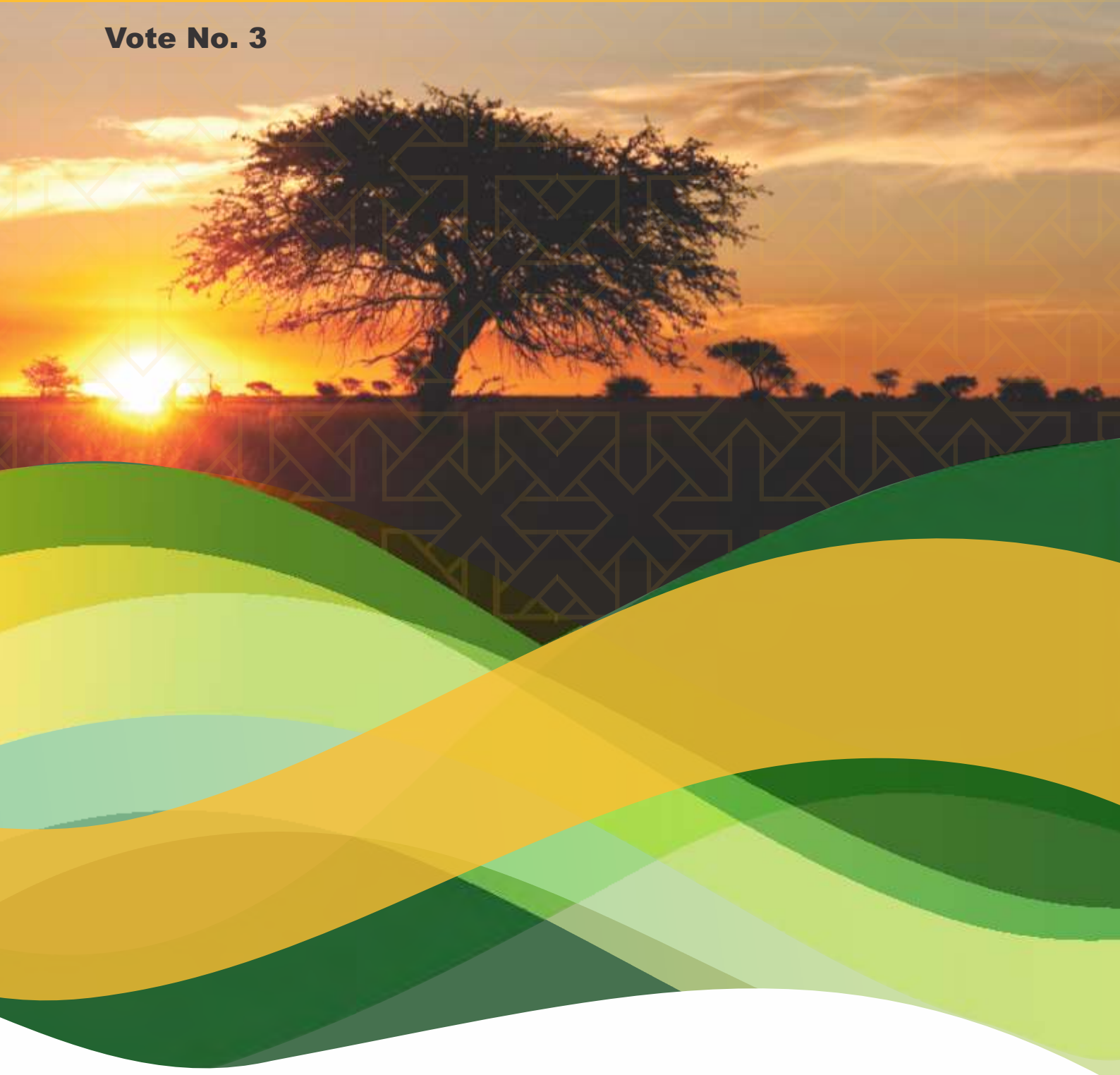


Annual Report 2017-2018

Vote No. 3



provincial treasury
MPUMALANGA PROVINCE
REPUBLIC OF SOUTH AFRICA



Provincial Treasury
Mpumalanga Province
Annual Report 2017/18

PR352/2018
ISBN 978-0-621-46686-7

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Part A

General Information

1. DEPARTMENT GENERAL INFORMATION

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TWITTER:	@MPTreasury
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2. LIST OF ABBREVIATIONS/ACRONYMS

AIDS	Acquired Immunodeficiency Syndrome
AFS	Annual Financial Statements
AGSA	Auditor -General of South Africa
APP	Annual Performance Plan
BAS	Basic Accounting System
CFO	Chief Financial Officer
CSD	Central Supplier Database
DORA	Division of Revenue Act
ERM	Enterprise Risk Management
EXCO	Executive Council
FMCM	Financial Management Capability Maturity Model
GIAMA	Government Immovable Asset Management Act, 2007 (Act No 19 of 2007)
HDI	Historically Disadvantaged Individuals
HIV	Human Immune Virus
HOA	Home Owners Allowance
HPT	Head: Provincial Treasury
HRD	Human Resource Development
ICT	Information Communication Technology
IIA	Institute of Internal Auditors
IT	Information Technology
IYM	In-Year-Monitoring
LED	Local Economic Development
LOGIS	Logistical Information System
MEC	Member of the Executive Council
MER	Mpumalanga Economic Regulator
MFMA	Municipal Finance Management Act, 2003 (Act No. 56 of 2003)
MLA	Mpumalanga Liquor Authority
MPSA	Minister of Public Services and Administration
MTEC	Medium Term Expenditure Committee
MTEF	Medium Term Expenditure Framework
MTSF	Medium Term Strategic Framework
N/A	Not applicable
NEHAWU	National Education, Health and Allied Workers Union
NGO	Non-Governmental Organisations
NPO	Non Profit Organisations
NT	National Treasury
OHS	Occupational Health and Safety
OTP	Office of the Premier
PAIA	Promotion of Access to Information Act, 2000 (Act No. 2 of 2000)
PAJA	Promotion of Administrative Justice Act, 2000 (Act No. 3 of 2000)
PERSAL	Personnel Salary System
PFMA	Public Finance Management Act, 1999 (Act No. 1 of 1999)
PMC	Provincial Management Committee
PMDS	Performance Management and Development System
PPP	Public Private Partnership
PPPFA	Preferential Procurement Policy Framework Act, 2000 (Act No. 5 of 2000)
PSA	Public Service Association
PSA	Public Service Act, 1994 (Act No. 103 of 1994) as amended
PSCM	Provincial Supply Chain Management
PSCBC	Public Service Commission's Bargaining Council
QAR	Quality Assurance Review
SCM	Supply Chain Management
SCOPA	Select Committee on Public Accounts
SDIP	Service Delivery Improvement Plan
SHEQ	Safety Health and Environment Quality
SIPDM	Standard for Infrastructure Procurement and Delivery Management
SITA	State Information Technology Agency
SMS	Senior Management Services
SOPA	State of the Province Address
WSP	Workplace Skills Plan



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

3. FOREWORD BY THE MEC

I am pleased to present this Annual Report which provides a comprehensive account of financial and non-financial performance of the Provincial Treasury for the year ended 31 March 2018.

The report is tabled during a year dedicated to celebration of the centenary birthdays of the struggle stalwarts, Dr Nelson Mandela and Mrs Nontsikelelo Sisulu.

In honour of their memory, we commit to pursuing the goals of the mass democratic movement, as affirmed by their heroic struggle for people-centred governance and Constitutional values of accountability and transparency during their lifetimes.

Achievements

During the year under review, the Provincial Treasury implemented and advanced various pillars of financial administration and governance which include:

- Improving revenue generation and collection;
- Supporting municipalities and departments on preparation of financial statements, and
- Facilitating the implementation of transversal financial system reforms, including the Municipal Standard Chart of Accounts (MSCoA) and a provincial transversal contract.

Challenges

We have made progress despite the challenging economic and fiscal environment facing the country, and by extension, our Province. A lot of reprioritisation was made and plans adjusted to suit the operating context in order to ensure delivery of various strategic initiatives that are key to the overall mandate of the department, although more still needs to be done.

Strategic priorities going forward

The medium term priority of the Provincial Treasury will be to closely monitor alignment of departmental budgets to the imperatives of radical socio-economic transformation by improving the utilisation of our systems including our IT capability. We will also continue to drive the implementation of procurement reforms; drive efficiency measures on the use of limited resources, and promote good governance in the departments and all Provincial public sector institutions.

Conclusion

The Provincial Treasury will continue to contribute to building a capable state that is able to deliver basic services; and be accountable for the use of public resources. We will endeavour to ensure that administrative processes assist in the realization of the goal of a clean financial administration and inclusive economic development.

Acknowledgements

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

Together we move Mpumalanga forward.

A handwritten signature in black ink, appearing to be 'SE Kholwane', written over a horizontal line.

Mr SE Kholwane (MPL)
MEC for Finance, Economic Development
and Tourism
Date: 31 July 2018



MS NZ Nkamba
Accounting Officer, Provincial Treasury

4. REPORT OF THE ACCOUNTING OFFICER

Overview of the operations of the Provincial Treasury

The Provincial Treasury appreciates the opportunity to report on the performance for the 2017/18 financial year. The report contains financial and non-financial aspects of the performance of the four Programmes of the Provincial Treasury for the financial year ending 31 March 2018.

The approved organisational structure has 433 posts. However, the implementation of the moratorium in filling of posts and a requirement to abolish all vacant posts led to a shortage of staff due to subsequent resignations, transfer promotions and deaths.

At the end of the financial year, the Provincial Treasury operated with a total of 328 posts which comprises of 285 Permanent and 43 Contract workers namely Interns, Learners and Municipal Specialists. Six (6) officials were appointed to act in higher posts in line with an EXCO Resolution of August 2017.

The Provincial Treasury managed to facilitate the timely tabling of the provincial Main and Adjustment appropriations. The Province's revenue collection is in line with the estimated R4 billion target to be collected in the 2017/18 MTEF. The Standard for Infrastructure Procurement and Delivery Management launched by National Treasury and implemented by the Provincial Departments are also implemented by Municipalities since July 2017.

The Provincial Treasury has during the year 2017/18 continued to provide support and capacity to departments, public entities and municipalities in the implementation of supply chain management framework. This included the provision of views, recommendations and opinions to inform decision making on several

aspects of procurement processes. Support was also provided in the implementation of the Central Suppliers Database by all Departments, Public Entities and Municipalities.

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

In addition, support was provided on the implementation of the e-tender portal and ensuring that all provincial tenders are advertised on the e-tender portal, including those of public entities. This will result in major cost savings because no institution, and primarily public entities and departments are advertising tenders on the print media.

Training on supply chain management and the operations of bid committees was done for Departments, Public Entities and Municipalities in order to increase capacity and enhancing decision making in the award of tenders.

A foundation for the effective implementation of transversal term contracts has been created. Specific commodities have been identified and generally buy-in and support has been successfully secured from Provincial Departments and National Treasury.

The Provincial Treasury has continued to enforce the payment of suppliers within 30 days after receipt of a legitimate invoice. In addition to all efforts in this regard a Call

Centre to report non-payment of services has been established and it is functional. Exceptions are escalated including to Members of the Executive Council.

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

Overview of the financial results of the Provincial Treasury:

Departmental receipts

Departmental receipts	2016/2017			2017/2018		
	Estimate	Actual Amount Collected	(Over)/Under Collection	Estimate	Actual Amount Collected	(Over)/Under Collection
	R'000	R'000	R'000	R'000	R'000	R'000
Sale of goods and services other than capital assets	3 177	2 977	200	2 802	2 255	547
Transfers received	-	-	-	-	-	-
Fines, penalties and forfeits	-	-	-	-	-	-
Interest, dividends and rent on land	56 391	107 384	50 993	109 907	103 664	6 243
Sale of capital assets	-	36	(36)	-	-	-
Financial transactions in assets and liabilities	3	102	(99)	13	14	(1)
Total	59 571	110 499	(50 928)	112 722	105 933	6 789

Programme Expenditure

Programme Name	2016/2017			2017/2018		
	Final Appropriation	Actual Expenditure	(Over)/ Under Expenditure	Final Appropriation	Actual Expenditure	(Over)/ Under Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
Administration	89 625	89 616	9	87 587	87 267	320
Sustainable Resource Management	43 564	43 135	429	47 532	47 049	483
Assets and Liabilities	126 321	125 596	725	128 122	127 016	1 106
Financial Governance	27 956	27 923	33	26 704	26 210	494
Total	287 466	286 270	1 196	289 945	287 542	2 403

Provincial Treasury has spent R287 542 000 which is 99.2 percent of its allocated budget of R289 945 000. The R2 403 000 which is 0.8 percent underspending is mainly on goods and services.

Virements/roll overs

Programme 1: Administration

The Programme's budget was increased by R2 418 000, which was mainly on the allocation to goods and services.

Programme 2: Sustainable Resource Management

The Programme's budget was decreased by R618 000, which was mainly on the allocation to goods and services.

Programme 3: Assets and Liabilities Management

The Programme's budget was decreased by R1 800 000, which was mainly on the allocation to goods and services.

Roll Overs

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

Unauthorised, Irregular and Fruitless and Wasteful Expenditures

The Provincial Treasury has incurred Fruitless and Wasteful Expenditures amounting to R98 thousand related to interest paid during the 2017/18 financial year.

Future plans of the Provincial Treasury

The Provincial Treasury is working closely with the Department of Co-operative Governance and Traditional Affairs, Department of Economic Development and Tourism, Public Entities and Municipalities to ensure active and viable Local Economic Development (LED) structures, Forums and strategies at a Municipal level. The key objective of this support is to contribute to higher economic growth as well as job creation in Mpumalanga Province.

Public Private Partnerships

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

Discontinued activities / activities to be discontinued

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

New or proposed activities

The Provincial Treasury introduced the transversal contracts with the aim to reduce costs and ensuring that funds are redirected for the service delivery projects.

Supply chain management

The Provincial Treasury has an approved Supply Chain Management Policy and all Bid Committees were appointed in line with the applicable legislation. All processes and systems are in place to prevent Unauthorised, Irregular and Fruitless and Wasteful expenditures since the Bid Committees are effectively executing their duties.

Gifts and Donations received in kind from non-related parties

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

Exemptions and deviations received from the National Treasury

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

Events after the reporting date

There were no events after the reporting date.

Other

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

Acknowledgement/s or Appreciation

The Accounting Officer appreciates the co-operation of management and the assistance of the Audit Committee, Risk and Ethics Management Committee in the day to day as well as in the compilation of the Annual Report.

Conclusion

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

Approval and sign off

The Annual Report for the 2017/18 financial year has been approved by the Accounting Officer.

A handwritten signature in black ink, appearing to read 'NZ Nkamba', is written over a horizontal line.

Ms NZ Nkamba

Accounting Officer: Provincial Treasury

Date: 31 July 2018

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

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

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

In my opinion, the Annual Report fairly reflects the operations, the performance information, the human resources information and the financial affairs of the Provincial Treasury for the financial year ended 31 March 2018.

Yours faithfully



Ms NZ Nkamba
Accounting Officer: Provincial Treasury
Date: 31 July 2018

6. STRATEGIC OVERVIEW

6.1. Vision

A dynamic Provincial Treasury leading in service excellence.

6.2. Mission

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

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

6.3. Values

We commit ourselves to the following core values:

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

7. LEGISLATIVE AND OTHER MANDATES

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

Division of Revenue Act (Act No. 3 of 2017) (DORA)

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

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

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

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

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

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

The Act gives effect to section 217(3) of the Constitution by providing a framework for the implementation of the procurement policy contemplated in section 217(2) of the Constitution; and to provide for matters connected therewith.

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

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

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

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

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

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

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

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

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

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

Public Service Regulations

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

Treasury Regulations

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

List of legislation tabled in the Mpumalanga Provincial Legislature during the 2017/18 financial year:

Mpumalanga Appropriation Act, 2017 (Act No. 1 of 2017)

The Act provides for the appropriation of money from the Provincial Revenue Fund for the requirements of the Province for the 2017/18 financial year; to prescribe the conditions for the spending of funds withdrawn for the 2018/19 financial year before the commencement of the Mpumalanga Appropriation Act for the 2018/19 financial year; and to provide for matters incidental thereto.

Mpumalanga Adjustments Appropriation Act, 2017 (Act No. 3 of 2017)

The Act effects adjustments to the appropriation of money from the Provincial Revenue Fund for the requirements of the Province in respect of the 2017/18 financial year; and to provide for matters incidental thereto.

Mpumalanga Second Adjustments Appropriation Act, 2018 (Act No. 1 of 2018)

The Act effects second adjustments to the appropriation of money from the Provincial Revenue fund for the requirements of the Province in respect of the 2017/18 financial year ending 31 March 2018; and to provide for matters incidental thereto.

Policy mandates:

The Medium Term Strategic Framework

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

Relevant court rulings:

Nyathi v Mec Health, Gauteng and Department of Justice

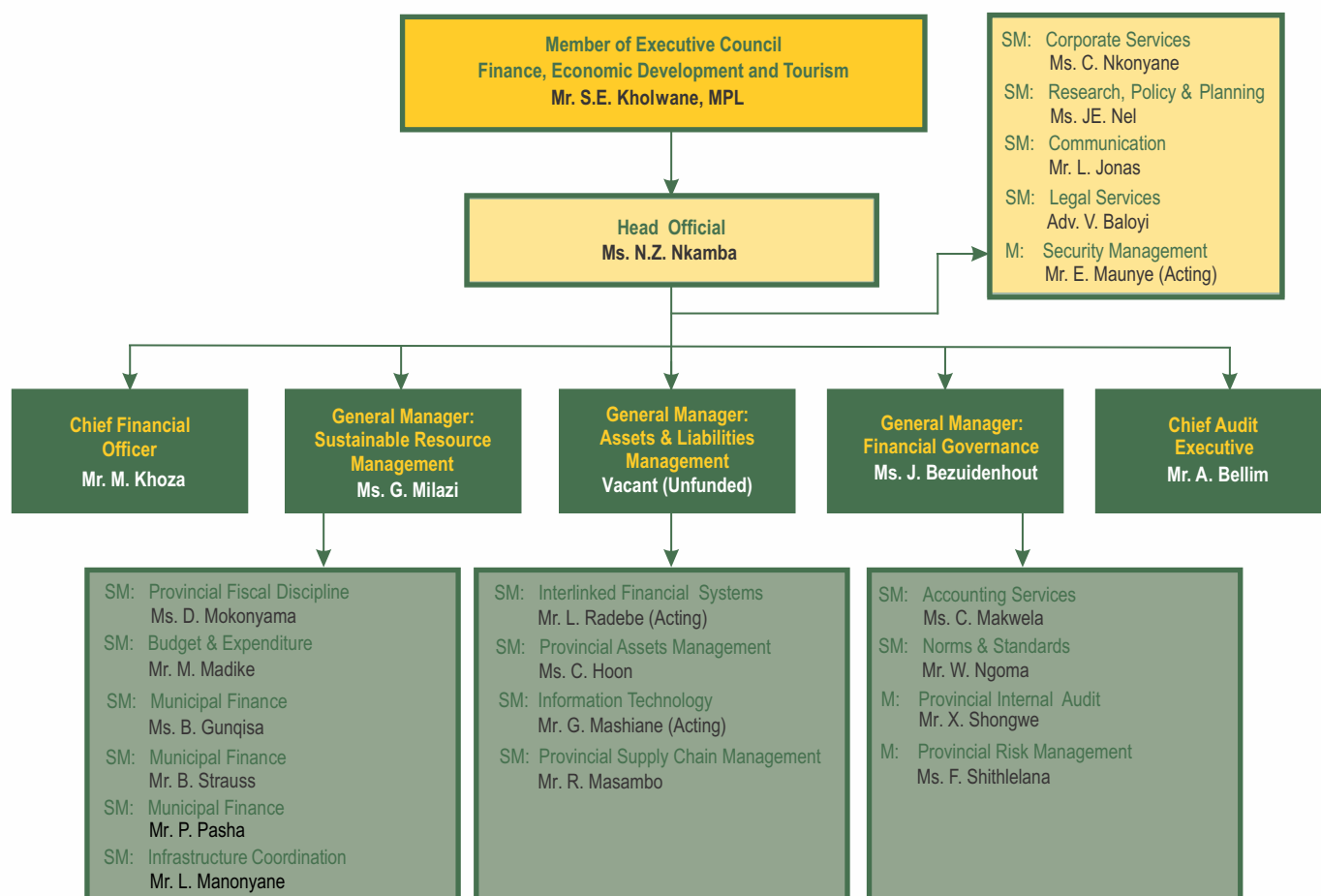
There were no court rulings relevant to the Provincial Treasury's mandate for the year under review. However, the ruling in *Nyathi v Mec Health, Gauteng and Department of Justice* remain relevant. In this case the provisions of section 3 of the *State Liability Act, 1957 (Act No. 20 of 1957)* was found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

The impugned portion of the said section prohibited the execution attachment or like process against a state defendant or respondent or against any property of the state for the satisfaction of judgement debts. The High Court found that the blanket ban on execution, attachment and like processes constituted an unjustifiable limitation on the rights to equality and access to courts. It found too, that sections 165(5) and 195(1) (f) of the Constitution has been infringed. The Court therefore declared that section 3

of the State Liability Act was unconstitutional. Consequently, the matter was referred to the Constitutional Court for confirmation of the order and Madala J, writing for the majority, found that the section unjustifiability limited the right to equal protection of the law contained in section 9(1) of the Constitution and was inconsistent with the constitutional protection of dignity and the right of access to courts.

