	2017/18 R'000
Non-compliance to supply chain management regulations	Director-General	6 861
<b>Total</b>		<b>6 861</b>

**23 Fruitless and wasteful expenditure****23.1 Reconciliation of fruitless and wasteful expenditure**

	Note	2017/18 R'000	2016/17 R'000
Opening balance		5 083	5 083
Prior period error			
As restated		5 083	5 083
Fruitless and wasteful expenditure – relating to prior year			
<b>Closing balance</b>		<b>5 083</b>	<b>5 083</b>

**23.2 Analysis of awaiting resolution per economic classification**

	Note	2017/18 R'000	2016/17 R'000
Current		5 083	5 083
Capital		-	-
<b>Total</b>		<b>5 083</b>	<b>5 083</b>

(MP: OFFICE OF THE PREMIER)  
VOTE 1  
NOTES TO THE ANNUAL FINANCIAL STATEMENTS  
for the year ended 31 March 2018

**24 Related party transactions**

In kind goods and services provided/received	Note	2017/18 R'000	2016/17 R'000
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*List in kind goods and services between department and related party*

**All departments under the common control of the Mpumalanga Provincial Legislature are related parties.**

**During the year under review the Office of the Premier received accommodation services free of charge from the Department of Public Works, roads and Transport which is a related party for the year under review to the Office due to being under the common control of the Mpumalanga Legislature.**

**Pursuant to a determination and approval by the provincial Treasury, for the year under review. The Office of the Premier provide services for the audit Committee and internal Audit through the shared services in the Office of the Premier, following provincial cluster departments:**

**Department of human Settlements;**

**Department of Culture, Sports & Recreation;**

**Department of Community Safety and Liaison: and**

**Department of Co-operative Governance and Traditional Affairs.**

**The Department was responsible for funding the shared Internal Audit Committees and Audit Committee of the shared services, however, the services were provided free of charge to the above mentioned cluster departments.**

<b>Total</b>		-	-
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(MP: OFFICE OF THE PREMIER)  
VOTE 1  
NOTES TO THE ANNUAL FINANCIAL STATEMENTS  
for the year ended 31 March 2018

**25 Key management personnel**

	No. of Individuals	2017/18 R'000	2016/17 R'000
Political office bearers (provide detail below)			
Officials:	1	1 858	1 854
Level 15 to 16	7	9 537	6 327
Level 14 (incl. CFO if at a lower level)	8	8 524	6 752
Family members of key management personnel	1	265	250
<b>Total</b>		<b>20 184</b>	<b>15 183</b>

**26 Movable Tangible Capital Assets****MOVEMENT IN MOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2018**

	Opening balance R'000	Value adjustments R'000	Additions R'000	Disposals R'000	Closing Balance R'000
<b>MACHINERY AND EQUIPMENT</b>	<b>35 686</b>	<b>-</b>	<b>1 817</b>	<b>709</b>	<b>36 794</b>
Transport assets	9 013	-	450	709	8 754
Computer equipment	13 800	-	1 032	-	14 832
Furniture and office equipment	6 784	-	266	-	7 050
Other machinery and equipment	6 089	-	69	-	6 158
<b>TOTAL MOVABLE TANGIBLE CAPITAL ASSETS</b>	<b>35 686</b>	<b>-</b>	<b>1 817</b>	<b>709</b>	<b>36 794</b>

(MP: OFFICE OF THE PREMIER)  
VOTE 1  
NOTES TO THE ANNUAL FINANCIAL STATEMENTS  
for the year ended 31 March 2018

**27.1 Additions****ADDITIONS TO MOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2018**

	Cash* R'000	Non-cash* R'000	(Capital Work in Progress current costs and finance lease payments) R'000	Received current, not paid (Paid current year, received prior year) R'000	Total R'000
<b>MACHINERY AND EQUIPMENT</b>	<b>1 611</b>	<b>28</b>	<b>-</b>	<b>178</b>	<b>1 817</b>
Transport assets	450	-	-	-	450
Computer equipment	826	28	-	178	1 032
Furniture and office equipment	266	-	-	-	266
Other machinery and equipment	69	-	-	-	69
<b>TOTAL ADDITIONS TO MOVABLE TANGIBLE CAPITAL ASSETS</b>	<b>1 611</b>	<b>28</b>	<b>-</b>	<b>178</b>	<b>1 817</b>

