

ANNUAL REPORT

2018 / 2019



PROVINCIAL TREASURY
MPUMALANGA PROVINCE
VOTE 3



provincial treasury
MPUMALANGA PROVINCE
REPUBLIC OF SOUTH AFRICA



PROVINCIAL TREASURY
MPUMALANGA PROVINCE
VOTE NO. 3

ANNUAL REPORT 2018/19
FINANCIAL YEAR

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PART A

General Information

1. DEPARTMENT GENERAL INFORMATION

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TWITTER: @MPTreasury

FACEBOOK: Mpumalanga Treasury

2. LIST OF ABBREVIATIONS/ACRONYMS

| | |
|---------------|-------------------------------------------------------------------------|
| AIDS | Acquired Immunodeficiency Syndrome |
| AGSA | Auditor - General of South Africa |
| BAS | Basic Accounting System |
| CFO | Chief Financial Officer |
| CIBD | Construction Industry Development Board |
| CORE | Code of Remuneration |
| DORA | Division of Revenue Act |
| DPSA | Department of Public Service and Administration |
| EME | Exempted Micro Enterprises |
| EXCO | Executive Committee |
| FASSET | Finance and Accounting Services, Education and Training Authority |
| GESF | Gender Equality Strategic Framework |
| GIAMA | Government Immovable Asset Management Act, 2007 (Act No 19 of 2007) |
| GRAP | General Recognised Accounting Practise |
| HIV | Human Immune Virus |
| HPT | Head: Provincial Treasury |
| HRD | Human Resource Development |
| ICT | Information Communication Technology |
| IFRS | International Financial Reporting Standards |
| IT | Information Technology |
| JASf | Job Access Strategic Framework |
| LED | Local Economic Development |
| LOGIS | Logistical Information System |
| LM | Local Municipality |
| MEC | Member of the Executive Council |
| MEGA | Mpumalanga Economic Growth Agency |
| MER | Mpumalanga Economic Regulator |
| MCS | Modified Cash Statements |
| MFMA | Municipal Finance Management Act, 2003 (Act No. 56 of 2003) |
| MSCOA | Municipal Standard Charts of Accounts |
| MTEC | Medium Term Expenditure Committee |
| MTEF | Medium Term Expenditure Framework |
| MTPA | Mpumalanga Tourism and Parks Agency |
| MTSF | Medium Term Strategic Framework |
| N/A | Not applicable |
| 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) |
| PMTCT | Prevention of Mother to Child Transmission |
| 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 |
| PSWMW | Public Service Women Management Week |
| SCM | Supply Chain Management |
| SCOPA | Select Committee on Public Accounts |
| SDIP | Service Delivery Improvement Plan |
| SETA | Service Sector Training Authority |

| | |
|--------------|-----------------------------------------------------------------|
| SHEQ | Safety Health and Environment Quality |
| SIPDM | Standard for Infrastructure Procurement and Delivery Management |
| SMME | Small Micro and Medium Enterprises |
| SMS | Senior Management Services |
| TB | Tuberculosis |
| ST | Sexuality Transmitted |
| TVET | Technical and Vocational Educational Training |
| WSP | Workplace Skills Plan |

3. FOREWORD BY THE MEC



Mr PS Ngomane (MPL)
MEC for Finance,
Economic Development and Tourism

I hereby present the Annual Report of the Provincial Treasury for the 2018/19 financial year.

I do so, mindful of societal expectations for transparency and our obligation to account on the performance of the department as well as on spending outcomes related thereto.

The Constitution of the Republic of South Africa and other enabling legislation, places an obligation on the Department to be the vanguard of public resources in the Provincial Government.

This report is therefore an attempt to respond to this public duty, by highlighting key achievements and acknowledging the challenges in pursuit of the annual performance targets for the year ended 31 March 2019.

The Provincial Treasury has, during this period, achieved most of its performance targets, amongst which the following can be highlighted:

- Complying with the legislative requirement to table Annual Appropriations before the commencement of the financial year;
- Initiating the financial recovery planning processes for various municipalities, and concluding one for Emalahleni Local Municipality which has since been handed to the Municipal Council, and
- Reviewing and submitting the audit remedial actions to the provincial public institutions in order to improve on governance matters, amongst others.

Amid a slowing economic growth, and narrowing fiscal space, all public sector institutions, including the Provincial Treasury had to contend with and work within a low baseline but still ensure delivery of its annual programme of action.

One of the areas that requires continued attention is the response to the Provincial Treasury's recommendations on municipal budgets, enforcement of procurement policy (as affirmed by the Auditor General in his most recent reports) and financial accounting by departments, public entities and municipalities.

As we usher in the sixth administration, following the national and provincial elections held in May 2019, a new paradigm of programme delivery anchored on optimization of technological capabilities is required to improve operational efficiencies in the department and indeed the whole provincial government, and indeed the provincial government at large.

To this end, and in response to the new realities of digitalization of the economy and social life, the Provincial Treasury will commence the process to automate selected financial systems, commencing with the introduction of an invoice tracker, e-leave management and process of compiling financial statements.

A big part of the focus area of the department in 2019/20 will however revolve around tactical support to municipalities to kick start the financial recovery of the local government sphere, and set it on a path of effective collection, budgeting and public accounting.

We assure the people of Mpumalanga of our unequivocal commitment to honour the mandate vested on this department, which is to maintain sound financial administration that delivers effective support to service delivery institutions in the Province.

We also recommit to the Constitutional values of fairness, transparency, access and responsiveness in the execution of our public duty.

Let me take this opportunity to convey my appreciation to the former MEC under whose watch the department executed the fifth administration's mandate, the Acting Head: Provincial Treasury, management team and all officials for their collective delivery on the plans and for ensuring that the department is and remains accountable to the people of Mpumalanga.

Let's Grow Mpumalanga Together.



MR PS NGOMANE, MPL

MEC FOR FINANCE, ECONOMIC DEVELOPMENT AND TOURISM

4. REPORT OF THE ACCOUNTING OFFICER



Ms Gugu Mashiteng
Accounting Officer, Provincial Treasury

Overview of the operations of the Provincial Treasury:

We appreciate the opportunity to report on the performance of the Mpumalanga Provincial Treasury for the 2018/19 financial year. The report covers financial and non-financial aspects of the performance of the four (4) Programmes (i.e. Administration; Sustainable Resource Management, Assets and Liabilities, and Financial Governance) of the Department for the financial year ending 31 March 2019.

The approved organisational structure has 433 posts, which continued to decline following the implementation of the DPSA directive to abolish on PERSAL all vacant and unfunded posts as well as the provincial moratorium on filling of vacant posts.

At the end of the current financial year, the department staff establishment was 348 (posts) which comprises of 281 permanent posts and 67 posts on a fixed term contract which are additional to the establishment. The latter is broken down as follows: 37 x Interns, 12 x Contract Cleaners, 15 x Contract School Bookkeepers and 3 x Municipal Specialists.

During the year under review, ten (10) officials were appointed to act in higher positions in accordance with Regulation 63 (1) of the Public Service Regulation, 2016 and EXCO Resolution of August 2017.

Furthermore, the Department effected salary upgrades for 45 officials in line with the Public Service Co-ordinating Bargaining Council (PSCBC) Award to implement Resolution 1 of 2012.

The four programmes of the Department have substantially achieved the targets set in the 2018/19 Annual Performance Plan. The Provincial Treasury facilitated the timely tabling of three Appropriation Bills at the Provincial Legislature, which are Adjustments Appropriation for 2018/19; Second Adjustments Appropriation for 2018/19 as well as the Main Appropriations for 2019/20. The Department implemented the Provincial Revenue Enhancement strategy, and the Province's revenue collection is in line with the annualised target of R 1,3 billion for the 2018/19 fiscal year.

During the year under review, the department provided support to 19 municipalities. In view of the Executive Council's decision for a focused intervention in dysfunctional and/or distressed municipalities, the department ensured that a financial recovery plan for Emalahleni Municipality was finalised and adopted, and commenced the process for similar plans for other four municipalities, that is, Lekwa; Thaba Chweu; Msukaligwa, and Govan Mbeki Municipalities

The Provincial Treasury has during the year provided support to departments, public entities and municipalities on the implementation of the Supply Chain Management Policy Framework. We have further provided training on supply chain management and the operations of Bid Committees for Departments, Public Entities and Municipalities in order to improve capacity for policy implementation and to enhance decision making in the awarding of tenders.

During the year under review, the Provincial Treasury implemented the first phase of the Transversal term contracts covering overnight accommodation and travelling. Specific commodities have been identified and generally buy-in and support has been successfully secured from Provincial Departments and National Treasury.

The Provincial Treasury continued to enforce the payment of suppliers within 30 days after receipt of a valid invoice. The Call Centre to report non-payment of services 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 | 2017/2018 | | | 2018/2019 | | |
|------------------------------------------------------|----------------|-------------------------|-------------------------|----------------|-------------------------|-------------------------|
| | Estimate | Actual Amount Collected | (Over)/Under Collection | Estimate | Actual Amount Collected | (Over)/Under Collection |
| | R'000 | R'000 | R'000 | R'000 | R'000 | R'000 |
| Sale of goods and services other than capital assets | 2 802 | 2 255 | 547 | 2 802 | 2 375 | 427 |
| Transfers received | - | - | - | - | - | - |
| Fines, penalties and forfeits | - | - | - | - | - | - |
| Interest, dividends and rent on land | 109 907 | 103 664 | 6 243 | 111 999 | 127 096 | (15 097) |
| Sale of capital assets | - | - | - | - | 248 | (248) |
| Financial transactions in assets and liabilities | 13 | 14 | (1) | 7 | 89 | (82) |
| Total | 112 722 | 105 933 | 6 789 | 114 808 | 129 808 | (15 000) |

Programme Expenditure

| Programme Name | 2017/2018 | | | 2018/2019 | | |
|---------------------------------|---------------------|--------------------|--------------------------|---------------------|--------------------|--------------------------|
| | 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 | 87 587 | 87 267 | 320 | 97 510 | 97 455 | 55 |
| Sustainable Resource Management | 47 532 | 47 049 | 483 | 56 556 | 56 537 | 19 |
| Assets and Liabilities | 128 122 | 127 016 | 1106 | 145 618 | 145 548 | 70 |
| Financial Governance | 26 704 | 26 210 | 494 | 31 986 | 31 978 | 8 |
| Total | 289 945 | 287 542 | 2 403 | 331 670 | 331 518 | 152 |

The Provincial Treasury spent R 331 518 000 of the allocated total budget of R 331 670 000 in 2018/19. The R 152 000 underspending was mainly on goods and services.

Virements/roll overs

The Provincial Treasury increased its budget allocation for Compensation of Employees by R171 400, utilising savings from goods and services.

Programme 1: Administration

The Programme's budget was increased by R998 254, which was mainly on the allocation to goods and services.

Programme 2: Sustainable Resource Management

The Programme's budget was reduced by R315 254, which was mainly on the allocation to goods and services.

Programme 3: Assets and Liabilities Management

The Programme's budget was reduced by R297 700, which was mainly on the allocation to compensation of employees.

Programme 4: Financial Governance

The Programme's budget was reduced by R385 300, which was mainly on the allocation to goods and services.

Roll Overs

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

Unauthorised, Irregular, Fruitless, and Wasteful Expenditures (Refer to pg 101)

The Provincial Treasury has incurred an irregular expenditure amounting to R3.5 million relating to Performance Management and Development System (PMDS) and an amount of R1.3 million relating to non-compliance with SCM legislation on procurement of The VIP Vehicle for the financial year 2018/19.

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 target as well as job creation efforts in the Mpumalanga Province.

Public Private Partnerships

The Provincial Treasury provided advice and support 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

None

New or proposed activities

The Provincial Treasury introduced the Transversal Contracts, which is not in the organogram 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 applicable legislation. All processes and systems are in place to prevent Unauthorised, Irregular, Fruitless and Wasteful expenditures since the Bid Committees are effectively executing their duties.

The Provincial Treasury has comply with the Broad Based Black Economic Empowerment Amendment Act 46 of 2013 in the awarding of bids.

The Provincial Treasury is monitoring compliance with the Local Content Regulations through the 2011 PPPFA as amended. The Local Content Regulations empower the Department of Trade and Industries(DTI) to designate specific industries/ sector for local procurement by organs of state.

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 operations as well as in the compilation of this 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 2018/19 financial year has been approved by the Accounting Officer.



Ms Gugu Mashiteng
Accounting Officer
Provincial Treasury
Date: 31 May 2019

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 2019.

Yours faithfully



Ms Gugu Mashiteng
Accounting Officer: Provincial Treasury
31 May 2019

6. STRATEGIC OVERVIEW

7.1. Vision

A dynamic Provincial Treasury leading in service excellence.

7.2. 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.

7.3. 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:

Constitution of the Republic of South Africa, 1996

The Constitution is the supreme law of the Republic of South Africa. Law or conduct inconsistent with it is invalid, and the obligations imposed by it must be fulfilled.

Division of Revenue Act (Act No. 1 of 2018) (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 co-ordination of the use of an immovable asset with the service delivery objectives of a National or Provincial Department; to provide for issuing of guidelines and minimum standards in respect of immovable asset

management by a National or Provincial Department; and to provide for matters incidental thereto.

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

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

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

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

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

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

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

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

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

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

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

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

Public Service Administration Act, 2014 (Act No. 11 of 2014)

The Act aims to promote the basis and principles governing the public administration referred to in section 195(1) of the Constitution; to provide for the transfer and secondment of employees in the public administration; to regulate conducting business with the State; to provide for capacity development and training; to provide for the establishment of the National School of Government; to provide for the use of information and communication technologies in the public administration; to establish the Public Administration Ethics, Integrity and Disciplinary Technical Assistance Unit; to provide for the Minister to set minimum norms and standards for public administration; to establish the Office of Standards and Compliance to ensure compliance with minimum norms and standards; to empower the Minister to make regulations; and to provide for related matters.

(Act No. 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, 2016

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, 2005

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 2018/19 financial year:

Mpumalanga Appropriation Act, 2018 (Act No. 2 of 2018)

The Act provides for the appropriation of money from the Provincial Revenue Fund for the requirements of the Province for the 2018/19 financial year; to prescribe conditions for the spending of funds withdrawn for the 2019/20 financial year before the commencement of the Mpumalanga Appropriation Act for the 2019/20 financial year; and to provide for matters incidental thereto.

Mpumalanga Adjustments Appropriation Act, 2018 (Act No. 3 of 2018)

The Act effects adjustments to the appropriation of money from the Provincial Revenue Fund for the requirements of the Province in respect of the 2018/19 financial year; and to provide for matters incidental thereto.

Mpumalanga Second Adjustments Appropriation Act, 2018 (Act No. 1 of 2019)

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 2018/19 financial year ending 31 March 2019; and to provide for matters incidental thereto.

State Liability Act, 1957 (Act No. 20 of 1957)

The Act consolidates the law relating to the liability of the State in respect of acts of its servants.

Policy mandate:

The Medium Term Strategic Framework

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

Relevant court ruling:

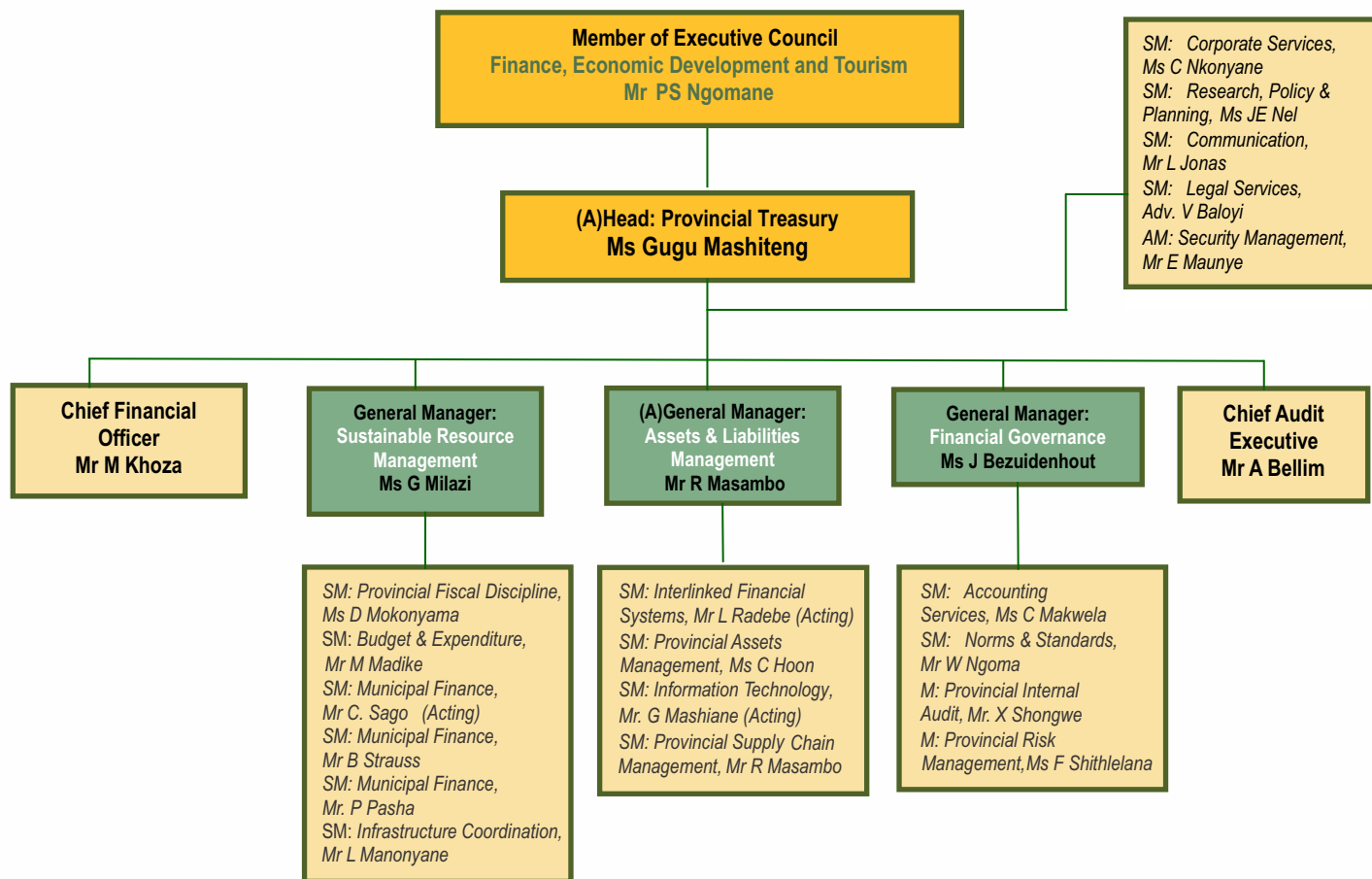
Nyathi v Mec Health, Gauteng and Department of Justice

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 100 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 349 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 year under review, the programme manager re-joined the Provincial Treasury. The 2019/20 budget was tabled within the prescribed period of within 2 weeks of tabling by the Finance Minister. This is despite the budget process being finalised late. A second adjustment budget was passed. The province had to pass a second adjustment because of additional funds received from National Department of human settlement to the Department of Human Settlements. Department of Education had to surrender R67 million and R104 million because of slow spending under the conditional grant.

The Municipal Finance Section has continued to provide support to 19 municipalities. In the year under review, the executive council took a decision to intervene in dysfunctional and or distressed municipalities. A financial recovery plan for Emalahleni Municipality was finalised and adopted by the council in February 2019. The unit further started a process for a further four financial recovery plans for four municipalities. Lekwa, Thaba Chweu Msukaligwa and Govan Mbeki Municipalities were prioritised.

The Infrastructure Coordination has provided support and coordination to the six infrastructure departments despite being thin on the ground .One official in

the unit has been posted overseas for the past three years to improve skills and knowledge in infrastructure management and coordination.

Provincial Administration and Fiscal Discipline provided support to 12 votes on revenue collection. Special attention was given to the Department of Community Safety Security and Liaison. The department was funded for the takeover of the vehicle licensing function at certain Municipalities. This was done to maximise the revenue collection therefore the Province managed to exceed the allocated revenue budget by R78 million for the year under review.

The Provincial Treasury has managed to provide support and monitor all votes, all municipalities and public entities on ensuring compliance and adherence to supply chain management frameworks. In addition, training on the operation of bid committees was provided to officials in departments, municipalities and public entities. In addition, training on local content was provided to departments, public entities and municipalities in collaboration with the Department of Trade and Industry as well as Proudly South Africa. Training to officials on the use of the central supplier database as well as to small micro and medium enterprises (SMMEs) was also conducted. Furthermore, training and support on the utilisation of transversal systems was also conducted.

In addition, we were able to respond timeously in line with our standards to resolving queries within our Information Technology environment and supported municipalities on IT governance.

Substantial work was initiated and carried out by the Provincial Treasury on Transversal Contracts. This unit was created after the Provincial Executive Council mandated the Provincial Treasury to centralise the implementation of certain procurement services in the province. This resulted in the awarding of transversal bid for overnight accommodation and travelling for some departments in the province that did not have their own contracts.