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

8. ORGANISATIONAL STRUCTURE



9. ENTITIES REPORTING TO THE MEC

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



Part B

Performance Information

1. AUDITOR GENERAL'S REPORT: PREDETERMINED OBJECTIVES

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

Refer to page 83 of the Report of the Auditor General, published as Part E: Financial Information.

2. OVERVIEW OF DEPARTMENTAL PERFORMANCE

2.1 Service Delivery Environment

The Provincial Treasury does not provide direct services to the public, but support the service delivery institutions through financial management policy advice and guidance on the application of the legislative prescripts such as Public Finance Management Act, 1999 (Act 1 of 1999) and Municipal Finance Management Act, 2003 (Act 56 of 2003).

For the financial year under review, the Provincial Treasury operated with a staff establishment of 328 posts, inclusive of interns and contract workers. A provincial moratorium on the filling of posts was implemented during the financial year which affected the Provincial Treasury's ability to meet its outputs effectively as the officials were overstretched as a result of staff shortages when posts became vacant due to resignations, deaths, retirements or promotions. The internship programme was successfully implemented.

In the past year, Programme 2 was led by a coordinator, as the incumbent Chief Director is on secondment to one of the provincial public entities. The absence of the requisite person does not encourage continuity, and tonal development. Although this bodes well for development of the province, it further constraints the available personnel resources. The staff shortages become more pronounced, when officials go on prolonged periods of absence, e.g. maternity and study leave.

The provincial budget process is still finalised later than programmed. This results in poor quality of budget documents, and possibly budget below standard.

The programme was able to achieve most of its objectives, despite the challenges of personnel shortage, and poor economic climate. The latter tends to expand the support functions of Provincial Treasury, whereas at the same time limit the response capability.

During the reporting period, the Provincial Treasury facilitated the transversal contracts. The travel and accommodation management contract was one of the commodities prioritised. The implementation of the contracts was with effect from 1 April 2018. The transversal contracts will assist the administration to reduce spending on non-essential goods and services and ensure that available funds are re-directed to the core services to improve the lives of the people of Mpumalanga.

Due to the risk of Departments and Public Entities submitting incorrect information to the Auditor General South Africa; the Provincial Treasury reviewed Annual Financial Statements and provided Accounting Officers with recommendations for improvement of the Statements. The Provincial Internal Audit Unit received a high number of requests for assistance and invitations to Risk Management Committee meetings. The support by this Unit included induction and orientation of Risk Officers and Risk Management Committee Chairpersons and the provision of training to

stakeholders. Municipalities were also assisted with their Strategic Risk Identification Assessments and fraud Risk Assessments. The Enterprise Risk Management Framework was reviewed and issued to stakeholders to ensure the uniformity of risk management processes in the Province. A Manager was seconded from another Unit in the Financial Governance Programme to the Provincial Internal Audit Unit to increase capacity as the Unit previously experienced severe capacity constraints. The increase of capacity led to the overachievement of the targets set by the Unit in the beginning of the financial year.

2.2 Service Delivery Improvement Plan

The Provincial Treasury has completed a Service Delivery Improvement Plan (SDIP). The tables on the next page, highlight the service delivery plan and the achievements to date.

Main services and standards

Main services	Beneficiaries	Current/actual standard of service	Desired standard of service	Actual achievement
Monitor and support all departments, municipalities and public entities to adhere to compliance on payment of suppliers within 30 days after receipt of an invoice	Provincial Departments, Municipalities and Public Entities	80% compliance	100% compliance	Monitored 30 day payment of suppliers after receipt of valid invoices
Support and monitor all departments, municipalities and public entities adherence to supply chain frameworks on submission of procurement plans and adherence to schedules	Provincial Departments, Municipalities and Public Entities	80% compliance by departments, public entities and municipalities (12 Votes, 4 Public Entities and 21 municipalities)	100% compliance by departments, public entities and municipalities (12 Votes, 4 Public Entities and 21 municipalities)	95% submission of procurement plans by departments, public entities and municipalities

Batho Pele arrangements with beneficiaries (Consultation access etc.)

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

Service delivery information tool

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

Complaints mechanism

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

2.3 Organisational environment

Provincial Treasury has an approved organogram with 433 posts. After the introduction of PERSAL clean-up and the moratorium on the filling of posts, the Provincial Treasury has an approved establishment of 328 posts (285 Permanent and 43 Contracts Workers namely interns, learners and municipal specialists).

The organisational structure of Provincial Treasury currently makes provision for four Programmes. Programme 1 is responsible for the financial and administrative management and support. The other three Programmes focus on treasury functions, which are Sustainable Resource Management, Assets and Liabilities Management and Financial Governance. The Provincial Treasury operates in both the PFMA and MFMA environments.

The functions of the Treasury Programmes are specialised and depend on skilled resources to ensure the delivery of support services. The Provincial moratorium and staff turnover experienced during this reporting period was a major challenge. Although the recruitment of personnel by other Departments and Provinces is not unique to Provincial Treasury, it had negative implications to the overall operations of Provincial Treasury. In order to address the challenges relating to the high staff turnover rate, Provincial Treasury will intensify its implementation of the retention strategy and will address the shortfall in human resources through the rationalisation process, as the capacity will be identified within the Treasury and elsewhere in the Provincial Administration.

2.4 Key policy developments and legislative changes

During the year under review, the Standard for Infrastructure Procurement and Delivery Management (SIPDM) came into effect placing an extra burden on the Infrastructure Coordination Directorate to rollout the new Standard to both Provincial Departments and Municipalities.

The introduction of the Transversal Term Contracts has brought about policy change, which is necessary to ensure economies of scale, lower unit costs of commodities, economic empowerment and job creation for the people of Mpumalanga Province.

3. STRATEGIC OUTCOME ORIENTED GOALS

Strategic Goals	Progress towards achievement of goals
Administrative Support Services	Provided prompt, continuous, effective and efficient administrative support to all line functions in the Provincial Treasury.
Efficient and effective financial ICT and corporate governance in the Province	Ensure efficient and effective financial, ICT and corporate governance in the Province in line with Legislation and Policies.

The Provincial Treasury provides an essential support and advice to service delivery departments on fiscal, supply chain management and financial governance as provided for in Outcomes 9 and 12.

- Outcome 9: Responsive, accountable, effective and efficient Local Government system. Sub-outcome 3: Sound financial and administrative management.
- Outcome 12: An efficient, effective and development oriented public service and an empowered, fair and inclusive citizenship. Sub-outcome 4: Efficient and effective management and operations systems and sub-outcome 5: Procurement systems that deliver value for money.

4. PERFORMANCE INFORMATION BY PROGRAMME

4.1 Programme 1: Administration

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

The programme consists of the following Sub-Programmes:

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

Strategic Objectives of Programme 1:

- a) Provide policy and political directives in order to achieve provincial objectives
- b) Translate policies and priorities into strategies for effective service delivery,
- c) Provide sound Financial Management and Supply Chain Management services to Provincial Treasury,
- d) Provide efficient and effective internal audit services in Provincial Treasury.

Strategic objectives, performance indicators, planned targets and actual achievements

For the year under review the Provincial Treasury's Administration Programme through the Offices of the Executive Authority and Accounting Officer provided strategic direction to ensure that the Provincial Treasury effectively and efficiently carries out its mandate.

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

The Provincial Treasury prides itself with an independent, effective and proactive internal audit function which ensures that all emerging issues are identified and addressed accordingly.

Through the Office of the Chief Financial Officer, the Provincial Treasury maintained sound financial management. The Planning Unit continued to monitor activities to ensure that spending is in accordance with planned activities.

Strategic objectives:

Programme 1: Administration					
Strategic objectives	Actual Achievement 2016/2017	Planned Target 2017/2018	Actual Achievement 2017/2018	Deviation from planned target to Actual Achievement for 2017/2018	Comment on deviations
Provide policy and political directives in order to achieve provincial objectives	Tabled 2 Provincial and 1 Policy and Budget Statement	Table 2 Provincial and 1 Policy and Budget Statement	Tabled 2 Provincial and 1 Policy and Budget Statement	None	N/A
Translate policies and priorities into strategies for effective service delivery	Submitted 5 Legislative reports on implementation of strategic priorities and directives	Submit 5 legislative reports on implementation of strategic priorities and directives	Submitted 5 legislative reports on implementation of strategic priorities and directives	None	N/A
Provide sound financial management and supply chain services management in Provincial Treasury	Provided 12 reports on financial and governance compliance	Provide 12 reports on financial and governance compliance	Provided 12 reports on financial and governance compliance	None	N/A
Provide efficient and effective internal audit services in Provincial Treasury	Implemented approved audit plan	1 approved audit plan	1 approved audit plan	None	N/A

Reasons for deviations

All planned targets were achieved and there were no deviations.

Performance indicators

Programme 1: Administration							
Performance Indicator	Actual Achievement 2014/2015	Actual Achievement 2015/2016	Actual Achievement 2016/2017	Planned Target 2017/18	Actual Achievement 2017/2018	Deviation from planned target to Actual Achievement for 2017/2018	Comment on deviations
Sub-programme: Office of the MEC							
Number of Annual Reports tabled	1 Annual Reports tabled	1 Report	1 Report	1 Report	1 Report	None	N/A
Number of Appropriation Bills Tabled	2 Documents	2 Documents	2 Documents	2 Bills	2 Bills	None	N/A
Number of Policy and Budget Statements tabled	1 Statement	1 Statement	1 Statement	1 Statement	1 Statement	None	N/A
Management Services: Office of the Head: Provincial Treasury							
Number of Performance reports submitted	4 Reports	4 Reports	4 Reports	4 Reports	4 Reports	None	N/A
Number of Annual Reports submitted	1 Report	1 Report	1 Report	1 Report	1 Report	None	N/A
Number of Annual Performance Plans submitted	1 Plan	1 Plan	1 Plan	1 Plan	1 Plan	None	N/A
Number of risk	1 Register	1 Register	1 Register	1 Register	1 Register	None	N/A

Programme 1: Administration							
Performance Indicator	Actual Achievement 2014/2015	Actual Achievement 2015/2016	Actual Achievement 2016/2017	Planned Target 2017/18	Actual Achievement 2017/2018	Deviation from planned target to Actual Achievement for 2017/2018	Comment on deviations
Registers approved	4 Evaluation reports	4 Evaluation reports	4 Evaluation reports	4 Evaluation reports	4 Evaluation reports	None	N/A
Financial Management: Office of the Chief Financial Officer							
Number of financial reports submitted in compliance with relevant legislation	12 In-Year-Monitoring reports	12 In-Year-Monitoring reports	12 In-Year-Monitoring reports	12 In-Year-Monitoring reports	12 In-Year-Monitoring reports	None	N/A
	1 Set of Annual Financial Statements	1 Set of Annual Financial Statements	1 Set of Annual Financial Statements	1 Set of Annual Financial Statements	1 Set of Annual Financial Statements	None	N/A
Number of budget documents submitted in compliance with prescripts	2 Documents	2 Documents	2 Documents	2 Documents	2 Documents	None	N/A
Percentage of suppliers paid within 30 days of receipt of valid invoices	100%	100%	100%	100%	100%	None	N/A
Sub-programme: Internal Audit							
Number of quarterly progress reports submitted on implementation of the Audit Plan	4 Reports	4 Reports	4 Reports	4 Reports	4 Reports	None	N/A

Reasons for deviations

All planned targets were achieved and there were no deviations.

Strategy to overcome areas of under performance

There were no areas of under-performance recorded during the year under review.

Changes to planned targets

There were no changes to planned targets during the year under review.

Linking performance with budgets

The Programme has spent R87 267 000 which is 99.6% of its total budget allocated of R87 587 000.

Sub-programme expenditure

Sub -Programme Name	2016/2017			2017/2018		
	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
Member of the Executive Council	-	-	-	-	-	-
Management Services	38 933	38 934	(1)	38 712	38 632	80
Financial Management	46 191	46 190	1	43 920	43 880	40
Internal Audit	4 501	4 492	9	4 955	4 755	200
Total	89 625	89 616	9	87 587	87 267	320

4.2 Programme 2: Sustainable Resource Management

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

The programme consists of the following Sub-Programmes:

- Provincial Administration Fiscal Discipline,
- Budget and Expenditure Management ,
- Municipal Finance and
- Infrastructure Co-ordination.

Strategic Objectives of Programme 2:

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

Strategic objectives, performance indicators, planned targets and actual achievements

The programme met its objectives for the year. The Programme experienced personnel shortages during the financial year. A Director in Municipal Finance left the department earlier in the financial year; one of the officials went on maternity leave.

Strategic objectives:

Programme 2: Sustainable Resource Management					
Strategic objectives	Actual Achievement 2016/2017	Planned Target 2017/18	Actual Achievement 2017/18	Deviation from planned target to Actual Achievement for 2017/2018	Comment on deviations
Support Provincial Votes and Public Entities to maximise sustainable revenue generation and collection	Supported and monitored 12 Votes in terms of revenue management	Support and monitor 12 Votes and 4 Public Entities in terms of revenue management	Supported and monitored 12 Votes and 4 Public Entities in terms of revenue management	None	N/A
Allocation of Provincial Budget and monitoring the implementation	13 Votes	13 Votes	13 Votes	None	N/A
Provide support and monitor Municipalities on the implementation of the MFMA	20 Municipalities	20 Municipalities	20 Municipalities	None	N/A
Coordinate the delivery of Infrastructure in the Province	Provided support to and monitored 6 Infrastructure Departments	Provide support and monitor 6 infrastructure departments	Provided supported and monitor 6 infrastructure departments	None	N/A

Reasons for deviations

All planned targets were achieved and there were no deviations.

Performance indicators

Programme 2: Sustainable Resource Management							
Performance Indicator	Actual Achievement 2014/2015	Actual Achievement 2015/2016	Actual Achievement 2016/2017	Planned Target 2017/2018	Actual Achievement 2017/2018	Deviation from planned target to Actual Achievement for 2017/2018	Comment on deviations
Sub-programme: Provincial Administration and Fiscal Discipline							
Number of Provincial Tariff Registers updated	1 Register	1 Register	1 Register	1 Register	1 Register	None	N/A
Number of Consolidated Revenue Reports compiled	12 Reports	12 Reports	12 Reports	12 Reports	12 Reports	None	N/A
Number of Financial Statements on Provincial Revenue Fund prepared	1 Set	1 Set	1 Set	1 Set	1 Set	None	N/A
Number of Votes and Public Entities debt reports analysed	N/A	N/A	12 Votes	12 Votes 4 Public Entities	12 Votes 4 Public Entities	None	N/A
Sub-programme: Budget and Expenditure Management							
Number of Estimates of Provincial Revenue Expenditure	2 Documents	2 Documents	2 Documents	2 Documents	2 Documents	None	N/A

Programme 2: Sustainable Resource Management							
Performance Indicator	Actual Achievement 2014/2015	Actual Achievement 2015/2016	Actual Achievement 2016/2017	Planned Target 2017/2018	Actual Achievement 2017/2018	Deviation from planned target to Actual Achievement for 2017/2018	Comment on deviations
Documents compiled							
Number of appropriation bills compiled	N/A	2 Bills	2 Bills	2 Bills	2 Bills	None	N/A
Number of consolidated In-Year - Monitoring reports submitted	12 Consolidated reports	12 Consolidated reports	12 Consolidated reports	12 Consolidated reports	12 Consolidated reports	None	N/A
Sub-programme: Municipal Finance							
Number of consolidated municipal budget statements published and submitted to Provincial Legislature	4 Reports	4 Reports	4 Budget Statements	4 Budget Statements	4 Budget Statements	None	N/A
Number of Annual Draft Municipal Budgets analysed	100%	21	Analysed 20 draft budgets and provided feedback	Analyse 20 draft budgets and provide feedback	Analysed 20 draft budgets and provided feedback	None	N/A
Number of Mid-Year Budget and Performance Assessment Engagements	1 Engagement	1 Engagement	20 Municipalities	20 Municipalities	19 Municipalities	1 Municipality (Govan Mbeki) was not done	The Provincial Treasury had a meeting with the Municipality on the 31 st of January 2018, however the meeting focused on mSCOA challenges as the Mid-Year performance report was not available at the time due to financial system challenges.
Number of consolidated Municipal in-Year - Monitoring reports submitted (Section 71 MFMA)	N/A	N/A	12 Reports	12 Reports	12 Reports	None	N/A
Number of Municipalities supported to improve revenue management and debt collection	N/A	N/A	New indicator	8 Municipalities	8 Municipalities	None	N/A

Programme 2: Sustainable Resource Management							
Performance Indicator	Actual Achievement 2014/2015	Actual Achievement 2015/2016	Actual Achievement 2016/2017	Planned Target 2017/2018	Actual Achievement 2017/2018	Deviation from planned target to Actual Achievement for 2017/2018	Comment on deviations
Number of municipalities monitored on implementation of Audit Response Plan based on the 2015/16 audit outcomes	N/A	N/A	New indicator	20 Municipalities	20 Municipalities	None	N/A
Sub-programme: Infrastructure Co-ordination							
Number of Infrastructure Reporting Model analysis reports provided	100%	72	12 Reports	12 Reports	12 Reports	None	N/A
Number of User Asset Management Plan analysis provided	6 Draft and 7 final plans	6 Draft and 7 final plans	6 Plans	6 Plans	6 Plans	None	N/A

Reasons for deviations

Sub Programme: Municipal Finance

- a) Number of Mid-Year Budget and Performance Assessment Engagements.
 - The Provincial Treasury had a meeting with the Municipality on the 31st of January 2018, however the meeting focused on mSCOA challenges as the Mid-Year performance report was not available at the time due to financial system challenges.

Strategy to overcome areas of under performance

Sub Programme: Municipal Finance

- a) Number of Mid-Year Budget and Performance Assessment Engagements.
 - The Municipality terminated the VESTA contract (Phoenix financial system) and appointed Munsoft with effect from 01 May 2018 and this enabled the Municipality to produce a budget for the 2018/19 financial year, which was mSCOA compliant. The Provincial Treasury will continuously monitor the implementation progress by the system vendor and the Municipality on a quarterly basis.

Changes to planned targets

There were no changes to planned targets during the year under review.

Linking performance with budgets

The Programme has spent R47 049 000 which is 99.0% of its total budget allocated of R47 532 000.

Sub-programme expenditure

Sub-Programme Name	2016/2017			2017/2018		
	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
Programme Support	1 452	1 453	(1)	1 533	1 519	14
Provincial Administration	9 149	8 929	220	9 265	9 182	83
Fiscal Discipline						
Budget and Expenditure Management	9 459	9 381	78	10 315	10 244	71
Municipal Finance	19 544	19 460	84	22 126	21 914	212
Infrastructure Co-ordination	3 960	3 912	48	4 293	4 190	103
Total	43 564	43 135	429	47 532	47 049	483

4.3 Programme 3: Assets and Liabilities Management

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

The programme consists of the following Sub-programmes:

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

Strategic Objectives of Programme 3:

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

Strategic objectives, performance indicators, planned targets and actual achievements

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

Various reports including reports on the 30 days' payment of suppliers after receipt of an invoice in departments, public entities and municipalities were compiled, feedback provided as well as escalated to the Provincial Management Committee and National Treasury.

Strategic objectives

Programme 3: Assets and Liabilities Management					
Strategic objectives	Actual Achievement 2016/2017	Planned Target 2017/2018	Actual Achievement 2017/2018	Deviation from planned target to Actual Achievement for 2017/2018	Comment on deviations
Monitor the implementation of Supply Chain Management framework	12 Votes, 21 Municipalities and 4 Public Entities	12 Votes, 20 Municipalities and 4 Public Entities	12 Votes, 20 Municipalities and 4 Public Entities	None	N/A
Provide support to comply with relevant legislation on Liabilities Management	12 Votes, 20 Municipalities and 5 Public Entities	12 Votes, 20 Municipalities and 4 Public Entities	12 Votes, 20 Municipalities and 4 Public Entities	None	N/A
Provide support to comply with relevant legislation on Asset Management	12 Votes, 4 Public Entities 20 Municipalities	12 Votes, 4 Public Entities 20 Municipalities	12 Votes, 4 Public Entities 20 Municipalities	None	N/A
Provide business support on transversal systems	Supported 12 Votes	12 Votes	12 Votes	None	N/A
Provide an enabling environment and systems for sound Corporate Governance of ICT in Mpumalanga Province	IT systems: 12 Votes, Governance Framework: 12 Votes and 20 Municipalities	IT systems: 12 Votes, Governance Framework: 12 Votes and 20 Municipalities	IT systems: 12 Votes, Governance Framework: 12 Votes and 20 Municipalities	None	N/A

Reasons for deviations

All planned targets were achieved and there were no deviations.