**27.2 Disposals****DISPOSALS OF MOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2018**

	Sold for cash R'000	Non-cash disposal R'000	Total dis- posals R'000	Cash Received Actual R'000
<b>MACHINERY AND EQUIPMENT</b>	<b>709</b>	<b>-</b>	<b>709</b>	<b>129</b>
Transport assets	709	-	709	129
Computer equipment	-	-	-	-
<b>TOTAL DISPOSAL OF MOVABLE TANGIBLE CAPITAL ASSETS</b>	<b>709</b>	<b>-</b>	<b>709</b>	<b>129</b>



(MP: OFFICE OF THE PREMIER)  
VOTE 1  
NOTES TO THE ANNUAL FINANCIAL STATEMENTS  
for the year ended 31 March 2018

## 27.3 Movement for 2016/17

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

	Opening balance R'000	Prior peri- od error R'000	Additions R'000	Disposals R'000	Closing Bal- ance R'000
<b>MACHINERY AND EQUIPMENT</b>	<b>34 206</b>	<b>-</b>	<b>3 152</b>	<b>1 672</b>	<b>35 686</b>
Transport assets	9 676	-	1 009	1 672	9 013
Computer equipment	13 491	-	309	-	13 800
Furniture and office equipment	6 221	-	563	-	6 784
Other machinery and equipment	4 818	-	1 271	-	6 089
<b>TOTAL MOVABLE TANGIBLE CAPITAL AS- SETS</b>	<b>34 206</b>	<b>-</b>	<b>3 152</b>	<b>1 672</b>	<b>35 686</b>

## a. Minor assets

**MOVEMENT IN MINOR ASSETS PER THE ASSET REGISTER FOR THE YEAR ENDED AS AT 31 MARCH 2018**

	Specialised military as- sets R'000	Intangible assets R'000	Heritage assets R'000	Machinery and equip- ment R'000	Biological assets R'000	Total R'000
Opening balance	-	2	-	5 762	-	5 725
Additions	-	-	-	63	-	63
Disposals	-	-	-	26	-	26
<b>TOTAL MINOR ASSETS</b>	<b>-</b>	<b>2</b>	<b>-</b>	<b>5 799</b>	<b>-</b>	<b>5 801</b>

(MP: OFFICE OF THE PREMIER)  
VOTE 1  
NOTES TO THE ANNUAL FINANCIAL STATEMENTS  
for the year ended 31 March 2018

## Minor Assets

**MOVEMENT IN MINOR ASSETS PER THE ASSET REGISTER FOR THE YEAR ENDED AS AT 31 MARCH 2017**

	Specialised military as- sets R'000	Intangible assets R'000	Heritage assets R'000	Machinery and equip- ment R'000	Biological assets R'000	Total R'000
Opening balance	-	2	-	5 689	-	5 691
Prior period error	-	-	-	39	-	39
Additions	-	-	-	34	-	34
<b>TOTAL MINOR ASSETS</b>	<b>-</b>	<b>2</b>	<b>-</b>	<b>5 762</b>	<b>-</b>	<b>5 764</b>

	Specialised military as- sets	Intangible assets	Heritage assets	Machinery and equip- ment	Biological assets	Total
Number of R1 minor assets						
Number of minor assets at cost	-	-	-	4 718	-	4 718
<b>TOTAL NUMBER OF MINOR ASSETS</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>4 718</b>	<b>-</b>	<b>4 718</b>

## 28. Movable assets written off

**MOVABLE ASSETS WRITTEN OFF FOR THE YEAR ENDED AS AT 31 MARCH 2018**

	Specialised military assets R'000	Intangible assets R'000	Heritage assets R'000	Machinery and equipment R'000	Biological assets R'000	Total R'000
Assets written off	-	-	-	26	-	26
<b>TOTAL MOVABLE ASSETS WRITTEN OFF</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>26</b>	<b>-</b>	<b>26</b>

(MP: OFFICE OF THE PREMIER)  
VOTE 1  
NOTES TO THE ANNUAL FINANCIAL STATEMENTS  
for the year ended 31 March 2018