The Provincial Treasury assisted Votes, Public Entities and Municipalities with regards to completeness of Annual Financial Statements and capacity building focusing on GRAP and the Modified Cash Standards. During 2018/9 the Interim Financial Statements of 12 Votes and 2 Public Entities were reviewed and analysed and feedback reports were provided to the stakeholders with recommendations. This will assist the relevant stakeholders to address material misstatements before the finalisation of the Annual Financial Statements. The Norms and Standards Unit reviewed the risk registers and improvement plans for completeness, and content analysis was performed to provide recommendations to enhance the effectiveness of internal controls. The Provincial Internal and Risk Management Units supported stakeholders in the Province to improve the systems of internal audit and risk management to ensure value add. This entailed the monitoring of Risk Management Committees and Audit Committees and the provision of recommendations to improve the Governance structures.

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 adhering 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 adhering 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, 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 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 | <ul style="list-style-type: none"> a) Availability of a Complaints system b) Presentations, Guidelines, policies | <ul style="list-style-type: none"> a) Availability of a Complaints system through submissions in writing and website |

| Current /actual information tool | Desired information tools | Actual achievements |
|-----------------------------------------------------------------------------------------|-------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------|
| b) Presentations, Guidelines, policies and procedures and Provincial Treasury circulars | and procedures and Provincial Treasury circulars available and utilised | 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 email. | No complaints were received |

2.3 Organisational environment

The approved organisational structure has 433 posts. However, the implementation of the DPSA directive to abolish on PERSAL all vacant and unfunded posts as well as the provincial moratorium on filling of vacant posts effective from March 2015, led to a shortage of staff due to resignations, transfer, promotions and deaths.

At the end of the financial year, the Provincial Treasury operated with a total of 348 posts, which comprises of 281 permanent posts and 67 posts were additional to the establishment on fixed term contract, namely; 37 Interns, 12 Contract Cleaners, 15 Contract School Bookkeepers and 03 Municipal Specialists.

Ten (10) officials were appointed to act in higher positions during the year under review in accordance with Regulation 63 (1) of the Public Service Regulation, 2016 and EXCO Resolution of August 2017.

The Provincial Treasury effected salary upgrades for 45 officials in line with the Public Service Co-ordinating Bargaining Council (PSCBC) Award to implement Resolution 1 of 2012.

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

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

2.4 Key policy developments and legislative changes

The change of Standard for Infrastructure Procurement and Delivery Management (SIPDM) from a Standard to a Framework, will have minimal impact on the delivery of infrastructure. The change was necessitated as National Treasury cannot issue a construction standard, and that responsibility resides at Construction Industry Development Board (CIDB).

There were no new reforms during the 2018/19 financial year in the Supply Chain Environment. Worth to note that more focus and emphasis was on the implementation of the Preferential Procurement Framework Act, 2017.

Also, emphasis was put on the implementation of the MSCOA (Municipal Standard Chart of Accounts). MSCOA is a standardised accounting system that aims to change how municipalities transact by standardising financial management processes through policy formulation, budgeting, in-year reporting frameworks and statements

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 2017/2018 | Planned Target 2018/2019 | Actual Achievement 2018/2019 | Deviation from planned target to Actual Achievement for 2018/2019 | 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 | Unqualified audit opinion | Unqualified audit opinion | None | N/A |

| Programme 1: Administration | | | | | |
|------------------------------------------------------------------------------------------------|------------------------------------------------------------|---------------------------|------------------------------|-------------------------------------------------------------------|-----------------------|
| Strategic objectives | Actual Achievement 2017/2018 | Planned Target 2018/2019 | Actual Achievement 2018/2019 | Deviation from planned target to Actual Achievement for 2018/2019 | Comment on deviations |
| Provide sound financial management and supply chain services management in Provincial Treasury | Provided 12 reports on financial and governance compliance | Unqualified audit opinion | Unqualified audit opinion | 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 2015/2016 | Actual Achievement 2016/2017 | Actual Achievement 2017/2018 | Planned Target 2018/2019 | Actual Achievement 2018/2019 | Deviation from planned target to Actual Achievement for 2018/2019 | 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 | 3 Bills | 1 Bill | Second adjustment passed in March 2019 due to additional adjustments. |
| 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 registers approved | 1 Register | 1 Register | 1 Register | 1 Register | 1 Register | None | N/A |
| | 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 |
| Number of budget documents submitted in compliance with prescripts | 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 |
| | 2 Documents | 2 Documents | 2 Documents | 2 Documents | 2 Documents | None | N/A |
| Percentage of | 100% | 100% | 100% | 100% | 99% | Under performed | This was due to |

| Programme 1: Administration | | | | | | | |
|------------------------------------------------------------------------------------|------------------------------|------------------------------|------------------------------|--------------------------|------------------------------|-------------------------------------------------------------------|-------------------------------------------------------------------------------------------|
| Performance Indicator | Actual Achievement 2015/2016 | Actual Achievement 2016/2017 | Actual Achievement 2017/2018 | Planned Target 2018/2019 | Actual Achievement 2018/2019 | Deviation from planned target to Actual Achievement for 2018/2019 | Comment on deviations |
| suppliers paid within 30 days of receipt of valid invoices | | | | | | with 1% | labour unrest in the department as human resources were not available to capture payments |
| 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

Sub Programme: MEC: Office of the MEC

- a) Number of Appropriation Bills Tabled
 - The overachievement was due to a second adjustments Bill passed in March 2019 due to additional adjustments

Sub Programme: Financial Management: Office of the Chief Financial Officer

- a) Percentage of suppliers paid within 30 days of receipt of valid invoices
 - The underachievement is due to labour unrest in the department as human resources were not available to capture payments.

Strategy to overcome areas of under performance

- a) Percentage of suppliers paid within 30 days of receipt of valid invoices
 - Strike plan strategy was put in place and all invoices for the current financial year have all been paid.

Changes to planned targets

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

Linking performance with budgets

The Programme has spent R 97 455 000 which is 99.9 percent of its total budget allocated of R 97 510 000.

Sub-programme expenditure

| Sub-Programme Name | 2017/2018 | | | 2018/2019 | | |
|---------------------------------|---------------------|--------------------|--------------------------|---------------------|--------------------|--------------------------|
| | 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 | 38 712 | 38 632 | 80 | 41 158 | 41 082 | 76 |
| Financial Management | 43 920 | 43 880 | 40 | 50 913 | 50 935 | (22) |
| Internal Audit | 4 955 | 4 755 | 200 | 5 439 | 5 438 | 1 |
| Total | 87 587 | 87 267 | 320 | 97 510 | 97 455 | 55 |

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:

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

Strategic Objectives of Programme 2:

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

Strategic objectives, performance indicators, planned targets and actual achievements

The programme met all its planned targets for the year under review. The programme, in 3 of its 4 directorates experienced staff shortages with one directorate losing 13 officials in a period of three years. None of the officials has been replaced.

Strategic objectives:

| Programme 2: Sustainable Resource Management | | | | | |
|--------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------|-----------------------------------------------------------------------------------|---------------------------------------------------------------------------------------|-------------------------------------------------------------------|-----------------------|
| Strategic objectives | Actual Achievement 2017/2018 | Planned Target 2018/19 | Actual Achievement 2018/19 | Deviation from planned target to Actual Achievement for 2018/2019 | 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 2015/2016 | Actual Achievement 2016/2017 | Actual Achievement 2017/2018 | Planned Target 2018/2019 | Actual Achievement 2018/2019 | Deviation from planned target to Actual Achievement for 2018/2019 | 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 Public Entities | 12 Votes Public Entities | None | N/A |
| Sub-programme: Budget and Expenditure Management | | | | | | | |
| Number of Estimates of Provincial Revenue Expenditure documents compiled | 2 Documents | 2 Documents | 2 Documents | 2 Documents | 2 Documents | None | N/A |
| Number of appropriation bills compiled | N/A | 2 Bills | 2 Bills | 2 Bills | 3 Bills | 1 Bill | Second adjustment passed in March 2019 due to additional adjustments. |
| 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 | Analysed 19 draft budgets and provide feedback | Analysed 19 draft budgets and provided feedback | None | N/A |
| Number of Mid-Year Budget and Performance | 1 Engagement | 1 Engagement | 20 Municipalities | 20 Municipalities | 20 Municipalities | None | N/A |

| Programme 2: Sustainable Resource Management | | | | | | | | |
|-----------------------------------------------------------------------------------------------------------------|------------------------------|------------------------------|------------------------------|--------------------------|------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--|
| Performance Indicator | Actual Achievement 2015/2016 | Actual Achievement 2016/2017 | Actual Achievement 2017/2018 | Planned Target 2018/2019 | Actual Achievement 2018/2019 | Deviation from planned target to Actual Achievement for 2018/2019 | Comment on deviations | |
| Assessment Engagements | | | | | | | | |
| 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 | 6 Municipalities | 6 Municipalities | None | N/A | |
| Number of municipalities monitored on implementation of Audit Response Plan based on the 2016/17 audit outcomes | N/A | N/A | New indicator | 13 Municipalities | 18 Municipalities | 5 more Municipalities were monitored (the additional municipalities are Emalahleni, Thaba Chweu, Msukaligwa, Mkhondo and Victor Khanye) | During the planning phase, the unit planned to monitor 13 municipalities. It was agreed within the unit to include 5 municipalities where support is provided for monitoring purposes as some support is provided by units outside municipal finance unit. | |
| Number of municipalities supported on implementation of Audit Action Plans | N/A | N/A | New indicator | 7 Municipalities | 7 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: Budget and Expenditure Management

- a) Number of appropriation bills compiled
- The overachievement is due to a second adjustment bill passed in March 2019 due to additional adjustments.

Sub Programme: Municipal Finance

- a) Number of municipalities monitored on implementation of Audit Response Plan based on the 2016/17 audit outcomes
- The overachievement is due to support provided to additional municipalities who were not identified as distressed but was supported by other units within Provincial Treasury.

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 under review.

Linking performance with budgets

The Programme has spent **R 56 537 000** which is 100.0 percent of its total budget allocated of **R 56 556 000**.

Sub-programme expenditure

| Sub-Programme Name | 2017/2018 | | | 2018/2019 | | |
|---------------------------------------------|---------------------|--------------------|--------------------------|---------------------|--------------------|---------------------------|
| | 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 | 1 533 | 1 519 | 14 | 1 596 | 1 595 | 1 |
| Provincial Administration Fiscal Discipline | 9 265 | 9 182 | 83 | 10 681 | 10 680 | 1 |
| Budget and Expenditure Management | 10 315 | 10 244 | 71 | 12 138 | 12 137 | 1 |
| Municipal Finance | 22 126 | 21 914 | 212 | 27 159 | 27 148 | 11 |
| Infrastructure Co-Ordination | 4 293 | 4 190 | 103 | 4 982 | 4 977 | 5 |
| Total | 47 532 | 47 049 | 483 | 56 556 | 56 537 | 19 |

5. Programme 3: Assets and Liabilities Management

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

The programme consists of the following Sub-programmes:

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

Strategic Objectives of Programme 3:

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

Strategic objectives, performance indicators, planned targets and actual achievements

During the year under review, the Provincial Supply Chain Management has provided support and monitored 12 votes, 20 municipalities and 04 public entities on the implementation of the procurement plans. Furthermore, the timeous payment of suppliers within 30 days after receipt of an invoice was monitored in the same 12 votes, 20 municipalities and 04 public entities. Reports in this regard were consolidated on a monthly basis and they were as per requirement submitted to the National Treasury. In addition, more work was done to strengthen and provide support to 03 votes and 07 municipalities on contract management.

The programme has also monitored 12 votes, 06 municipalities and 04 public entities on the implementation of the General Recognised Accounting Practice (GRAP) standards for liabilities. The programme has also provided support to 12 votes, 12 municipalities and 04 public entities in order to ensure compliance to asset management norms and standards.

Furthermore, 06 votes were supported in order to comply with the inventory management framework norms and standards. More work was done to support and monitor 12 votes on the management and utilisation on transversal systems namely; Basic Accounting Systems (BAS), Logistic Information Systems (LOGIS) and the Personnel Administration System (PERSAL).

The programme has managed to maintain as part of its support and ensuring network infrastructure availability at 94.3 percent up-time. Also managed to respond within 08 hours to 100% calls logged.

In addition, 08 votes and 09 municipalities were provided with support on Information Technology (IT) governance.

Strategic objectives

| Programme 3: Assets and Liabilities Management | | | | | |
|----------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------|--------------------------------------------------------------------------|--------------------------------------------------------------------------|-------------------------------------------------------------------|-----------------------|
| Strategic objectives | Actual Achievement 2017/2018 | Planned Target 2018/2019 | Actual Achievement 2018/2019 | Deviation from planned target to Actual Achievement for 2018/2019 | 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, 7 Municipalities and 4 Public Entities | 12 Votes, 7 Municipalities and 4 Public Entities | None | N/A |
| Provide support to comply with assets management framework | 12 Votes, 4 Public Entities 20 Municipalities | 12 Votes, 2 Public Entities 6 Municipalities | 12 Votes, 2 Public Entities 6 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: 6 Votes and 9 Municipalities | IT systems: 12 Votes, Governance Framework: 6 Votes and 9 Municipalities | None | N/A |

Reasons for deviations

All planned targets were achieved and there were no deviations.

Performance indicators

| Programme3: Assets and Liabilities Management | | | | | | | |
|--------------------------------------------------------------------------------------------------------------------|---------------------------------------------------|---------------------------------------------------|--------------------------------------------------|---------------------------------------------------|---------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Performance Indicator | Actual Achievement 2015/2016 | Actual Achievement 2016/2017 | Actual Achievement 2017/2018 | Planned Target 2018/2019 | Actual Achievement 2018/2019 | Deviation from planned target to Actual Achievement for 2018/2019 | Comment on deviations |
| Sub-programme: Provincial Supply Chain Management | | | | | | | |
| Number of Votes, Municipalities and Public Entities monitored on implementation of procurement plans | 12 Votes, 21 Municipalities and 4 Public Entities | 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 |
| Number of Votes, Municipalities and Public Entities monitored on timeous payments to contracted services providers | New Indicator | New Indicator | New Indicator | 12 Votes, 20 Municipalities and 4 Public Entities | 12 Votes, 20 Municipalities and 4 Public Entities | None | N/A |
| Number of Votes and Municipalities monitored on contracted management | New Indicator | New Indicator | New Indicator | 3 Votes and 7 Municipalities | 3 Votes and -14 Municipalities | 7 More municipalities were assisted on contract management | A general circular 46 of 2018 was issued to all MFMA institutions requesting contract registers. 14 Municipalities responded and 7 more was assisted than planned. |
| Sub-programme: Public Sector Liabilities Management | | | | | | | |
| Number of institutions monitored on the implementation of GRAP standards for liabilities | 12 Votes, 21 Municipalities and 3 Public Entities | 49 Analysis | 47 Analysis | 12 Votes, 7 Municipalities and 4 Public Entities | 12 Votes, 7 Municipalities and 4 Public Entities | 12 Votes monitored on MCS, 7 Municipalities monitored on GRAP, 3 Public Entities monitored on GRAP and 1 Public Entity (MEGA) monitored on IFRS | The description of GRAP in the technical Indicator descriptions of the APP was narrowed to 13 and 19 which is only applicable to municipalities, while Votes and PE are monitored on the |

| Programme3: Assets and Liabilities Management | | | | | | |
|-----------------------------------------------------------------------------------------------------------------------|---------------------------------------------------|-------------------------------------------------|-------------------------------------------------|-------------------------------------------------|---------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------|
| Performance Indicator | Actual Achievement 2015/2016 | Actual Achievement 2016/2017 | Actual Achievement 2017/2018 | Planned Target 2018/2019 | Actual Achievement 2018/2019 | Deviation from planned target to Actual Achievement for 2018/2019 |
| | | | | | | wider GRAP standards, this was an error and would be corrected in the next financial year |
| Sub-programme: Physical Asset Management | | | | | | |
| Number of Votes, Municipalities and Public Entities supported and monitored to comply with asset management framework | 12 Votes, 21 Municipalities and 4 Public Entities | 4 Votes, 9 Municipalities and 2 Public Entities | 4 Votes, 9 Municipalities and 2 Public Entities | 6 Votes, 6 Municipalities and 2 Public Entities | 12 Votes, 12 Municipalities and 4 Public Entities | Exceeded by 6 municipalities (Msukaligwa LM, Thaba Chweu LM, Emakhazeni LM, DR JS Moroka LM) and 2 public entities (MER, MRTT) |
| Number of votes supported on inventory management | N/A | 12 Votes | 8 Votes | 6 Votes | 6 Votes | None |
| Sub-programme: Interlinked Financial System | | | | | | |
| Number of votes monitored on optimal utilisation of Persal and Logis | N/A | N/A | New Indicator | 12 Votes | 12 Votes | None |
| Number of Votes monitored on access security profiles | N/A | N/A | New Indicator | 12 Votes | 12 Votes | None |
| Sub-programme: Information Technology | | | | | | |
| Percentage Up-time of ICT Network infrastructure | 97.5% | 97.82% | 97.85% | 95% | 94.3% | Up time was under achieved by 0.7% |
| | | | | | | Due to ongoing power outages during the month of March 2019, which damaged switches and data lines. The unit is currently |

| Programme3: Assets and Liabilities Management | | | | | | | |
|---------------------------------------------------------------|--------------------------------|--------------------------------|--------------------------------|------------------------------|------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------|
| Performance Indicator | Actual Achievement 2015/2016 | Actual Achievement 2016/2017 | Actual Achievement 2017/2018 | Planned Target 2018/2019 | Actual Achievement 2018/2019 | Deviation from planned target to Actual Achievement for 2018/2019 | Comment on deviations |
| | | | | | | | attending to the matter |
| Percentage of calls resolved | 99% | 99.8% | 100% | 99% | 100% | Calls responded to was exceeded by 1% | Due to efficiencies all calls reported were attended to |
| Number of Votes and Municipalities supported on IT Governance | 12 Votes and 21 municipalities | 12 Votes and 20 Municipalities | 12 Votes and 20 municipalities | 6 Votes and 9 municipalities | 9 Votes and 9 municipalities | 3 more departments (Department of Agriculture, Rural Development Land and Environment Affairs, Department of Culture Sport and Recreation and Department of Social Development) were assisted | 3 were assessed as part of the desktop analysis to establish their status in terms of IT governance implementation progress, to be monitored going forth |

Reasons for deviations

Sub Programme: Provincial Supply Chain Management

- a) Number of Votes and Municipalities monitored on contracted management
- The over-achievement is due to more municipalities that responded to the general circular 46 of 2018 that was issued to the MFMA institutions requesting contract registers. 14 Municipalities responded and 7 more was assisted than planned.

Sub Programme: Public Sector Liability

- a) Number of institutions monitored on the implementation of GRAP standards for liabilities
- Quarter 2 & 3: 12 Votes and 3 Public Entity were monitored in terms of GRAP (MCS) and 1 Public Entity (MEGA) was monitored in terms of GRAP (IFRS), while on the technical indicator description of the Annual Performance Plan (APP) it was indicated that they will be monitored in terms of GRAP 13 and 19, which was incorrect defined/narrowed as this is only applicable to municipalities. This would be rectified under the description in the APP 2019/20

Sub Programme: Physical Asset Management

- a) Number of Votes, Municipalities and Public Entities supported on compliance to asset management norms and standards
- The over achievement is due to challenges experienced by Municipalities on compliance to asset management norms and standards and Provincial Treasury assisted in addressing the challenges

Sub Programme: Information Technology

- a) Percentage Up-time of ICT Network infrastructure
- The underachievement is due to ongoing power outages during the month of March 2019, which damaged switches and data lines. The unit is currently working on the matter
- b) Percentage of calls responded to within 8 working hours
- The overachievement is due to efficiencies all calls reported were attended to
- c) Number of Votes and Municipalities supported on IT Governance
- The overachievement is due to 3 more Votes being assessed as part of the desktop analysis to establish their status in terms of IT governance implementation progress.

Strategy to overcome areas of under performance

- a) Percentage Up-time of ICT Network infrastructure

- SITA is currently being engaged to assist in mitigating factors around load shedding.

Changes to planned targets

There were no changes to planned targets during the year

Linking performance with budgets

The Programme has spent an amount of **R 145 548 000** which is 100.0 percent of its total budget of **R 145 618 000**.

Sub-programme expenditure

| Sub-Programme Name | 2017/2018 | | | 2018/2019 | | |
|------------------------------------|---------------------|--------------------|--------------------------|---------------------|--------------------|--------------------------|
| | 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 | 234 | 207 | 27 | 415 | 398 | 17 |
| Provincial Supply Chain Management | 16 469 | 16 153 | 316 | 19 157 | 19 130 | 27 |
| Public Sector Liabilities | 4 971 | 4 891 | 80 | 6 270 | 6 268 | 2 |
| Physical Assets Management | 6 952 | 6 950 | 2 | 6 417 | 6 403 | 14 |
| Interlinked Financial Systems | 11 771 | 11 730 | 41 | 12 839 | 12 838 | 1 |
| Information Technology | 87 725 | 87 085 | 640 | 100 520 | 100 511 | 9 |
| Total | 128 122 | 127 016 | 1 106 | 145 618 | 145 548 | 70 |

6. 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:

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

Strategic Objectives of Programme 4:

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

Strategic objectives, performance indicators, planned targets and actual achievements

The Programme was in a position to achieve all of its planned targets during the year and in some cases, there were overachievements due to an increase in the number of invitations received from stakeholders.