Performance indicators

Programme 3: Assets and Liabilities Management							
Performance Indicator	Actual Achievement 2014/2015	Actual Achievement 2015/2016	Actual Achievement 2016/2017	Planned Target 2017/2018	Actual Achievement 2017/2018	Deviation from planned target to Actual Achievement for 2017/2018	Comment on deviations
Sub-programme: Provincial Supply Chain Management							
Number of Votes, Municipalities and Public Entities assessed on compliance with SCM frameworks	4 Reports	12 Votes, 21 Municipalities and 4 Public Entities	9 Votes, 20 Municipalities and 3 Public Entities	12 Votes, 20 Municipalities and 4 Public Entities	12 Votes, 20 Municipalities and 4 Public Entities	None	N/A
Sub-programme: Public Sector Liabilities Management							
Number of analysis on compliance to Liability Management guidelines	48 Reports	12 Votes, 21 Municipalities and 3 Public Entities	49 Analysis	47 Analysis	47 Analysis	None	N/A

Programme 3: Assets and Liabilities Management							
Performance Indicator	Actual Achievement 2014/2015	Actual Achievement 2015/2016	Actual Achievement 2016/2017	Planned Target 2017/2018	Actual Achievement 2017/2018	Deviation from planned target to Actual Achievement for 2017/2018	Comment on deviations
Sub-programme: Physical Asset Management							
Number of Votes, Municipalities and Public Entities supported on compliance to Asset Management Norms and Standards	12 Votes, 21 Municipalities and 4 Public Entities	12 Votes, 21 Municipalities and 4 Public Entities	4 Votes, 9 Municipalities and 2 Public Entities	4 Votes, 9 Municipalities and 2 Public Entities	11 Votes, 10 Municipalities and 2 Public Entities	7 Votes (Office of the Premier, Departments of Community Safety, Security and Liaison, Economic Development and Tourism, Sport Culture and Recreation, Provincial Treasury, Human Settlements and Cooperative Governance and Traditional Affairs) and 1 Municipality (Dr Pixley Ka Isaka Seme) was added to the target	The overachievement is due to the challenges experienced the votes by the municipality on compliance to Assets Management Norms and Standards and Provincial Treasury assisted in addressing the challenges
Number of votes supported on compliance to Inventory Management framework, Norms and Standards	N/A	N/A	12 Votes	8 Votes	8 Votes	None	N/A
Sub-programme: Interlinked Financial System							
Number of votes monitored and supported on the management and utilisation on transversal systems	N/A	12 Votes	12 Votes	12 Votes	12 Votes	None	N/A
Sub-programme: Information Technology							
Percentage Up-time of ICT Network infrastructure	98%	97.5%	97.82%	95%	97.85%	Up time was exceeded by 2.5 %	Routine maintenance on the system and stability in the IT environment wherein the mitigation of risks were more efficient.

Programme 3: Assets and Liabilities Management							
Performance Indicator	Actual Achievement 2014/2015	Actual Achievement 2015/2016	Actual Achievement 2016/2017	Planned Target 2017/2018	Actual Achievement 2017/2018	Deviation from planned target to Actual Achievement for 2017/2018	Comment on deviations
Percentage of calls responded to within 8 working hours	100%	99%	99.8%	99%	94%	Calls responded to was under achieved by 5%	The helpdesk system, which was provided by Columbus, was discontinued due to a litigation case in place. The Provincial Treasury was advised not to use the system due to any exacerbation of the litigation conditions. A temporary call logging system was requested from the Department of Health. The sourced system does not however have the capability to calculate the duration of the call logged until it is closed and a manual calculation was performed.
Number of Votes and Municipalities supported on IT Governance	12 Votes and 20 delegated Municipalities	12 Votes and 21 municipalities	12 Votes and 20 Municipalities	12 Votes and 20 municipalities	12 Votes and 20 municipalities	None	N/A

Reasons for deviations

Sub Programme: Physical Asset Management

- a) Number of Votes, Municipalities and Public Entities supported on compliance to asset management norms and standards.
 - The overachievement is due to the challenges experienced by Office of the Premier, Departments of Community Safety, Security and Liaison, Economic Development and Tourism, Sport Culture and Recreation, Provincial Treasury, Human Settlements and Cooperative Governance and Traditional Affairs and Dr Pixley Ka Isaka Seme Municipality on compliance to assets management norms and standards and Provincial Treasury assisted in addressing the challenges.

Sub Programme: Information Technology

- a) Percentage of calls responded to within 8 working hours
 - The under achievement is due to the helpdesk system which was provided by Columbus was discontinued due to a litigation case in place. The Provincial Treasury was advised not to use the system due to any exacerbation of the litigation conditions. A temporary call logging system was requested from the

Department of Health. The sourced system does not however have the capability to calculate the duration of the call logged until it is closed and a manual calculation had to be performed.

Strategy to overcome areas of under performance

- a) Percentage of calls responded to within 8 working hours
 - The use of temporary call logging system which was requested from the Department of Health will be used and manual calculations will be performed until the litigation case has been finalised and a new system can be sourced.

Changes to planned targets

There were no changes to planned targets during the year

Linking performance with budgets

The Programme has spent an amount of R127 016 000 which is 99.1% of its total budget of R128 122 000.

Sub-programme expenditure

Sub-Programme Name	2016/2017			2017/2018		
	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
Programme Support	1 210	1 237	(27)	234	207	27
Provincial Supply Chain Management	16 344	16 056	288	16 469	16 153	316
Public Sector Liabilities	5 106	5 160	(54)	4 971	4 891	80
Physical Assets Management	6 777	6 569	208	6 952	6 950	2
Interlinked Financial Systems	13 534	13 834	(300)	11 771	11 730	41
Information Technology	83 350	82 740	610	87 725	87 085	640
Total	126 321	125 596	725	128 122	127 016	1 106

4.4. Programme 4: Financial Governance

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

The programme consist of the following Sub-programmes:

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

Strategic Objectives of Programme 4:

- a) Provide advisory services, support and monitor public sector institutions in terms of accounting standards and financial statements.
- b) Improve the systems of internal controls in public sector institutions.
- c) Facilitate effective implementation of risk management processes.
- d) Support public sector institutions to improve on Internal Audit processes.

Strategic objectives, performance indicators, planned targets and actual achievements

The Programme was in a position to achieve all its planned targets during the year with over achievements by all of the Units.

The number of Municipalities supported and monitored on preparation of financial statements and audit processes was increased due to the challenges experienced by one of the Local Municipalities with the compilation of the statements and the Provincial Treasury had to intervene to support the Municipality.

There was also an over achievement in terms of the number of Votes monitored on audit findings action plans on Human Resources matters as a Provincial Department requested the monitoring of the implementation of recommendations made by the Provincial Treasury.

The overachievements under the Risk Management Unit were due to the high number of requests received from stakeholders for assistance with risk assessments and orientation of Chief Risk Officers, Risk Committee members and Risk Committee Chairpersons. The Unit also assisted stakeholders with strategic risk assessments, fraud risk assessments and Information and Communication Technology risk assessments.

The Provincial Internal Audit Unit had overachievements in terms of the evaluation of Audit Committees due to the high number of requests received for the attendance and evaluation of such meetings. Due to the high vacancy rate in this Unit (50% vacancy rate) during the 2016/17 financial year, a Manager was seconded from another Unit to add to the capacity. This also led to the over achievements by the Unit for the 2017/18 financial year.

Strategic objectives

Programme 4: Financial Governance					
Strategic objectives	Actual Achievement 2016/2017	Planned Target 2017/2018	Actual Achievement 2017/2018	Deviation from planned target to Actual Achievement for 2017/2018	Comment on deviations
Provide advisory services, support and monitor public sector institutions in terms of accounting standards and financial statements to ensure accountability	12 Votes, 20 Municipalities and 5 Public Entities	12 Votes, 20 Municipalities and 4 Public Entities	12 Votes, 20 Municipalities and 4 Public Entities	None	N/A
Improve the systems of internal controls in public sector institutions	12 Votes, 20 Municipalities and 4 Public Entities	12 Votes, 20 Municipalities and 4 Public Entities	12 Votes, 20 Municipalities and 4 Public Entities	None	N/A
Facilitate implementation of Risk Management processes	12 Votes, 20 Municipalities and 4 Public Entities	12 Votes, 20 Municipalities and 4 Public Entities	12 Votes, 20 Municipalities and 4 Public Entities	None	N/A
Support public sector institutions to improve on Internal Audit processes	12 votes, 20 Municipalities and 4 Public Entities	12 votes, 20 Municipalities and 4 Public Entities	12 votes, 20 Municipalities and 4 Public Entities	None	N/A

Reasons for deviations

All planned targets were achieved and there were no deviations.

Performance indicators

Programme 4: Financial Governance							
Performance Indicator	Actual Achievement 2014/2015	Actual Achievement 2015/2016	Actual Achievement 2016/2017	Planned Target 2017/2018	Actual Achievement 2017/2018	Deviation from planned target to Actual Achievement for 2017/2018	Comment on deviations
Sub-programme: Accounting Services							
Number of Votes and Public Entities trained, advised and supported on accounting standards and financial statements	12 Votes and 4 Public Entities	12 Votes and 4 Public Entities	12 Votes and 5 Public Entities	12 Votes and 4 Public Entities	12 Votes and 4 Public Entities	None	N/A
Number of Votes and Public Entities received feedback on interim financial statements analysed	12 Votes	12 Votes	12 Votes	12 Votes and 3 Public Entities	12 Votes and 3 Public Entities	None	N/A
Number of Municipalities supported and monitored on preparation of financial statements and audit processes	21 Municipalities	21 Municipalities	20 Municipalities	12 Municipalities	14 Municipalities	Bushbuckridge Local Municipality's annual financial statements were reviewed as an addition to the planned target. Dipaleseng Local Municipality was assisted during the audit process as an addition to the planned target.	The Municipality experienced challenges during the preparation of Annual Financial Statements and Provincial Treasury assisted in addressing these challenges. Dipaleseng failed to submit audit evidence to AGSA during audit process and Provincial Treasury intervened and assisted the Municipality.
Number of consolidated annual financial statements for Votes and Public Entities tabled in the Provincial Legislature	1 Set	1 Set	1 Set	1 Set	1 Set	None	N/A

Programme 4: Financial Governance							
Performance Indicator	Actual Achievement 2014/2015	Actual Achievement 2015/2016	Actual Achievement 2016/2017	Planned Target 2017/2018	Actual Achievement 2017/2018	Deviation from planned target to Actual Achievement for 2017/2018	Comment on deviations
Sub-programme: Norms and Standards							
Number of Votes monitored on the remedial action plans for Financial Management	N/A	N/A	New Indicator	6 Votes	6 Votes	None	N/A
Number of action plans analysed for completeness on audit findings for Votes and Public Entities	N/A	N/A	Action plans for 12 Votes and 4 Public Entities	Action plans for 12 Votes and 4 Public Entities	Action plans for 12 Votes and 4 Public Entities	None	N/A
Number of Votes and Public Entities monitored on audit findings action plans (Human Resources)	N/A	4 Votes and 1 Public Entity	7 Votes and 2 Public Entities	5 Votes and 2 Public Entities	6 Votes and 2 Public Entities	1 Vote (Department of Public Works, Roads and Transport) was added to the target of 5 Votes	Department of Public Works, Roads and Transport was added to the target as per the request of the Department. The Department has implemented the recommendations provided and requested Provincial Treasury to analyse the progress report and provide feedback.
Number of action plans analysed for completeness on audit findings for Municipalities	N/A	N/A	New Indicator	Action plans for 20 Municipalities analysed	Action plans for 20 Municipalities analysed	None	N/A

Programme 4: Financial Governance							
Performance Indicator	Actual Achievement 2014/2015	Actual Achievement 2015/2016	Actual Achievement 2016/2017	Planned Target 2017/2018	Actual Achievement 2017/2018	Deviation from planned target to Actual Achievement for 2017/2018	Comment on deviations
Number of Municipalities monitored on implementation of audit findings action plans (Human Resources)	N/A	N/A	11 Municipalities	9 Municipalities	10 Municipalities	1 Municipality (Nkomazi LM) was added to the target of 9	The overachievement is due to the fact that the Municipality did not implement the recommendations made by the Provincial Treasury after an analysis was performed on the remedial action plan and that necessitated the follow-up.
Number of risk assessment reports for Votes, Public Entities and Municipalities analysed to ensure inclusion of high risk areas	N/A	N/A	New Indicator	Risk assessment reports for 4 Votes, 2 Public Entities and 5 Municipalities	Risk assessment reports for 4 Votes, 2 Public Entities and 5 Municipalities	None	N/A
Sub-programme: Provincial Risk Management							
Number of revised Enterprise Risk Management (ERM) frameworks issued	N/A	N/A	1 Revised Enterprise Risk Management (ERM) framework issued	1 Revised Enterprise Risk Management (ERM) framework issued	1 Revised Enterprise Risk Management (ERM) framework issued	None	N/A
Number of Votes, Public Entities and Municipalities monitored on implementation of Provincial Risk Management Framework	19 reports issued for Departments, 4 to Public Entities and 32 for Municipalities	24 reports for Votes, 28 for Municipalities and 4 for Public Entities	Votes: 9 Public Entities: 4 Municipalities 12	5 Votes, 2 Public Entities and 8 Municipalities monitored on implementation of the Framework	9 Votes 17 Municipalities 3 Public Entities	4 Votes, 9 Municipalities and 1 Public Entity's reports were added to the target	1. More invitations were received to attend RMC meetings. 2. More requests were received to facilitate risk assessments due to insufficient capacity in Municipalities

Programme 4: Financial Governance							
Performance Indicator	Actual Achievement 2014/2015	Actual Achievement 2015/2016	Actual Achievement 2016/2017	Planned Target 2017/2018	Actual Achievement 2017/2018	Deviation from planned target to Actual Achievement for 2017/2018	Comment on deviations
Sub-programme: Provincial Risk Management							
Number of Guidelines on Risk Management processes issued	1 Guideline	1 Guideline reviewed and issued	1 Guideline issued	1 Guideline issued	1 Guideline issued	None	N/A
Number of Strategic Support Plans issued on effective implementation of Risk management.	Strategic Support Plans: Departments: 12	7 Strategic Support Plans for votes, 2 for Public Entities and 5 for Municipalities.	Votes: 7 Public Entities: 2 Municipalities: 13	Strategic Support Plans: 4 Votes, 2 Public Entities and 6 Municipalities	Strategic Support Plans: 6 Votes, 2 Public Entities and 8 Municipalities	Strategic Support Plans for 2 Votes and 2 Municipalities were added to the target.	More SSPs were developed due to the low maturity level of risk management within the Province.
Sub-programme: Provincial Internal Audit							
Percentage of internal audit plans that were received, analysed	100% plans submitted	100% feedback reports	100% of internal audit reports that were received were analysed	100% of internal audit reports that were received, analysed	100% of internal audit reports that were received, analysed	None	N/A
Number of municipalities with functional audit committees	N/A	N/A	New Indicator	16 Municipalities	19 Municipalities	3 Municipalities were added to the target	1. A manager was seconded from another unit to increase capacity. 2. More invitations were received to attend AC meetings.
Number of evaluations of performed on the effectiveness of Audit Committees	Votes: 12, Municipalities: 21, Public Entities: 4	Votes: 26 Municipalities: 39 Public Entities: 6	51 Evaluations performed on the effectiveness of Audit Committees	14 Evaluations performed on the effectiveness of Audit Committees	42 Evaluations were performed on the effectiveness of Audit Committees (26 for Votes and 16 for Public Entities)	28 Evaluations were added to the target	1. A manager was seconded from another unit to increase capacity. 2. More invitations were received to attend AC meetings.
Number of Internal Audit assessments performed on readiness of Quality Assurance Review	4 Reports	2 Reports	1 Assessment was performed on readiness of Quality Assurance Review	1 Assessment performed on readiness of Quality Assurance Review	1 Assessment performed on readiness of Quality Assurance Review	None	N/A

Programme 4: Financial Governance							
Performance Indicator	Actual Achievement 2014/2015	Actual Achievement 2015/2016	Actual Achievement 2016/2017	Planned Target 2017/2018	Actual Achievement 2017/2018	Deviation from planned target to Actual Achievement for 2017/2018	Comment on deviations
Number of follow-ups conducted on the implementation of Quality Assurance review recommendations	N/A	N/A	2 follow-ups conducted on the implementation of Quality Assurance review recommendations	1 follow-up conducted on the implementation of Quality Assurance review recommendations	3 follow-ups conducted on the implementation of Quality Assurance review recommendations	1 Vote and 1 Municipality were added to the target	A manager was seconded from another unit to increase capacity.
Number of Strategic Support Plans issued on effective implementation of internal audit	Votes: 12	Votes: 10 Public Entities: 2 Municipalities: 3	Votes: 4 Public Entities: 1 Municipalities: 5	Votes: 2 Public Entities: 1 Municipalities: 2	Votes: 3 Public Entities: 2 Municipalities: 5	1 Vote, 1 Public Entity and 3 Municipalities were added to the target	More SSPs were developed due to the low maturity level of internal audit in the Province.

Reasons for deviations

Sub-programme: Accounting Services

- a) Number of Municipalities supported and monitored on preparation of financial statements and audit processes
- The overachievement is due to the challenges experienced by Bushbuckridge and Dipaleseng Local Municipalities during the preparation of Annual Financial Statements and the audit process and Provincial Treasury assisted in addressing the challenges

Sub-programme: Norms and Standards

- a) Number of Votes and Public Entities monitored on audit findings action plans (Human Resources)
- The overachievement is due to the request from Department of Public Works, Roads and Transport to analyse and provide feedback on their progress report after the implementation of recommendations by the Provincial Treasury.
- b) Number of Municipalities monitored on implementation of audit findings action plans (Human Resources)
- c) The overachievement is due to the fact that the Municipality did not implement the recommendations made by the Provincial Treasury after an analysis was performed on the remedial action plan and that necessitated the follow-up.

Sub-programme: Provincial Risk Management

- a) Number of Votes, Public Entities and Municipalities monitored on implementation of Provincial Risk Management Framework
- The overachievement is due to the high number of requests for assistance and invitations, which were received from stakeholders and were attended to by the Unit.

- b) Number of Strategic Support Plans issued on effective implementation of Risk management
- The overachievement is due to the Low Risk Maturity level within the Province; hence, more stakeholders were supported.

Sub-programme: Provincial Internal Audit

- a) Number of municipalities with functional audit committees
- The overachievement is due to the secondment of a manager from another unit to increase capacity
 - More invitations to attend audit committee meetings were received
- b) Number of evaluations performed on the effectiveness of Audit Committees (Votes and Public Entities)
- The overachievement is due to the secondment of a manager from another unit to increase capacity
 - More invitations to attend audit committee meetings were received
- c) Number of follow-ups conducted on the implementation of Quality Assurance review recommendations
- The overachievement is due to the secondment of a manager from another unit to increase capacity
 - More follow-ups were conducted to assist stakeholders to prepare for the External Quality Assurance reviews that are legislated
- d) Number of Strategic Support Plans issued on effective implementation of internal audit
- The overachievement is due to the Low Risk Maturity level within the Province; hence, more stakeholders were supported .

Strategy to overcome areas of under performance

There were no areas of under performance.

Changes to planned targets

There were no changes to planned targets during the year.

Linking performance with budgets

The Programme has spent R26 210 000 which is 98.2% of its total budget allocated of R 26 704 000.

Sub-programme expenditure

Sub- Programme Name	2016/2017			2017/2018		
	Final Appropriation	Actual Expenditure	(Over)/ Under Expenditure	Final Appropriation	Actual Expenditure	(Over)/ Under Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
Programme Support	6 411	6 876	(465)	3 105	2 997	108
Accounting Services	5 310	5 110	200	5 406	5 248	158
Norms and Standards	12 418	12 360	58	12 398	12 259	139
Risk Management	2 226	2 126	100	2 715	2 700	15
Provincial Internal Audit	1 591	1 451	140	3 080	3 006	74
Total	27 956	27 923	33	26 704	26 210	494

5. TRANSFER PAYMENTS

5.1 Transfer payments to public entities

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

6. CONDITIONAL GRANTS

The Provincial Treasury did not receive any conditional grant for the financial year 2017/18.

7. DONOR FUNDS

The Provincial Treasury did not receive any donor fund for the financial year 2017/18.

8. CAPITAL INVESTMENT

8.1 Capital investment, maintenance and asset management plan

- The Provincial Treasury managed to implement the procurement plan for assets.
- The Provincial Treasury spent 90.0% of the available budget of R7 291 000.
- During the year under review moveable tangible assets amounting to R809 000 were disposed. As part of the disposal strategy, donations were made to schools that needed furniture and computers.
- The Provincial Treasury's Asset Management Unit performs quarterly asset verification to ensure that the asset register is kept updated.
- The current status of the Provincial Treasury's assets can be classified as fair to good condition.

Capital assets	2016/2017			2017/2018		
	Final Appropriation	Actual Expenditure	(Over)/ Under Expenditure	Final Appropriation	Actual Expenditure	(Over)/ Under Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
New and replacement assets	13 415	13 436	(21)	7 291	6 589	702
Total	13 415	13 436	(21)	7 291	6 589	702



Part C

Governance

1. INTRODUCTION

The Provincial Treasury has well established governance structures such as the Audit Committee and Risk and Ethics Management Committee, which are tasked with a responsibility to ensure that risks are managed, internal controls are adequate and effective and governance principles are implemented.

2. RISK MANAGEMENT

The Provincial Treasury has an approved Risk Management Policy, Risk Management Committee Charter and Risk Management Strategy. Risk assessments are conducted annually for all Programmes to identify risks that impact on the achievement of objectives. Progress made on identified risk areas are evaluated on a quarterly basis, the quarterly reviews would also identify new or emerging risks. Risk awareness workshops are conducted to create awareness of risk management to all levels in the Provincial Treasury.

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

The Audit Committee advises the Provincial Treasury on risk management and independently monitors the effectiveness of the system of risk management at Audit Committee meetings. The Provincial Treasury conducts quarterly risk evaluation sessions to monitor the management of risks. All Programmes are required to include the action plans to address high risk areas in the annual performance plan.

3. FRAUD AND CORRUPTION

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

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

4. MINIMISING CONFLICT OF INTEREST

The Provincial Treasury continued its program on minimising conflict of interest by raising awareness amongst officials on the importance of disclosing their interests and placed emphasis especially on designated officials.