**29 Intangible Capital Assets**

**MOVEMENT IN INTANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2018**

	Opening balance R'000	Value adjust- ments R'000	Additions R'000	Disposals R'000	Closing Balance R'000
SOFTWARE	55 848	-	-	-	55 848
<b>TOTAL INTANGIBLE CAPITAL ASSETS</b>	<b>55 848</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>55 848</b>

**29.1 Additions**

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

**31 MARCH 2018**

	Cash R'000	Non-Cash R'000	(Develop-ment work in prog- ress – current costs) R'000	Received current year, not paid (Paid cur- rent year, received prior year) R'000	Total R'000
SOFTWARE	28 160	-	-	(28 160)	-
<b>TOTAL ADDITIONS TO INTANGIBLE CAPITAL ASSETS</b>	<b>28 160</b>	<b>-</b>	<b>-</b>	<b>(28 160)</b>	<b>-</b>

(MP: OFFICE OF THE PREMIER)  
VOTE 1  
NOTES TO THE ANNUAL FINANCIAL STATEMENTS  
for the year ended 31 March 2018

**29.2 Movement for 2016/17**

**MOVEMENT IN INTANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2018**

	Opening balance R'000	Prior peri- od error R'000	Additions R'000	Disposals R'000	Closing Balance R'000
SOFTWARE	5 371	-	50 477	-	55 848
<b>TOTAL INTANGIBLE CAPITAL ASSETS</b>	<b>5 371</b>	<b>-</b>	<b>50 477</b>	<b>-</b>	<b>55 848</b>

**30 Prior period errors**

**30.1 Correction of prior period errors 2016/17**

	Note	Amount bef error correction R'000	Prior period error R'000	Restated Amount R'000
<b>Expenditure: (E.g. Compensation of Employees, Goods, etc.)</b>				
Expenditure for capital assets-machinery and equipment	7.2	4 180	1	4 181
Transfer and subsidy- Province and Municipal	6	17	-	17
<b>Net effect</b>		<b>4 197</b>	<b>1</b>	<b>4 198</b>

This was as a result of prior year incorrect accounting in the Annual Report/asset register and classification of item.

**Net effect**

	Note	Amount bef error correction R'000	Prior period error R'000	Restated Amount R'000
<b>liabilities: (E.g. Irregular expenditure, fruitless and wasteful)</b>				
Movement in minor asset register for year ended 31 March	14	5 725	39	5 764
<b>Net effect</b>		<b>5 725</b>	<b>39</b>	<b>5 764</b>

(MP: OFFICE OF THE PREMIER)  
VOTE 1  
NOTES TO THE ANNUAL FINANCIAL STATEMENTS  
for the year ended 31 March 2018

The 39 on the prior period error under machinery and equipment was omitted from the prior year asset register but had to be included in the current year asset register.

**Net effect**

	<i>Note</i>	<b>Amount bef error correction R'000</b>	<b>Prior period error R'000</b>	<b>Restated Amount R'000</b>
<b>liabilities: (E.g. Irregular expenditure, fruitless and wasteful)</b>				
Annexure 4 Claims recoverable		3 147	362	3 509
Accruals		19 988	1 918	21 906
<b>Net effect</b>		<b>23 135</b>	<b>2 280</b>	<b>25 415</b>

These accruals were omitted in the prior year listing.

(MP: OFFICE OF THE PREMIER)  
VOTE 1  
UNAUDITED ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS  
for the year ended 31 March 2018

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

	TRANSFER ALLOCATION				EXPENDITURE		2017/18
	Adjusted					% of	
	Appropriation Act	Roll Overs	Adjustments	Total Available	Actual Transfer	Available funds Transferred	Final Appropriation
HOUSEHOLDS	R'000	R'000	R'000	R'000	R'000	%	R'000
<b>Transfers</b>							
Injury on duty	3	-	-	3	3	100%	23
Leave Gratuity	381	-	-	381	380	100%	111
Bursaries-Non Employees	4 293	-	-	4 293	3 980	93%	3 522
<b>Subsidies</b>							
<b>TOTAL</b>	<b>4 677</b>	<b>-</b>	<b>-</b>	<b>4 677</b>	<b>4 363</b>	<b>-</b>	<b>3 656</b>