The overachievement under the Accounting Services Unit, where 1 more Municipality was included for support, was due to the challenges experienced during the previous year's audit.

As a result of non-implementation of the Provincial Treasury's recommendations on previous findings, two more votes were monitored by the Norms and Standards Unit on audit findings action plans.

The overachievements under the Risk Management Unit were due to the high number of requests received from stakeholders for assistance with risk assessments, orientation of Risk Committee members and invitations to attend Risk Management Committees.

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 additional resource allocations, the Unit also overachieved in terms of assessments on readiness of Quality Assurance reviews and follow-ups conducted on the implementation of recommendations.

Strategic objectives

| Programme 4: Financial Governance | | | | | |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------|---------------------------------------------------|---------------------------------------------------|--------------------------------------------------------------------------|------------------------------|
| Strategic objectives | Actual Achievement 2017/2018 | Planned Target 2018/2019 | Actual Achievement 2018/2019 | Deviation from planned target to Actual Achievement for 2018/2019 | 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 2015/2016 | Actual Achievement 2016/2017 | Actual Achievement 2017/2018 | Planned Target 2018/2019 | Actual Achievement 2018/2019 | Deviation from planned target to Actual Achievement for 2018/2019 | 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 2 Public Entities | 12 Votes and 2 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 2 Public Entities | 12 Votes and 2 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 | 14 Municipalities | 15 Municipalities | 1 Municipality | Due to numerous challenges experienced during the 2017/18 audit, the unit received more requests for assistance than what was planned. |
| 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 2015/2016 | Actual Achievement 2016/2017 | Actual Achievement 2017/2018 | Planned Target 2018/2019 | Actual Achievement 2018/2019 | Deviation from planned target to Actual Achievement for 2018/2019 | Comment on deviations | |
| Sub-programme: Norms and Standards | | | | | | | | |
| Number of Votes monitored on the remedial action plans for Financial Management | N/A | New Indicator | 6 Votes | 8 Votes | 8 Votes | None | N/A | |
| Number of action plans analysed for completeness on audit findings for Votes and Public Entities | N/A | Action plans for 12 Votes and 4 Public Entities | 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 Resource Management) | 4 Votes and 1 Public Entity | 7 Votes and 2 Public Entities | 5 Votes and 2 Public Entities | 5 Votes and 2 Public Entities | 7 Votes and 2 Public Entities | Monitored 2 more Votes. (Department of Health and Human Settlements) | Due to the non-implementation of recommendations on previous findings, a decision was taken that some Votes must be added to the initial target to determine progress in implementation of remedial actions. | |
| Number of action plans analysed for completeness on audit findings for Municipalities | N/A | New Indicator | Action plans for 20 Municipalities analysed | Action plans for 20 Municipalities | Action plans for 20 Municipalities | None | N/A | |
| Number of Municipalities monitored on implementation of audit findings action plans (Human Resource Management) | N/A | 11 Municipalities | 9 Municipalities | 9 Municipalities | 9 Municipalities | None | N/A | |
| Number of risk | New Indicator | New Indicator | New Indicator | Risk Assessment | Risk Assessment | None | N/A | |

| Programme 4: Financial Governance | | | | | | | |
|-------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------|-------------------------------------------------------------|----------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------|--------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------|
| Performance Indicator | Actual Achievement 2015/2016 | Actual Achievement 2016/2017 | Actual Achievement 2017/2018 | Planned Target 2018/2019 | Actual Achievement 2018/2019 | Deviation from planned target to Actual Achievement for 2018/2019 | Comment on deviations |
| assessment reports for Votes, Public Entities and Municipalities monitored | | | | report for 4 Votes, 2 Public Entities and 6 Municipalities | report for 4 Votes, 2 Public Entities and 6 Municipalities | | |
| Sub-programme: Provincial Risk Management | | | | | | | |
| Number of revised Enterprise Risk Management (ERM) frameworks reviewed / issued | N/A | 1 Revised Enterprise Risk Management (ERM) framework issued | 1 Revised Enterprise Risk Management (ERM) framework issued | 1 Revised Enterprise Risk Management (ERM) frameworks reviewed / 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 | 24 reports for Votes, 28 for Municipalities and 4 for Public Entities | 9 Votes 4 Public Entities 12 Municipalities | 5 Votes, 2 Public Entities and 8 Municipalities monitored on implementation of the Framework | 5 Votes 8 Municipalities 2 Public Entities monitored on implementation of the Framework | 9 Votes, 15 Municipalities 3 Public Entity | Monitored 4 more Votes (COGTA, OTP and PT), 7 more Municipalities (Dr Pixley Ka Isaka LM, Thembisile Hani LM, Victor Khanye LM, Mkhondo LM, Nkangala DM, Gert Sibande DM, Emalaheni LM) and 1 more Public Entity (Ehlanzeni TVET) Faith, there are 7 municipalities * NB: Some Votes and Municipalities were repeatedly supported. | More invitations were received to attend Risk Management Committee meetings and to provide training. |
| Number of Guidelines on Risk Management processes reviewed / issued | 1 Guideline | 1 Guideline reviewed and issued | 1 Guideline issued | 1 Guideline issued / reviewed | 1 Guideline issued | None | N/A |
| 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 |

| Programme 4: Financial Governance | | | | | | | | |
|--------------------------------------------------------------------------------------------------|-------------------------------------------------|------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------|--|
| Performance Indicator | Actual Achievement 2015/2016 | Actual Achievement 2016/2017 | Actual Achievement 2017/2018 | Planned Target 2018/2019 | Actual Achievement 2018/2019 | Deviation from planned target to Actual Achievement for 2018/2019 | Comment on deviations | |
| Number of municipalities with functional audit committees | N/A | New Indicator | 16 Municipalities | 16 Municipalities | 18 Municipalities | 2 More Municipalities were added on (Thembisile Hani LM and Emalahleni LM) | More invitations were received to attend Audit Committee meetings | |
| Number of evaluations of performed on the effectiveness of Audit Committees | 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 | 14 Evaluations performed on the effectiveness of Audit Committees | 43 Evaluations | Performed 9 more evaluations for Public Entities, which includes Nkangala TVET College. and 20 more evaluations for Votes | More invitations were received to attend Audit Committee meetings | |
| Number of Internal Audit assessments performed on readiness of Quality Assurance Review | 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 | 3 Assessment performed on readiness of Quality Assurance Review | 2 more Quality Assurance reviews were conducted (Chief Albert Luthuli and Emakhazeni Local Municipality) | Additional resources were allocated that enabled the increase in reviews | |
| Number of follow-ups conducted on the implementation of Quality Assurance review recommendations | 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 | 1 follow-up conducted on the implementation of Quality Assurance review recommendations | 2 follow-up conducted on the implementation of Quality Assurance review recommendations | One extra follow-up was conducted (Department of Health) | Additional resources were allocated that enabled the increase in reviews | |

Reasons for deviations

Sub-programme: Accounting Services

- a) Number of Municipalities supported and monitored on preparation of financial statements and audit processes
 - Due to numerous challenges experienced during the 2017/18 audit, the unit received more requests for assistance than what was planned which lead to the overachievement.

Sub-programme: Norms and Standards

- a) Number of Votes and Public Entities monitored on audit findings action plans (Human Resources)
 - The overachievement was due to the non-implementation of recommendations on previous findings that a decision was taken that some Votes must be added to the initial target to determine progress in implementation of remedial actions
- b) Number of Municipalities monitored on implementation of audit findings action plans (Human Resources)
 - Due to the non-implementation of recommendations on previous findings, a decision was taken that some Municipalities must be added to the initial planned target which lead to the overachievement

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.

Sub-programme: Provincial Internal Audit

- a) Number of municipalities with functional audit committees
 - The overachievement is due to more invitations to attend audit committee meetings, which were received.
- b) Number of evaluations performed on the effectiveness of Audit Committees (Votes and Public Entities)
 - More invitations to attend audit committee meetings were received which lead to the overachievement.
- c) Number of Internal Audit assessments performed on readiness of Quality Assurance Review

- Additional resources were allocated that enabled the increase in reviews, which resulted in to an overachievement.
- d) Number of follow-ups conducted on the implementation of Quality Assurance review recommendations
- Additional resources were allocated that enabled the increase in reviews

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 R 31 978 000** which is 100 percent of its total budget allocated of **R 31 986 000**.

Sub-programme expenditure

| Sub-Programme Name | 2017/2018 | | | 2018/2019 | | |
|---------------------------|---------------------|--------------------|---------------------------|---------------------|--------------------|---------------------------|
| | 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 | 3 105 | 2 997 | 108 | 3 038 | 3 036 | 2 |
| Accounting Services | 5 406 | 5 248 | 158 | 6 851 | 6 851 | - |
| Norms and Standards | 12 398 | 12 259 | 139 | 14 638 | 14 638 | - |
| Risk Management | 2 715 | 2 700 | 15 | 3 766 | 3 765 | 1 |
| Provincial Internal Audit | 3 080 | 3 006 | 74 | 3 693 | 3 688 | 5 |
| Total | 26 704 | 26 210 | 494 | 31 986 | 31 978 | 8 |

7. TRANSFER PAYMENTS

7.1 Transfer payments to public entities

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

8. CONDITIONAL GRANTS

The Provincial Treasury did not receive any conditional grant for the financial year 2018/19.

9. DONOR FUNDS

The Provincial Treasury did not receive any donor fund for the financial year 2018/19.

10. CAPITAL INVESTMENT

10.1 Capital investment, maintenance and asset management plan

- The Provincial Treasury managed to implement the procurement plan for assets.
- The Provincial Treasury spent 99.8 percent of the available budget of R 12 494 000.
- During the year under review moveable tangible assets amounting to R 248 000 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 | 2017/2018 | | | 2018/2019 | | |
|----------------------------|---------------------|--------------------|--------------------------|---------------------|--------------------|--------------------------|
| | Final Appropriation | Actual Expenditure | (Over)/Under Expenditure | Final Appropriation | Actual Expenditure | (Over)/Under Expenditure |
| | R'000 | R'000 | R'000 | R'000 | R'000 | R'000 |
| New and replacement assets | 7 291 | 6 589 | 702 | 12 494 | 12 472 | 22 |
| Total | 7 291 | 6 589 | 702 | 12 494 | 12 472 | 22 |



PART C

Governance

1. INTRODUCTION

The Provincial Treasury has well established governance structures such as the Audit Committee, 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 and Ethics 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 and Ethics 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 the risk and ethics 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; however, no case were reported via the hotline during the financial year.

4. MINIMISING CONFLICT OF INTEREST

Disclosure of Financial Interests

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. A hundred percent compliance was achieved in this regard in line with the applicable disclosure framework.

Remunerative Work Outside their Employment in the Public Service

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 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, Provincial Supply Chain and Officials at salary levels 11 and 12. For the period under review, 4 officials were granted permission to perform work outside the Public Service.

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. During the period under review, three cases of unacceptable conduct were received and processed; only two were concluded whilst one case remained pending by 31 March 2019.

6. HEALTH, SAFETY AND ENVIRONMENTAL ISSUES

In compliance with the Occupational Health and Safety Act, 1993 (Act No. 85 of 1993), the Provincial Treasury established Occupational Health and Safety (OHS) Committee and four quarterly meetings were held. Appointed and trained the Occupational Health and Safety representatives in terms of section 17 of the Occupational Health and Safety Act, 1993 (Act No. 85 of 1993), to review the effectiveness of health and safety measure. Ongoing inspections were conducted to identify occupational hazards, as a result a comprehensive report was developed outlining occupational hazards identified from all workstations of the Provincial Treasury, as well as the Action Plan to monitor mitigation of the hazards. One (1) awareness workshop on Occupational Health and Safety conducted. One (1) evacuation drill conducted for the KwaMhlanga Regional office.

There has been a slow response from property owners to mitigate occupational health and safety hazards identified in rented office buildings.

7. PORTFOLIO COMMITTEES

Meeting dates of the Portfolio Committee:

- a) 15 May 2018: Vote 3 Budget 2018/19
- b) 28 August 2018: 1st Quarter report 2018/19
- c) 13 November 2018: 2nd Quarter report 2018/19
- d) 28 February 2019: 3rd Quarter report 2018/19

| Resolution No. | Resolutions | Response by Provincial Treasury |
|------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Vote 3 Budget 2018/19 | | |
| 1. | Provincial Treasury must closely monitor the Provincial Transversal Contract to ensure that the previously disadvantaged in the hospitality sector participate and benefit from it. Furthermore, the Treasury must on a quarterly basis report to the Committee on the sustainability of the contract in the province. | <ul style="list-style-type: none"> The appointed service providers are qualifying as previously disadvantaged groups. Provincial Treasury will obtain a list of all local service providers on accommodation in the Mpumalanga Province from the Mpumalanga Tourism Parks Agency (MTPA). The list will be distributed to all Department to promote utilisation of local accommodation and sectors, A quarterly monitoring tool was developed and distributed to Departments to report on the equitable utilisation of the service providers. The service providers will also submit reports on any challenges they have with the Departments. Currently the Provincial Treasury established the Provincial transversal contracts for economic empowerment and job creation for the designated groups Exempted Micro Enterprise (EME) and Qualifying Small Enterprises (QSE) Procuring from local suppliers in promoting of small enterprises, cooperatives, rural and township enterprises. The implementation of transversal term contracts by the Provincial Treasury will improve compliance to the SCM framework and promote uniformity and standardization on procurement of the identified commodities and rotation of suppliers districts specific suppliers will be utilized identification of suppliers not performing will be identified. |
| 2. | The Treasury must finalise the cost assessment excise before the end of the second quarter of the 2018/19 financial year and a report be submitted to the Committee in this regard. | <ul style="list-style-type: none"> A review for hospital food was looked at to find out whether there has been no overpricing and they were found to be within acceptable parameters. |
| 3. | Regarding the IT infrastructure and replacement of absolute working tools: | |
| i | The Treasury must ensure that the other provincial departments are not budgeting for IT infrastructure (switches and routes) in order to avoid double budgeting. | <ul style="list-style-type: none"> Eight Provincial Departments (Public Works, Roads and Transport, Human Settlement, Culture Sport and Recreation, Economic Development and Tourism, Corporative Governance and Traditional Affairs, Community Safety, Security and Liaison, Office of the Premier and Agriculture, Rural Development and Environmental Affairs) are not budgeting for the IT Infrastructure. Provincial Treasury provides for baseline services, like main data lines, to all departments. However, the large departments, Health, Education and Social Developments, due to their nature of work and geographic spread, have their own fully-fledged IT Units, which do the work done by Provincial Treasury. |
| ii | The Treasury must submit a report on how the absolute assets were disposed of. | <ul style="list-style-type: none"> The Provincial Treasury disposes assets currently in two methods (through public auction by Department of Public Works, Roads and Transport and by donation to Public institutions that have a need for these assets, e.g. schools). The Public Auction strategy for disposal of assets specifically motor vehicles is managed by the Department of Public Works, Roads and Transport and the department submits the list of all assets to be disposed for review by the board of stock survey prior the auction. Provincial Treasury through the Disposal Committee has for the past financial year disposed obsolete assets (Office Furniture, and Computer Equipment) through donations to Public Schools that have submitted requests for office equipment. |
| 4. | The Treasury must develop and fully implement the Revenue Enhancement Strategy in the municipalities. | <ul style="list-style-type: none"> Three municipalities were supported with the development of financial recovery plans. Bushbuckridge, Mbombela and Dipaleseng. All municipalities did develop revenue enhancement strategies, which was adopted by Councils. |

| Resolution No. | Resolutions | Response by Provincial Treasury |
|-----------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Vote 3 Budget 2018/19 | | |
| | | <ul style="list-style-type: none"> Provincial Treasury is in a process to support six municipalities with the implementation of these strategies. Support plan was developed with inputs from the critical municipalities who were identified for the support. |
| 5. | The Treasury must develop and implement an intervention strategy in Thaba Chweu Local Municipality as it received a disclaimed audit opinion during the 2016/17 financial year. | <ul style="list-style-type: none"> The intervention plan was developed for Thaba Chweu. |
| 6. | Treasury must submit a report to the Committee indicating the budget allocated for the appointment of graduates in schools and the targeted number of graduates. | <ul style="list-style-type: none"> The budget for this project is R1.2 million whereby R1 million will be spent to pay the monthly stipends of R6980 per month to the graduates and R200 000 for training of graduates including venue, accommodation and transport. The number of targeted graduates are fifteen (15) and they will support thirty (30) schools up to the end of March 2019. One graduate will support two schools in close proximity to each other. The graduates are not only expected to perform daily bookkeeping responsibilities but also to compile monthly and annual financial statements for the schools. One of the conditions is that there must be skills transfer to permanent employees at the schools to ensure that the schools are able to compile financial statements even after the graduates' contracts come to an end. The Provincial Treasury will also ensure that funds are prioritised beyond the 2018/19 financial year to support schools in order to contribute to the sustainability of the project. |
| 7. | Treasury must together with the Department of Public Works, Roads and Transport develop a plan to address the issue of government departments that are renting office space. | <ul style="list-style-type: none"> The Department of Public Works, Roads and Transport was on a number of occasions advised to consider Public Private Partnership (PPP) model in acquiring offices particularly for the Bushbuckridge and Ermelo areas. However, DPWRT did not make financial provisions for conducting feasibility studies, as this process couldn't continue. |
| 1st Quarter Performance Report 2018/19 | | |
| 1. | The treasury must ensure that consequence management is implemented on departments that are not complying with the framework. | <ul style="list-style-type: none"> The Treasury takes note of the comment and will continuously monitor the compliance with the contract management framework and take appropriate steps where there is non-compliance. |
| 2nd Quarter Performance Report 2018/19 | | |
| 1. | Provincial Treasury must finalise and implement the Audit Improvement Plans for public sector departments before the end of the third quarter of the 2018/19 financial year. | <ul style="list-style-type: none"> A template of the Audit Improvement Plan was compiled by the Provincial Treasury and provided to Departments and Public Entities. All Provincial Departments and Public Entities compiled Audit Improvement Plans for the 2017/18 financial year and submitted such to the Provincial Treasury. The Provincial Treasury analysed these plans in terms of completeness (whether all issues raised in the audit reports and audit management letters are included in the plans) as well as content (whether all the prescribed columns were completed correctly) and recommendations were submitted to Accounting Officers and Accounting Authorities for implementation of these plans during the 2nd and 3rd Quarter of this financial year. Departments and Public Entities are expected to implement these improvement plans and to include progress on the plans on the Agendas for discussion on management meetings and Audit Committee meetings to ensure regular monitoring and oversight. |
| 2. | Provincial Treasury must ensure that the five municipalities implement all recommendations emanating from the assessment. | <ul style="list-style-type: none"> Provincial Treasury are monitoring the implementation of the recommendations in the five municipalities by means of project steering committees in each municipality whereby progress is monitored. These meetings are scheduled and taking place on a monthly basis. Municipalities allocated revenue managers and accountants full time to the project to |

| Resolution No. | Resolutions | Response by Provincial Treasury |
|----------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Vote 3 Budget 2018/19 | | |
| | Furthermore, the Provincial Treasury must transfer skills to officials in the five municipalities to ensure that the challenges concerning the billing systems are addressed. | work with the Service Providers in ensuring that skills transfer takes place. |
| 3rd Quarter Performance Report 2018/19 | | |
| 1. | The Provincial Treasury must ensure that the Financial Recovery Plans are implemented in the municipalities as mentioned (FRP for Lekwa, Thaba Chweu, Govan Mbeki and Msukaligwa local municipalities | <p>1. EMALAHLENI LOCAL MUNICIPALITY:</p> <ul style="list-style-type: none"> Financial Recovery Plan completed and approved by MEC on 22 January 2019. Plan presented to Council by MEC on 28 February 2019. Reporting framework developed and provided to municipality for reporting purposes. First report published on municipal website and Provincial Treasury in process with verification of progress. <p>2. THABA CHWEU LOCAL MUNICIPALITY:</p> <ul style="list-style-type: none"> Engagements completed with municipality on detail assessment of status and root causes identified for challenges. Detail status and root causes used to develop draft recovery plan. Engagements done with management, labour, top creditors and inputs requested. Draft Plan published on municipal website and one Local newspaper on 5 April 2019 requesting further inputs from all stakeholders. Received inputs will be incorporated into final draft FRP. Final draft consulted with National Treasury Financial Recovery Service Unit. <p>3. MSUKALIGWA LOCAL MUNICIPALITY:</p> <ul style="list-style-type: none"> Engagements completed with municipality on detail assessment of status and root causes identified for challenges. Detail status and root causes used to develop draft recovery plan. Engagements done with management, labour, top creditors and inputs requested. Draft Plan published on municipal website and one Local newspaper on 2 April 2019 requesting further inputs from all stakeholders. Received inputs will be incorporated into final draft FRP. Final draft consulted with National Treasury Financial Recovery Service Unit. <p>4. GOVAN MBEKI LOCAL MUNICIPALITY:</p> <ul style="list-style-type: none"> Engagements completed with municipality on detail assessment of status and root causes identified for challenges. Detail status and root causes used to develop draft recovery plan. Engagements done with management. Engagements with labour and top creditors still not completed as creditors did not respond on written invites by the municipality for consultation process. Draft Plan published on municipal website and one Local newspaper on 22 March 2019 requesting further inputs from all stakeholders. Received inputs will be incorporated into final draft FRP. Final draft consulted with National Treasury Financial Recovery Service Unit. <p>5. LEKWA LOCAL MUNICIPALITY:</p> <ul style="list-style-type: none"> Engagements completed with municipality on detail assessment of status and root causes identified for challenges. Detail status and root causes used to develop draft recovery plan. Engagements done with management, but Municipal Manager inputs minimal. Engagements with labour and top creditors still not done due to delay by Lekwa Local Municipality providing inputs to the draft recovery plan. Received inputs from stakeholders will be incorporated into final draft FRP. Final draft to be consulted with National Treasury Financial Recovery Service Unit. Numerous attempts to engage the Troika were futile as two scheduled meetings with Provincial Treasury did not materialize. Brief to Troika was finally done on Wednesday 17 April 2019. Draft Plan to be published on municipal website and one Local newspaper on 25 April 2019 requesting further inputs from all stakeholders. |

| Resolution No. | Resolutions | Response by Provincial Treasury |
|------------------------------|-----------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Vote 3 Budget 2018/19 | | |
| 2. | The Provincial Treasury must report to the Committee how the municipalities were supported during the fourth quarter. | <p>1. Assets and Liabilities Management support:</p> <ul style="list-style-type: none"> Support was provided to municipalities regarding their status on the following: <ul style="list-style-type: none"> • Feedback analysis on the 30 days payments of contracted service providers. • Follow-up on the amendment of appointments of Bid Committees, • Reviewal of SCM policy in line with the new SCM reforms and Declaration of interests by committee members and SCM officials. • Monitoring and escalation of reminders on the submission of contract registers. • Training of bid committee members, • Provision of views and opinions where requested on various supply chain matters for example deviations, treatment of variation orders, etc. • Support on the implementation of remedial measures based on the 2017/2018 audit outcomes. • Provided support on the ICT governance matters, • Provided support on the implementation of MSCOA. • Provided support on the monitoring of retentions, leases and leave matters. <p>2. Municipal Finance Support:</p> <ul style="list-style-type: none"> • Provincial Treasury supported Five municipalities with reconciliations of their Valuation rolls, Billing systems and Deeds Office Data. (Msukaligwa, Emalahleni, Emakhazeni Victor Khanye and Thaba Chweu. • Emalahleni, Govan Mbeki, Lekwa, Msukaligwa and Thaba Chweu supported with development of Financial Recovery Plans. • All Municipalities Audit Action Plans reviewed and municipalities supported with improvement of such in ensuring root causes were identified and plans were developed to address them. • All Municipalities trained and assisted with tariff setting, completion, and submission of D-Forms to NERSA in order to obtain approval for tariff structures. • All municipal Mid-Year Budgets analysed and outcome communicated with municipalities to support the adjustment budget process. |