Annual reminders were sent to officials to seek permission from the Executive Authority before any remunerative work outside their employment in the Public Service was performed including advocacy on the new Public Service Regulations which came into effect from 1 August 2016. For the period under review, all SMS Members accordingly declared their financial interests through the e-disclosure system, including officials in the Office of the Chief Financial Officer. For the period under review, no officials were granted permission to perform work outside the Public Service.

One official with a potential conflict of interest opted to resign from the Public Service in line with the new Regulations.

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

5. CODE OF CONDUCT

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

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

6. HEALTH, SAFETY AND ENVIRONMENTAL ISSUES

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

7. PORTFOLIO COMMITTEES

Meeting dates of the Portfolio Committee:

- a) 25 May 2017 - Vote 3: Budget 2016/17
- b) 17 August 2017 - Vote 3: 1st Quarter Performance Report 2016/17
- c) No meeting were held only questions were send - Vote 3: 2nd Quarter Performance Report 2016/17

Resolution No.	Resolutions	Response by Provincial Treasury
VOTE 3: BUDGET 2017/18		
1.	Provincial Treasury must ensure that the IDMS is finalised before end of the 2017/18 financial year.	<ul style="list-style-type: none"> a) The province has an approved IDMS. This was approved by the Provincial Executive Committee in May 2013. (Attached) b) The existing IDMS predates the Standard for Infrastructure Procurement and Delivery Management (SIPDM), promulgated in October 2016. The SIPDM is a subset of the IDMS, and the IDMS will be reviewed in line with the SIPDM developments c) In the Provincial Infrastructure Coordination Committee of 10 March 2017, there was an expressed concern that departments are utilizing infrastructure allocations to defray expenses elsewhere in their budgets, on non-infrastructure Goods and Services. The Provincial Treasury has been requested to ensure that allocations for infrastructure are spent on infrastructure projects thus, the Provincial Treasury has developed an Infrastructure payment proposal policy. The said proposal was tabled at department MANCO. and is currently in the approval process. (Attached)

Resolution No.	Resolutions	Response by Provincial Treasury
2.	Provincial Treasury must do a work-study on the sustainability of merging the identified directorates for Vote 3 and Vote 6.	<p>a) A submission has been made through the Office of the Premier for the matter to be tabled in the Bargaining Chamber; thereafter a work-study process will be considered. The matter is now incorporated in the bigger Provincial Project of Services Delivery Model.</p> <p>b) Vote 3 and Vote 6 are currently working on concluding a service level agreement for a shared service in affected areas.</p> <p>c) Audit Committee services for MPT and DEDT have been merged as part of the implementation of shared services.</p>
3.	Continue to monitor the spending on Compensation of Employees and ensure that the percentage is decreased during the current financial year.	<p>a) Provincial Treasury will ensure that Compensation of Employees is managed appropriately and effectively during the financial year. Compensation of Employees will not be increased, since there is no vacant funded posts that will be filled during the financial year that is not budgeted for and all other overtime will be approved by the Accounting Officer prior being worked.</p> <p>b) There is an increase that cannot be avoided, being the annual increase that is concluded at National Treasury, Department of Labour and DPSA.</p> <p>c) Compensation of Employees is adjusted in line with Consumer Price Inflation / Index (CPI) provided for the MTEF and the cost of living adjustments in the 2017/2018 financial year is at 7.3% and it will be added with the CPI in the next three years to come currently projected as follows (5.7% CPI+1 2018/19; 5.6% CPI +1 2019/20 and 5.5% CPI+1 2020/21).</p>
4.	The department must on a quarterly basis submit progress reports on the implementation of the strategy to improve audit outcomes of municipalities	<p>a) Provincial Treasury developed a detailed Improvement Plan Framework to monitor the progress made by municipalities. (Improvement Plan Framework is attached) The Accounting Service Unit conducted assessments on AFS preparations of the municipalities to improve the quality of AFS and to minimize the material changes during the audit process. During the quarter, the assessments were conducted in Msukaligwa and Thaba Chweu. (Report attached.)</p> <p>b) Provincial Treasury further conducts analysis on progress by municipalities on implementation of corrective measures in terms of audit remedial action plans. Analysis was conducted in the following municipalities:</p> <ul style="list-style-type: none"> • Bushbuckridge • Thaba Chweu • Dr Pixley Ka Isaka Seme • Emalahleni • Thembisile Hani • Lekwa • Chief Albert Luthuli <p>d) (Attached please find the municipal analysis per municipality)</p>
5.	The department must submit quarterly reports on the financial viability of all municipalities in the Province and progress made towards uplifting identified municipalities.	<p>a) Provincial Treasury is monitoring the financial management and viability of municipalities on a monthly basis in terms of the requirements of Section 71 of the Municipal Finance Management Act, No. 56 of 2003. These reports are analysed and written feedback are provided to all municipalities on a monthly basis. On a quarterly basis, the reports are consolidated and published.</p> <p>b) Lekwa LM and Chief Albert Luthuli LM were supported by Provincial Treasury with Eskom to develop and implement Revenue Enhancement Strategies to improve their financial viability.</p>

Resolution No.	Resolutions	Response by Provincial Treasury
		<p>c) Provincial Treasury was also part of the National Steering Committee where various Service Providers were appointed to support municipalities countrywide with Simplified Revenue plans. Six Municipalities received support through this process and the progress reports of the following local municipalities in Mpumalanga are attached:</p> <ul style="list-style-type: none"> • Chief Albert Luthuli; • Dipaleseng; • Lekwa; • Msukaligwa; • Thaba Chweu; • Victor Khanye. <p>d) All municipalities are receiving support with regard to the coordination and collection of outstanding Government Debt. Payments made by Department of Public Works (Provincial) for the period April 2016 to June 2017 amount to R114,2 million.</p> <p>e) For the month of June 2017 provincial departments transferred an amount of R18 million to municipalities.</p> <p>e) Municipalities budgets were scrutinized during the draft budget assessment process and all municipalities were supported with specific recommendations to support municipalities in an attempt to get municipal budgets funded</p>
1st Quarter Performance Report 2017/18		
1.	The appointment of the Panel of specialists to assist municipalities must be fast tracked.	<p>a) The appointment of the Panel of Specialists / Service providers has been adjudicated and the appointment of service providers will be finalised by the end of September 2017.</p> <p>b) Detailed Terms of Reference will be provided to qualifying Service Providers to submit a proposal on municipal specific support. The Department will then appoint the recommended Service Provider for the identified municipality in line with the Terms of Reference.</p>
2.	The finalisation of the organisational structure must be prioritised and the proposed timeframe for the finalisation must be submitted.	a) The Provincial Treasury is prioritizing the finalization of the revised organizational structure; however, the conclusion of the process is dependent on external processes, namely; Recognized Organized Labour, Work-Study process as well as the review of the draft structure by the Rationalization Task Team in the Office of the Premier.
3.	Update the Improvement Plan Framework to indicated achievements and challenges encountered. Furthermore, the Provincial Treasury must submit the updated plan to the Committee.	<p>a) The improvement plan framework was submitted.</p> <p>b) The achievements and challenges will be reported on after the first progress review meeting takes place, which is planned for October 2017</p>
4.	Prioritise the appointment of service providers for effective service delivery.	a) The process of appointing service providers for the improvement of Audit outcomes in Municipalities has been adjudicated and the appointment of service providers will be finalised by the end of September 2017.
2nd Quarter Performance Report 2017/18		
1.	Provincial Treasury must spend its budget in line with the approved Annual Performance Plan.	a) Programme managers receive budget and expenditure reports on a weekly basis that are being used to monitor spending trends.

Resolution No.	Resolutions	Response by Provincial Treasury
2.	Provincial Treasury must provide a report on the impact done by the service providers on the municipalities.	<p>a) Provincial Treasury developed TORs and requested Service Providers that registered on Provincial Database, to submit detailed proposals to assist Lekwa, Emalahleni, Thaba Chweu, Govan Mbeki and Dipaleseng Local Municipalities with Sustainable Financial Solutions by 18 December 2018.</p> <p>b) The proposals were received and the Evaluation committee is currently in the process of finalizing the process. The awarding of the contract will be finalised during February 2018.</p> <p>c) The identified support will be in the following areas:</p> <ul style="list-style-type: none"> Review and improve Revenue Management with the aim of optimising revenue collection. Review and improve effectiveness of controls over expenditure and commitments against available budget. <p>f) Review and improve credibility of budgets.</p> <p>d) Development of a detail project plan for implementation of all of the above will be done.</p> <p>e) The Provincial Treasury will only be able to measure the impact of the support after finalization of the project. Provincial Treasury is further still in a process to analyse the municipal management letters as issued by the Auditor General end of November to further identify areas of support to improve audit outcomes of municipalities.</p> <p>g) After the analyses are completed, Provincial Treasury will further develop detailed TORs for the identified municipalities.</p> <p>h) Identified Service Providers on the Data Base will then be requested to submit detailed proposals to roll out support to these municipalities.</p>

8. SCOPA RESOLUTIONS

The Provincial Treasury did not have any questions or resolutions arising from SCOPA.

9. PRIOR MODIFICATIONS TO AUDIT REPORTS

There were no prior modifications to audit reports.

10. INTERNAL CONTROL UNIT

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

11. INTERNAL AUDIT AND AUDIT COMMITTEES

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

Key activities and objectives of the internal audit:

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

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

Summary of audit work done

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

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

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

Key activities and objectives of the Audit Committee:

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

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

Name	Qualifications	Internal or external	If internal, position in the department	Date appointed	Date Resigned	No. of Meetings attended
Mr Sam Mthembu – Chairperson from 01/11/2016	FAP(IAC)SA B Com Accounting MBL	External	N/A	01/11/2013	N/A	6
Ms Thabisile Idah Ranape Co-Chairperson	B Tech: Public Management National Diploma: Public Management and Administration Diploma: State Finance	External	N/A	01/04/2017	N/A	2
Mr Hangalakani Hlomane	BSc: Maths Sciences Masters: IT	External	N/A	01/11/2013	N/A	6
Ms Nonyaniso Brenda Mzuzu	B Proc Degree Certificate in Business Rescue	External	N/A	01/11/2016	N/A	4
Mr Sibusiso Khululekani Mavundla	B Com Accounting	Internal	Office of the Premier IT Audit Section	01/11/2016	N/A	5

12. AUDIT COMMITTEE REPORT

The Audit Committee hereby presents its 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 (Act 1 of 1999) and Treasury Regulation 3.1.13. The Audit Committee also reports that it has adopted appropriate formal terms of reference as its Audit Committee Charter. We have regulated our affairs in compliance with this Charter and have discharged all responsibilities as contained therein, except that we have not reviewed changes in accounting policies and practices.

The Effectiveness of Internal Control Systems

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

The following Internal Audit work was completed during the year under review:

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

The following were areas of concern:

- a) Timeline to finalise and review departmental policies and procedures;
- b) Failure by the Department of Public Works, Roads and Transport to attend timeously to Occupational Health Safety matters impacting the Provincial Treasury;
- c) Failure by the Department of Public Works, Roads and Transport to attend to the renewal lease contract and contract management timeously;
- d) Non adherence to the timelines in the procurement plan;
- e) Movement of assets not reflected on LOGIS and updated on inventory lists timeously;
- f) Inadequate review of asset reconciliation and follow-up on reconciling items;
- g) Inadequate monitoring, supervision and review of the usage of government vehicles;
- h) Workstation software and patch management maintenance;
- i) Inadequate management of workstations via the ITB domain;
- j) Inadequate implementation of the performance management and development system;
- k) Management of Leave; and
- l) Performance information management.

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

In-Year Management and Monthly and Quarterly Reports

The Provincial Treasury submitted monthly and quarterly reports as required by the PFMA.

Evaluation of Financial Statements

The Audit Committee has reviewed the Annual Financial Statements as prepared by the Provincial Treasury.

Auditor-General's Report

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

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

Independence of the Audit Committee

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

Internal Audit

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

Appreciation

The Audit Committee appreciates the effort of the Provincial Treasury to achieve most of its set targets even when confronted with the moratorium on the filling of vacant positions.

The Audit Committee also values the dedication of the management team and staff of Provincial Treasury to achieving a clean administration. The Audit Committee appreciates the assistance and cooperation of management in the discharge of its responsibility.



Mr Sam Mthembu
Chairperson of the Audit Committee
Mpumalanga Provincial Treasury
Date: 31 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 Provincial Treasury

The provincial Treasury will continue to provide:

- a) Human Resource and support services to enable achievement of objectives;
- b) Implement human resource and employment equity plans;
- c) Implement skills development programmes to improve operational efficiency and employment opportunities;
- d) Address skills gaps as informed by performance management assessments;
- e) Provide labour advice to promote sound employee/employer relations; and
- f) Promote health and wellness and support programmes.

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

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

- a) **Workforce planning and key strategies to attract and recruit a skilled and capable workforce.**

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

- b) **Employee performance management.**

The Provincial Treasury assessed all officials at salary level 1 - 12, and those who qualified for performance incentives and pay progression were paid accordingly. All Senior Managers and Head: Provincial Treasury were not assessed. The Head: Provincial Treasury was not assessed for the period under review.

c) Employee wellness programmes.

The Provincial Treasury conducted 13 Health and Wellness workshops. Health and Wellness committee meetings were convened.

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

Not Achieved
The Provincial Treasury did not fill all post as per the approved organogram due to the moratorium
Achieved
The Provincial Treasury managed to achieve the prescribed 50% female employees at SMS level. People with Disabilities are at 2.456% and therefore within the prescribed 2%.
Achieved
The Provincial Treasury had 4 service terminations and managed to conduct the four (4) Exit Interviews and report produced for Management Committee.
Achieved
The Provincial Treasury managed to perform PERSAL clean up process to improve data integrity.
Achieved
The Provincial Treasury was able to reduce abuse of sick leave by 0.4% by conducting awareness campaigns.
Not Achieved
The Provincial Treasury processed two (2) misconduct cases, and resolved six (6) grievance cases whilst one (1) remained outstanding.
Achieved
The Provincial Treasury obtained approval for Generic Training Programme for 2017/18 and six training programmes were conducted in line with the approved programme.
Partially Achieved
The Provincial Treasury assessed all officials at Salary level 1-12, and those who qualified for performance incentives and pay progression were paid accordingly. All Senior Managers and Head: Provincial Treasury were not assessed.
Achieved
The Provincial Treasury conducted 13 Health and Wellness workshops. Health and Wellness committee meetings were convened.

3. HUMAN RESOURCES OVERSIGHT STATISTICS

3.1. Personnel related expenditure

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

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

Table 3.1.1 Personnel expenditure by programme for the period 1 April 2017 and 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	87 267	55 582	1 486	310	64	475
Sustainable Resource Management	47 049	38 967	327	2 706	83	847
Assets & Liabilities Management	127 016	53 684	328	0	42	596
Financial Governance	26 210	21 485	384	1 104	82	671
Total as on Financial Systems	287 542	169 718	2 525	4 120	59	595

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

Salary band	Personnel expenditure (R'000)	% of total personnel cost	No. of employees	Average personnel cost per employee (R'000)
Lower skilled (Levels 1-2)	2 183	1,20	11	198
Skilled (Levels 3-5)	7 375	4,10	32	230
Highly skilled production (Levels 6-8)	35 405	19,50	93	380
Highly skilled supervision (Levels 9-12)	96 162	53,00	130	739
Senior management (Levels 13-16)	20 092	11,10	17	1 181
Contract (Levels 9-12)	635	0,40	1	635
Contract (Levels 13-16)	1 084	0,60	1	1 084
Abnormal Appointment	6 782	3,90	116	58
TOTAL	169 718	100	401	423

Table 3.1.3 Salaries, Overtime, Home Owners Allowance and Medical Aid by programme for the period 1 April 2017 and 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	46 326	79,3	261	0,4	1 660	2,8	2 734	4,7
PR2 Sustainable Resource Management	34 162	80,9	5	0,0	725	1,7	719	1,7
PR3 Assets and Liabilities Management	45 836	79,0	244	0,4	1 029	1,8	2 147	3,7
PR4 Financial Governance	17 835	78,4	11	0,0	416	1,8	756	3,3
TOTAL	144 159	79,5	520	0,3	3 830	2,1	6 356	3,5

Table 3.1.4 Salaries, Overtime, Home Owners Allowance and Medical Aid by salary band for the period 1 April 2017 and 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
Lower skilled (Levels 1-2)	1 496	68,5	0	0,0	199	9,1	311	14,2
Skilled (Levels 3-5)	5 559	74,8	40	0,5	460	6,2	565	7,6
Highly skilled production (Levels 6-8)	28 197	77,0	271	0,7	1 333	3,6	2 245	6,1
Highly skilled supervision (Levels 9-12)	82 481	79,2	209	0,2	1 310	1,3	2 964	2,8
Senior management (Levels 13-16)	17 728	81,5	0	0,0	527	2,4	271	1,2
Contract (Levels 9-12)	635	94,6	0	0,0	0	0,0	0	0,0
Contract (Levels 13-16)	1 024	91,1	0	0,0	2	0,2	0	0,0
Abnormal Appointment	7 040	94,6	0	0,0	0	0,0	0	0,0
TOTAL	144 159	79,5	520	0,3	3 830	2,1	6 356	3,5

3.2. Employment and Vacancies

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

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

This information is presented in terms of three key variables:

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

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

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

Programme	Number of posts on approved establishment	Number of posts filled	Vacancy Rate	Number of employees additional to the establishment
PR1 Administration	121	117	3,3	39
PR2 Sustainable Resource Management	47	46	2,1	3
PR3 Assets and Liabilities Management	94	90	4,3	0
PR4 Financial Governance	32	32	0,0	0
TOTAL	294	285	3,1	42

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
Lower Skilled (Levels 1-2), Permanent	11	11	0,0	39
Skilled (Levels 3-5), Permanent	32	32	0,0	0
Highly Skilled Production (Levels 6-8), Permanent	93	93	0,0	0
Highly Skilled Supervision (Levels 9-12), Permanent	136	130	4,4	0
Senior Management (Levels 13-16), Permanent	20	17	15,0	0
Contract (Levels 9-12), Permanent	1	1	0,0	3
Contract (Levels 13-16), Permanent	1	1	0,0	0
TOTAL	294	285	3,1	42

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	57	54	5,3	0
Cleaners in offices workshops hospitals etc., Permanent	12	12	0,0	12
Communication and Information related, Permanent	3	3	0,0	1
Computer system designers and analysts, Permanent	1	1	0,0	0
Finance and economics related, Permanent	24	24	0,0	0
Financial and related professionals, Permanent	39	39	0,0	3
Financial clerks and credit controllers, Permanent	3	3	0,0	20
Head of department/chief executive officer, Permanent	1	1	0,0	0
Human resources clerks, Permanent	1	1	0,0	1
Human resources related, Permanent	8	7	12,5	0
Information technology related, Permanent	19	19	0,0	5
Light vehicle drivers, Permanent	1	1	0,0	0
Logistical support personnel, Permanent	26	25	3,8	0
Messengers porters and deliveries, Permanent	2	2	0,0	0
Other administrative policy and related officers, Permanent	1	1	0,0	0
Other information technology personnel, Permanent	7	7	0,0	0
Other occupations, Permanent	64	61	4,7	0

Critical occupation	Number of posts on approved establishment	Number of posts filled	Vacancy Rate	Number of employees additional to the establishment
Risk management and security services, Permanent	1	1	0,0	0
Secretaries & other keyboard operating clerks, Permanent	14	14	0,0	0
Senior managers, Permanent	10	9	10,0	0
TOTAL	294	285	3,1	42

3.3. Filling of SMS Posts

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

Table 3.3.1 SMS post information as on 31 March 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
Head of Department	1	1	100	0	0
Salary Level 16	0	0	0	0	0
Salary Level 15	0	0	0	0	0
Salary Level 14	2	2	100	0	0
Salary Level 13	18	15	83.3	3	16.7
Total	21	18	85.7	3	14.3

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
Head of Department	1	1	100	0	0
Salary Level 16	0	0	0	0	0
Salary Level 15	0	0	0	0	0
Salary Level 14	2	2	100	0	0
Salary Level 13	18	15	83.3	3	16.7
Total	21	18	85.7	3	14.3

Table 3.3.3 Advertising and filling of SMS posts for the period 1 April 2017 and 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
Head of Department	0	0	0
Salary Level 16	0	0	0
Salary Level 15	0	0	0
Salary Level 14	0	0	0
Salary Level 13	0	0	0
Total	0	0	0

Table 3.3.4 Reasons for not having complied with the filling of funded vacant SMS - Advertised within 6 months and filled within 12 months after becoming vacant for the period 1 April 2017 and 31 March 2018

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

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 2017 and 31 March 2018

Reasons for vacancies not advertised within six months
N/A
Reasons for vacancies not filled within six months
N/A

3.4. Job Evaluation

Within a nationally determined framework, executing authorities may evaluate or re-evaluate any job in his or her organisation. In terms of the Regulations all vacancies on salary levels 9 and higher must be evaluated before they are filled. The following table summarises the number of jobs that were evaluated during the year under review. The table also provides statistics on the number of posts that were upgraded or downgraded.