(MP: OFFICE OF THE PREMIER)  
VOTE 1  
UNAUDITED ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS  
for the year ended 31 March 2018

## ANNEXURE 3B

## STATEMENT OF CONTINGENT LIABILITIES AS AT 31 MARCH 2018

	Opening Balance	Liabilities incurred during the year	Liabilities paid/ cancelled/ reduced during the year	Liabilities recoverable (Provide details hereunder)	Closing Balance
Nature of Liability	1 April 2017				31 March 2018
	R'000	R'000	R'000	R'000	R'000
Standard Bank	2 111	-	(2 111)	-	-
Sithole Computers	2 595	-	(2 595)	-	-
Imvuno	470	-	(470)	-	-
Markohill Media	22	10	-	-	32
Riena Charles	12 353	-	-	-	12 353
<b>TOTAL</b>	<b>17 551</b>	<b>10</b>	<b>(5 176)</b>	<b>-</b>	<b>12 385</b>

(MP: OFFICE OF THE PREMIER)  
VOTE 1  
UNAUDITED ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS  
for the year ended 31 March 2018

## ANNEXURE 4

## CLAIMS RECOVERABLE

Government Entity	Confirmed balance outstanding		Unconfirmed balance outstanding		Total		Cash in transit at year end 2017/18 *	
	31/03/2018	31/03/2017	31/03/2018	31/03/2017	31/03/2018	31/03/2017	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	R'000
<b>Department</b>								
Department of Economic and Development	94	181	-	249	94		-	-
Department of Finance	-	691	-		-	691	-	-
Department of Agriculture	189	-	-	2 388	189	2 388	-	-
Mega	48	-	-	-	48			
<b>TOTAL</b>							-	-
	<b>331</b>	<b>872</b>	<b>-</b>	<b>2 637</b>	<b>331</b>	<b>3 509</b>		
<b>OTHER GOVERNMENT ENTITIES</b>								
<b>Total</b>	<b>331</b>	<b>872</b>	<b>-</b>	<b>2 637</b>	<b>331</b>	<b>3 509</b>		



(MP: OFFICE OF THE PREMIER)  
VOTE 1  
UNAUDITED ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS  
for the year ended 31 March 2018

## ANNEXURE 5

## INTER-GOVERNMENT PAYABLES

GOVERNMENT ENTITY	Confirmed balance outstanding		Unconfirmed balance outstanding		TOTAL		Cash in transit at year end 2017/18*	
	31/03/2018	31/03/2017	31/03/2018	31/03/2017	31/03/2018	31/03/2017	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

## DEPARTMENTS

## Current

Department of Public Works	331	487	-	24	331	511	-	-
Department of Health	-	157	-	-	-	157	-	-
Government Printing		12	-	-	-	12	-	-
School of Governance	-	-	-	344	-	344		
Department of Justice	29	-	-	-	29	-		
Department of Co-operative Government	157	-	-	-	157	-	-	-
<b>Subtotal</b>	<b>517</b>	<b>656</b>	<b>-</b>	<b>368</b>	<b>-</b>	<b>1 024</b>	<b>-</b>	<b>-</b>
-	-	-	-	-	-	-	-	-
<b>TOTAL</b>	<b>517</b>	<b>656</b>	<b>-</b>	<b>368</b>	<b>517</b>	<b>1 024</b>	<b>-</b>	<b>-</b>

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VOTE 1  
UNAUDITED ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS  
for the year ended 31 March 2018

## ANNEXURE 8B

## INTER-ENTITY ADVANCES RECEIVED (note 21 AND note 22)

ENTITY	Confirmed balance outstanding		Unconfirmed balance outstanding		TOTAL	
	31/03/2018	31/03/2017	31/03/2018	31/03/2017	31/03/2018	31/03/2017
	R'000	R'000	R'000	R'000	R'000	R'000

## NATIONAL DEPARTMENTS

## Current

PSETA	-	1 406	-	-	-	1 406
<b>Subtotal</b>	<b>-</b>	<b>1 406</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1 406</b>
<b>TOTAL</b>	<b>-</b>	<b>1 406</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1 406</b>

## Current

## Non-current

Current	-	1 406	-	-	-	1 406
Non-current	-	-	-	-	-	-



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