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 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) Regional Office Reviews;
- c) Control Environment;
- d) Quarterly Key Controls Review;
- e) Information Technology and Interlinked Financial Systems;
- f) Asset Management; and
- g) 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 | 6 |
| Mr Hangalakani Hlomane | BSc: Maths Sciences Masters: IT | External | N/A | 01/11/2013 | 07/11/2018 Passed Away | 4 |
| Ms Nonyaniso Brenda Mzuzu | B Proc Degree Certificate in Business Rescue | External | N/A | 01/11/2016 | N/A | 6 |
| Mr Sibusiso Khululekani Mavundla | B Com Accounting | Internal | Office of the Premier IT Audit Section | 01/11/2016 | N/A | 6 |

12. AUDIT COMMITTEE REPORT

The Audit Committee hereby presents its report for the financial year ended 31 March 2019.

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) Regional Office Review;
- c) Control Environment;
- d) Quarterly Key Controls Review;
- e) Information Technology and Interlinked Financial Systems;
- f) Asset Management; and
- g) 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 lease renewal 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) 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: 31/07/2019



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 Human Resource Management unit continued to provide:

- a) Human Resource support services to enable attainment of organisational objectives;
- b) Implement Human Resource and Employment Equity Plans;
- c) Implement skills development programmes to improve operational efficiency;
- d) Address skills gaps as informed by performance management assessments;
- e) Provide labour advice to promote sound employee/employer relations;
- f) Promote employee health and wellness and support programmes; and
- g) Promote gender equality and diversity management.

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

| Human Resource Priorities | The impact of thereof |
|--------------------------------------------------------------------------------|------------------------------------------------------------------|
| Attracting and recruiting skilled employees | Improved organisational performance |
| Retaining and developing a modern responsive and professional workforce | Reduced personnel turnover |
| Provision of accurate HR information. | Informed decision-making |
| Proper management of leave | Maximum performance Reduced leave liability |
| Instill discipline and implement the code of conduct. | Well behaved and disciplined officials. |
| Ensure capacity building for all employees | Improved operational efficiency Enhanced employee performance |
| Proper management and implementation of Performance Management and Development | Improved productivity Efficient and consistent performance |
| Management of Employee Health and Wellness programme | Healthy and productive workforce Reduced absenteeism |

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

Moratorium on filling of vacant posts as per circular dated 13 March 2015 continued to be implemented, as a result all vacant and unfunded posts were abolished on PERSAL with effect from 01 April 2015.

- b) **Employee performance management.**

All eligible officials on salary level 1-12 including SMS level 13-14 were assessed in accordance with the Performance Management and Development System, and those who qualified for performance rewards were paid accordingly, with an exception of the Head: Provincial Treasury.

c) **Employee wellness programmes.**

Four (4) awareness campaigns/workshops on HIV/AIDS and TB Management were conducted, namely; awareness on HIV/AIDS, ST and PMTCT, Candlelight Memorial, Voluntary Counselling and Testing as well as commemoration of World AIDS Day.

Three (3) awareness campaigns/workshops on Health and Productivity were held, namely; Health Screening, awareness campaign on Women's Health and awareness workshop on Health and Productivity.

Five (5) Wellness programmes were implemented, namely; Physical Health and Wellness day (first quarter and fourth quarter); awareness workshop on Work-life Balance targeting all employees eligible for retirement, awareness workshop on Personal Financial matters and Provincial Treasury's sports teams participated in the Provincial Sports Tournament.

Two (2) cases were successfully referred for professional services as part of Employee Wellness programme.

Four (4) Employee Health and Wellness committee meetings were convened to monitor implementation of Wellness programmes.

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

Achieved

Successive MTEF Human Resource Plan as well as the Human Resource Plan Implementation Report were revised and approved for implementation in compliance with the Public Service Regulation, 2016.

Six (6) Human Resource awareness workshops were conducted to improve compliance on Human Resource policies, with specific focus on the following aspects; PMDS, Salary Determination, Leave Management, Pension Matters, HR Policies and PILLIR.

Partially Achieved

The successive Employment Equity Plan (2018-2023) was developed and submitted to the Department of Labour within stipulated period, as well as the Annual Employment Equity targets for 2018/19 in compliance with the Employment Equity Act, 1998 (Act No. 55 of 1998). Whilst the full implementation of the Employment Equity targets was hindered by the moratorium in filling of vacant posts, the Provincial Treasury maintained its compliance target of 2.1% on employment of People with Disabilities and slightly regressed to 47.1% on employment of women in senior management position. Four (4) Employment Equity Committee meetings were held to monitor implementation of the Employment Equity Plan.

Partially Achieved

The Provincial Treasury managed to perform ongoing PERSAL clean-up including alignment to budget structure, and will continue to improve PERSAL data reliability in compliance with the National Minimum Information Requirements.

Achieved

Through awareness workshops, circulars and regular reports to Management on leave management, the use of sick leave reduced to an average of 6 days per employee, as opposed to an average of 7 days per employee during 2017/18.

Partially Achieved

All eight (8) grievance cases received were concluded accordingly. Finalised two (2) misconduct cases and one (1) remained pending. Four (4) Labour Relations awareness workshops were conducted on the following aspects; Code of Conduct; Financial Misconduct; Ethical Conduct, and Grievance Procedure. Four (4) status reports on labour cases were issued.

Achieved

Five (5) generic training programmes were implemented within available resource. Enrolled, coached and mentored 37 Interns on Internship Programme. Enrolled ten (10) Trainee Accountants on SAIPA Learnership Programme. Compiled and submitted Workplace Skills Plan to SETA. Obtained grant funding from FASSET to enrol nine (9) TVET Learners on internship programme effective from 01 April 2019. Compiled and submitted Human Resource Development Implementation Plan and Annual Report to DPSA. Four (4) quarterly reports on the implementation of Annual Skills Plan were submitted to Management Committee and Audit Committee. Two (2) HRD workshops were conducted on the following aspects; Resolution 5 of 2014 and HRD policies. Four (4) Skills Development Committee meetings were held to monitor implementation of Human Resource Development programmes.

Partially Achieved

All eligible officials on salary level 1-12 including SMS level 13-14 were assessed in accordance with the Performance Management and Development System, and those who qualified for performance rewards were paid accordingly, with an exception of the Head: Provincial Treasury and senior managers.

Achieved

The Provincial Treasury established Occupational Health and Safety (OHS) Committee in terms of section 19 of the Occupational Health and Safety Act No.85 of 1993, and four quarterly meetings were held. Appointed and trained the Occupational Health and Safety representatives in terms of section 17 of the Occupational Health and Safety Act No.85 of 1993, to review the effectiveness of health and safety measure. Developed a comprehensive report on the occupational hazards identified from all workstations of the Provincial Treasury, as well as the Action Plan to monitor mitigation of the hazards. One (1) awareness workshop on Occupational Health and Safety conducted. One (1) evacuation drill conducted for the KwaMhlanga Regional office.

There has been a slow response from property owners to mitigate occupational health and safety hazards identified in rented office buildings.

Achieved

Four (4) awareness campaigns/workshops on HIV/AIDS and TB Management were conducted, namely; awareness on HIV/AIDS, Candlelight Memorial, Voluntary Counselling and Testing as well as commemoration of World AIDS day.

Three (3) awareness campaigns/workshops on Health and Productivity were held, namely; Health Screening, awareness campaign on Women's Health and awareness workshop on Health and Productivity.

Five (5) Wellness programmes were implemented, namely; Physical Health and Wellness day (first quarter and fourth quarter); awareness workshop on Work-life Balance targeting all employees eligible for retirement, awareness workshop on Personal Financial matters and Provincial Treasury's sports teams participated in the Provincial Sports Tournament. Two (2) cases were successfully referred for professional services as part of Employee Wellness programme.

Achieved

Four (4) Diversity Management workshops were conducted on the following aspects: Sexual Harassment; Reasonable Accommodation for People with Disabilities; Basic Sign Language, and Gender Equality and Gender Based Violence.

One (1) Public Service Women Management Week (PSWMW) meeting was held as directed by the Minister of Public Service and Administration to review progress on the implementation of the eight (8) Principle Action Plan for Women's Empowerment and Gender Equality to address gender inequality in the workplace. Approved GESF and JASF plan as well as the Annual Report submitted to the Department of Public Service and Administration (DPSA).

Submitted four (4) quarterly reports on Gender and Disability Mainstreaming and Social Empowerment programmes to the Office of the Premier. Donated eight (08) refrigerators to eight (08) under privileged households as part of the social empowerment programmes.

3. HUMAN RESOURCES OVERSIGHT STATISTICS

3.1. Personnel related expenditure

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

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

Table 3.1.1 Personnel expenditure by programme for the period 1 April 2018 and 31 March 2019

| 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 | 97 455 | 61 113 | 1 046 | 348 | 63 | 375 |
| Sustainable Resource Management | 56 537 | 44 345 | 161 | 7 566 | 78 | 924 |
| Assets & Liabilities Management | 145 548 | 60 815 | 906 | 0 | 42 | 683 |
| Financial Governance | 31 978 | 27 431 | 290 | 941 | 86 | 571 |
| Total as on Financial Systems (BAS) | 331 518 | 193 703 | 2 403 | 8 855 | 58 | 557 |

Table 3.1.2 Personnel costs by salary band for the period 1 April 2018 and 31 March 2019

| 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) | 1 845 | 1.0 | 10 | 185 |
| Skilled (Levels 3-5) | 7 937 | 4.1 | 32 | 248 |
| Highly skilled production (Levels 6-8) | 38 904 | 20.1 | 93 | 418 |
| Highly skilled supervision (Levels 9-12) | 117 852 | 60.8 | 128 | 921 |
| Senior management (Levels 13-16) | 20 370 | 10.5 | 17 | 1198 |
| Contract (Levels 9-12) | 1 074 | 0.6 | 1 | 1074 |
| Contract (Levels 13-16) | 1 523 | 0.8 | 0 | 1523 |
| Abnormal Appointment | 4 198 | 2.2 | 67 | 63 |
| TOTAL | 193 703 | 100.0 | 348 | 557 |

Table 3.1.3 Salaries, Overtime, Home Owners Allowance and Medical Aid by programme for the period 1 April 2018 and 31 March 2019

| 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 | 50 877 | 79.4 | 120 | 0.2 | 1 721 | 2.70 | 3 062 | 4.8 |
| PR2 Sustainable Resource Management | 38 925 | 82.2 | 18 | 0.0 | 844 | 1.80 | 741 | 1.6 |
| PR3 Assets and Liabilities Management | 51 462 | 78.9 | 397 | 0.6 | 1 077 | 1.70 | 2 341 | 3.6 |
| PR4 Financial Governance | 23 567 | 79.8 | 23 | 0.1 | 446 | 1.50 | 841 | 2.8 |
| TOTAL | 164 831 | 79.9 | 558 | 0.3 | 4 088 | 2.00 | 6 985 | 3.4 |

Table 3.1.4 Salaries, Overtime, Home Owners Allowance and Medical Aid by salary band for the period 1 April 2018 and 31 March 2019

| 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) | 1 263 | 68.3 | 0 | 0.0 | 162 | 8.8 | 262 | 14.2 |
| Skilled (Levels 3-5) | 5 958 | 74.6 | 61 | 0.8 | 518 | 6.5 | 724 | 9.1 |
| Highly skilled production (Levels 6-8) | 31 029 | 76.9 | 327 | 0.8 | 1 398 | 3.5 | 2 533 | 6.3 |
| Highly skilled supervision (Levels 9-12) | 101 415 | 80.3 | 169 | 0.1 | 1 479 | 1.2 | 3 190 | 2.5 |
| Senior management (Levels 13-16) | 17 965 | 81.9 | 0 | 0.0 | 526 | 2.4 | 275 | 1.3 |
| Contract (Levels 9-12) | 1 074 | 95.5 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 |
| Contract (Levels 13-16) | 1 414 | 90.9 | 0 | 0.0 | 4 | 0.3 | 0 | 0.0 |
| Abnormal Appointment | 4 714 | 93.6 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 |
| TOTAL | 164 831 | 79.9 | 558 | 0.3 | 4 088 | 2.0 | 6 985 | 3.4 |

3.2. Employment and Vacancies

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

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

This information is presented in terms of three key variables:

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

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

Table 3.2.1 Employment and vacancies by programme as on 31 March 2019

| Programme | Number of posts on approved establishment | Number of posts filled | Vacancy Rate | Number of employees additional to the establishment |
|---------------------------------------|-------------------------------------------|------------------------|--------------|-----------------------------------------------------|
| PR1 Administration | 123 | 114 | 7.3 | 10 |
| PR2 Sustainable Resource Management | 46 | 45 | 2.2 | 3 |
| PR3 Assets and Liabilities Management | 95 | 89 | 6.3 | 0 |
| PR4 Financial Governance | 33 | 33 | 0.0 | 15 |
| TOTAL | 297 | 281 | 5.4 | 28 |

Table 3.2.2 - Employment and Vacancies by Salary Band at end of period as on 31 March 2019

| Programme | 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 | 10 | 10 | 0.0 | 25 |
| Skilled (Levels 3-5), Permanent | 33 | 32 | 3.0 | 0 |
| Highly Skilled Production (Levels 6-8), Permanent | 93 | 93 | 0.0 | 0 |
| Highly Skilled Supervision (Levels 9-12), Permanent | 138 | 128 | 7.2 | 3 |
| Senior Management (Levels >= 13), Permanent | 22 | 17 | 22.7 | 0 |
| Contract (Levels 9-12), Permanent | 1 | 1 | 0.0 | 0 |
| TOTAL | 297 | 281 | 5.4 | 28 |

Table 3.2.3 Employment and Vacancies by Critical Occupation at end of period as on 31 March 2019

| Critical occupation | Number of posts on approved establishment | Number of posts filled | Vacancy Rate | Number of employees additional to the establishment |
|-------------------------------------------------------------|-------------------------------------------|------------------------|--------------|-----------------------------------------------------|
| ADMINISTRATIVE RELATED, Permanent | 59 | 56 | 5.1 | 0 |
| CLEANERS IN OFFICES WORKSHOPS HOSPITALS ETC., Permanent | 1 | 12 | 0.0 | 0 |
| COMMUNICATION AND INFORMATION RELATED, Permanent | 3 | 3 | 0.0 | 0 |
| FINANCE AND ECONOMICS RELATED, Permanent | 24 | 24 | 0.0 | 0 |
| FINANCIAL AND RELATED PROFESSIONALS, Permanent | 41 | 39 | 4.9 | 3 |
| FINANCIAL CLERKS AND CREDIT CONTROLLERS, Permanent | 2 | 2 | 0.0 | 25 |
| HEAD OF DEPARTMENT/CHIEF EXECUTIVE OFFICER, Permanent | 1 | 0 | 100.0 | 0 |
| HUMAN RESOURCES RELATED, Permanent | 10 | 8 | 20.0 | 0 |
| INFORMATION TECHNOLOGY RELATED, Permanent | 33 | 33 | 0.0 | 0 |
| LIGHT VEHICLE DRIVERS, Permanent | 1 | 1 | 0.0 | 0 |
| LOGISTICAL SUPPORT PERSONNEL, Permanent | 28 | 25 | 10.7 | 0 |
| MESSENGERS PORTERS AND DELIVERERS, Permanent | 1 | 1 | 0.0 | 0 |
| OTHER ADMINISTRATIVE POLICY AND RELATED OFFICERS, Permanent | 1 | 1 | 0.0 | 0 |

| Critical occupation | Number of posts on approved establishment | Number of posts filled | Vacancy Rate | Number of employees additional to the establishment |
|----------------------------------------------------------|-------------------------------------------|------------------------|--------------|-----------------------------------------------------|
| OTHER INFORMATION TECHNOLOGY PERSONNEL, Permanent | 1 | 1 | 0.0 | 0 |
| OTHER OCCUPATIONS, Permanent | 55 | 52 | 5.5 | 0 |
| RISK MANAGEMENT AND SECURITY SERVICES, Permanent | 1 | 1 | 0.0 | 0 |
| SECRETARIES & OTHER KEYBOARD OPERATING CLERKS, Permanent | 12 | 12 | 0.0 | 0 |
| SENIOR MANAGERS, Permanent | 12 | 10 | 16.7 | 0 |
| TOTAL | 297 | 281 | 5.4 | 28 |

Notes

- The CORE classification, as prescribed by the DPSA was used for completion of this table.
- Critical occupations are defined as occupations or sub-categories within an occupation –
 - in which there is a scarcity of qualified and experienced persons currently or anticipated in the future, either because such skilled persons are not available or they are available but do not meet the applicable employment criteria;
 - for which persons require advanced knowledge in a specified subject area or science or learning field and such knowledge is acquired by a prolonged course or study and/or specialised instruction;
 - where the inherent nature of the occupation requires consistent exercise of discretion and is predominantly intellectual in nature; and
 - in respect of which a department experiences a high degree of difficulty to recruit or retain the services of employees.

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 2019

| 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 | 0 | 0 | 1 | 100 |
| Salary Level 16 | 0 | 0 | 0 | 0 | 0 |
| Salary Level 15 | 0 | 0 | 0 | 0 | 0 |
| Salary Level 14 | 3 | 2 | 67 | 1 | 33 |
| Salary Level 13 | 18 | 14 | 82 | 4 | 22.2 |
| Total | 22 | 16 | 72.7 | 6 | 27.3 |

Table 3.3.2 SMS post information as on 30 September 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 | 100 |
| Salary Level 16 | 0 | 0 | 0 | 0 | 0 |
| Salary Level 15 | 0 | 0 | 0 | 0 | 0 |
| Salary Level 14 | 3 | 2 | 67 | 1 | 33 |
| Salary Level 13 | 18 | 14 | 82 | 4 | 22.2 |
| Total | 22 | 17 | 77.3 | 5 | 22.7 |

Table 3.3.3 Advertising and filling of SMS posts for the period 1 April 2018 and 31 March 2019

| 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 2018 and 31 March 2019

| Reasons for vacancies not filled within six months |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| The implementation of the DPSA directive to abolish on PERSAL all vacant and unfunded posts as well as the provincial moratorium on filling of vacant posts effective from March 2015. |

| Reasons for vacancies not filled within twelve months |
|-------------------------------------------------------------------------------|
| Moratorium on the filling of vacant posts as per circular dated 13 March 2015 |

Notes

- In terms of the Public Service Regulations Chapter 1, Part VII C.1A.3, departments must indicate good cause or reason for not having complied with the filling of SMS posts within the prescribed timeframes.