Table 3.4.1 Job Evaluation by Salary band for the period 1 April 2017 and 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
Lower Skilled (Levels 1-2)	11	0	0,0	0	0,0	0	0,0
Skilled (Levels 3-5)	32	0	0,0	14	100	0	0,0
Highly Skilled Production (Levels 6-8)	93	0	0,0	4	75,0	0	0,0
Highly Skilled Supervision (Levels 9-12)	136	0	0,0	103	1,0	0	0,0
Senior Management Service Band A	15	0	0,0	0	100	0	0,0

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
Senior Management Service Band B	5	0	0,0	0	0,00	0	0,0
Contract (Levels 9-12)	1	0	0,0	0	0,0	0	0,0
Contract Band C	1	0	0,0	0	0,0	0	0,0
Total	294	0	0,0	121	15,7	0	0,0

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

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

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

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

Table 3.4.3 Employees with salary levels higher than those determined by job evaluation by occupation for the period 1 April 2017 and 31 March 2018

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

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

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

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

3.5. Employment Changes

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

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

Salary band	Number of employees at beginning of period-April 2017	Appointments and transfers into the department	Terminations and transfers out of the department	Turnover rate
Lower Skilled (Levels 1-2) Permanent	18	0	0	0,0
Skilled (Levels 3-5) Permanent	29	0	0	0,0
Highly Skilled Production (Levels 6-8) Permanent	100	0	2	2,0
Highly Skilled Supervision (Levels 9-12) Permanent	122	0	1	0,8
Senior Management Service Band A Permanent	13	0	1	7,7
Senior Management Service Band B Permanent	5	0	0	0,0
Senior Management Service Band C Permanent	1	0	0	0,0
Contract (Levels 9-12) Permanent	1	0	0	0,0
TOTAL	289	0	4	10,5

Table 3.5.2 Annual turnover rates by critical occupation for the period 1 April 2017 and 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	0	0	0,0
Cleaners in offices workshops hospitals etc., Permanent	12	0	0	0,0
Communication and information related, Permanent	3	0	0	0,0
Computer system designers and analysts, Permanent	1	0	0	0,0
Finance and economics related, Permanent	22	0	0	0,0
Financial and related professionals, Permanent	39	0	0	0,0
Financial clerks and credit controllers, Permanent	3	0	0	0,0
Head of department/chief executive officer, Permanent	1	0	0	0,0

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
Human resources clerks, Permanent	1	0	0	0,0
Human resources related, Permanent	7	0	1	14,3
Information technology related, Permanent	19	0	0	0,0
Light vehicle drivers, Permanent	1	0	0	0,0
Logistical support personnel, Permanent	25	0	1	4,0
Messengers porters and deliverers, Permanent	2	0	0	0,0
Other administrative policy and related officers, Permanent	1	0	0	0,0
Other information technology personnel, Permanent	7	0	0	0,0
Other occupations, Permanent	64	0	1	1,6
Risk management and security services, Permanent	2	0	1	50,0
Secretaries & other keyboard operating clerks, Permanent	14	0	0	0,0
Senior managers, Permanent	9	0	0	0,0
Total	289	0	4	69,9

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

Table 3.5.3 Reasons why staff left the department for the period 1 April 2017 and 31 March 2018

Termination Type	Number	% of Total Resignations
Resignation	4	100
Total	4	100
Total number of employees who left as a % of total employment		1.4

Table 3.5.4 Promotions by critical occupation for the period 1 April 2017 and 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, Permanent	56	0	0,0	37	66,1
Cleaners in offices workshops hospitals etc., Permanent	12	0	0,0	8	66,7
Communication and information related, Permanent	3	0	0,0	3	100
Computer system designers and analyst, Permanent	1	0	0,0	1	100
Finance and economics related, Permanent	22	0	0,0	19	86,4
Financial and related professionals, Permanent	39	0	0,0	30	76,9
Financial clerks and credit controllers, Permanent	3	0	0,0	1	33,3
Head of department/ chief executive officer, Permanent	1	0	0,0	0	0,0
Human resources clerks, Permanent	1	0	0,0	0	0,0
Human resources related, Permanent	7	0	0,0	6	85,7
Information technology related, Permanent	19	0	0,0	14	73,7
Light vehicle drivers, Permanent	1	0	0,0	0	0,0
Logistical support personnel, Permanent	25	0	0,0	18	72,0
Messengers porters and deliverers, Permanent	2	0	0,0	2	100
Other administrative policy and related officers, Permanent	1	0	0,0	0	0,0
Other information technology personnel, Permanent	7	0	0,0	5	71,4

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
Other occupations, Permanent	64	0	0,0	47	73,4
Risk management and security services, Permanent	2	0	0,0	2	100
Secretaries & other keyboard operating clerks, Permanent	14	0	0,0	12	85,7
Senior managers, Permanent	9	0	0,0	1	11,1
TOTAL	289	0	0,0	206	71,3

Table 3.5.5 Promotions by salary band for the period 1 April 2017 and 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
Lower Skilled (Levels 1-2), Permanent	18	0	0,0	7	38,9
Skilled (Levels 3-5), Permanent	29	0	0,0	26	89,7
Highly Skilled Production (Levels 6-8), Permanent	100	0	0,0	73	73,0
Highly Skilled Supervision (Levels 9-12), Permanent	122	0	0,0	98	80,3
Senior Management (Levels 13-16), Permanent	19	0	0,0	2	10,5
Contract (Levels 9-12), Permanent	1	0	0,0	0	0,0
TOTAL	289	0	0,0	206	71,3

3.6. Employment Equity

Table 3.6.1 Total number of employees (including employees with disabilities) in each of the following occupational categories as on 31 March 2018

Occupational category	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Professionals	46	2	0	6	43	0	0	3	100
Technicians and associate professionals	33	0	1	0	45	0	1	0	80
Labourers and related workers	33	0	0	1	40	0	0	1	75
Plant and machine operators and assemblers	1	0	0	0	0	0	0	0	1
Service shop and market sales workers	0	0	0	0	1	0	0	0	1
Clerks	4	0	0	0	14	0	0	0	18
Senior officials and managers	2	0	1	1	5	0	0	1	10
Total	119	2	2	8	148	0	1	5	285
Employees with disabilities	4	0	1	1	1	0	0	0	7

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

Occupational band	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Senior Management, Permanent	7	0	1	1	5	0	0	3	17
Professionally qualified and experienced specialists and mid-management, Permanent	66	1	1	6	55	0	0	1	130
Skilled technical and academically qualified workers, junior management, supervisors, foremen, Permanent	36	1	0	0	54	0	1	1	93
Semi-skilled and discretionary decision making, Permanent	9	0	0	0	23	0	0	0	32

Occupational band	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Unskilled and defined decision making, Permanent	1	0	0	0	10	0	0	0	11
Contract (Top Management), Permanent	0	0	0	0	1	0	0	0	1
Contract (Professionally Qualified), Permanent	0	0	0	1	0	0	0	0	1
TOTAL	119	2	2	8	148	0	1	5	285

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

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

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

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

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

Occupational band	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Senior Management, Permanent	0	0	0	0	1	0	0	0	1
Skilled technical and academically qualified workers, junior management, supervisors, foremen, Permanent	2	0	0	0	1	0	0	0	3
TOTAL	2	0	0	0	2	0	0	0	4
Employees with Disabilities	0	0	0	0	0	0	0	0	0

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

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

Table 3.6.7 Skills development for the period 1 April 2017 and 31 March 2018

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

3.7. Signing of Performance Agreements by SMS Members

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

Table 3.7.1 Signing of Performance Agreements by SMS members as on 31 May 2017

SMS Level	Total number of funded SMS posts	Total number of SMS members	Total number of signed performance agreements	Signed performance agreements as % of total number of SMS members
Head of Department	1	1	1	100
Salary Level 16	0	0	0	100
Salary Level 15	0	0	0	100
Salary Level 14	2	2	2	100
Salary Level 13	18	15	15	100
Total	21	18	18	100

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

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

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

Reasons
No steps taken as all agreements were signed by 31 May 2017.

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 and 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	122	147	83,0	1 221	10,005
African, Male	89	115	77,4	1 147	12,892
Asian, Female	1	1	100	8	8,210
Asian, Male	0	1	0,0	0	0
Coloured, Female	0	0	0,0	0	0
Coloured, Male	2	2	100	35	17,259
White, Female	2	5	40,0	75	37,428
White, Male	7	7	100	205	29,207
Employees with a disability	3	7	42,9	62	20,750
TOTAL	226	285	79,3	2 752	12,178

Table 3.8.2 Performance Rewards by salary band for personnel below Senior Management Service for the period 1 April 2017 and 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	
Lower Skilled (Levels 1-2)	10	11	90,9	28	2,810	1.3
Skilled (Levels 3-5)	29	32	90,6	118	4,066	1.6
Highly Skilled Production (Levels 6-8)	85	93	91,4	650	7,643	1.8
Highly Skilled Supervision (Levels 9-12)	98	130	75,4	1 721	17,564	1.8
Contract (Levels 9-12)	1	1	100	28	28,232	4
TOTAL	223	267	83,5	2 545	11,413	1.5

Table 3.8.3 Performance Rewards by critical occupation for the period 1 April 2017 and 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	2	3	66,7	31	15,720
Human resources clerks	1	1	100	10	10,195
Messengers porters and deliverers	2	2	100	9	4,244
Risk management and security services	2	1	200	30	15,079
Finance and economics related	16	24	66,7	199	12,415
Logistical support personnel	22	25	88,0	198	8,986
Other occupations	51	61	83,6	631	12,363
Financial and related professionals	25	39	64,1	457	18,269
Administrative related	48	54	88,9	541	11,266
Communication and information related	3	3	100	32	10,753
Secretaries & other keyboard operating clerks	12	14	85,7	64	5,350
Cleaners in offices workshops hospitals etc	11	12	91,7	33	3,000
Human resources related	7	7	100	155	22,204
Head of department/ chief executive officer	0	1	0,0	0	0
Other administrative policy and related officers	0	1	0,0	0	0
Senior managers	2	9	22,2	92	46,052
Computer system designers and analysts.	1	1	100	13	12,956
Other information technology personnel.	6	7	85,7	78	12,993
Light vehicle drivers	1	1	100	4	4,027
Information technology related	14	19	73,7	176	12,548
TOTAL	226	285	79,3	2,752	12,178

Table 3.8.4 Performance related rewards (cash bonus), by salary band for Senior Management Service for the period 1 April 2017 and 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	2	12	16,7	141	70,761	1,0
Band B	1	5	20,0	66	65,588	1,0
Band C	0	1	0,0	0	0	0,0
TOTAL	3	18	16,7	207	69,037	0,9

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 and 31 March 2018

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

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

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

3.10. Leave utilisation

The Public Service Commission identified the need for careful monitoring of sick leave within the public service.

The following tables provide an indication of the use of sick leave and disability leave. In both cases, the estimated cost of the leave is also provided.

Table 3.10.1 Sick leave for the period 1 January 2017 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 13-16)	4	25	2	1	2	18
Highly skilled production (Levels 6-8)	504	75	73	35	7	691
Highly skilled supervision (Levels 9-12)	418	83	74	36	6	1 044
Lower skilled (Levels 1-2)	75	53	16	8	5	39
Senior management (Levels 13-16)	194	94	14	7	14	754
Skilled (Levels 3-5)	158	65	27	13	6	123
TOTAL	1 353	78	206	100	7	2 669

Table 3.10.2 Disability leave (temporary and permanent) for the period 1 January 2017 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)
Nil	0	0	0	0	0	0
Total	0	0	0	0	0	0

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

Table 3.10.3 Annual Leave for the period 1 January 2017 to 31 December 2017

Salary band	Total days taken	Number of Employees using annual leave	Average per employee
Contract (Levels 13-16)	16	2	8
Contract (Levels 9-12)	18	1	18
Highly skilled production (Levels 6-8)	2 358	97	24
Highly skilled supervision (Levels 9-12)	3 513	133	26
Lower skilled (Levels 1-2)	391	17	23
Senior management (Levels 13-16)	475	20	24
Skilled (Levels 3-5)	762	37	21
TOTAL	7 533	307	25

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
Highly skilled production (Levels 6-8)	0	0	0	67
Highly skilled supervision (Levels 9-12)	3	1	3	61
Lower skilled (Levels 1-2)	0	0	0	28
Senior management (Levels 13-16)	0	0	0	51
Skilled (Levels 3-5)	0	0	0	67
TOTAL	3	1	3	63

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 and 31 March 2018

Reason	Total amount (R'000)	Number of employees	Average per employee (R'000)
Current leave payouts on termination of service for 2017/18	112	3	37
Total	112	3	37

3.11. HIV/AIDS & Health Promotion Programmes

Table 3.11.1 Steps taken to reduce the risk of occupational exposure

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

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

Question	Yes	No	Details, if yes
1. Has the department designated a member of the SMS to implement the provisions contained in Part VI E of Chapter 1 of the Public Service Regulations, 2001? If so, provide her/his name and position.	Yes		Ms Cecilia Nkonyane: Senior Manager, Corporate Services
2. Does the department have a dedicated unit or has it designated specific staff members to promote the health and well-being of your employees? If so, indicate the number of employees who are involved in this task and the annual budget that is available for this purpose.	Yes		Three (3) employees, Budget R 2,970,630.00

Question	Yes	No	Details, if yes
3. Has the department introduced an Employee Assistance or Health Promotion Programme for your employees? If so, indicate the key elements/services of this Programme.	Yes		Conduct one-on-one consultation. Referral to professionals. Coordination of Support Groups. Absence pattern analysis report. Implement Health and Wellness Committee recommendations.
4. Has the department established (a) committee(s) as contemplated in Part VI E.5 (e) of Chapter 1 of the Public Service Regulations, 2001? If so, please provide the names of the members of the committee and the stakeholder(s) that they represent.	Yes		Ms JE Nel Ms NG Gabela (NEHAWU) Mr MK Sibanyoni (PSA) Ms EY Mnisi (Health and Wellness) Mr BJ Hlatshwayo Mr TK Theledi Ms AS Mthombeni Ms TA Sibanyoni Mr MS Nkambule Mr MJ Ntimane Ms SG Zitha Ms TT Thwala Ms SE Ngwenya
5. Has the department reviewed its employment policies and practices to ensure that these do not unfairly discriminate against employees on the basis of their HIV status? If so, list the employment policies/practices so reviewed.	Yes		HIV/AIDS and TB Management Policy, Health and Productivity Management Policy, Wellness Management Policy SHEQ Management Policy.
6. Has the department introduced measures to protect HIV-positive employees or those perceived to be HIV-positive from discrimination? If so, list the key elements of these measures.	Yes		Awareness sessions, workshops and meetings of support groups
7. Does the department encourage its employees to undergo Voluntary Counselling and Testing? If so, list the results that you have achieved.	Yes		Positive response from officials in terms of testing for HIV/AIDS, sugar diabetics, high blood pressure, cholesterol
8. Has the department developed measures/indicators to monitor & evaluate the impact of its health promotion programme? If so, list these measures/indicators.	Yes		Progress reports are compiled and available for campaign held

3.12. Labour Relations

Table 3.12.1 Collective agreements for the period 1 April 2017 and 31 March 2018

Subject matter	Date
Total number of Collective agreements	None

Notes

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

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

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

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

Outcomes of disciplinary hearings	Number	% of total
None	Nil	Nil
Total	Nil	Nil

Notes

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

Total number of Disciplinary hearings finalised	Nil
---	-----

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

Type of misconduct	Number	% of total
Insurbonation	1	50
Unacceptable conduct	1	50
Total	2	100

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

Grievances	Number	% of Total
Number of grievances resolved	8	66.67
Number of grievances not resolved	4	33.33
Total number of grievances lodged	12	100

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

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

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

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

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

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

3.13. Skills development

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

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

Occupational category	Gender	Number of employees as at 1 April 2017	Training needs identified at start of the reporting period			
			Learnerships	Skills Programmes & other short courses	Other forms of training	Total
Legislators, senior officials and managers	Female	10	0	0	0	0
	Male	9	0	0	0	0

Occupational category	Gender	Number of employees as at 1 April 2017	Training needs identified at start of the reporting period			
			Learnerships	Skills Programmes & other short courses	Other forms of training	Total
Professionals	Female	23	4	22	0	26
	Male	33	1	34	0	35
Technicians and associate professionals	Female	34	0	30	0	30
	Male	42	0	28	0	28
Clerks	Female	56	0	10	0	10
	Male	36	0	8	0	8
Elementary occupations	Female	33	0	3	0	3
	Male	13	0	1	0	1
Sub Total	Female	156	4	65	0	69
	Male	133	1	71	0	72
Total		289	5	136	0	141

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

Occupational category	Gender	Number of employees as at 1 April 2017	Training provided within the reporting period			
			Learnerships	Skills Programmes & other short courses	Other forms of training	Total
Legislators, senior officials and managers	Female	10	0	0	0	0
	Male	9	0	0	0	0
Professionals	Female	23	1	22	0	23
	Male	33	0	34	0	34
Technicians and associate professionals	Female	34	0	30	0	30
	Male	42	0	28	0	28
Clerks	Female	56	0	9	0	9
	Male	36	0	8	0	8
Elementary occupations	Female	33	0	3	0	3
	Male	13	0	1	0	1
Sub Total	Female	156	1	64	0	65
	Male	133	0	71	0	71
Total		289	1	135	0	136

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 and 31 March 2018

Nature of injury on duty	Number	% of total
Required basic medical attention only	0	0
Temporary Total Disablement	2	100
Permanent Disablement	0	0
Fatal	0	0
Total	2	100

3.15. Utilisation of Consultants

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

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

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

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

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

Table 3.15.2 Analysis of consultant appointments using appropriated funds, in terms of Historically Disadvantaged Individuals (HDIs) for the period 1 April 2017 and 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
N/A	N/A	N/A	N/A
N/A	N/A	N/A	N/A

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

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

Table 3.15.4 Analysis of consultant appointments using Donor funds, in terms of Historically Disadvantaged Individuals (HDIs) for the period 1 April 2017 and 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
N/A	N/A	N/A	N/A
N/A	N/A	N/A	N/A

3.16. Severance Packages

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

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



Part E

Financial Information

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Report of the Auditor-General to the Mpumalanga Provincial Legislature on Vote no. 3: Mpumalanga Provincial Treasury

Report on the audit of the financial statements

Opinion

1. I have audited the financial statements of the Mpumalanga Provincial Treasury set out on pages 88 to 137, 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 Mpumalanga Provincial Treasury 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) as prescribed by the National Treasury and the requirements of the Public Finance Management Act of South Africa, 1999 (Act No. 1 of 1999) (PFMA) and 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 audit opinion.

Emphasis of matters

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

Uncertainty relating to the future outcome of exceptional litigation

7. With reference to note 15 to the financial statements, the department is the defendant in a litigation claim made by a supplier for helpdesk licences, based on the information technology (IT) technicians servicing the users regarding IT-related matters. The ultimate outcome of the matter cannot presently be determined and no provision for any liability that may result has been made in the financial statements.

Fruitless and wasteful expenditure

8. As disclosed in note 21 to the financial statements, the department incurred fruitless and wasteful expenditure of R98 000 during the year in respect of interest on a court judgement.

Responsibilities of the accounting officer for the financial statements

9. 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.
10. 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

11. 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.
12. 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

13. 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.
14. 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 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.
15. 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 - Sustainable Resource Management	26 – 30
Programme 3 - Assets and Liabilities Management	30 – 34
Programme 4 - Financial Governance	34 – 41

16. 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.
17. I did not raise any material findings on the usefulness and reliability of the reported performance information for the following programmes:
- Programme 2 – Sustainable Resource Management
 - Programme 3 – Assets and Liability Management
 - Programme 4 – Financial Governance

Other matter

18. I draw attention to the matter below.

Achievement of planned targets

19. Refer to the annual performance report on pages 23 to 41 for information on the achievement of planned targets for the year and explanations provided for the under- or overachievement of a number of targets.

Report on the audit of compliance with legislation

Introduction and scope

20. 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.
21. I did not raise material findings on compliance with the specific matters in key legislation set out in the general notice issued in terms of the PAA.

Other information

22. 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.

23. 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.
24. 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.
25. 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.
26. I have nothing to report in this regard.

Internal control deficiencies

27. 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. I did not identify any significant deficiencies in internal control.

Auditor-General

Mbombela

Date: 31 July 2018



AUDITOR - GENERAL
SOUTH AFRICA

Auditing to build public confidence

Annexure – Auditor-General’s responsibility for the audit

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

Financial statements

2. In addition to my responsibility for the audit of the financial statements as described in this auditor’s report, I also:
 - identify and assess the risks of material misstatement of the financial statements whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control
 - obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the department’s internal control
 - evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the accounting officer
 - conclude on the appropriateness of the accounting officer’s use of the going concern basis of accounting in the preparation of the financial statements. I also conclude, based on the audit evidence obtained, whether a material uncertainty exists 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.

2. ANNUAL FINANCIAL STATEMENTS

Appropriation per programme									
Programme	2017/18				2016/17				Actual Expenditure
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
1. Administration	85 169	-	2 418	87 587	87 267	320	99.6%	89 625	89 616
2. Sustainable Resource Management	48 150	-	(618)	47 532	47 049	483	99.0%	43 564	43 135
3. Assets and Liabilities Management	129 922	-	(1 800)	128 122	127 016	1 106	99.1%	126 321	125 596
4. Financial Governance	26 704	-	-	26 704	26 210	494	98.2%	27 956	27 923
TOTAL	289 945	-	-	289 945	287 542	2 403	99.2%	287 466	286 270
Reconciliation with statement of financial performance									
ADID									
Departmental receipts				96 907				101 244	
NRF Receipts				-				-	
Aid assistance				-				-	
Actual amounts per statement of financial performance (total revenue)				386 852				388 710	
ADD									
Aid assistance									-
Prior year unauthorised expenditure approved without funding									-
Actual amounts per statement of financial performance (total expenditure)					287 542				286 270

Appropriation per economic classification									
	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
Economic classification									
Current payments	281 686	-	-	281 686	279 972	1 714	99.4%	271 161	270 368
Compensation of employees	169 764	-	-	169 764	169 718	46	100.0%	162 716	162 714
Salaries and wages	149 206	-	-	149 206	148 503	703	99.5%	142 715	142 856
Social contributions	20 558	-	-	20 558	21 215	(657)	103.2%	20 001	19 858
Goods and services	111 922	-	-	111 922	110 254	1 668	98.5%	108 445	107 654
Administrative fees	480	-	-	480	464	16	96.7%	660	653
Advertising	1 331	-	(68)	1 263	1 202	61	95.2%	1 142	1 003
Minor assets	204	-	150	354	239	115	67.5%	170	190
Audit costs: External	4 959	-	710	5 669	5 478	191	96.6%	3 916	3 772
Catering: Departmental activities	639	(30)	-	609	377	232	61.9%	437	426
Communication	3 627	5	400	4 032	4 039	(7)	100.2%	4 171	4 466
Computer services	64 470	(460)	(1 700)	62 310	62 296	14	100.0%	60 259	59 335
Consultants: Business and advisory services	5 412	(270)	(478)	4 664	4 120	544	88.3%	834	531
Legal services	120	-	-	120	98	22	81.7%	4	7
Contractors	40	323	68	431	427	4	99.1%	495	832
Agency and support / outsourced services	-	-	-	-	-	-	-	258	69
Fleet services	1 413	(40)	-	1 373	1 369	4	99.7%	1 386	1 335
Consumable supplies	1 026	-	150	1 176	1 184	(8)	100.7%	978	1 236
Consumables									
printing and office supplies	1 338	(120)	(150)	1 068	1 017	51	95.2%	2 582	1 915
Operating leases	6 211	-	1 000	7 211	7 270	(59)	100.8%	6 758	6 542
Property payments	2 915	-	-	2 915	2 895	20	99.3%	3 841	3 698
le: Stationery,									

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 provided:	25	-	-	25	8	17	32.0%	15	18		
Departmental activity	12 755	367	118	13 240	13 514	(274)	102.1%	15 382	16 704		
Travel and subsistence	2 929	76	(100)	2 905	2 525	380	86.9%	3 028	2 513		
Training and development	834	93	-	927	824	103	88.9%	1 036	1 331		
Operating payments	1 194	56	(100)	1 150	908	242	79.0%	1 075	1 061		
Venues and facilities	-	-	-	-	-	-	-	18	17		
Rental and Hiring	-	-	-	-	-	-	-	-	-		
Transfers and subsidies	968	-	-	968	981	(13)	101.3%	2 887	2 463		
Provinces and municipalities	213	-	-	213	208	5	97.7%	13	11		
Provinces	197	-	-	197	197	-	100.0%	-	-		
Provincial agencies and funds	197	-	-	197	197	-	100.0%	-	-		
Municipalities	16	-	-	16	11	5	68.8%	13	11		
Municipal bank accounts	16	-	-	16	11	5	68.8%	-	-		
Municipal agencies and fund	-	-	-	-	-	-	-	13	11		
Departmental agencies and accounts	544	-	-	544	546	(2)	100.4%	346	346		
Departmental agencies (non business Entities)	544	-	-	544	546	(2)	100.4%	346	346		
Households	211	-	-	211	227	(16)	107.6%	2 528	2 106		
Social benefits	113	-	-	113	113	-	100.0%	2 386	2 106		
Other transfers to households	98	-	-	98	114	(16)	116.3%	142	-		

	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
Payments for capital assets	7 291	-	-	7 291	6 589	702	90.4%	13 415	13 436
Machinery and equipment	7 291	(9)	-	7 282	6 580	702	90.4%	13 363	13 384
Transport equipment	-	-	-	-	-	-	-	1 888	1 963
Other machinery and equipment	7 291	(9)	-	7 282	6 580	702	90.4%	11 475	11 421
Intangible assets	-	9	-	9	9	-	100.0%	52	52
Payments for financial assets	-	-	-	-	-	-	-	3	3
TOTAL	289 945	-	-	289 945	287 542	2 403	99.2%	287 466	286 270

PROGRAMME 1: ADMINISTRATION									
	Adjusted Appropriation	Shifting of Funds	Virement	2017/18			2016/17		
	R'000	R'000	R'000	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
				R'000	R'000	R'000	%	R'000	R'000
Sub programme									
1. Management Services	39 002	-	(290)	38 712	38 632	80	99.8%	38 933	38 934
2. Financial Management	41 212	-	2 708	43 920	43 880	40	99.9%	46 191	46 190
3. Internal Audit	4 955	-	-	4 955	4 755	200	96.0%	4 501	4 492
Total for sub programmes	85 169	-	2 418	87 587	87 267	320	99.6%	89 625	89 616
Economic classification									
Current payments	82 885	-	2 418	85 303	85 153	150	99.8%	82 574	82 655
Compensation of employees	55 487	-	-	55 487	55 582	(95)	100.2%	52 274	52 274
Salaries and wages	48 136	-	-	48 136	48 116	20	100.0%	45 247	45 316
Social contributions	7 351	-	-	7 351	7 466	(115)	101.6%	7 027	6 958
Goods and services	27 398	-	2 418	29 816	29 571	245	99.2%	30 300	30 381
Administrative fees	213	-	-	213	198	15	93.0%	229	293
Advertising	1 241	-	(68)	1 173	1 145	28	97.6%	1 088	951
Minor assets	114	-	150	264	239	25	90.5%	170	190
Audit costs: External	3 938	-	850	4 788	4 770	18	99.6%	3 288	3 302
Catering: Departmental activities	299	-	-	299	243	56	81.3%	204	263
Communication	2 653	-	400	3 053	3 055	(2)	100.1%	2 909	3 336
Computer services	18	-	-	18	18	-	100.0%	17	17
Consultants: Business and advisory services	377	-	-	377	310	67	82.2%	324	296
Legal services	120	-	-	120	98	22	81.7%	4	7
Contractors	40	-	68	108	104	4	96.3%	495	739

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		
Agency and support / outsourced services	-	-	-	-	-	-	-	258	69		
Fleet services	1 413	(40)	-	1 373	1 369	4	99.7%	1 386	1 335		
Consumable supplies	1 016	-	150	1 166	1 184	(18)	101.5%	957	879		
Consumable: Stationery, printing and office supplies	1 338	(120)	(150)	1 068	1 017	51	95.2%	2 271	1 796		
Operating leases	6 211	-	1 000	7 211	7 270	(59)	100.8%	6 758	6 542		
Property payments	2 915	-	-	2 915	2 895	20	99.3%	3 841	3 698		
Transport provided: Departmental activity	25	-	-	25	8	17	32.0%	15	18		
Travel and subsistence	3 407	44	118	3 569	3 603	(34)	101.0%	3 735	4 427		
Training and development	1 573	76	(100)	1 549	1 486	63	95.9%	1 213	1 177		
Operating payments	220	40	-	260	272	(12)	104.6%	707	526		
Venues and facilities	267	-	-	267	287	(20)	107.5%	413	503		
Rental and Hiring	-	-	-	-	-	-	-	18	17		
Transfers and subsidies	756	-	-	756	769	(13)	101.7%	833	689		
Provinces and municipalities	16	-	-	16	11	5	68.8%	13	11		
Municipalities	16	-	-	16	11	5	68.8%	13	11		
Municipal bank account	16	-	-	16	11	5	68.8%	-	-		
Municipal agencies and fund	-	-	-	-	-	-	-	13	11		
Departmental agencies and accounts	544	-	-	544	546	(2)	100.4%	346	346		
Departmental agencies(non business entities)	544	-	-	544	546	(2)	100.4%	346	346		
Households	196	-	-	196	212	(16)	108.2%	474	332		

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		
Social benefits	98	-	-	98	98	-	100.0%	332	332		
Other transfers to households	98	-	-	98	114	(16)	116.3%	142	-		
Payments for capital assets	1 528	-	-	1 528	1 345	183	88.0%	6 218	6 272		
Machinery and equipment	1 528	-	-	1 528	1 345	183	88.0%	6 166	6 220		
Transport equipment		-	-	-	-	-	-	1 888	1 963		
Other machinery and equipment	1 528	-	-	1 528	1 345	183	88.0%	4 278	4 257		
Intangible assets	-	-	-	-	-	-	-	52	52		
Payments for financial assets	-	-	-	-	-	-	-	-	-		
TOTAL	85 169	-	2 418	87 587	87 267	320	99.6%	89 625	89 616		

1.1 MANAGEMENT SERVICES									
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	37 966	-	(250)	37 716	37 752	(36)	100.1%	36 569	36 733
Compensation of employees	32 047	-	-	32 047	32 200	(153)	100.5%	30 045	30 047
Goods and services	5 919	-	(250)	5 669	5 552	117	97.9%	6 524	6 686
Transfers and subsidies	740	-	-	740	756	(16)	102.2%	818	676
Departmental agencies and accounts	544	-	-	544	544	-	100.0%	344	344
Households	196	-	-	196	212	(16)	108.2%	474	332
Payments for capital assets	296	-	(40)	256	124	132	48.4%	1 546	1 525
Machinery and equipment	296	-	(40)	256	124	132	48.4%	1494	1 473
Intangible assets	-	-	-	-	-	-	-	52	52
Payments for financial assets	-	-	-	-	-	-	-	-	-
TOTAL	39 002	-	(290)	38 712	38 632	80	99.8%	38 933	38 934

1.2 FINANCIAL MANAGEMENT									
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	39 964	-	2 668	42 632	42 646	(14)	100.0%	41 504	41 430
Compensation of employees	19 223	-	-	19 223	19 219	4	100.0%	18 427	18 426
Goods and services	20 741	-	2 668	23 409	23 427	(18)	100.1%	23 077	23 004
Transfers and subsidies	16	-	-	16	13	3	81.3%	15	13
Provinces and municipalities	16	-	-	16	11	5	68.8%	13	11
Departmental agencies and accounts	-	-	-	-	2	(2)	-	2	2
Payments for capital assets	1 232	-	40	1 272	1 221	51	96.0%	4 672	4 747
Machinery and equipment	1 232	-	40	1 272	1 221	51	96.0%	4 672	4 747
Payments for financial assets	-	-	-	-	-	-	-	-	-
TOTAL	41 212	-	2 708	43 920	43 880	40	99.9%	46 191	46 190

1.3 INTERNAL AUDIT									
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	4 955	-	-	4 955	4 755	200	96.0%	4 501	4 492
Compensation of employees	4 217	-	-	4 217	4 163	54	98.7%	3 802	3 801
Goods and services	738	-	-	738	592	146	80.2%	699	691
TOTAL	4 955	-	-	4 955	4 755	200	96.0%	4 501	4 492

PROGRAMME 2: SUSTAINABLE RESOURCE MANAGEMENT									
	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
Sub programme									
1. Programme Support	1 533	-	-	1 533	1 519	14	99.1%	1 452	1 453
2. Provincial Administration Fiscal Discipline	9 405	-	(140)	9 265	9 182	83	99.1%	9 149	8 929
3. Budget and Expenditure Management	10 315	-	-	10 315	10 244	71	99.3%	9 459	9 381
4. Municipal Finance	22 604	-	(478)	22 126	21 914	212	99.0%	19 544	19 460
5. Infrastructure Co-ordination	4 293	-	-	4 293	4 190	103	97.6%	3 960	3 912
Total for sub programmes	48 150		(618)	47 532	47 049	483	99.0%	43 564	43 135
Economic classification									
Current payments	47 951	-	(618)	47 333	46 850	483	99.0%	43 561	43 132
Compensation of employees	38 776	-	-	38 776	38 967	(191)	100.5%	38 365	38 364
Salaries and wages	34 997	-	-	34 997	34 891	106	99.7%	34 481	34 506
Social contributions	3 779	-	-	3 779	4 076	(297)	107.9%	3 884	3 858
Goods and services	9 175	-	(618)	8 557	7 883	674	92.1%	5 196	4 768
Administrative fees	70	-	-	70	65	5	92.9%	109	78
Audit costs: External	503	-	(140)	363	359	4	98.9%	300	150
Catering: Departmental activities	183	(30)	-	153	58	95	37.9%	123	64
Communication	405	5	-	410	414	(4)	101.0%	494	449
Computer services	-	-	-	-	-	-	-	-	-

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
Consultants: Business and advisory services	3 623	(270)	(478)	2 875	2 706	169	94.1%	121	-
Consumable supplies	10	-	-	10	-	10	-	-	-
Consumable: Stationery, printing and office supplies	-	-	-	-	-	-	-	298	119
Travel and subsistence	3 188	242	-	3 430	3 350	80	97.7%	3 319	3 180
Training and development	435	-	-	435	327	108	75.2%	188	213
Operating payments	465	53	-	518	438	80	84.6%	166	316
Venues and facilities	293	-	-	293	166	127	56.7%	78	199
Transfers and subsidies	199	-	-	199	199	-	100.0%	-	-
Provinces and municipalities	197	-	-	197	197	-	100.0%	-	-
Provinces	197	-	-	197	197	-	100.0%	-	-
Provincial Revenue Funds	197	-	-	197	197	-	100.0%	-	-
Households	2	-	-	2	2	-	100.0%	-	-
Social benefits	2	-	-	2	2	-	100.0%	-	-
Payments for financial assets	-	-	-	-	-	-	-	3	3
Total	48 150	-	(618)	47 532	47 049	483	99.0%	43 564	43 135

2.1 PROGRAMME 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
Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments	1 533	-	-	1 533	1 519	14	99.1%	1 452	1 453
Compensation of employees	1 348	-	-	1 348	1 348	-	100.0%	1 333	1 334
Goods and services	185	-	-	185	171	14	92.4%	119	119
TOTAL	1 533	-	-	1 533	1 519	14	99.1%	1 452	1 453

2.2 PROVINCIAL ADMIN FISCAL DISCIPLINE									
	2017/18						2016/17		
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments	9 405	-	(140)	9 265	9 182	83	99.1%	9 149	8 929
Compensation of employees	8 436	-	-	8 436	8 391	45	99.5%	8 233	8 233
Goods and services	969	-	(140)	829	791	38	95.4%	916	696
TOTAL	9 405	-	(140)	9 265	9 182	83	99.1%	9 149	8 929

2.3 BUDGET AND EXPENDITURE MANAGEMENT									
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	10 118	-	-	10 118	10 047	71	99.3%	9 459	9 381
Compensation of employees	8 990	-	-	8 990	8 991	(1)	100.0%	8 353	8 353
Goods and services	1 128	-	-	1 128	1 056	72	93.6%	1 106	1 028
Transfers and subsidies	197	-	-	197	197	-	100.0%	-	-
Provincial agencies and Funds	197	-	-	197	197	-	100.0%	-	-
TOTAL	10 315	-	-	10 315	10 244	71	99.3%	9 459	9 381

2.4 MUNICIPAL FINANCE									
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	22 602	-	(478)	22 124	21 912	212	99.0%	19 541	19 457
Compensation of employees	16 239	-	-	16 239	16 518	(279)	101.7%	17 000	17 000
Goods and services	6 363	-	(478)	5 885	5 394	491	91.7%	2 541	2 457
Transfers and subsidies	2	-	-	2	2	-	100.0%	-	-
Households	2	-	-	2	2	-	100.0%	-	-
Payment for financial assets	-	-	-	-	-	-	-	3	3
TOTAL	22 604	-	(478)	22 126	21 914	212	99.0%	19 544	19 460

2.5 INFRASTRUCTURE CO-ORDINATION									
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
Economic classification									
Current payments	4 293	-	-	4 293	4 190	103	97.6%	3 960	3 912
Compensation of employees	3 763	-	-	3 763	3 719	44	98.8%	3 446	3 444
Goods and services	530	-	-	530	471	59	88.9%	514	468
TOTAL	4 293	-	-	4 293	4 190	103	97.6%	3 960	3 912

PROGRAMME 3: ASSETS AND LIABILITIES MANAGEMENT									
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
Sub programme									
1. Programme Support	234	-	-	234	207	27	88.5%	1 210	1 237
2. Provincial Supply Chain Management	16 569	-	(100)	16 469	16 153	316	98.1%	16 344	16 056
3. Public Sector Liabilities	4 971	-	-	4 971	4 891	80	98.4%	5 106	5 160
4. Physical Asset Management	6 952	-	-	6 952	6 950	2	100.0%	6 777	6 569
5. Interlinked Financial Systems	12 171	-	(400)	11 771	11 730	41	99.7%	13 534	13 834
6. Information Technology	89 025	-	(1 300)	87 725	87 085	640	99.3%	83 350	82 740
Total for sub programmes	129 922	-	(1 800)	128 122	127 016	1 106	99.1%	126 321	125 596
Economic classification									
Current payments	124 146	-	(1 800)	122 346	121 759	587	99.5%	117 114	116 702
Compensation of employees	53 959	-	-	53 959	53 684	275	99.5%	50 541	50 541
Salaries and wages	47 245	-	-	47 245	46 766	479	99.0%	43 987	44 035
Social contributions	6 714	-	-	6 714	6 918	(204)	103.0%	6 554	6 506
Goods and services	70 187	-	(1 800)	68 387	68 075	312	99.5%	66 573	66 161
Administrative fees	88	-	-	88	106	(18)	120.5%	104	115
Advertising	90	-	-	90	57	33	63.3%	28	27
Minor assets	90	-	-	90	-	90	-	-	-
Catering: Departmental activities	132	-	-	132	71	61	53.8%	82	56
Communication	367	-	-	367	339	28	92.4%	473	417

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		
Computer services	64 452	(460)	(1 700)	62 292	62 278	14	100.0%	60 242	59 318		
Contractors	-	323	-	323	323	-	100.0%	-	47		
Consumable supplies	-	-	-	-	-	-	-	21	357		
Travel and subsistence	4 000	81	-	4 081	4 223	(142)	103.5%	3 976	4 340		
Training and development	435	-	-	435	328	107	75.4%	1 178	812		
Operating payments	108	-	-	108	73	35	67.6%	131	447		
Venues and facilities	425	56	(100)	381	277	104	72.7%	338	225		
Rental and hiring											
Transfers and subsidies	13	-	-	13	13	-	100.0%	2 010	1 730		
Non-profit institutions											
Households	13	-	-	13	13	-	100.0%	2 010	1 730		
Social benefits	13	-	-	13	13	-	100.0%	2 010	1 730		
Payments for capital assets	5 763	-	-	5 763	5 244	519	91.0%	7 197	7 164		
Machinery and equipment	5 763	(9)	-	5 754	5 235	519	91.0%	7 197	7 164		
Transport equipment											
Other machinery and equipment	5 763	(9)	-	5 754	5 235	519	91.0%	7 197	7 164		
Intangible assets	-	9	-	9	9	-	100.0%	-	-		
Payments for financial assets	-	-	-	-	-	-	-	-	-		
Total	129 922	-	(1 800)	128 122	127 016	1 106	99.1%	126 321	125 596		

3.1 PROGRAMME SUPPORT									
2017/18							2016/17		
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	234	-	-	234	207	27	88.5%	1 210	1 237
Compensation of employees	172	-	-	172	172	-	100.0%	1 099	1 100
Goods and services	62	-	-	62	35	27	56.5%	111	137
TOTAL	234	-	-	234	207	27	88.5%	1 210	1 237

3.2 PROVINCIAL SUPPLY CHAIN MANAGEMENT									
2017/18							2016/17		
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	16 556	-	(100)	16 456	16 140	316	98.1%	15 269	15 026
Compensation of employees	14 592	-	-	14 592	14 446	146	99.0%	12 752	12 751
Goods and services	1 964	-	(100)	1 864	1 694	170	90.9%	2 517	2 275
Transfers and subsidies	13	-	-	13	13	-	100.0%	1 075	1 030
Households	13	-	-	13	13	-	100.0%	1 075	1 030
TOTAL	16 569	-	(100)	16 469	16 153	316	98.1%	16 344	16 056

3.3 PUBLIC SECTOR LIABILITIES									
Economic classification	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
Current payments	4 971	-	-	4 971	4 891	80	98.4%	4 771	4 938
Compensation of Employees	4 568	-	-	4 568	4 525	43	99.1%	4 442	4 441
Goods and services	403	-	-	403	366	37	90.8%	329	497
Transfer and subsidies	-	-	-	-	-	-	-	335	222
Households	-	-	-	-	-	-	-	335	222
TOTAL	4 971	-	-	4 971	4 891	80	98.4%	5 106	5 160

3.4 PHYSICAL ASSET MANAGEMENT									
Economic classification	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
Current payments	6 952	-	-	6 952	6 950	2	100.0%	6 563	6 477
Compensation of employees	6 097	-	-	6 097	6 066	31	99.5%	5 352	5 354
Goods and services	855	-	-	855	884	(29)	103.4%	1 211	1 123
Transfers and subsidies	-	-	-	-	-	-	-	214	92
Households	-	-	-	-	-	-	-	214	92
TOTAL	6 952	-	-	6 952	6 950	2	100.0%	6 777	6 569

3.5 INTERLINKED FINANCIAL SYSTEMS									
Economic classification	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
Current payments	12 171	-	(400)	11 771	11 730	41	99.7%	13 534	13 834
Compensation of Employees	10 348	-	-	10 348	10 380	(32)	100.3%	9 192	9 190
Goods and services	1 823	-	(400)	1 423	1 350	73	94.9%	4 342	4 644
TOTAL	12 171	-	(400)	11 771	11 730	41	99.7%	13 534	13 834