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 2018 and 31 March 2019

| Reasons for vacancies not advertised within six months |
|--------------------------------------------------------|
| N/A |

| Reasons for vacancies not filled within six months |
|----------------------------------------------------|
| N/A |

Notes

- In terms of the Public Service Regulations Chapter 1, Part VII C.1A.2, departments must indicate good cause or reason for not having complied with the filling of SMS posts within the prescribed timeframes. In the event of non-compliance with this regulation, the relevant executive authority or head of department must take appropriate disciplinary steps in terms of section 16A (1) or (2) of the Public Service Act.

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 2018 and 31 March 2019

| 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) | 10 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 |
| Skilled (Levels 3-5) | 33 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 |
| Highly Skilled Production (Levels 6-8) | 93 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 |
| Highly Skilled Supervision (Levels 9-12) | 138 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 |
| Senior Management Service Band A | 15 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 |
| Senior Management Service Band B | 6 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 |
| Senior Management Service Band C | 1 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 |
| Contract (Levels 9-12) | 1 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 |
| TOTAL | 297 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 |

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

Table 3.4.2 Profile of employees whose positions were upgraded due to their posts being upgraded for the period 1 April 2018 and 31 March 2019

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

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

Table 3.4.3 Employees with salary levels higher than those determined by job evaluation by occupation for the period 1 April 2018 and 31 March 2019

| Occupation | Number of employees | Job evaluation level | Remuneration level | Reason for deviation |
|-------------------------------------------------------------------------------------------------|---------------------|----------------------|--------------------|----------------------|
| Senior Managers | 3 | 13 | 14 | Retention |
| 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 2018 and 31 March 2019

| 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 2018 and 31 March 2019

| Salary band | Number of employees at beginning of period-1 April 2018 | Appointments and transfers into the department | Terminations and transfers out of the department | Turnover rate |
|----------------------------------------------------|---------------------------------------------------------|------------------------------------------------|--------------------------------------------------|---------------|
| Lower Skilled (Levels 1-2) Permanent | 11 | 0 | 0 | 0.0 |
| Skilled (Levels 3-5) Permanent | 32 | 0 | 1 | 3.1 |
| Highly Skilled Production (Levels 6-8) Permanent | 93 | 0 | 0 | 0. |
| Highly Skilled Supervision (Levels 9-12) Permanent | 130 | 0 | 1 | 0.8 |
| Senior Management Service Band A Permanent | 12 | 0 | 0 | 0.0 |
| Senior Management Service Band B Permanent | 5 | 0 | 0 | 0.0 |
| Senior Management Service Band C Permanent | 1 | 0 | 1 | 100.0 |
| Contract (Levels 9-12) Permanent | 1 | 0 | 0 | 0.0 |
| TOTAL | 285 | 0 | 3 | 1.1 |

Table 3.5.2 Annual turnover rates by critical occupation for the period 1 April 2018 and 31 March 2019

| Critical occupation | Number of employees at beginning of period-1 April 2018 | Appointments and transfers into the department | Terminations and transfers out of the department | Turnover rate |
|------------------------------------------------------------|---------------------------------------------------------|------------------------------------------------|--------------------------------------------------|---------------|
| ADMINISTRATIVE RELATED Permanent | 54 | 0 | 1 | 1.9 |
| CLEANERS IN OFFICES WORKSHOPS HOSPITALS ETC. Permanent | 12 | 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 | 24 | 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 | 1 | 100.0 |
| HUMAN RESOURCES CLERKS Permanent | 1 | 0 | 0 | 0.0 |
| HUMAN RESOURCES RELATED Permanent | 7 | 0 | 0 | 0.0 |
| INFORMATION TECHNOLOGY RELATED Permanent | 19 | 0 | 0 | 0.0 |
| LIGHT VEHICLE DRIVERS Permanent | 1 | 0 | 0 | 0.0 |
| LOGISTICAL SUPPORT PERSONNEL Permanent | 25 | 0 | 0 | 0.0 |
| 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 | 61 | 0 | 1 | 1.6 |

| Critical occupation | Number of employees at beginning of period-1 April 2018 | Appointments and transfers into the department | Terminations and transfers out of the department | Turnover rate |
|---------------------------------------------------------|---------------------------------------------------------|------------------------------------------------|--------------------------------------------------|---------------|
| Permanent | | | | |
| RISK MANAGEMENT AND SECURITY SERVICES Permanent | 1 | 0 | 0 | 0.0 |
| SECRETARIES & OTHER KEYBOARD OPERATING CLERKS Permanent | 14 | 0 | 0 | 0.0 |
| SENIOR MANAGERS Permanent | 9 | 0 | 0 | 0.0 |
| TOTAL | 285 | 0.0 | 3 | 1.1 |

Notes

- The CORE classification, as prescribed by the DPSA, was used for completion of this table.
- Critical occupations are defined as occupations or sub-categories within an occupation –
 - in which there is a scarcity of qualified and experienced persons currently or anticipated in the future, either because such skilled persons are not available or they are available but do not meet the applicable employment criteria;
 - for which persons require advanced knowledge in a specified subject area or science or learning field and such knowledge is acquired by a prolonged course or study and/or specialised instruction;
 - where the inherent nature of the occupation requires consistent exercise of discretion and is predominantly intellectual in nature; and
 - in respect of which a department experiences a high degree of difficulty to recruit or retain the services of employees.

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 2018 and 31 March 2019

| Termination Type | Number | % of Total Resignations |
|----------------------------------------------------------------------|-------------|-------------------------|
| Resignation, Permanent | 1 | 33.3 |
| Expiry of contract, Permanent | 1 | 33.3 |
| Retirement, Permanent | 1 | 33.3 |
| Total | 3.00 | 100.0 |
| Total number of employees who left as a % of total employment | 3 | 100 |

Table 3.5.4 Promotions by critical occupation for the period 1 April 2018 and 31 March 2019

| Occupation | Employees 1 April 2018 | 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 | 54 | 0 | 0.0 | 48 | 88.9 |
| CLEANERS IN OFFICES WORKSHOPS HOSPITALS ETC. | 12 | 0 | 0.0 | 11 | 91.7 |
| COMMUNICATION AND INFORMATION RELATED | 3 | 0 | 0.0 | 3 | 100.0 |
| COMPUTER SYSTEM DESIGNERS AND ANALYSTS. | 1 | 0 | 0.0 | 0 | 0.0 |
| FINANCE AND ECONOMICS RELATED | 24 | 0 | 0.0 | 24 | 100.0 |
| FINANCIAL AND RELATED PROFESSIONALS | 39 | 0 | 0.0 | 32 | 82.1 |
| FINANCIAL CLERKS AND CREDIT CONTROLLERS | 3 | 0 | 0.0 | 3 | 100.0 |
| HEAD OF DEPARTMENT/CHIEF EXECUTIVE OFFICER | 1 | 0 | 0.0 | 0 | 0.0 |
| HUMAN RESOURCES CLERKS | 1 | 0 | 0.0 | 0 | 0.0 |
| HUMAN RESOURCES RELATED | 7 | 0 | 0.0 | 6 | 85.7 |
| INFORMATION TECHNOLOGY RELATED | 19 | 0 | 0.0 | 27 | 142.1 |
| LIGHT VEHICLE DRIVERS | 1 | 0 | 0.0 | 1 | 100.0 |
| LOGISTICAL SUPPORT PERSONNEL | 25 | 0 | 0.0 | 22 | 88.0 |
| MESSENGERS PORTERS AND DELIVERERS | 2 | 0 | 0.0 | 1 | 50.0 |
| OTHER ADMINISTRATIVE POLICY AND | 1 | 0 | 0.0 | 1 | 100.0 |

| Occupation | Employees 1 April 2018 | 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 |
|-----------------------------------------------------|------------------------------|------------------------------------------|-----------------------------------------------------------------------|--------------------------------------------------------------|--------------------------------------------------------------|
| RELATED OFFICERS | | | | | |
| OTHER INFORMATION TECHNOLOGY PERSONNEL. | 7 | 0 | 0.0 | 0 | 0.0 |
| OTHER OCCUPATIONS | 61 | 0 | 0.0 | 50 | 82.0 |
| RISK MANAGEMENT AND SECURITY SERVICES | 1 | 0 | 0.0 | 1 | 100.0 |
| SECRETARIES & OTHER KEYBOARD OPERATING CLERKS | 14 | 0 | 0.0 | 8 | 57.1 |
| SENIOR MANAGERS | 9 | 0 | 0.0 | 15 | 166.7 |
| TOTAL | 285 | 0 | 0.0 | 253 | 88.8 |

Table 3.5.5 Promotions by salary band for the period 1 April 2018 and 31 March 2019

| Salary Band | Employees 1 April 2018 | 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 | 11 | 0 | 0.0 | 4 | 36.4 |
| Skilled (Levels 3-5), Permanent | 32 | 0 | 0.0 | 31 | 96.9 |
| Highly Skilled Production (Levels 6-8), Permanent | 93 | 0 | 0.0 | 76 | 81.7 |
| Highly Skilled Supervision (Levels 9-12), Permanent | 130 | 0 | 0.0 | 116 | 89.2 |
| Senior Management (Levels >= 13), Permanent | 17 | 0 | 0.0 | 26 | 152.9 |
| Contract (Levels 9-12), Permanent | 1 | 0 | 0.0 | 0 | 0.0 |
| Contract (Levels >= 13), Permanent | 1 | 0 | 0.0 | 0 | 0.0 |
| TOTAL | 285 | 0 | 0.0 | 253 | 88.8 |

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 2019

| Occupational category | Male | | | | Female | | | | Total |
|--------------------------------------------|------------|----------|----------|----------|------------|----------|----------|----------|------------|
| | African | Coloured | Indian | White | African | Coloured | Indian | White | |
| PROFESSIONALS | 51 | 2 | 0 | 6 | 46 | 0 | 0 | 3 | 108 |
| TECHNICIANS AND ASSOCIATE PROFESSIONALS | 34 | 0 | 0 | 0 | 47 | 0 | 1 | 0 | 82 |
| LABOURERS AND RELATED WORKERS | 27 | 0 | 0 | 1 | 36 | 0 | 0 | 1 | 6 |
| 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 | 10 | 0 | 0 | 0 | 14 |
| SENIOR OFFICIALS AND MANAGERS | 2 | 0 | 1 | 1 | 5 | 0 | 0 | 1 | 10 |
| Total | 119 | 2 | 1 | 8 | 145 | 0 | 1 | 5 | 281 |
| Employees with disabilities | 4 | 0 | 0 | 1 | 1 | 0 | 0 | 0 | 6 |

Table 3.6.2 Total number of employees (including employees with disabilities) in each of the following occupational bands as on 31 March 2019

| 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 | 0 | 6 | 54 | 0 | 0 | 1 | 128 |
| Skilled technical and academically qualified workers, junior management, | 36 | 1 | 0 | 0 | 54 | 0 | 1 | 1 | 93 |

| Occupational band | Male | | | | Female | | | | Total |
|-----------------------------------------------------------|------------|----------|----------|----------|------------|----------|----------|----------|------------|
| | African | Coloured | Indian | White | African | Coloured | Indian | White | |
| supervisors, foremen, Permanent | | | | | | | | | |
| Semi-skilled and discretionary decision making, Permanent | 9 | 0 | 0 | 0 | 23 | 0 | 0 | 0 | 32 |
| Unskilled and defined decision making, Permanent | 1 | 0 | 0 | 0 | 9 | 0 | 0 | 0 | 10 |
| Contract (Professionally Qualified), Permanent | 0 | 0 | 0 | 1 | 0 | 0 | 0 | 0 | 1 |
| TOTAL | 119 | 2 | 1 | 8 | 145 | 0 | 1 | 5 | 281 |

Table 3.6.3 Recruitment for the period 1 April 2018 and 31 March 2019

| 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, | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |

| Occupational band | Male | | | | Female | | | | Total |
|--------------------------------------|----------|----------|----------|----------|----------|----------|----------|----------|----------|
| | African | Coloured | Indian | White | African | Coloured | Indian | White | |
| Permanent | | | | | | | | | |
| 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 2018 and 31 March 2019

| 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 2018 and 31 March 2019

| 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 | 0 | 0 | 1 | 0 | 1 | 0 | 0 | 0 | 2 |

| Occupational band | Male | | | | Female | | | | Total |
|---------------------------------------------|----------|----------|----------|----------|----------|----------|----------|----------|----------|
| | African | Coloured | Indian | White | African | Coloured | Indian | White | |
| management, supervisors, foremen, Permanent | | | | | | | | | |
| TOTAL | 0 | 0 | 1 | 0 | 2 | 0 | 0 | 0 | 3 |
| Employees with Disabilities | 0 | 0 | 1 | 0 | 0 | 0 | 0 | 0 | 1 |

Table 3.6.6 Disciplinary action for the period 1 April 2018 and 31 March 2019

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

Table 3.6.7 Skills development for the period 1 April 2018 and 31 March 2019

| Occupational category | Male | | | | Female | | | | Total |
|--------------------------------------------|-----------|----------|----------|----------|-----------|----------|----------|----------|-----------|
| | African | Coloured | Indian | White | African | Coloured | Indian | White | |
| Legislators, senior officials and managers | 2 | 0 | 0 | 0 | 3 | 0 | 0 | 0 | 5 |
| Professionals | 8 | 0 | 0 | 0 | 3 | 0 | 0 | 0 | 11 |
| Technicians and associate professionals | 4 | 0 | 0 | 0 | 3 | 0 | 0 | 0 | 7 |
| Clerks | 13 | 0 | 0 | 0 | 11 | 0 | 0 | 0 | 24 |
| Service and sales workers | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Skilled agriculture and fishery workers | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Craft and related trades workers | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Plant and machine operators and assemblers | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Elementary occupations | 6 | 0 | 0 | 0 | 13 | 0 | 0 | 0 | 19 |
| Total | 33 | 0 | 0 | 0 | 33 | 0 | 0 | 0 | 76 |
| Employees with disabilities | 1 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 1 |

3.7. Signing of Performance Agreements by SMS Members

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

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

| SMS Level | Total number of funded SMS posts | Total number of SMS members | Total number of signed performance agreements | Signed performance agreements as % of total number of SMS members |
|--------------------|----------------------------------|-----------------------------|-----------------------------------------------|-------------------------------------------------------------------|
| Head of Department | 1 | 1 | 1 | 100 |
| Salary Level 16 | 0 | 0 | 0 | 100 |
| Salary Level 15 | 0 | 0 | 0 | 100 |
| Salary Level 14 | 3 | 2 | 2 | 100 |
| Salary Level 13 | 18 | 14 | 14 | 100 |
| Total | 22 | 17 | 17 | 100 |

Table 3.7.2 Reasons for not having concluded Performance agreements for all SMS members as on 31 March 2019

| Reasons |
|---------------------------------------------------------------------|
| All SMS members' performance agreements were signed by 31 May 2018. |

Notes

- The reporting date in the heading of this table has been aligned with that of Table 3.7.1.

Table 3.7.3 Disciplinary steps taken against SMS members for not having concluded Performance agreements as on 31 March 2019

| Reasons |
|--------------------------------------------------------------|
| No steps taken as all agreements were signed by 31 May 2018. |

Notes

- The reporting date in the heading of this table has been aligned with that of Table 3.7.1.

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 2018 and 31 March 2019

| 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 | 120 | 144 | 83.3 | 2 819 | 23 494 |
| African, Male | 94 | 115 | 81.7 | 2 986 | 31 776 |
| Asian, Female | 1 | 1 | 100.0 | 31 | 30 956 |
| Asian, Male | 0 | 1 | 0.0 | 0 | 0 |
| Coloured, Female | 0 | 0 | 0.0 | 0 | 0 |
| Coloured, Male | 2 | 2 | 100.0 | 81 | 40 308 |
| White, Female | 1 | 5 | 20.0 | 17 | 16 575 |
| White, Male | 6 | 7 | 85.7 | 316 | 52 585 |
| Employees with a disability | 5 | 6 | 83.3 | 238 | 47 613 |
| TOTAL | 229 | 281 | 81.5 | 6 488 | 28 331 |

Table 3.8.2 Performance Rewards by salary band for personnel below Senior Management Service for the period 1 April 2018 and 31 March 2019

| 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 | 10 | 100.0 | 51 | 5 069 | 2.8 |
| Skilled (Levels 3-5) | 31 | 32 | 96.9 | 288 | 9 296 | 3.6 |
| Highly Skilled Production (Levels 6-8) | 72 | 93 | 77.4 | 1 252 | 17 392 | 3.2 |
| Highly Skilled Supervision (Levels 9-12) | 115 | 128 | 89.8 | 4 796 | 41 702 | 4.1 |
| Contract (Levels 9-12) | 1 | 1 | 100.0 | 101 | 100 977 | 9.4 |
| TOTAL | 229 | 264 | 86.7 | 6 488 | 28 331 | 3.3 |

Table 3.8.3 Performance Rewards by critical occupation for the period 1 April 2018 and 31 March 2019

| 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 | 1 | 2 | 50.0 | 12 | 11 849 |
| MESSENGERS PORTERS AND DELIVERERS | 1 | 1 | 100.0 | 13 | 13 368 |
| RISK MANAGEMENT AND SECURITY SERVICES | 0 | 1 | 0.0 | 0 | 0 |
| LOGISTICAL SUPPORT PERSONNEL | 20 | 25 | 80.0 | 434 | 21 694 |
| FINANCE AND ECONOMICS RELATED | 20 | 24 | 83.3 | 611 | 30 527 |
| OTHER OCCUPATIONS | 45 | 52 | 86.5 | 1314 | 29 196 |
| FINANCIAL AND RELATED PROFESSIONALS | 34 | 39 | 87.2 | 1340 | 39 419 |
| ADMINISTRATIVE RELATED | 50 | 56 | 89.3 | 1374 | 27 488 |
| COMMUNICATION AND INFORMATION RELATED | 3 | 3 | 100.0 | 59 | 19 518 |
| SECRETARIES & OTHER KEYBOARD OPERATING CLERKS | 8 | 12 | 66.7 | 89 | 11 072 |
| CLEANERS IN OFFICES WORKSHOPS HOSPITALS ETC. | 11 | 12 | 91.7 | 66 | 6 002 |
| HUMAN RESOURCES RELATED | 7 | 8 | 87.5 | 275 | 39 316 |
| OTHER ADMINISTRATIVE POLICY AND RELATED OFFICERS | 0 | 1 | 0.0 | 0 | 0 |
| SENIOR MANAGERS | 1 | 10 | 10.0 | 23 | 23 086 |
| OTHER INFORMATION TECHNOLOGY PERSONNEL. | 1 | 1 | 100.0 | 17 | 16 575 |
| LIGHT VEHICLE DRIVERS | 1 | 1 | 100.0 | 7 | 7 309 |

| Critical occupation | Beneficiary Profile | | | Cost | |
|--------------------------------|-------------------------|---------------------|------------------------------|--------------------|---------------------------|
| | Number of beneficiaries | Number of employees | % of total within occupation | Total Cost (R'000) | Average cost per employee |
| INFORMATION TECHNOLOGY RELATED | 26 | 33 | 78. | 854 | 32 864 |
| TOTAL | 229 | 281 | 81.5 | 6 488 | 28 331 |

Notes

- The CORE classification, as prescribed by the DPSA, was used for completion of this table.
- Critical occupations are defined as occupations or sub-categories within an occupation –
 - in which there is a scarcity of qualified and experienced persons currently or anticipated in the future, either because such skilled persons are not available or they are available but do not meet the applicable employment criteria;
 - for which persons require advanced knowledge in a specified subject area or science or learning field and such knowledge is acquired by a prolonged course or study and/or specialised instruction;
 - where the inherent nature of the occupation requires consistent exercise of discretion and is predominantly intellectual in nature; and
 - in respect of which a department experiences a high degree of difficulty to recruit or retain the services of employees;

Table 3.8.4 Performance related rewards (cash bonus), by salary band for Senior Management Service for the period 1 April 2018 and 31 March 2019

| 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 | 0 | 12 | 0.0 | 0 | 0 | 0 |
| Band B | 0 | 5 | 0.0 | 0 | 0 | 0 |
| Band C | 0 | 0 | 0.0 | 0 | 0 | 0 |
| TOTAL | 0 | 17 | 0.0 | 0 | 0 | 0 |

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 2018 and 31 March 2019

| Salary band | 01 April 2018 | | 31 March 2019 | | 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 2018 and 31 March 2019

| Major occupation | 01 April 2018 | | 31 March 2019 | | 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 2018 to 31 December 2018

| 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) | 27 | 92.6 | 1 | 0.6 | 27 | 152 |
| Contract (Levels 9-12) | 4 | 50.0 | 1 | 0.6 | 4 | 15 |
| Highly skilled production (Levels 6-8) | 403 | 69.7 | 67 | 37.9 | 6 | 602 |
| Highly skilled supervision (Levels 9-12) | 344 | 74.1 | 70 | 39.5 | 5 | 950 |
| Lower skilled (Levels 1-2) | 59 | 83.1 | 7 | 4.0 | 8 | 33 |
| Senior management (Levels 13-16) | 51 | 90.2 | 7 | 4.0 | 7 | 208 |
| Skilled (Levels 3-5) | 141 | 57.4 | 24 | 13.6 | 6 | 117 |
| TOTAL | 1 029 | 71.8 | 177 | 100. | 6 | 2 077 |

Table 3.10.2 Disability leave (temporary and permanent) for the period 1 January 2018 to 31 December 2018

| 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) |
|-------------------------|------------|-----------------------------------|--------------------------------------------|---------------------------------------------|---------------------------|------------------------|
| Contract (Levels 13-16) | 14 | 100.0 | 1 | 100.0 | 14 | 79 |
| TOTAL | 14 | 100.0 | 1 | 100.0 | 1 | 79 |

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 2018 to 31 December 2018

| Salary band | Total days taken | Number of Employees using annual leave | Average per employee |
|------------------------------------------|------------------|----------------------------------------|----------------------|
| Contract (Levels 13-16) | 2 | 1 | 2 |
| Contract (Levels 9-12) | 31 | 1 | 31 |
| Highly skilled production (Levels 6-8) | 2 484 | 93 | 27 |
| Highly skilled supervision (Levels 9-12) | 3 434 | 129 | 27 |
| Lower skilled (Levels 1-2) | 254 | 11 | 23 |
| Senior management (Levels 13-16) | 491 | 17 | 29 |
| Skilled (Levels 3-5) | 857 | 33 | 26 |
| TOTAL | 7 553 | 285 | 27 |

Table 3.10.4 Capped leave for the period 1 January 2018 to 31 December 2018

| Salary band | Total days of capped leave taken | Number of Employees using capped leave | Average number of days taken per employee | Average capped leave per employee as on 31 March 2018 |
|------------------------------------------|----------------------------------|----------------------------------------|-------------------------------------------|-------------------------------------------------------|
| Contract (Levels 13-16) | 0 | 0 | 0 | 0 |
| Contract (Levels 9-12) | 0 | 0 | 0 | 0 |
| Highly skilled production (Levels 6-8) | 6 | 1 | 6 | 67 |
| Highly skilled supervision (Levels 9-12) | 0 | 0 | 0 | 60 |
| Lower skilled (Levels 1-2) | 0 | 0 | 0 | 0 |
| Senior management (Levels 13-16) | 0 | 0 | 0 | 51 |
| Skilled (Levels 3-5) | 1 | 1 | 1 | 64 |
| TOTAL | 7 | 2 | 4 | 62 |

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

Table 3.10.5 Leave pay-outs for the period 1 April 2018 and 31 March 2019

| Reason | Total amount (R'000) | Number of employees | Average per employee (R'000) |
|-------------------------------------------------------------|----------------------|---------------------|------------------------------|
| Annual - Gratuity: Death/Retirement/Medical Retirement(Work | 112 | 1 | 112 |
| Capped - Gratuity: Death/Retirement/Medical Retirement | 365 | 1 | 365 |
| TOTAL | 477 | | |

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 3 622 097.00 |
| 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 | | Referrals to professionals. Awareness Workshops on Employee Health programmes. Health Screening Programme. One on one Consultations. |
| 4. Has the department established (a) committee(s) as contemplated in Part VI E.5 (e) of Chapter 1 of the Public Service Regulations, 2001? If so, please provide the names of the members of the committee and the stakeholder(s) that they represent. | Yes | | Ms JE Nel Mr 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 Ms EY Mnisi Ms NG Gabela (NEHAWU) Mr MK Sibanyoni (PSA) |
| 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; and 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 Workshops/Sessions. Support Groups. Reasonable Accommodation. |
| 7. Does the department encourage its employees to undergo Voluntary Counselling and Testing? If so, list the results that you have achieved. | Yes | | 124 Officials participated in the Voluntary Counselling and Testing. |
| 8. Has the department developed measures/indicators to monitor & evaluate the impact of its health promotion programme? If so, list these measures/indicators. | Yes | | Quarterly reports |

3.12. Labour Relations

Table 3.12.1 Collective agreements for the period 1 April 2018 and 31 March 2019

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

The following table summarises the outcomes 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 2018 and 31 March 2019

| Outcomes of disciplinary hearings | Number | % of total |
|-----------------------------------|----------|------------|
| Total | 2 | 100 |

| | |
|-------------------------------------------------|----------|
| Total number of disciplinary hearings finalised | 2 |
|-------------------------------------------------|----------|

Table 3.12.3 Types of misconduct addressed at disciplinary hearings for the period 1 April 2018 and 31 March 2019

| Type of misconduct | Number | % of total |
|----------------------|----------|------------|
| Insubordination | 1 | 100 |
| Unacceptable conduct | 1 | 100 |
| Total | 1 | 100 |

Table 3.12.4 Grievances logged for the period 1 April 2018 and 31 March 2019

| Grievances | Number | % of Total |
|------------------------------------------|----------|------------|
| Number of grievances resolved | 5 | 100 |
| Number of grievances not resolved | 0 | 0 |
| Total number of grievances lodged | 5 | 100 |

Table 3.12.5 Disputes logged with Councils for the period 1 April 2018 and 31 March 2019

| Disputes | Number | % of Total |
|----------------------------------------|----------|------------|
| Number of disputes upheld | 0 | 0 |
| Number of disputes dismissed | 0 | 0 |
| Total number of disputes lodged | 0 | 0 |

Table 3.12.6 Strike actions for the period 1 April 2018 and 31 March 2019

| | |
|--------------------------------------------------------|-----|
| 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 2018 and 31 March 2019

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

3.13. Skills development

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

Table 3.13.1 Training needs identified for the period 1 April 2018 and 31 March 2019

| Occupational category | Gender | Number of employees as at 1 April 2018 | 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 | 9 | 0 | 3 | 0 | 3 |
| | Male | 9 | 0 | 2 | 0 | 2 |
| Professionals | Female | 22 | 4 | 3 | 0 | 3 |
| | Male | 32 | 1 | 8 | 0 | 8 |
| Technicians and associate professionals | Female | 33 | 0 | 3 | 0 | 3 |
| | Male | 42 | 0 | 4 | 0 | 4 |
| Clerks | Female | 56 | 0 | 11 | 0 | 11 |
| | Male | 36 | 0 | 13 | 0 | 13 |
| Service and sales workers | Female | 0 | 0 | 0 | 0 | 0 |
| | Male | 0 | 0 | 0 | 0 | 0 |
| Skilled agriculture and fishery workers | Female | 0 | 0 | 0 | 0 | 0 |
| | Male | 0 | 0 | 0 | 0 | 0 |
| Craft and related trades workers | Female | 0 | 0 | 0 | 0 | 0 |
| | Male | 0 | 0 | 0 | 0 | 0 |
| Plant and machine operators and assemblers | Female | 0 | 0 | 0 | 0 | 0 |
| | Male | 0 | 0 | 0 | 0 | 0 |
| Elementary occupations | Female | 33 | 0 | 13 | 0 | 13 |
| | Male | 13 | 0 | 6 | 0 | 6 |
| Sub Total | Female | 153 | 0 | 33 | 0 | 33 |
| | Male | 132 | 0 | 33 | 0 | 33 |
| Total | | 285 | 0 | 66 | 0 | 66 |

Table 3.13.2 Training provided for the period 1 April 2018 and 31 March 2019

| Occupational category | Gender | Number of employees as at 1 April 2018 | Training provided within the reporting period | | | |
|--------------------------------------------|--------|----------------------------------------|-----------------------------------------------|-----------------------------------------|-------------------------|-----------|
| | | | Learnerships | Skills Programmes & other short courses | Other forms of training | Total |
| Legislators, senior officials and managers | Female | 9 | 0 | 3 | 0 | 3 |
| | Male | 9 | 0 | 2 | 0 | 2 |
| Professionals | Female | 22 | 1 | 3 | 0 | 3 |
| | Male | 32 | 0 | 8 | 0 | 8 |
| Technicians and associate professionals | Female | 33 | 0 | 3 | 0 | 3 |
| | Male | 42 | 0 | 4 | 0 | 4 |
| Clerks | Female | 56 | 0 | 11 | 0 | 11 |
| | Male | 36 | 0 | 13 | 0 | 13 |
| Service and sales workers | Female | 0 | 0 | 0 | 0 | 0 |
| | Male | 0 | 0 | 0 | 0 | 0 |
| Skilled agriculture and fishery workers | Female | 0 | 0 | 0 | 0 | 0 |
| | Male | 0 | 0 | 0 | 0 | 0 |
| Craft and related trades workers | Female | 0 | 0 | 0 | 0 | 0 |
| | Male | 0 | 0 | 0 | 0 | 0 |
| Plant and machine operators and assemblers | Female | 0 | 0 | 0 | 0 | 0 |
| | Male | 0 | 0 | 0 | 0 | 0 |
| Elementary occupations | Female | 33 | 0 | 13 | 0 | 13 |
| | Male | 13 | 0 | 6 | 0 | 6 |
| Sub Total | Female | 153 | 1 | 33 | 0 | 33 |
| | Male | 132 | 0 | 33 | 0 | 33 |
| Total | | 285 | 1 | 66 | 0 | 66 |

3.14. Injury on duty

The following table provides basic information on injury on duty.

Table 3.14.1 Injury on duty for the period 1 April 2018 and 31 March 2019

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

| Nature of injury on duty | Number | % of total |
|--------------------------|----------|------------|
| Fatal | 0 | 0 |
| Total | 2 | 100 |

3.15. Utilisation of Consultants

The following tables relate 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 2018 and 31 March 2019

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

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

Table 3.15.2 Analysis of consultant appointments using appropriated funds, in terms of Historically Disadvantaged Individuals (HDIs) for the period 1 April 2018 and 31 March 2019

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

Table 3.15.3 Report on consultant appointments using Donor funds for the period 1 April 2018 and 31 March 2019

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

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

Table 3.15.4 Analysis of consultant appointments using Donor funds, in terms of Historically Disadvantaged Individuals (HDIs) for the period 1 April 2018 and 31 March 2019

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

3.16. Severance Packages

Table 3.16.1 Granting of employee initiated severance packages for the period 1 April 2018 and 31 March 2019

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



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 106 to 165, which comprise the appropriation statement, the statement of financial position as at 31 March 2019, 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 2019, 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, 2018 (Act No. 1 of 2018) (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 sections 290 and 291 of the International Ethics Standards Board for Accountants' *Code of ethics for professional accountants* and parts 1 and 3 of the International Ethics Standards Board for Accountants' *International code of ethics for professional accountants (including International Independence Standards)* (IESBA codes) as well as 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 codes.
5. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Emphasis of matters

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

Irregular expenditure

7. As disclosed in note 20 to the financial statements, the department incurred irregular expenditure amounting to R4,8 million during the year in respect of overspending on performance bonuses as well as non-compliance with supply chain management legislation in the procurement of a VIP vehicle.

Restatement of corresponding figures

8. As disclosed in note 28 to the financial statements, the corresponding figures for 31 March 2018 have been restated as a result of an error in the financial statements of the department at, and for the year ended, 31 March 2019.

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 appropriate governance structure 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 2019:

| Programmes | Pages in the annual performance report |
|-------------------------------------------------|----------------------------------------|
| Programme 2 – sustainable resource management | 31 – 35 |
| Programme 3 – assets and liabilities management | 36 – 42 |
| Programme 4 – financial governance | 42 – 49 |

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 matters

18. I draw attention to the matters below.

Achievement of planned targets

19. Refer to the annual performance report on pages 26 to 49 for information on the achievement of planned targets for the year and explanations provided for the under- or overachievement of a number of targets.

Adjustment of material misstatements

20. I identified material misstatements in the annual performance report submitted for auditing. These material misstatements were on the reported performance information of sustainable resource management, assets and liabilities management, and financial governance. As management subsequently corrected the misstatements, I did not raise any material findings on the usefulness and reliability of the reported performance information.

Report on the audit of compliance with legislation

Introduction and scope

21. 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.

22. 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

23. 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.

24. 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.

25. 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.

26. 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.
27. I have nothing to report in this regard.

Internal control deficiencies

28. 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.

Mbombela

31 July 2019



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.

| Appropriation per programme | | | | | | | | | |
|----------------------------------------------------------------------------------|------------------------|-------------------|----------|---------------------|--------------------|------------|-----------------------------------------|---------------------|--------------------|
| 2018/19 | | | | | 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 |
| Programme | | | | | | | | | |
| 1. Administration | 96 512 | - | 998 | 97 510 | 97 455 | 55 | 99.9% | 87 587 | 87 267 |
| 2. Sustainable Resource Management | 56 871 | - | (315) | 56 556 | 56 537 | 19 | 100.0% | 47 532 | 47 049 |
| 3. Assets and Liabilities Management | 145 915 | - | (297) | 145 618 | 145 548 | 70 | 100.0% | 128 122 | 127 016 |
| 4. Financial Governance | 32 372 | - | (386) | 31 986 | 31 978 | 8 | 100.0% | 26 704 | 26 210 |
| TOTAL | 331 670 | - | - | 331 670 | 331 518 | 152 | 100.0% | 289 945 | 287 542 |
| Reconciliation with statement of financial performance | | | | | | | | | |
| ADD | | | | | | | | | |
| Departmental receipts | | | | 108 327 | | | | 96 907 | |
| NRF Receipts | | | | - | | | | - | |
| Aid assistance | | | | - | | | | - | |
| Actual amounts per statement of financial performance (total revenue) | | | | 439 997 | | | | 386 852 | |
| ADD | | | | | | | | | |
| Aid assistance | | | | | | | | | |
| Prior year unauthorised expenditure approved without funding | | | | | | | | | |
| Actual amounts per statement of financial performance (total expenditure) | | | | | 331 518 | | | | 287 542 |

| Appropriation per economic classification | | | | | | | | | |
|------------------------------------------------------|------------------------|-------------------|-----------|---------------------|--------------------|------------|-----------------------------------------|---------------------|--------------------|
| 2018/19 | | | | | | | 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 |
| Economic classification | | | | | | | | | |
| Current payments | 317 425 | - | 87 | 317 512 | 317 385 | 127 | 100.0% | 281 686 | 279 972 |
| Compensation of employees | 193 594 | - | 171 | 193 765 | 193 703 | 62 | 100.0% | 169 764 | 169 718 |
| Salaries and wages | 168 089 | 1 | 1 587 | 169 677 | 169 630 | 47 | 100.0% | 149 206 | 148 503 |
| Social contributions | 25 505 | (1) | (1 416) | 24 088 | 24 073 | 15 | 99.9% | 20 558 | 21 215 |
| Goods and services | 123 831 | - | (84) | 123 747 | 123 682 | 65 | 99.9% | 111 922 | 110 254 |
| Administrative fees | 642 | - | (67) | 575 | 558 | 17 | 97.0% | 480 | 464 |
| Advertising | 1 315 | - | (587) | 728 | 728 | - | 100.0% | 1 263 | 1 202 |
| Minor assets | 148 | - | (2) | 146 | 146 | - | 100.0% | 354 | 239 |
| Audit costs: External | 5 360 | - | (412) | 4 948 | 4 948 | - | 100.0% | 5 669 | 5 478 |
| Catering: Departmental activities | 692 | - | 28 | 720 | 708 | 12 | 98.3% | 609 | 377 |
| Communication | 3 940 | - | 465 | 4 405 | 4 429 | (24) | 100.5% | 4 032 | 4 039 |
| Computer services | 66 455 | - | (674) | 65 781 | 65 775 | 6 | 100.0% | 62 310 | 62 296 |
| Consultants: Business and advisory services | 8 982 | - | (111) | 8 871 | 8 855 | 16 | 99.8% | 4 664 | 4 120 |
| Legal services | 60 | - | - | 60 | 60 | - | 100.0% | 120 | 98 |
| Contractors | 186 | - | 225 | 411 | 410 | 1 | 99.8% | 431 | 427 |
| Agency and support / outsourced services | 55 | - | (32) | 23 | 23 | - | 100.0% | - | - |
| Fleet services | 1 320 | - | (102) | 1 218 | 1 218 | - | 100.0% | 1 373 | 1 369 |
| Consumable supplies | 3 260 | - | 1107 | 4 367 | 4 367 | - | 100.0% | 1 176 | 1 184 |
| Consumable: Stationery, printing and office supplies | 1 920 | - | 130 | 2 050 | 2 049 | 1 | 100.0% | 1 068 | 1 017 |

| | 2018/19 | | | | | | | 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 |
| Operating leases | 6 896 | - | 102 | 6 998 | 6 998 | - | 100.0% | 7 211 | 7 270 |
| Property payments | 2 883 | - | 515 | 3 398 | 3 398 | - | 100.0% | 2 915 | 2 895 |
| Transport provided: | 34 | - | 21 | 55 | 55 | - | 100.0% | 25 | 8 |
| Departmental activity | 14 959 | - | (395) | 14 564 | 14 532 | 32 | 99.8% | 13 240 | 13 514 |
| Travel and subsistence | 2 966 | - | (560) | 2 406 | 2 403 | 3 | 99.9% | 2 905 | 2 525 |
| Training and development | 859 | - | (47) | 812 | 814 | (2) | 100.2% | 927 | 824 |
| Operating payments | 899 | - | 312 | 1 211 | 1 208 | 3 | 99.8% | 1 150 | 908 |
| Venues and facilities | | | | | | | | | |
| Transfers and subsidies | 1 664 | - | - | 1 664 | 1 661 | 3 | 99.8% | 968 | 981 |
| Provinces and municipalities | 17 | - | (1) | 16 | 16 | - | 100.0% | 213 | 208 |
| Provinces | - | - | - | - | - | - | - | 197 | 197 |
| Provincial agencies and funds | - | - | - | - | - | - | - | 197 | 197 |
| Municipalities | 17 | - | (1) | 16 | 16 | - | 100.0% | 16 | 11 |
| Municipal bank accounts | 17 | - | (1) | 16 | 16 | - | 100.0% | 16 | 11 |
| Departmental agencies and accounts | 581 | - | 1 | 582 | 583 | (1) | 100.2% | 544 | 546 |
| Departmental agencies and accounts | 581 | - | 1 | 582 | 583 | (1) | 100.2% | 544 | 546 |
| Households | 1 066 | - | - | 1 066 | 1 062 | 4 | 99.6% | 211 | 227 |
| Social benefits | 1 066 | - | - | 1 066 | 1 062 | 4 | 99.6% | 113 | 113 |
| Other transfers to households | - | - | - | - | - | - | - | 98 | 114 |
| Payments for capital assets | 12 581 | - | (87) | 12 494 | 12 472 | 22 | 99.8% | 7 291 | 6 589 |
| Machinery and equipment | 12 581 | - | (87) | 12 494 | 12 472 | 22 | 99.8% | 7 282 | 6 580 |
| Transport equipment | 1326 | - | - | 1 326 | 1 326 | - | 100.0% | - | - |

| | 2018/19 | | | | | | | 2017/18 | |
|--------------------------------------|------------------------|-------------------|----------|---------------------|--------------------|----------|-----------------------------------------|---------------------|--------------------|
| | Adjusted Appropriation | Shifting of Funds | Virement | Final Appropriation | Actual Expenditure | Variance | Expenditure as % of final appropriation | Final Appropriation | Actual expenditure |
| | R'000 | R'000 | R'000 | R'000 | R'000 | R'000 | % | R'000 | R'000 |
| Other machinery and equipment | 1 1 255 | - | (87) | 11 168 | 11 146 | 22 | 99.8% | 7 282 | 6 580 |
| Software and other Intangible assets | - | - | - | - | - | - | - | 9 | 9 |
| Payments for financial assets | - | - | - | - | - | - | - | - | - |
| | 331 670 | - | - | 331 670 | 331 518 | 152 | 100.0% | 289 945 | 287 542 |

| Programme 1: Administration | | | | | | | | | |
|---------------------------------------------|------------------------|-------------------|------------|---------------------|--------------------|-----------|-----------------------------------------|---------------------|--------------------|
| | 2018/19 | | | | | 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 |
| Sub programme | | | | | | | | | |
| 1. Management Services | 41 215 | - | (57) | 41 158 | 41 082 | 76 | 99.8% | 38 712 | 38 632 |
| 2. Financial Management | 49 801 | - | 1 112 | 50 913 | 50 935 | (22) | 100.0% | 43 920 | 43 880 |
| 3. Internal Audit | 5 496 | - | (57) | 5 439 | 5 438 | 1 | 100.0% | 4 955 | 4 755 |
| Total for sub programmes | 96 512 | | 998 | 97 510 | 97 455 | 55 | 99.9% | 87 587 | 87 267 |
| Economic classification | | | | | | | | | |
| Current payments | 93 009 | - | 818 | 93 827 | 93 793 | 34 | 100.0% | 85 303 | 85 153 |
| Compensation of employees | 60 828 | - | 288 | 61 116 | 61 113 | 3 | 100.0% | 55 487 | 55 582 |
| Salaries and wages | 52 108 | 30 | 609 | 52 747 | 52 746 | 1 | 100.0% | 48 136 | 48 116 |
| Social contributions | 8 720 | (30) | (321) | 8 369 | 8 367 | 2 | 100.0% | 7 351 | 7 466 |
| Goods and services | 32 181 | - | 530 | 32 711 | 32 680 | 31 | 99.9% | 29 816 | 29 571 |
| Administrative fees | 259 | - | 44 | 303 | 290 | 13 | 95.7% | 213 | 198 |
| Advertising | 1 315 | - | (587) | 728 | 728 | - | 100.0% | 1 173 | 1 145 |
| Minor assets | 50 | - | - | 50 | 50 | - | 100.0% | 264 | 239 |
| Audit costs: External | 5 010 | - | (403) | 4 607 | 4 607 | - | 100.0% | 4 788 | 4 770 |
| Catering: Departmental activities | 393 | - | 20 | 413 | 403 | 10 | 97.6% | 299 | 243 |
| Communication | 2 863 | - | 527 | 3 390 | 3 419 | (29) | 100.9% | 3 053 | 3 055 |
| Computer services | 20 | - | (1) | 19 | 19 | - | 100.0% | 18 | 18 |
| Consultants: Business and advisory services | 390 | - | (26) | 364 | 348 | 16 | 95.6% | 377 | 310 |
| Legal services | 60 | - | - | 60 | 60 | - | 100.0% | 120 | 98 |
| Contractors | 111 | - | 5 | 116 | 115 | 1 | 99.1% | 108 | 104 |