3.6 INFORMATION TECHNOLOGY									
Economic classification	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
Current payments	83 262	-	(1 300)	81 962	81 841	121	99.9%	75 767	75 190
Compensation of Employees	18 182	-	-	18 182	18 095	87	99.5%	17 704	17 705
Goods and services	65 080	-	(1 300)	63 780	63 746	34	99.9%	58 063	57 485
Transfers and subsidies	-	-	-	-	-	-	-	386	386
Households	-	-	-	-	-	-	-	386	386
Payments for capital assets	5 763	-	-	5 763	5 244	519	91.0%	7 197	7 164
Machinery and equipment	5 763	(9)	-	5 754	5 235	519	91.0%	7 197	7 164
Intangible assets	-	9	-	9	9	-	100.0%	-	-
TOTAL	89 025	-	(1 300)	87 725	87 085	640	99.3%	83 350	82 740

PROGRAMME 4: FINANCIAL GOVERNANCE									
	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
Sub programme									
1. Programme Support	3 105	-	-	3 105	2 997	108	96.5%	6 411	6 876
2. Accounting Services	5 406	-	-	5 406	5 248	158	97.1%	5 310	5 110
3. Norms and Standards	12 398	-	-	12 398	12 259	139	98.9%	12 418	12 360
4. Risk Management	2 715	-	-	2 715	2 700	15	99.4%	2 226	2 126
5. Provincial Internal Audit	3 080	-	-	3 080	3 006	74	97.6%	1 591	1 451
Total for sub programmes	26 704	-	-	26 704	26 210	494	98.2%	27 956	27 923

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		
Economic classification											
Current payments	26 704	-	-	26 704	26 210	494	98.2%	27 912	27 879		
Compensation of employees	21 542	-	-	21 542	21 485	57	99.7%	21 536	21 535		
Salaries and wages	18 828	-	-	18 828	18 730	98	99.5%	19 000	18 999		
Social contributions	2 714	-	-	2 714	2 755	(41)	101.5%	2 536	2 536		
Goods and services	5 162	-	-	5 162	4 725	437	91.5%	6 376	6 344		
Administrative fees	109	-	-	109	95	14	87.2%	218	167		
Advertising	-	-	-	-	-	-	-	26	25		
Audit costs: External	518	-	-	518	349	169	67.4%	328	320		
Catering: Departmental activities	25	-	-	25	5	20	20.0%	28	43		
Communication	202	-	-	202	231	(29)	114.4%	295	264		
Consultants: Business and advisory services	1 412	-	-	1 412	1 104	308	78.2%	389	235		
Contractors	-	-	-	-	-	-	-	-	46		
Consumable: Stationery, printing and office supplies	-	-	-	-	-	-	-	13	-		
Travel and subsistence	2 160	-	-	2 160	2 338	(178)	108.2%	4 352	4 757		
Training and development	486	-	-	486	384	102	79.0%	449	311		
Operating payments	41	-	-	41	41	-	100.0%	32	42		
Venues and facilities	209	-	-	209	178	31	85.2%	246	134		
Transfers and subsidies											
Households	-	-	-	-	-	-	-	44	44		
Social benefits	-	-	-	-	-	-	-	44	44		
Total	26 704	-	-	26 704	26 210	494	98.2%	27 956	27 923		

4.1 PROGRAMME SUPPORT									
2017/18							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	3 105	-	-	3 105	2 997	108	96.5%	6 411	6 876
Compensation	1 933	-	-	1 933	1 841	92	95.2%	3 826	3 824
Goods and services	1 172	-	-	1 172	1 156	16	98.6%	2 585	3 052
TOTAL	3 105	-	-	3 105	2 997	108	96.5%	6 411	6 876

4.2 ACCOUNTING SERVICES									
2017/18							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	5 406	-	-	5 406	5 248	158	97.1%	5 310	5 110
Compensation	4 107	-	-	4 107	4 063	44	98.9%	3 826	3 826
Goods and services	1 299	-	-	1 299	1 185	114	91.2%	1 484	1 284
TOTAL	5 406	-	-	5 406	5 248	158	97.1%	5 310	5 110

4.3 NORMS AND STANDARDS									
Economic classification	2017/18					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
Current payments	12 398	-	-	12 398	12 259	139	98.9%	12 374	12 316
Compensation of employees	11 185	-	-	11 185	11 136	49	99.6%	11 063	11 062
Goods and services	1 213	-	-	1 213	1 123	90	92.6%	1 311	1 254
Transfers and subsidies	-	-	-	-	-	-	-	44	44
Households	-	-	-	-	-	-	-	44	44
TOTAL	12 398	-	-	12 398	12 259	139	98.9%	12 418	12 360

4.4 RISK MANAGEMENT									
Economic classification	2017/18					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
Current payments	2 715	-	-	2 715	2 700	15	99.4%	2 226	2 126
Compensation of employees	2 145	-	-	2 145	2 163	(18)	100.8%	1 678	1 679
Goods and services	570	-	-	570	537	33	94.2%	548	447
TOTAL	2 715	-	-	2 715	2 700	15	99.4%	2 226	2 126

4.5 PROVINCIAL INTERNAL AUDIT									
Economic classification	2017/18					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
Current payments	3 080	-	-	3 080	3 006	74	97.6%	1 591	1 451
Compensation of employees	2 172	-	-	2 172	2 282	(110)	105.1%	1 143	1 144
Goods and services	908	-	-	908	724	184	79.7%	448	307
TOTAL	3 080	-	-	3 080	3 006	74	97.6%	1 591	1 451

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 (B&G) to the Annual Financial Statements.

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

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

3. Detail on payments for financial assets

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

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

4.1 Per programme	Final Appropriation	Actual Expenditure	Variance	Variance as a % of Final Appropriation
	R'000	R'000	R'000	R'000
Administration	87 587	87 267	320	100%
None				
Sustainable Resource Management	47 532	47 049	483	99%
The underspending is mainly on goods and services due to consultant fees and training expenditure being lower than anticipated.				
Assets and Liabilities Management	128 122	127 016	1 106	99%
The underspending is mainly on capital assets due to cost of procurement of serves and unprotected power supply storage being lower than anticipated.				
Financial Governance	26 704	26 210	494	98%
The underspending is mainly on the expenditure for the Quality Assurance Review project that took place at municipalities, it was lower than anticipated.				

4.2 Per economic classification	Final Appropriation	Actual Expenditure	Variance	Variance as a % of Final Appropriation
	R'000	R'000	R'000	R'000
Current payments				
Compensation of employees	169 764	169 718	46	100%
Goods and services	111 922	110 254	1 668	99%
Transfers and subsidies				
Provinces and municipalities	213	208	5	98%
Departmental agencies and accounts	544	546	(2)	100%
Households	211	227	(16)	108%
Payments for capital assets				
Machinery and equipment	7 291	6 580	711	90%
Software & other intangible assets	9	9	-	100%
The underspending on goods and services is due to consultant fees and training expenditure being lower than anticipated and on payment of capital assets due to cost of procurement of serves and unprotected power supply storage being lower than anticipated.				

	Note	2017/18 R'000	2016/17 R'000
REVENUE			
Annual appropriation	1	289 945	287 466
Departmental revenue	2	96 907	101 244
TOTAL REVENUE		386 852	388 710
EXPENDITURE			
Current expenditure			
Compensation of employees	3	169 718	162 714
Goods and services	4	110 254	107 654
Total current expenditure		279 972	270 368
Transfers and subsidies			
Transfers and subsidies	6	981	2 463
Total transfers and subsidies		981	2 463
Expenditure for capital assets			
Tangible assets	7	6 580	13 384
Intangible assets	7	9	52
Total expenditure for capital assets		6 589	13 436
Payments for financial assets	5	-	3
TOTAL EXPENDITURE		287 542	286 270
SURPLUS/(DEFICIT) FOR THE YEAR		99 310	102 440
Reconciliation of Net Surplus / (Deficit) for the year			
Voted funds		2 403	1 196
Annual appropriation		2 403	1 196
Departmental revenue and NRF Receipts	11	96 907	101 244
SURPLUS FOR THE YEAR		99 310	102 440

	Note	2017/18 R'000	2016/17 R'000
ASSETS			
Current assets		8 205	3 458
Unauthorised expenditure		-	-
Cash and cash equivalents	8	8 105	3 299
Receivables	9	100	159
Non-current assets		691	530
Receivables	9	691	530
TOTAL ASSETS		8 896	3 988
LIABILITIES			
Current liabilities		8 170	3 391
Voted funds to be surrendered to the Revenue Fund	10	2 403	1 196
Departmental revenue and NRF Receipts to be surrendered to the Revenue Fund	11	2 174	1 774
Payables	12	3 593	421
Non-current liabilities			
Payables	12	-	-
TOTAL LIABILITIES		8 170	3 391
NET ASSETS		726	597
Represented by:			
Recoverable revenue		726	597
TOTAL		726	597

	<i>Note</i>	2017/18 R'000	2016/17 R'000
Recoverable revenue			
Opening balance		597	657
Transfers:		129	(60)
Irrecoverable amounts written off	5.1	-	(3)
Debts revised			-
Debts recovered (included in departmental receipts)		(14)	(94)
Debts raised		143	37
Closing balance		726	597
TOTAL		726	597

	Note	2017/18 R'000	2016/17 R'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts		395 878	397 929
Annual appropriated funds received	1	289 945	287 466
Departmental revenue received	2	2 269	3 079
Interest received	2.2	103 664	107 384
Net (increase)/decrease in working capital		3 070	404
Surrendered to Revenue Fund		(106 729)	(114 881)
Current payments		(279 972)	(270 368)
Payments for financial assets		-	(3)
Transfers and subsidies paid		(981)	(2 463)
Net cash flow available from operating activities	13	11 266	10 618
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for capital assets	7	(6 589)	(13 436)
Proceeds from sale of capital assets	2.3	-	36
Net cash flows from investing activities		(6 589)	(13 400)
CASH FLOWS FROM FINANCING ACTIVITIES			
Increase/(decrease) in net assets		129	(60)
Increase/(decrease) in non-current payables		-	-
Net cash flows from financing activities		129	(60)
Net increase/(decrease) in cash and cash equivalents		4 806	(2 842)
Cash and cash equivalents at beginning of period		3 299	6 141
Cash and cash equivalents at end of period	14	8 105	3 299

PART A: ACCOUNTING POLICIES

Summary of significant accounting policies

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

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

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

1	Basis of preparation The financial statements have been prepared in accordance with the Modified Cash Standard.
2	Going concern The financial statements have been prepared on a going concern basis.
3	Presentation currency Amounts have been presented in the currency of the South African Rand (R), which is also the functional currency of the department.
4	Rounding Unless otherwise stated financial figures have been rounded to the nearest one thousand Rand (R'000).
5	Foreign currency translation 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.
6	Comparative information
6.1	Prior period comparative information 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.
6.2	Current year comparison with budget A comparison between the approved, final budget and actual amounts for each programme and economic classification is included in the appropriation statement.
7	Revenue
7.1	Appropriated funds Appropriated funds comprises of departmental allocations as well as direct charges against the revenue fund (i.e. statutory appropriation). Appropriated funds are recognised in the statement of financial performance on the date the appropriation becomes effective. Adjustments made in terms of the adjustments budget process are recognised in the statement of financial performance on the date the adjustments become effective. The net amount of any appropriated funds due to / from the relevant revenue fund at the reporting date is recognised as a payable / receivable in the statement of financial position.
7.2	Departmental revenue Departmental revenue is recognised in the statement of financial performance when received and is subsequently paid into the relevant revenue fund, unless stated otherwise. Any amount owing to the relevant revenue fund at the reporting date is recognised as a payable in the statement of financial position.

7.3	<p>Accrued departmental revenue</p> <p>Accruals in respect of departmental revenue (excluding tax revenue) are recorded in the notes to the financial statements when:</p> <ul style="list-style-type: none"> it is probable that the economic benefits or service potential associated with the transaction will flow to the department; and the amount of revenue can be measured reliably. <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>
8	Expenditure
8.1	Compensation of employees
8.1.1	<p>Salaries and wages</p> <p>Salaries and wages are recognised in the statement of financial performance on the date of payment.</p>
8.1.2	<p>Social contributions</p> <p>Social contributions made by the department in respect of current employees are recognised in the statement of financial performance on the date of payment.</p> <p>Social contributions made by the department in respect of ex-employees are classified as transfers to households in the statement of financial performance on the date of payment.</p>
8.2	<p>Other expenditure</p> <p>Other expenditure (such as goods and services, transfers and subsidies and payments for capital assets) is recognised in the statement of financial performance on the date of payment. The expense is classified as a capital expense if the total consideration paid is more than the capitalisation threshold.</p>
8.3	<p>Accruals and payables not recognised</p> <p>Accruals and payables not recognised are recorded in the notes to the financial statements at cost at the reporting date.</p>
8.4	Leases
8.4.1	<p>Operating leases</p> <p>Operating lease payments made during the reporting period are recognised as current expenditure in the statement of financial performance on the date of payment.</p> <p>The operating lease commitments are recorded in the notes to the financial statements.</p>
8.4.2	<p>Finance leases</p> <p>Finance lease payments made during the reporting period are recognised as capital expenditure in the statement of financial performance on the date of payment.</p> <p>The finance lease commitments are recorded in the notes to the financial statements and are not apportioned between the capital and interest portions.</p> <p>Finance lease assets acquired at the end of the lease term are recorded and measured at the lower of:</p> <ul style="list-style-type: none"> cost, being the fair value of the asset; or The sum of the minimum lease payments made, including any payments made to acquire ownership at the end of the lease term, excluding interest.
9	Aid Assistance
9.1	<p>Aid assistance received</p> <p>Aid assistance received in cash is recognised in the statement of financial performance when received. In-kind aid assistance is recorded in the notes to the financial statements on the date of receipt and is measured at fair value.</p>

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

16.2	<p>Movable capital assets</p> <p>Movable capital assets are initially recorded in the notes to the financial statements at cost. Movable capital assets acquired through a non-exchange transaction is measured at fair value as at the date of acquisition.</p> <p>Where the cost of movable capital assets cannot be determined reliably, the movable capital assets are measured at fair value and where fair value cannot be determined; the movable assets are measured at R1.</p> <p>All assets acquired prior to 1 April 2002 (or a later date as approved by the OAG) may be recorded at R1.</p> <p>Movable capital assets are subsequently carried at cost and are not subject to depreciation or impairment.</p> <p>Subsequent expenditure that is of a capital nature forms part of the cost of the existing asset when ready for use.</p>
16.3	<p>Intangible assets</p> <p>Intangible assets are initially recorded in the notes to the financial statements at cost. Intangible assets acquired through a non-exchange transaction are measured at fair value as at the date of acquisition.</p> <p>Internally generated intangible assets are recorded in the notes to the financial statements when the department commences the development phase of the project.</p> <p>Where the cost of intangible assets cannot be determined reliably, the intangible capital assets are measured at fair value and where fair value cannot be determined; the intangible assets are measured at R1.</p> <p>All assets acquired prior to 1 April 2002 (or a later date as approved by the OAG) may be recorded at R1.</p> <p>Intangible assets are subsequently carried at cost and are not subject to depreciation or impairment.</p> <p>Subsequent expenditure of a capital nature forms part of the cost of the existing asset when ready for use.</p>
16.4	<p>Project Costs: Work-in-progress</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>
17	Provisions and Contingents
17.1	<p>Provisions</p> <p>Provisions are recorded in the notes to the financial statements when there is a present legal or constructive obligation to forfeit economic benefits as a result of events in the past and it is probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation and a reliable estimate of the obligation can be made. The provision is measured as the best estimate of the funds required to settle the present obligation at the reporting date.</p>
17.2	<p>Contingent liabilities</p> <p>Contingent liabilities are recorded in the notes to the financial statements when there is a possible obligation that arises from past events, and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not within the control of the department or when there is a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation or the amount of the obligation cannot be measured reliably.</p>

17.3	<p>Contingent assets</p> <p>Contingent assets are recorded in the notes to the financial statements when a possible asset arises from past events, and whose existence will be confirmed by the occurrence-or non occurrence of one or more uncertain future events not within the control of the department.</p>
17.4	<p>Commitments</p> <p>Commitments (other than for transfers and subsidies) are recorded at cost in the notes to the financial statements when there is a contractual arrangement or an approval by management in a manner that raises a valid expectation that the department will discharge its responsibilities thereby incurring future expenditure that will result in the outflow of cash.</p>
18	<p>Unauthorised expenditure</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"> • approved by Parliament or the Provincial Legislature with funding and the related funds are received; or • approved by Parliament or the Provincial Legislature without funding and is written off against the appropriation in the statement of financial performance; or • transferred to receivables for recovery. <p>Unauthorised expenditure is measured at the amount of the confirmed unauthorised expenditure.</p>
19	<p>Fruitless and wasteful expenditure</p> <p>Fruitless and wasteful expenditure is recorded in the notes to the financial statements when confirmed. The amount recorded is equal to the total value of the fruitless and or wasteful expenditure incurred.</p> <p>Fruitless and wasteful expenditure is removed from the notes to the financial statements when it is resolved or transferred to receivables for recovery.</p> <p>Fruitless and wasteful expenditure receivables are measured at the amount that is expected to be recoverable and are de-recognised when settled or subsequently written-off as irrecoverable.</p>
20	<p>Irregular expenditure</p> <p>Irregular expenditure is recorded in the notes to the financial statements when confirmed. The amount recorded is equal to the value of the irregular expenditure incurred unless it is impracticable to determine, in which case reasons therefor are provided in the note.</p> <p>Irregular expenditure is removed from the note when it is either condoned by the relevant authority, transferred to receivables for recovery or not condoned and is not recoverable.</p> <p>Irregular expenditure receivables are measured at the amount that is expected to be recoverable and are de-recognised when settled or subsequently written-off as irrecoverable.</p>
21	<p>Changes in accounting policies, accounting estimates and errors</p> <p>Changes in accounting policies that are effected by management have been applied retrospectively in accordance with MCS requirements, except to the extent that it is impracticable to determine the period-specific effects or the cumulative effect of the change in policy. In such instances, the department shall restate the opening balances of assets, liabilities and net assets for the earliest period for which retrospective restatement is practicable.</p> <p>Changes in accounting estimates are applied prospectively in accordance with MCS requirements.</p> <p>Correction of errors is applied retrospectively in the period in which the error has occurred in accordance with MCS requirements, except to the extent that it is impracticable to determine the period-specific effects or the cumulative effect of the error. In such cases, the department shall restate the opening balances of assets, liabilities and net assets for the earliest period for which retrospective restatement is practicable.</p>
22	<p>Events after the reporting date</p> <p>Events after the reporting date that are classified as adjusting events have been accounted for in the financial statements. The events after the reporting date that are classified as non-adjusting events after the reporting date have been disclosed in the notes to the financial statements.</p>

23	<p>Principal-Agent arrangements</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>
24	<p>Departures from the MCS requirements</p> <p><i>Provincial Treasury 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>
25	<p>Capitalisation reserve</p> <p>The capitalisation reserve comprises of financial assets and/or liabilities originating in a prior reporting period but which are recognised in the statement of financial position for the first time in the current reporting period. Amounts are recognised in the capitalisation reserves when identified in the current period and are transferred to the National/Provincial Revenue Fund when the underlying asset is disposed and the related funds are received.</p>
26	<p>Recoverable revenue</p> <p>Amounts are recognised as recoverable revenue when a payment made in a previous financial year becomes recoverable from a debtor in the current financial year. Amounts are either transferred to the National/Provincial Revenue Fund when recovered or are transferred to the statement of financial performance when written-off.</p>
27	<p>Related party transactions</p> <p>A related party transaction is a transfer of resources, services or obligations between the reporting entity and a related party. Related party transactions within the Minister/MEC's portfolio are recorded in the notes to the financial statements when the transaction is not at arm's length.</p> <p>Key management personnel are those persons having the authority and responsibility for planning, directing and controlling the activities of the department. The number of individuals and their full compensation is recorded in the notes to the financial statements.</p>
28	<p>Inventories</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 inventories are 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 where intended for distribution (or consumed in the production of goods for distribution) at no or a nominal charge, the lower of cost and current replacement value.</p> <p>The cost of inventories is assigned by using the weighted average cost basis.</p>
29	<p>Public-Private Partnerships</p> <p>Public Private Partnerships are accounted for based on the nature and or the substance of the partnership. The transaction is accounted for in accordance with the relevant accounting policies.</p> <p>A summary of the significant terms of the PPP agreement, the parties to the agreement, and the date of commencement thereof together with the description and nature of the concession fees received, the unitary fees paid, rights and obligations of the department are recorded in the notes to the financial statements.</p>
30	<p>Employee benefits</p> <p>The value of each major class of employee benefit obligation (accruals, payables not recognised and provisions) is disclosed in the Employee benefits note.</p>

1. Annual Appropriation

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

	Final Appropriation	2017/18 Actual Funds Received	Funds not requested/ not received	Final Appropriation	2016/17 Appropriation received
	R'000	R'000	R'000	R'000	R'000
Administration	87 587	87 587	-	89 625	89 625
Sustainable Resources Management	47 532	47 532	-	43 564	43 564
Asset and Liabilities Management	128 122	128 122	-	126 321	126 321
Financial Governance	26 704	26 704	-	27 956	27 956
Total	289 945	289 945	-	287 466	287 466

2. Departmental revenue

	Note	2017/18 R'000	2016/17 R'000
Tax revenue		-	-
Sales of goods and services other than capital assets			
	2.1	2 255	2 977
Interest, dividends and rent on land	2.2	103 664	107 384
Sales of capital assets	2.3	-	36
Transactions in financial assets and liabilities	2.4	14	102
Total revenue collected		105 933	110 499
Less: Own revenue included in appropriation	1	9 026	9 255
Departmental revenue collected		96 907	101 244

2.1 Sales of goods and services other than capital assets

	Note	2017/18 R'000	2016/17 R'000
Sales of goods and services produced by the department	2	2 255	2 977
Sales by market establishment		11	18
Administrative fees		98	92
Other sales		2 146	2 867
Sales of scrap, waste and other used current goods		-	-
Total		2 255	2 977

Other sales refers to the sale of tender documents.