| | 2018/19 | | | | | | | 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 |
| Agency and support / outsourced services | 55 | - | (32) | 23 | 23 | - | 100.0% | - | - |
| Fleet services | 1 320 | - | (102) | 1 218 | 1 218 | - | 100.0% | 1 373 | 1 369 |
| Consumable supplies | 2 000 | - | 238 | 2 238 | 2 238 | - | 100.0% | 1 166 | 1 184 |
| Consumable: Stationery, printing and office supplies | 1 920 | - | 129 | 2 049 | 2 048 | 1 | 100.0% | 1 068 | 1 017 |
| Operating leases | 6 896 | - | 102 | 6 998 | 6 998 | - | 100.0% | 7 211 | 7 270 |
| Property payments | 2 883 | - | 515 | 3 398 | 3 398 | - | 100.0% | 2 915 | 2 895 |
| Transport provided: Departmental activity | 34 | - | 21 | 55 | 55 | - | 100.0% | 25 | 8 |
| Travel and subsistence | 4 474 | - | (213) | 4 261 | 4 248 | 13 | 99.7% | 3 569 | 3 603 |
| Training and development | 1 215 | - | (164) | 1 051 | 1 046 | 5 | 99.5% | 1 549 | 1 486 |
| Operating payments | 463 | - | 11 | 474 | 476 | (2) | 100.4% | 260 | 272 |
| Venues and facilities | 450 | - | 446 | 896 | 893 | 3 | 99.7% | 267 | 287 |
| Transfers and subsidies | 598 | - | - | 598 | 599 | (1) | 100.2% | 756 | 769 |
| Provinces and municipalities | 17 | - | (1) | 16 | 16 | - | 100.0% | 16 | 11 |
| Municipalities | 17 | - | (1) | 16 | 16 | - | 100.0% | 16 | 11 |
| Municipal bank accounts | 17 | - | (1) | 16 | 16 | - | 100.0% | 16 | 11 |
| Municipal agencies and funds | - | - | - | - | - | - | - | - | - |
| Departmental agencies and accounts | 581 | - | 1 | 582 | 583 | (1) | 100.2% | 544 | 546 |
| Social security funds | - | - | - | - | - | - | - | - | - |
| Departmental agencies | 581 | - | 1 | 582 | 583 | (1) | 100.2% | 544 | 546 |
| Households | - | - | - | - | - | - | - | 196 | 212 |
| Social benefits | - | - | - | - | - | - | - | 98 | 98 |

| | 2018/19 | | | | | | | 2017/18 | |
|--------------------------------------|------------------------|-------------------|------------|---------------------|--------------------|-----------|-----------------------------------------|---------------------|--------------------|
| | Adjusted Appropriation | Shifting of Funds | Virement | Final Appropriation | Actual Expenditure | Variance | Expenditure as % of final appropriation | Final Appropriation | Actual expenditure |
| | R'000 | R'000 | R'000 | R'000 | R'000 | R'000 | % | R'000 | R'000 |
| Other transfers to households | - | - | - | - | - | - | - | 98 | 114 |
| Payments for capital assets | 2 905 | - | 180 | 3 085 | 3 063 | 22 | 99.3% | 1 528 | 1 345 |
| Machinery and equipment | 2 905 | - | 180 | 3 085 | 3 063 | 22 | 99.3% | 1 528 | 1 345 |
| Transport equipment | 1 326 | - | - | 1 326 | 1 326 | - | 100.0% | - | - |
| Other machinery and equipment | 1 579 | - | 180 | 1 759 | 1 737 | 22 | 98.7% | 1 528 | 1 345 |
| Payments for financial assets | - | - | - | - | - | - | - | - | - |
| TOTAL | 96 512 | - | 998 | 97 510 | 97 455 | 55 | 99.9% | 87 587 | 87 267 |

| 1.2 Management Services | | | | | | | | | |
|--------------------------------------|------------------------|-------------------|-------------|---------------------|--------------------|-----------|-----------------------------------------|---------------------|--------------------|
| | 2018/19 | | | | | 2017/18 | | | |
| | 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 | 40 556 | - | (287) | 40 269 | 40 213 | 56 | 99.9% | 37 716 | 37 752 |
| Compensation of employees | 33 888 | - | 110 | 33 998 | 33 996 | 2 | 100.0% | 32 047 | 32 200 |
| Goods and services | 6 668 | - | (397) | 6 271 | 6 217 | 54 | 99.1% | 5 669 | 5 552 |
| Transfers and subsidies | 581 | - | - | 581 | 581 | - | 100.0% | 740 | 756 |
| Provinces and municipalities | - | - | - | - | - | - | - | - | - |
| Departmental agencies and accounts | 581 | - | - | 581 | 581 | - | 100.0% | 544 | 544 |
| Households | - | - | - | - | - | - | - | 196 | 212 |
| Payments for capital assets | 78 | - | 230 | 308 | 288 | 20 | 93.5% | 256 | 124 |
| Buildings and other fixed structures | - | - | - | - | - | - | - | - | - |
| Machinery and equipment | 78 | - | 230 | 308 | 288 | 20 | 93.5% | 256 | 124 |
| Payments for financial assets | - | - | - | - | - | - | - | - | - |
| TOTAL | 41 215 | - | (57) | 41 158 | 41 082 | 76 | 99.8% | 38 712 | 38 632 |

| 1.3 Financial Management | | | | | | | | | |
|--------------------------------------|------------------------|-------------------|--------------|---------------------|--------------------|-------------|-----------------------------------------|---------------------|--------------------|
| | 2018/19 | | | | | 2017/18 | | | |
| | 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 | 46 957 | - | 1 162 | 48 119 | 48 142 | (23) | 100.0% | 42 632 | 42 646 |
| Compensation of employees | 22 244 | - | 178 | 22 422 | 22 421 | 1 | 100.0% | 19 223 | 19 219 |
| Goods and services | 24 713 | - | 984 | 25 697 | 25 721 | (24) | 100.1% | 23 409 | 23 427 |
| Transfers and subsidies | 17 | - | - | 17 | 18 | (1) | 105.9% | 16 | 13 |
| Provinces and municipalities | 17 | - | (1) | 16 | 16 | - | 100.0% | 16 | 11 |
| Departmental agencies and accounts | - | - | 1 | 1 | 2 | (1) | 200.0% | - | 2 |
| Households | - | - | - | - | - | - | - | - | - |
| Payments for capital assets | 2 827 | - | (50) | 2 777 | 2 775 | 2 | 99.9% | 1 272 | 1 221 |
| Buildings and other fixed structures | - | - | - | - | - | - | - | - | - |
| Machinery and equipment | 2 827 | - | (50) | 2 777 | 2 775 | 2 | 99.9% | 1 272 | 1 221 |
| Payments for financial assets | - | - | - | - | - | - | - | - | - |
| TOTAL | 49 801 | - | 1 112 | 50 913 | 50 935 | (22) | 100.0% | 43 920 | 43 880 |

| 1.4 Internal Audit | | | | | | | | | |
|--------------------------------|------------------------|-------------------|-------------|---------------------|--------------------|----------|-----------------------------------------|---------------------|--------------------|
| | 2018/19 | | | | | | 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 |
| Economic classification | | | | | | | | | |
| Current payments | 5 496 | - | (57) | 5 439 | 5 438 | 1 | 100.0% | 4 955 | 4 755 |
| Compensation of employees | 4 696 | - | - | 4 696 | 4 696 | - | 100.0% | 4 217 | 4 163 |
| Goods and services | 800 | - | (57) | 743 | 742 | 1 | 99.9% | 738 | 592 |
| TOTAL | 5 496 | - | (57) | 5 439 | 5 438 | 1 | 100.0% | 4 955 | 4 755 |

| Programme 2: Sustainable Resource Management | | | | | | | | | |
|------------------------------------------------|------------------------|-------------------|--------------|---------------------|--------------------|-----------|-----------------------------------------|---------------------|--------------------|
| | 2018/19 | | | | | 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 |
| Sub programme | | | | | | | | | |
| 1. Programme Support | 1 726 | - | (130) | 1 596 | 1 595 | 1 | 99.9% | 1 533 | 1 519 |
| 2. Provincial Administration Fiscal Discipline | 10 748 | - | (67) | 10 681 | 10 680 | 1 | 100.0% | 9 265 | 9 182 |
| 3. Budget And Expenditure Management | 12 117 | - | 21 | 12 138 | 12 137 | 1 | 100.0% | 10 315 | 10 244 |
| 4. Municipal Finance | 27 244 | - | (85) | 27 159 | 27 148 | 11 | 100.0% | 22 126 | 21 914 |
| 5. Infrastructure Co-Ordination | 5 036 | - | (54) | 4 982 | 4 977 | 5 | 99.9% | 4 293 | 4 190 |
| Total for sub programmes | 56 871 | - | (315) | 56 556 | 56 537 | 19 | 100.0% | 47 532 | 47 049 |
| Economic classification | | | | | | | | | |
| Current payments | 56 864 | - | (315) | 56 549 | 56 530 | 19 | 100.0% | 47 333 | 46 850 |
| Compensation of employees | 44 140 | - | 205 | 44 345 | 44 344 | 1 | 100.0% | 38 776 | 38 967 |
| Salaries and wages | 39 171 | - | 612 | 39 783 | 39 783 | - | 100.0% | 34 997 | 34 891 |
| Social contributions | 4 969 | - | (407) | 4 562 | 4 561 | 1 | 100.0% | 3 779 | 4 076 |
| Goods and services | 12 724 | - | (520) | 12 204 | 12 186 | 18 | 99.9% | 8 557 | 7 883 |
| Administrative fees | 120 | - | (40) | 80 | 78 | 2 | 97.5% | 70 | 65 |
| Audit costs: External | 167 | - | - | 167 | 167 | - | 100.0% | 363 | 359 |
| Catering: Departmental activities | 138 | - | (37) | 101 | 100 | 1 | 99.0% | 153 | 58 |
| Communication | 388 | - | 7 | 395 | 390 | 5 | 98.7% | 410 | 414 |
| Consultants: Business and advisory services | 7 659 | - | (93) | 7 566 | 7 566 | - | 100.0% | 2 875 | 2 706 |
| Consumable supplies | - | - | - | - | - | - | - | 10 | - |

| | 2018/19 | | | | | | | 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 |
| Travel and subsistence | 3 432 | - | (123) | 3 309 | 3 298 | 11 | 99.7% | 3 430 | 3 350 |
| Training and development | 276 | - | (116) | 160 | 161 | (1) | 100.6% | 435 | 327 |
| Operating payments | 310 | - | (59) | 251 | 251 | - | 100.0% | 518 | 438 |
| Venues and facilities | 234 | - | (59) | 175 | 175 | - | 100.0% | 293 | 166 |
| Rental and hiring | - | - | - | - | - | - | - | - | - |
| Transfers and subsidies | 7 | - | - | 7 | 7 | - | 100.0% | 199 | 199 |
| Provinces and municipalities | - | - | - | - | - | - | - | 197 | 197 |
| Provinces | - | - | - | - | - | - | - | 197 | 197 |
| Provincial agencies and funds | - | - | - | - | - | - | - | 197 | 197 |
| Households | 7 | - | - | 7 | 7 | - | 100.0% | 2 | 2 |
| Social benefits | 7 | - | - | 7 | 7 | - | 100.0% | 2 | 2 |
| Payments for financial assets | - | - | - | - | - | - | - | - | - |
| Total | 56 871 | - | (315) | 56 556 | 56 537 | 19 | 100.0% | 47 532 | 47 049 |

| 2.1 Programme Support | | | | | | | | | |
|--------------------------------------|------------------------|-------------------|----------|---------------------|--------------------|----------|-----------------------------------------|---------------------|--------------------|
| | 2018/19 | | | | | | 2017/18 | | |
| | 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 | 1 726 | - | (130) | 1 596 | 1 595 | 1 | 99.9% | 1 533 | 1 519 |
| Compensation of employees | 1 536 | - | (114) | 1 422 | 1 422 | - | 100.0% | 1 348 | 1 348 |
| Goods and services | 190 | - | (16) | 174 | 173 | 1 | 99.4% | 185 | 171 |
| Payments for financial assets | - | - | - | - | - | - | - | - | - |
| Total | 1 726 | - | (130) | 1 596 | 1 595 | 1 | 99.9% | 1 533 | 1 519 |

| 2.2 Provincial Administration Fiscal Discipline | | | | | | | | | |
|-------------------------------------------------|------------------------|-------------------|----------|---------------------|--------------------|----------|-----------------------------------------|---------------------|--------------------|
| | 2018/19 | | | | | | 2017/18 | | |
| | 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 | 10 748 | - | (67) | 10 681 | 10 680 | 1 | 100.0% | 9 265 | 9 182 |
| Compensation of employees | 9 932 | - | 34 | 9 966 | 9 966 | - | 100.0% | 8 436 | 8 391 |
| Goods and services | 816 | - | (101) | 715 | 714 | 1 | 99.9% | 829 | 791 |
| Payments for financial assets | - | - | - | - | - | - | - | - | - |
| Total | 10 748 | - | (67) | 10 681 | 10 680 | 1 | 100.0% | 9 265 | 9 182 |

| 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 | 12 110 | - | 21 | 12 131 | 12 130 | 1 | 100.0% | 10 118 | 10 047 |
| Compensation of employees | 11 060 | - | 71 | 11 131 | 11 130 | 1 | 100.0% | 8 990 | 8 991 |
| Goods and services | 1 050 | - | (50) | 1 000 | 1 000 | - | 100.0% | 1 128 | 1 056 |
| Transfers and subsidies | 7 | - | - | 7 | 7 | - | 100.0% | 197 | 197 |
| Provinces and municipalities | - | - | - | - | - | - | - | 197 | 197 |
| Households | 7 | - | - | 7 | 7 | - | 100.0% | - | - |
| Payments for financial assets | - | - | - | - | - | - | - | - | - |
| Total | 12 117 | - | 21 | 12 138 | 12 137 | 1 | 100.0% | 10 315 | 10 244 |

| 2.4 Municipal Finance | | | | | | | | | |
|--------------------------------------|------------------------|-------------------|-------------|---------------------|--------------------|-----------|-----------------------------------------|---------------------|--------------------|
| Economic classification | 2018/19 | | | | | 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 | 27 244 | - | (85) | 27 159 | 27 148 | 11 | 100.0% | 22 124 | 21 912 |
| Compensation of employees | 17 178 | - | 222 | 17 400 | 17 400 | - | 100.0% | 16 239 | 16 518 |
| Goods and services | 10 066 | - | (307) | 9 759 | 9 748 | 11 | 99.9% | 5 885 | 5 394 |
| Transfers and subsidies | - | - | - | - | - | - | - | 2 | 2 |
| Households | - | - | - | - | - | - | - | 2 | 2 |
| Payments for financial assets | - | - | - | - | - | - | - | - | - |
| Total | 27 244 | - | (85) | 27 159 | 27 148 | 11 | 100.0% | 22 126 | 21 914 |

| 2.5 Infrastructure Co-Ordination | | | | | | | | | |
|--------------------------------------|------------------------|-------------------|-------------|---------------------|--------------------|----------|-----------------------------------------|---------------------|--------------------|
| Economic classification | 2018/19 | | | | | 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 | 5 036 | - | (54) | 4 982 | 4 977 | 5 | 99.9% | 4 293 | 4 190 |
| Compensation of employees | 4 434 | - | (8) | 4 426 | 4 426 | - | 100.0% | 3 763 | 3 719 |
| Goods and services | 602 | - | (46) | 556 | 551 | 5 | 99.1% | 530 | 471 |
| Payments for financial assets | - | - | - | - | - | - | - | - | - |
| Total | 5 036 | - | (54) | 4 982 | 4 977 | 5 | 99.9% | 4 293 | 4 190 |

| Programme 3: Assets and Liabilities | | | | | | | | | |
|---------------------------------------|------------------------|-------------------|--------------|---------------------|--------------------|-----------|-----------------------------------------|---------------------|--------------------|
| | 2018/19 | | | | | 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 |
| Sub programme | | | | | | | | | |
| 1. Programme Support | 338 | - | 77 | 415 | 398 | 17 | 95.9% | 234 | 207 |
| 2. Provincial Supply Chain Management | 19 495 | - | (338) | 19 157 | 19 130 | 27 | 99.9% | 16 469 | 16 153 |
| 3. Public Sector Liability | 6 209 | - | 61 | 6 270 | 6 268 | 2 | 100.0% | 4 971 | 4 891 |
| 4. Physical Assets Management | 6 758 | - | (341) | 6 417 | 6 403 | 14 | 99.8% | 6 952 | 6 950 |
| 5. Interlinked Financial Systems | 12 857 | - | (18) | 12 839 | 12 838 | 1 | 100.0% | 11 771 | 11 730 |
| 6. Information Technology | 100 258 | - | 262 | 100 520 | 100 511 | 9 | 100.0% | 87 725 | 87 085 |
| Total for sub programmes | 145 915 | - | (297) | 145 618 | 145 548 | 70 | 100.0% | 128 122 | 127 016 |
| Economic classification | | | | | | | | | |
| Current payments | 135 202 | - | (30) | 135 172 | 135 106 | 66 | 100.0% | 122 346 | 121 759 |
| Compensation of employees | 61 222 | - | (350) | 60 872 | 60 815 | 57 | 99.9% | 53 959 | 53 684 |
| Salaries and wages | 52 925 | (29) | 104 | 53 000 | 52 956 | 44 | 99.9% | 47 245 | 46 766 |
| Social contributions | 8 297 | 29 | (454) | 7 872 | 7 859 | 13 | 99.8% | 6 714 | 6 918 |
| Goods and services | 73 980 | - | 320 | 74 300 | 74 291 | 9 | 100.0% | 68 387 | 68 075 |
| Administrative fees | 147 | - | (36) | 111 | 110 | 1 | 99.1% | 88 | 106 |
| Advertising | - | - | - | - | - | - | - | 90 | 57 |
| Minor assets | 98 | - | (2) | 96 | 96 | - | 100.0% | 90 | - |
| Catering: Departmental activities | 76 | - | 47 | 123 | 123 | - | 100.0% | 132 | 71 |
| Communication | 469 | - | (63) | 406 | 406 | - | 100.0% | 367 | 339 |

| 2018/19 | | | | | | | | | | 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 | | |
| Computer services | 66 435 | - | (673) | 65 762 | 65 756 | 6 | 100.0% | 62 292 | 62 278 | | |
| Contractors | 75 | - | 220 | 295 | 295 | - | 100.0% | 323 | 323 | | |
| Consumable supplies | 1 260 | - | 869 | 2 129 | 2 129 | - | 100.0% | - | - | | |
| Consumable: Stationery, printing and office supplies | - | - | 1 | 1 | 1 | - | 100.0% | - | - | | |
| Travel and subsistence | 4 204 | - | 94 | 4 298 | 4 297 | 1 | 100.0% | 4 081 | 4 223 | | |
| Training and development | 995 | - | (88) | 907 | 906 | 1 | 99.9% | 435 | 328 | | |
| Operating payments | 70 | - | (12) | 58 | 58 | - | 100.0% | 108 | 73 | | |
| Venues and facilities | 151 | - | (37) | 114 | 114 | - | 100.0% | 381 | 277 | | |
| Transfers and subsidies | 1 037 | - | - | 1 037 | 1 033 | 4 | 99.6% | 13 | 13 | | |
| Households | 1 037 | - | - | 1 037 | 1 033 | 4 | 99.6% | 13 | 13 | | |
| Social benefits | 1 037 | - | - | 1 037 | 1 033 | 4 | 99.6% | 13 | 13 | | |
| Payments for capital assets | 9 676 | - | (267) | 9 409 | 9 409 | - | 100.0% | 5 763 | 5 244 | | |
| Machinery and equipment | 9 676 | - | (267) | 9 409 | 9 409 | - | 100.0% | 5 754 | 5 235 | | |
| Transport equipment | - | - | - | - | - | - | - | - | - | | |
| Other machinery and equipment | 9 676 | - | (267) | 9 409 | 9 409 | - | 100.0% | 5 754 | 5 235 | | |
| Intangible assets | - | - | - | - | - | - | - | 9 | 9 | | |
| Payments for financial assets | - | - | - | - | - | - | - | - | - | | |
| Total | 145 915 | - | (297) | 145 618 | 145 548 | 70 | 100.0% | 128 122 | 127 016 | | |

| 3.1 PROGRAMME SUPPORT | | | | | | | | | |
|--------------------------------------|------------------------|-------------------|--------------|---------------------|--------------------|--------------|-----------------------------------------|---------------------|--------------------|
| | 2018/19 | | | | | 2017/18 | | | |
| | 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 | 338 | - | 77 | 415 | 398 | 17 | 95.9% | 234 | 207 |
| Compensation of Employees | 263 | - | - | 263 | 246 | 17 | 93.5% | 172 | 172 |
| Goods and Services | 75 | - | 77 | 152 | 152 | - | 100.0% | 62 | 35 |
| Payments for financial assets | - | - | - | - | - | - | - | - | - |
| Total | 338 | - | 77 | 415 | 398 | 17 | 95.9% | 234 | 207 |