2.2 Interest, dividends and rent on land

	Note 2	2017/18 R'000	2016/17 R'000
Interest		103 664	107 384
Total		103 664	107 384

2.3 Sale of capital assets

	Note 2	2017/18 R'000	2016/17 R'000
Tangible assets			
Machinery and equipment	25	-	36
Intangible assets			
Software	26	-	-
Total		-	36

2.4 Transactions in financial assets and liabilities

	Note 2	2017/18 R'000	2016/17 R'000
Receivables		14	102
Total		14	102

3. Compensation of employees

3.1 Salaries and Wages

	Note 3	2017/18 R'000	2016/17 R'000
Basic salary		114 571	106 800
Performance award		2 761	2 533
Service Based		148	-
Compensative/circumstantial		4 093	3 377
Periodic payments		-	222
Other non-pensionable allowances		26 930	29 924
Total		148 503	142 856

Other non-pensionable allowances includes salaries of interns and municipal specialists who are on contract basis.

3.2 Social contributions

	Note	2017/18 R'000	2016/17 R'000
Employer contributions	3		
Pension		14 827	13 692
Medical		6 364	6 144
Bargaining council		24	22
Total		21 215	19 858
Total compensation of employees		169 718	162 714
Average number of employees		327	365

Number of employees includes 285 permanent workers and 42 contract workers

4. Goods and services

	Note	2017/18 R'000	2016/17 R'000
Administrative fees		464	653
Advertising		1 202	1 003
Minor assets	4.1	239	190
Catering		377	426
Communication		4 039	4 466
Computer services	4.2	62 296	59 335
Consultants: Business and advisory services		4 120	531
Legal services		98	7
Contractors		427	832
Agency and support / outsourced services		-	69
Audit cost – external	4.3	5 478	3 772
Fleet services		1 369	1 335
Consumables	4.4	2 201	3 151
Operating leases		7 270	6 542
Property payments	4.5	2 895	3 698
Rental and hiring		-	17
Transport provided as part of the departmental activities		8	18
Travel and subsistence	4.6	13 514	16 704
Venues and facilities		908	1 061
Training and development		2 525	2 513
Other operating expenditure	4.7	824	1 331
Total		110 254	107 654

4.1 Minor assets

	Note	2017/18 R'000	2016/17 R'000
Tangible assets	4	239	190
Machinery and equipment		239	190
Intangible assets		-	-
Software		-	-
Total		239	190

4.2 Computer services

	Note 4	2017/18 R'000	2016/17 R'000
SITA computer services		45 834	51 466
External computer service providers		16 462	7 869
Total		62 296	59 335

4.3 Audit cost – External

	Note 4	2017/18 R'000	2016/17 R'000
Regularity audits		4 520	3 259
Computer audits		958	513
Total		5 478	3 772

4.4 Consumables

	Note 4	2017/18 R'000	2016/17 R'000
Consumable supplies		1 184	1 236
Uniform and clothing		129	131
Household supplies		1 043	749
IT consumables		5	356
Other consumables		7	-
Stationery, printing and office supplies		1 017	1 915
Total		2 201	3 151

4.5 Property payments

	Note 4	2017/18 R'000	2016/17 R'000
Municipal services		2 893	3 625
Property maintenance and repairs		2	73
Total		2 895	3 698

4.6 Travel and subsistence

	Note 4	2017/18 R'000	2016/17 R'000
Local		13 491	16 704
Foreign		23	-
Total		13 514	16 704

4.7 Other operating expenditure

	Note 4	2017/18 R'000	2016/17 R'000
Professional bodies, membership and subscription fees		34	34
Resettlement costs		-	15
Other		790	1 282
Total		824	1 331

Other refers to payment of insurance for subsidy vehicles, courier services, printing and publications

5. Payments for financial assets

	<i>Note</i>	2017/18 R'000	2016/17 R'000
Debts written off	5.1	-	3
Total		-	3

5.1 Debts written off

	<i>Note</i>	2017/18 R'000	2016/17 R'000
Staff Debts	5	-	3
Total		-	3

6. Transfers and subsidies

	<i>Note</i>	2017/18 R'000	2016/17 R'000
Provinces and municipalities	28	208	11
Departmental agencies and accounts	Annex 1 B	546	346
Households	Annex 1 G	227	2 106
Total		981	2 463

7. Expenditure for capital assets

	<i>Note</i>	2017/18 R'000	2016/17 R'000
Tangible assets		6 580	13 384
Buildings and other fixed structures		24	-
Machinery and equipment	25.1	6 556	13 384
Intangible assets		9	52
Software	26.1	9	52
Total		6 589	13 436

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

	Voted funds R'000	Aid assistance R'000	Total R'000
Tangible assets	6 580	-	6 580
Buildings and other fixed structures	24	-	24
Machinery and equipment	6 556	-	6 556
Intangible assets	9	-	9
Software	9	-	9
Total	6 589	-	6 589

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

	Voted funds R'000	Aid assistance R'000	Total R'000
Tangible assets	13 384	-	13 384
Machinery and equipment	13 384	-	13 384
Intangible assets	52	-	52
Software	52	-	52
Total	13 436	-	13 436

8. Cash and cash equivalents

	Note	2017/18 R'000	2016/17 R'000
Consolidated Paymaster General Account		8 997	3 299
Disbursements		(892)	-
Total		8 105	3 299

9. Receivables

		Current	2017/18 Non- current	Total	Current	2016/17 Non- current	Total
	Note	R'000	R'000	R'000	R'000	R'000	R'000
Claims recoverable	9.1	-	-	-	2	-	2
Staff debt	9.2	18	161	179	79	-	79
Other debtors	9.3	82	530	612	78	530	608
Total		100	691	791	159	530	689

9.1 Claims recoverable

	Note	2017/18 R'000	2016/17 R'000
Provincial departments	9	-	2
Total		-	2

9.2 Staff debt

	Note	2017/18 R'000	2016/17 R'000
Overpayment	9	1	10
Recovery for loss/damage to assets		178	69
Total		179	79

9.3 Other debtors

	Note	2017/18 R'000	2016/17 R'000
Ex-employees – Tax Debt	9	5	10
Amount to be recovered from Irregular expenditure		530	530
Ex-employees – Salary Overpayment		77	68
Total		612	608

10. Voted funds to be surrendered to the Revenue Fund

	2017/18 R'000	2016/17 R'000
Opening balance	1 196	5 152
As restated	1 196	5 152
Transfer from statement of financial performance (as restated)	2 403	1 196
Paid during the year	(1 196)	(5 152)
Closing balance	2 403	1 196

11. Departmental revenue and NRF Receipts to be surrendered to the Revenue Fund

	2017/18 R'000	2016/17 R'000
Opening balance	1 774	1 004
As restated	1 774	1 004
Transfer from Statement of Financial Performance (as restated)	96 907	101 244
Own revenue included in appropriation	9 026	9 255
Paid during the year	(105 533)	(109 729)
Closing balance	2 174	1 774

12. Payables – current

	Note	2017/18	2016/17
Clearing accounts	12.1	3 593	421
Total		3 593	421

12.1 Clearing accounts

	Note	2017/18 R'000	2016/17 R'000
Sal: Income Tax	12	3 582	361
Housing Refund		11	-
Capital contribution (Interns)		-	38
Sal: Pension Fund		-	7
Donation not appropriated not utilised		-	15
Total		3 593	421

13. Net cash flow available from operating activities

	Note	2017/18 R'000	2016/17 R'000
Net surplus/(deficit) as per Statement of Financial Performance		99 310	102 440
Add back non-cash/cash movements not deemed operating activities		(88 044)	(91 822)
(Increase)/decrease in receivables – current		(102)	178
Increase/(decrease) in payables – current		3 172	226
Proceeds from sale of capital assets		-	(36)
Expenditure on capital assets		6 589	13 436
Surrenders to Revenue Fund		(106 729)	(114 881)
Own revenue included in appropriation		9 026	9 255
Net cash flow generated by operating activities		11 266	10 618

14. Reconciliation of cash and cash equivalents for cash flow purposes

	Note	2017/18 R'000	2016/17 R'000
Consolidated Paymaster General account		8 997	3 299
Disbursements		(892)	-
Total		8 105	3 299

15. Contingent liabilities and contingent assets

15.1 Contingent liabilities

	Note	2017/18 R'000	2016/17 R'000
Liable to			
Nature			
Claims against the department	Annex 3B	3 962	3 962
Intergovernmental payables (unconfirmed balances)	Annex 5	-	-
Other	Annex 3B	-	-
Total		3 962	3 962

16. Commitments

	Note	2017/18 R'000	2016/17 R'000
Current expenditure			
Approved and contracted		1 415	81
Approved but not yet contracted		-	-
		1 415	81
Total Commitments		1 415	81

17. Accruals and payables not recognised

17.1 Accruals

		Note	2017/18 R'000	2016/17 R'000
Listed by economic classification				
	30 Days	30+ Days	Total	Total
Goods and services	3 648	-	3 648	3 563
Other	12 129	-	12 129	-
Total	15 777	-	15 777	3 563
			2017/18 R'000	2016/17 R'000
Listed by programme level				
Administration			4 057	980
Sustainable Resource Management			2 737	173
Assets and Liabilities Management			6 477	2 361
Financial Government			2 506	49
Total			15 777	3 563

Material Accruals relate to the arbitration award of PSCBC Resolution 3 of 2009.

17.2 Payables not recognised

			2017/18 R'000	2016/17 R'000
Listed by economic classification	30 Days	30+ Days	Total	Total
Goods and services	6	-	6	61
Interest and rent on land	-	-	-	-
Transfers and subsidies	-	-	-	-
Capital assets	-	-	-	1 338
Other	-	-	-	188
Total	6	-	6	1 587

	Note	2017/18 R'000	2016/17 R'000
Listed by programme level			
Administration		6	67
Sustainable Resource Management		-	41
Assets and Liabilities Management		-	1 413
Financial Government		-	66
Total		6	1 587

	Note	2017/18 R'000	2016/17 R'000
Included in the above totals are the following:			
Confirmed balances with other departments	Annex 5	75	3
Confirmed balances with other government entities	Annex 5	-	-
Total		75	3

18. Employee benefits

	Note	2017/18 R'000	2016/17 R'000
Leave entitlement		8 182	8 160
Service bonus (Thirteenth cheque)		4 491	4 224
Performance awards		2 904	2 565
Capped leave commitments		8 673	7 975
Other		254	148
Total		24 504	23 072

Other - Provision for long service award for officials that will complete 20, 30 and 40 years of service in the next twelve months.

Leave entitlement includes negative leave with an amount of R 89 033.80

19. Lease commitments

19.1 Operating leases

2017/18	Specialised military equipment	Land	Buildings and other fixed structures	Machinery and equipment	Total
Not later than 1 year	-	-	842	1 394	2 236
Later than 1 year and not later than 5 years	-	-	241	1 511	1 752
Later than five years	-	-	-	-	-
Total lease commitments	-	-	1 083	2 905	3 988

2016/17	Specialised military equipment	Land	Buildings and other fixed structures	Machinery and equipment	Total
Not later than 1 year	-	-	2 547	1 222	3 769
Later than 1 year and not later than 5 years	-	-	1 073	670	1 743
Later than five years	-	-	-	-	-
Total lease commitments	-	-	3 620	1 892	5 512

20. Accrued departmental revenue

	Note	2017/18 R'000	2016/17 R'000
Transactions in financial assets and liabilities		406	251
Total		406	251

An amount of R 406 000 has been paid over to the Asset Forfeiture unit on behalf of the Provincial Treasury by an ex-employee as accrued revenue (of which R155 000 relates to the financial year under review.)

20.1 Analysis of accrued departmental revenue

	Note	2017/18 R'000	2016/17 R'000
Opening balance		251	130
Less: amounts received		-	-
Add: amounts recorded		155	121
Less: amounts written-off/reversed as irrecoverable		-	-
Closing balance		406	251

21. Fruitless and wasteful expenditure

21.1 Reconciliation of fruitless and wasteful expenditure

	Note	2017/18 R'000	2016/17 R'000
Opening balance		-	-
Prior period error		-	-
As restated		-	-
Fruitless and wasteful expenditure – relating to prior year		-	-
Fruitless and wasteful expenditure – relating to current year		98	-
Less: Amounts resolved		(98)	-
Less: Amounts transferred to receivables for recovery	9	-	-
Closing balance		-	-

21.2 Analysis of Current year's (relating to current and prior years) fruitless and wasteful expenditure

Incident	Disciplinary steps taken/criminal proceedings	2017/18 R'000
Interest incurred on a court judgement		98
Total		98

22. Related Party Transactions

During the financial year 2017/18, Provincial Treasury occupied Building Number Four (4), Upper and Lower Ground levels in the Riverside Government Complex, a service provided by the Department of Public Works, Roads and Transport free of charge.

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

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

23. Key management personnel

	No. of Individuals	2017/18 R'000	2016/17 R'000
Political office bearers (provide detail below)			
Officials:			
Level 15 to 16	1	1 531	1 459
Level 14 (incl. CFO if at a lower level)	4	4 664	2 202
Total		6 195	3 661

24. Provisions

	Note	2017/18 R'000	2016/17 R'000
GG VAT		-	71
Operating leases escalation price		64	-
Total		64	71

24.1 Reconciliation of movement in provisions - 2017/18

	Provision 1 R'000	Provision 2 R'000	Provision 3 R'000	Total provisions R'000
Opening balance	71	-	-	71
Increase in provision	-	64	-	64
Settlement of provision	(44)	-	-	(44)
Unused amount reversed	(27)	-	-	(27)
Reimbursement expected from third party	-	-	-	-
Change in provision due to change in estimation of inputs	-	-	-	-
Closing balance	-	64	-	64

24.2 Reconciliation of movement in provisions – 2016/17

	Provision 1 R'000	Provision 2 R'000	Provision 3 R'000	Total provisions R'000
Opening balance	252	-	-	252
Increase in provision	-	71	-	71
Settlement of provision	(116)	-	-	(116)
Unused amount reversed	(136)	-	-	(136)
Reimbursement expected from third party	-	-	-	-
Change in provision due to change in estimation of inputs	-	-	-	-
Closing balance	-	71	-	71

25. 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 adjustment R'000	Additions R'000	Disposals R'000	Closing Balance R'000
MACHINERY AND EQUIPMENT	47 562	-	5 218	809	51 971
Transport assets	6 251	-	-	-	6 251
Computer equipment	33 320	-	4 634	728	37 226
Furniture and office equipment	4 288	-	419	65	4 642
Other machinery and equipment	3 703	-	165	16	3 852
TOTAL MOVABLE TANGIBLE CAPITAL ASSETS	47 562	-	5 218	809	51 971

25.1 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
MACHINERY AND EQUIPMENT	6 556	-	-	(1 338)	5 218
Computer equipment	5 972	-	-	(1 338)	4 634
Furniture and office equipment	419	-	-	-	419
Other machinery and equipment	165	-	-	-	165
TOTAL ADDITIONS TO MOVABLE TANGIBLE CAPITAL ASSETS	6 556	-	-	(1 338)	5 218

25.2 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 disposals R'000	Cash Received Actual R'000
MACHINERY AND EQUIPMENT	-	809	809	-
Computer equipment	-	728	728	-
Furniture and office equipment	-	65	65	-
Other machinery and equipment	-	16	16	-
TOTAL DISPOSAL OF MOVABLE TANGIBLE CAPITAL ASSETS	-	809	809	-

25.3 Movement for 2016/2017

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

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

25.4 Minor assets

MOVEMENT IN MINOR ASSETS PER THE ASSET REGISTER 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
Opening balance	-	13	-	6 519	-	6 532
Value adjustments	-	-	-	-	-	-
Additions	-	-	-	241	-	241
Disposals	-	-	-	88	-	68
TOTAL MINOR ASSETS	-	13	-	6 672	-	6 685

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

	Specialised military assets R'000	Intangible assets R'000	Heritage assets R'000	Machinery and equipment R'000	Biological assets R'000	Total R'000
Opening balance	-	13	-	7 532	-	7 545
Prior period error	-	-	-	-	-	-
Additions	-	-	-	194	-	194
Disposals	-	-	-	1 207	-	1 207
TOTAL MINOR ASSETS	-	13	-	6 519	-	6 532

	Specialised military assets	Intangible assets	Heritage assets	Machinery and equipment	Biological assets	Total
Number of R1 minor assets	-	-	-	-	-	-
Number of minor assets at cost	-	-	-	3 278	-	3 278
TOTAL NUMBER OF MINOR ASSETS	-	-	-	3 278	-	3 278

26. Intangible Capital Assets

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

	Opening balance R'000	Value adjustment R'000	Additions R'000	Disposals R'000	Closing Balance R'000
Software	4 959	-	9	-	4 968
TOTAL INTANGIBLE CAPITAL ASSETS	4 959	-	9	-	4 968

26.1 Additions

ADDITIONS TO INTANGIBLE CAPITAL ASSETS PER ASSETREGISTER FOR THE YEAR ENDED 31 MARCH 2018

	Cash R'000	Non-Cash R'000	(Develop- ment work in progress – current costs) R'000	Received current year, not paid (Paid current year, received prior year) R'000	Total R'000
Software	9	-	-	-	9
TOTAL ADDITIONS TO INTANGIBLE CAPITAL ASSETS	9	-	-	-	9

26.2 Movement for 2016/17

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

	Opening balance	Prior period error	Additions	Disposals	Closing Balance
	R'000	R'000	R'000	R'000	R'000
Software	5 082	(175)	52	-	4 959
TOTAL INTANGIBLE CAPITAL ASSETS	5 082	(175)	52	-	4 959

26.3 Prior period error

Note

2016/17
R'000

Nature of prior period error

Relating to 2016/17 [affecting the opening balance]

(175)

Software – Prior year Disposal

(175)

Total prior period errors

(175)

27. Immovable Tangible Capital Assets

MOVEMENT IN IMMOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2018

	Opening balance	Value adjustments	Additions	Disposals	Closing Balance
	R'000		R'000	R'000	R'000
BUILDINGS AND OTHER FIXED STRUCTURES					
Other Fixed Structures	-	-	24	-	24
TOTAL IMMOVABLE TANGIBLE CAPITAL ASSETS	-	-	24	-	24

27.1 Additions

ADDITIONS TO IMMOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2018

	Cash	Non-cash	(Capital Work in Progress current costs and finance lease payments)	Received current, not paid (Paid current year, received prior year)	Total
	R'000	R'000	R'000	R'000	R'000
BUILDING AND OTHER FIXED STRUCTURES					
Other Fixed Structures	24	-	-	-	24
TOTAL ADDITIONS TO IMMOVABLE TANGIBLE CAPITAL ASSETS	24	-	-	-	24

28. STATEMENT OF CONDITIONAL GRANTS AND OTHER TRANSFERS PAID TO MUNICIPALITIES / DEPARTMENTS

NAME OF MUNICIPALITY / DEPARTMENT	GRANT ALLOCATION				TRANSFER		
	Adjusted Appropriation	Roll Overs	Adjustments	Total Available	Actual Transfer	Funds Withheld	Reallocations by National Treasury or National Department
	R'000	R'000	R'000	R'000	R'000	R'000	%
Department of Community, Safety, Security and Liaison	197	-	-	197	207	-	-
City of Mbombela	16	-	-	116	1	-	-
TOTAL	213	-	-	213	208	-	-

UNAUDITED ANNEXURE

ANNEXURE 1B

STATEMENT OF TRANSFERS TO DEPARTMENTAL AGENCIES AND ACCOUNTS

DEPARTMENTAL AGENCY / ACCOUNT	TRANSFER ALLOCATION				TRANSFER		2016/17
	Adjusted Appropriation	Roll Overs	Adjustments	Total Available	Actual Transfer	% of Available funds Transferred	Final Appropriation
	R'000	R'000	R'000	R'000	R'000	%	R'000
Finance and Accounting Services sector, Education and Training (FASSET)	544	-	-	544	544	100.0%	344
South African Broadcasting Corporation (SABC)	-	-	-	-	2	-	2
TOTAL	544	-	-	544	546	-	346

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

HOUSEHOLDS	TRANSFER ALLOCATION				EXPENDITURE		2016/17
	Adjusted Appropriation Act	Roll Overs	Adjust-ments	Total Available	Actual Transfer	% of Available funds Transferred	Final Appropriation
	R'000	R'000	R'000	R'000	R'000	%	R'000
Transfers							
Leave Gratuity	113	-	-	113	126	112%	2 106
Legacy Project	98	-	-	98	101	103%	-
TOTAL	211	-	-	211	227		2 106

**UNAUDITED ANNEXURE
ANNEXURE 3B
STATEMENT OF CONTINGENT LIABILITIES AS AT 31 MARCH 2018**

NATURE OF LIABILITY	Opening Balance 1 April 2017 R'000	Liabilities in curred during the year R'000	Liabilities paid/ cancelled/ reduced during the year R'000	Liabilities recoverable (Provide details hereunder) R'000	Closing Balance 31 March 2018 R'000
Claims against the department					
Columbus Technologies	3 962	-	-	-	3 962
TOTAL	3 962	-	-	-	3 962

**UNAUDITED ANNEXURE
ANNEXURE 5
INTER-GOVERNMENT PAYABLES**

GOVERN - MENT 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								
Public Works, Roads and Transport.	51	3	-	-	51	-	-	-
Government Printing	24	-	-	-	24	3	-	-
TOTAL	75	3	-	-	75	3	-	-

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