| 3.2 Provincial Supply Chain Management | | | | | | | | | |
|----------------------------------------|------------------------|-------------------|--------------|---------------------|--------------------|--------------|-----------------------------------------|---------------------|--------------------|
| | 2018/19 | | | | | 2017/18 | | | |
| | 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 | 19 307 | - | (338) | 18 969 | 18 942 | 27 | 99.9% | 16 456 | 16 140 |
| Compensation of Employees | 17 228 | - | (246) | 16 982 | 16 955 | 27 | 99.8% | 14 592 | 14 446 |
| Goods and Services | 2 079 | - | (92) | 1 987 | 1 987 | - | 100.0% | 1 864 | 1 694 |
| Transfers and subsidies | 188 | - | - | 188 | 188 | - | 100.0% | 13 | 13 |
| Households | 188 | - | - | 188 | 188 | - | 100.0% | 13 | 13 |
| Payments for financial assets | - | - | - | - | - | - | - | - | - |
| Total | 19 495 | - | (338) | 19 157 | 19 130 | 27 | 99.9% | 16 469 | 16 153 |

| 3.3 Public Sector Liabilities | | | | | | | | | |
|--------------------------------------|------------------------|-------------------|-----------|---------------------|--------------------|----------|-----------------------------------------|---------------------|--------------------|
| Economic classification | 2019/18 | | | | | 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 | 5 840 | - | 61 | 5 901 | 5 899 | 2 | 100.0% | 4 971 | 4 891 |
| Compensation of Employees | 5 563 | - | 43 | 5 606 | 5 605 | 1 | 100.0% | 4 568 | 4 525 |
| Goods and Services | 277 | - | 18 | 295 | 294 | 1 | 99.7% | 403 | 366 |
| Transfers and subsidies | 369 | - | - | 369 | 369 | - | 100.0% | - | - |
| Households | 369 | - | - | 369 | 369 | - | 100.0% | - | - |
| Payments for financial assets | - | - | - | - | - | - | - | - | - |
| Total | 6 209 | - | 61 | 6 270 | 6 268 | 2 | 100.0% | 4 971 | 4 891 |

| 3.4 Physical Asset Management | | | | | | | | | |
|--------------------------------------|------------------------|-------------------|--------------|---------------------|--------------------|-----------|-----------------------------------------|---------------------|--------------------|
| Economic classification | 2018/19 | | | | | 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 | 6 278 | - | (341) | 5 937 | 5 927 | 10 | 99.8% | 6 952 | 6 950 |
| Compensation of Employees | 5 530 | - | (266) | 5 264 | 5 254 | 10 | 99.8% | 6 097 | 6 066 |
| Goods and services | 748 | - | (75) | 673 | 673 | - | 100.0% | 855 | 884 |
| Transfers and subsidies | 480 | - | - | 480 | 476 | 4 | 99.2% | - | - |
| Households | 480 | - | - | 480 | 476 | 4 | 99.2% | - | - |
| Payments for financial assets | - | - | - | - | - | - | - | - | - |
| TOTAL | 6 758 | - | (341) | 6 417 | 6 403 | 14 | 99.8% | 6 952 | 6 950 |

| 3.5 Interlinked Financial Systems | | | | | | | | |
|--------------------------------------|------------------------|-------------------|-------------|---------------------|--------------------|----------|-----------------------------------------|---------------------|
| | 2018/19 | | | | | 2017/18 | | |
| | Adjusted Appropriation | Shifting of Funds | Virement | Final Appropriation | Actual Expenditure | Variance | Expenditure as % of final appropriation | Final Appropriation |
| Economic classification | R'000 | R'000 | R'000 | R'000 | R'000 | R'000 | % | R'000 |
| Current payments | 12 857 | - | (18) | 12 839 | 12 838 | 1 | 100.0% | 11 771 |
| Compensation of Employees | 11 648 | - | (19) | 11 629 | 11 628 | 1 | 100.0% | 10 348 |
| Goods and services | 1 209 | - | 1 | 1 210 | 1 210 | - | 100.0% | 1 423 |
| Payments for financial assets | - | - | - | - | - | - | - | - |
| Total | 12 857 | - | (18) | 12 839 | 12 838 | 1 | 100.0% | 11 771 |
| | | | | | | | | 11 730 |

| 3.6 Information Technology | | | | | | | | |
|--------------------------------------|------------------------|-------------------|------------|---------------------|--------------------|----------|-----------------------------------------|---------------------|
| | 2018/19 | | | | | 2017/18 | | |
| | Adjusted Appropriation | Shifting of Funds | Virement | Final Appropriation | Actual Expenditure | Variance | Expenditure as % of final appropriation | Final Appropriation |
| Economic classification | R'000 | R'000 | R'000 | R'000 | R'000 | R'000 | % | R'000 |
| Current payments | 90 582 | - | 529 | 91 111 | 91 102 | 9 | 100.0% | 81 962 |
| Compensation of employees | 20 990 | - | 138 | 21 128 | 21 127 | 1 | 100.0% | 18 182 |
| Goods and services | 69 592 | - | 391 | 69 983 | 69 975 | 8 | 100.0% | 63 780 |
| Payments for capital assets | 9 676 | - | (267) | 9 409 | 9 409 | - | 100.0% | 5 763 |
| Machinery and equipment | 9 676 | - | (267) | 9 409 | 9 409 | - | 100.0% | 5 754 |
| Intangible assets | - | - | - | - | - | - | - | 9 |
| Payments for financial assets | - | - | - | - | - | - | - | - |
| Total | 100 258 | - | 262 | 100 520 | 100 511 | 9 | 100.0% | 87 725 |
| | | | | | | | | 87 085 |

| Programme 4 Financial Governance | | | | | | | | | |
|---------------------------------------------|------------------------|-------------------|--------------|---------------------|--------------------|----------|-----------------------------------------|---------------------|--------------------|
| | 2018/19 | | | | | 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 |
| Sub programme | | | | | | | | | |
| 1. Programme Support | 3 227 | - | (189) | 3 038 | 3 036 | 2 | 99.9% | 3 105 | 2 997 |
| 2. Accounting Services | 6 909 | - | (58) | 6 851 | 6 851 | - | 100.0% | 5 406 | 5 248 |
| 3. Norms and Standards | 14 679 | - | (41) | 14 638 | 14 638 | - | 100.0% | 12 398 | 12 259 |
| 4. Risk Management | 3 847 | - | (81) | 3 766 | 3 765 | 1 | 100.0% | 2 715 | 2 700 |
| 5. Provincial Internal Audit | 3 710 | - | (17) | 3 693 | 3 688 | 5 | 99.9% | 3 080 | 3 006 |
| Total for sub programmes | 32 372 | - | (386) | 31 986 | 31 978 | 8 | 100.0% | 26 704 | 26 210 |
| Economic classification | | | | | | | | | |
| Current payments | 32 350 | - | (386) | 31 964 | 31 956 | 8 | 100.0% | 26 704 | 26 210 |
| Compensation of employees | 27 404 | - | 28 | 27 432 | 27 431 | 1 | 100.0% | 21 542 | 21 485 |
| Salaries and wages | 23 885 | - | 262 | 24 147 | 24 145 | 2 | 100.0% | 18 828 | 18 730 |
| Social contributions | 3 519 | - | (234) | 3 285 | 3 286 | (1) | 100.0% | 2 714 | 2 755 |
| Goods and services | 4 946 | - | (414) | 4 532 | 4 525 | 7 | 99.8% | 5 162 | 4 725 |
| Administrative fees | 116 | - | (35) | 81 | 80 | 1 | 98.8% | 109 | 95 |
| Audit costs: External | 183 | - | (9) | 174 | 174 | - | 100.0% | 518 | 349 |
| Catering: Departmental activities | 85 | - | (2) | 83 | 82 | 1 | 98.8% | 25 | 5 |
| Communication | 220 | - | (6) | 214 | 214 | - | 100.0% | 202 | 231 |
| Consultants: Business and advisory services | 933 | - | 8 | 941 | 941 | - | 100.0% | 1 412 | 1 104 |
| Travel and subsistence | 2 849 | - | (153) | 2 696 | 2 689 | 7 | 99.7% | 2 160 | 2 338 |
| Training and development | 480 | - | (192) | 288 | 290 | (2) | 100.0% | 486 | 384 |
| Operating payments | 16 | - | 13 | 29 | 29 | - | 100.0% | 41 | 41 |

| 2018/19 | | | | | | | | | | 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 | | |
| Venues and facilities | 64 | - | (38) | 26 | 26 | - | 100.0% | 209 | 178 | | |
| Transfers and subsidies | 22 | - | - | 22 | 22 | - | 100.0% | - | - | | |
| Households | 22 | - | - | 22 | 22 | - | 100.0% | - | - | | |
| Social benefits | 22 | - | - | 22 | 22 | - | 100.0% | - | - | | |
| Payments for financial assets | - | - | - | - | - | - | - | - | - | | |
| Total | 32 372 | - | (386) | 31 986 | 31 978 | 8 | 100.0% | 26 704 | 26 210 | | |

| 4.1 Programme Support | | | | | | | | | |
|-------------------------------|------------------------|-------------------|----------|---------------------|--------------------|----------|-----------------------------------------|---------------------|--------------------|
| 2018/19 | | | | | | | | | |
| 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 | 3 227 | - | (189) | 3 038 | 3 036 | 2 | 99.9% | 3 105 | 2 997 |
| Compensation of employees | 2 550 | - | (31) | 2 519 | 2 518 | 1 | 100.0% | 1 933 | 1 841 |
| Goods and services | 677 | - | (158) | 519 | 518 | 1 | 99.8% | 1 172 | 1 156 |
| Payments for financial assets | - | - | - | - | - | - | - | - | - |
| Total | 3 227 | - | (189) | 3 038 | 3 036 | 2 | 99.9% | 3 105 | 2 997 |

| 4.2 Accounting Services | | | | | | | | | |
|--------------------------------------|------------------------|-------------------|-------------|---------------------|--------------------|----------|-----------------------------------------|---------------------|--------------------|
| 2018/19 | | | | | | | 2017/18 | | |
| | 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 | 6 909 | - | (58) | 6 851 | 6 851 | - | 100.0% | 5 406 | 5 248 |
| Compensation of employees | 5 476 | - | 12 | 5 488 | 5 488 | - | 100.0% | 4 107 | 4 063 |
| Goods and services | 1 433 | - | (70) | 1 363 | 1 363 | - | 100.0% | 1 299 | 1 185 |
| Payments for financial assets | - | - | - | - | - | - | - | - | - |
| Total | 6 909 | - | (58) | 6 851 | 6 851 | - | 100.0% | 5 406 | 5 248 |

| 4.3 Norms and Standards | | | | | | | | | |
|--------------------------------------|------------------------|-------------------|-------------|---------------------|--------------------|----------|-----------------------------------------|---------------------|--------------------|
| 2018/19 | | | | | | | 2017/18 | | |
| | 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 | 14 679 | - | (41) | 14 638 | 14 638 | - | 100.0% | 12 398 | 12 259 |
| Compensation of employees | 13 325 | - | 80 | 13 405 | 13 405 | - | 100.0% | 11 185 | 11 136 |
| Goods and services | 1 354 | - | (121) | 1 233 | 1 233 | - | 99.9% | 1 213 | 1 123 |
| Payments for financial assets | - | - | - | - | - | - | - | - | - |
| Total | 14 679 | - | (41) | 14 638 | 14 638 | - | 100.0% | 12 398 | 12 259 |

| 4.4 Provincial Risk Management | | | | | | | | | |
|--------------------------------------|------------------------|-------------------|--------------|---------------------|--------------------|--------------|-----------------------------------------|---------------------|--------------------|
| | 2018/19 | | | | | 2017/18 | | | |
| | 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 | 3 825 | - | (81) | 3 744 | 3 743 | 1 | 100.0% | 2 715 | 2 700 |
| Compensation of employees | 3 078 | - | (54) | 3 024 | 3 023 | 1 | 100.0% | 2 145 | 2 163 |
| Goods and services | 747 | - | (27) | 720 | 720 | - | 100.0% | 570 | 537 |
| Transfers and subsidies | 22 | - | - | 22 | 22 | - | 100.0% | - | - |
| Households | 22 | - | - | 22 | 22 | - | 100.0% | - | - |
| Payments for financial assets | 3 847 | - | (81) | 3 766 | 3 765 | 1 | 100.0% | 2 715 | 2 700 |
| Total | 3 847 | - | (81) | 3 766 | 3 765 | 1 | 100.0% | 2 715 | 2 700 |

| 4.5 Provincial Internal Audit | | | | | | | | | |
|--------------------------------------|------------------------|-------------------|--------------|---------------------|--------------------|--------------|-----------------------------------------|---------------------|--------------------|
| | 2018/19 | | | | | 2017/18 | | | |
| | 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 | 3 710 | - | (17) | 3 693 | 3 688 | 5 | 99.9% | 3 080 | 3 006 |
| Compensation of employees | 2 975 | - | 21 | 2 996 | 2 997 | (1) | 100.0% | 2 172 | 2 282 |
| Goods and services | 735 | - | (38) | 697 | 691 | 6 | 99.1% | 908 | 724 |
| Payments for financial assets | 3 710 | - | (17) | 3 693 | 3 688 | 5 | 99.9% | 3 080 | 3 006 |
| Total | 3 710 | - | (17) | 3 693 | 3 688 | 5 | 99.9% | 3 080 | 3 006 |

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 1G, 3B and 5 to the Annual Financial Statements.

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

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

3. Detail on payments for financial assets

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

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

| 4.1 Per programme | Final Appropriation | Actual Expenditure | Variance R'000 | Variance as a % of Final Appropriation |
|----------------------------------------|--------------------------------|-------------------------------|---------------------------|-------------------------------------------------------|
| Administration | 97 510 | 97 455 | 55 | 0% |
| Sustainable Resources Management | 56 556 | 56 537 | 19 | 0% |
| Assets and Liabilities Management | 145 618 | 145 548 | 70 | 0% |
| Financial Governance | 31 986 | 31 978 | 8 | 0% |
| 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 | 193 765 | 193 703 | 62 | 0% |
| Goods and services | 123 747 | 123 682 | 65 | 0% |
| Transfers and subsidies | | | | |
| Provinces and municipalities | 16 | 16 | 0 | 0% |
| Departmental agencies and accounts | 582 | 583 | (1) | 0% |
| Households | 1 066 | 1 062 | 4 | 0% |
| Payments for capital assets | | | | |
| Machinery and equipment | 12 494 | 12 472 | 22 | 0% |
| Intangible assets | | | | |
| Payments for financial assets | - | - | - | - |

The Provincial Treasury has reduced its payments for Capital Assets by **R 87 000** due to unspent funds as a result of Expenditure that was wrongly classified under payments for Capital Assets but later corrected to goods and services, hence the virement.

| | Note | 2018/19 R'000 | 2017/18 R'000 |
|-------------------------------------------------------------|------|------------------|------------------|
| REVENUE | | | |
| Annual appropriation | 1 | 331 670 | 289 945 |
| Departmental revenue | 2 | 108 327 | 96 907 |
| TOTAL REVENUE | | 439 997 | 386 852 |
| EXPENDITURE | | | |
| Current expenditure | | | |
| Compensation of employees | 3 | 193 703 | 169 718 |
| Goods and services | 4 | 123 682 | 110 254 |
| Total current expenditure | | 317 385 | 279 972 |
| Transfers and subsidies | | | |
| Transfers and subsidies | 5 | 1 661 | 981 |
| Total transfers and subsidies | | 1 661 | 981 |
| Expenditure for capital assets | | | |
| Tangible assets | 6 | 12 472 | 6 580 |
| Intangible assets | 6 | - | 9 |
| Total expenditure for capital assets | | 12 472 | 6 589 |
| Payments for financial assets | | - | - |
| TOTAL EXPENDITURE | | 331 518 | 287 542 |
| SURPLUS/(DEFICIT) FOR THE YEAR | | 108 479 | 99 310 |
| Reconciliation of Net Surplus/(Deficit) for the year | | | |
| Voted funds | | 152 | 2 403 |
| Annual appropriation | | 152 | 2 403 |
| Departmental revenue and NRF Receipts | 10 | 108 327 | 96 907 |
| SURPLUS/(DEFICIT) FOR THE YEAR | | 108 479 | 99 310 |

| | <i>Note</i> | 2018/19 R'000 | 2017/18 R'000 |
|-----------------------------------------------------------------------------|-------------|------------------|------------------|
| ASSETS | | | |
| Current assets | | 1 835 | 8 205 |
| Cash and cash equivalents | 7 | 1 634 | 8 105 |
| Receivables | 8 | 201 | 100 |
| Non-current assets | | 560 | 691 |
| Receivables | 8 | 560 | 691 |
| TOTAL ASSETS | | 2 395 | 8 896 |
| LIABILITIES | | | |
| Current liabilities | | 1 684 | 8 170 |
| Voted funds to be surrendered to the Revenue Fund | 9 | 152 | 2 403 |
| Departmental revenue and NRF Receipts to be surrendered to the Revenue Fund | 10 | 1 513 | 2 174 |
| Payables | 11 | 19 | 3 593 |
| Non-current liabilities | | | |
| Payables | | - | - |
| TOTAL LIABILITIES | | 1 684 | 8 170 |
| NET ASSETS | | 711 | 726 |
| | | | |
| | <i>Note</i> | 2018/19 R'000 | 2017/18 R'000 |
| Represented by: | | | |
| Recoverable revenue | | 711 | 726 |
| TOTAL | | 711 | 726 |

| | 2018/19 R'000 | 2017/18 R'000 |
|-----------------------------------------------------|-----------------------|-----------------------|
| Recoverable revenue | | |
| Opening balance | 726 | 597 |
| Transfers: | (15) | 129 |
| Debts recovered (included in departmental receipts) | (15) | (14) |
| Debts raised | - | 143 |
| Closing balance | <u>711</u> | <u>726</u> |
| TOTAL | <u><u>711</u></u> | <u><u>726</u></u> |

| | Note | 2018/19 R'000 | 2017/18 R'000 |
|--------------------------------------------------------------|------|------------------|------------------|
| CASH FLOWS FROM OPERATING ACTIVITIES | | | |
| Receipts | | 461 230 | 395 878 |
| Annual appropriated funds received | 1.1 | 331 670 | 289 945 |
| Departmental revenue received | 2 | 2 464 | 2 269 |
| Interest received | 2.3 | 127 096 | 103 664 |
| Net (increase)/decrease in working capital | | (3 544) | 3 070 |
| Surrendered to Revenue Fund | | (132 872) | (106 729) |
| Current payments | | (317 385) | (279 972) |
| Transfers and subsidies paid | | (1 661) | (981) |
| Net cash flow available from operating activities | 12 | 5 768 | 11 266 |
| CASH FLOWS FROM INVESTING ACTIVITIES | | | |
| Payments for capital assets | 6 | (12 472) | (6 589) |
| Proceeds from sale of capital assets | 2.3 | 248 | - |
| Net cash flows from investing activities | | (12 224) | (6 589) |
| CASH FLOWS FROM FINANCING ACTIVITIES | | | |
| Increase/(decrease) in net assets | | (15) | 129 |
| Net cash flows from financing activities | | (15) | 129 |
| Net increase/(decrease) in cash and cash equivalents | | (6 471) | 4 806 |
| Cash and cash equivalents at beginning of period | | 8 105 | 3 299 |
| Unrealised gains and losses within cash and cash equivalents | | | |
| Cash and cash equivalents at end of period | 13 | 1 634 | 8 105 |

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). |

| | |
|--------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| | <p>Appropriated funds are recognised in the statement of financial performance on the date the appropriation becomes effective. Adjustments made in terms of the adjustments budget process are recognised in the statement of financial performance on the date the adjustments become effective.</p> <p>The net amount of any appropriated funds due to / from the relevant revenue fund at the reporting date is recognised as a payable / receivable in the statement of financial position.</p> |
| 7.2 | <p>Departmental revenue</p> <p>Departmental revenue is recognised in the statement of financial performance when received and is subsequently paid into the relevant revenue fund, unless stated otherwise. Any amount owing to the relevant revenue fund at the reporting date is recognised as a payable in the statement of financial position.</p> |
| 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. 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> <p>Aid assistance not spent for the intended purpose and any unutilised funds from aid assistance that are required to be refunded to the donor are recognised as a payable in the statement of financial position.</p> |
| 9.2 | <p>Aid assistance paid</p> <p>Aid assistance paid is recognised in the statement of financial performance on the date of payment. Aid assistance payments made prior to the receipt of funds are recognised as a receivable in the statement of financial position.</p> |
| 10 | <p>Cash and cash equivalents</p> <p>Cash and cash equivalents are stated at cost in the statement of financial position.</p> <p>Bank overdrafts are shown separately on the face of the statement of financial position as a current liability.</p> <p>For the purposes of the cash flow statement, cash and cash equivalents comprise cash on hand, deposits held, other short-term liquid investments and bank overdrafts.</p> |
| 11 | <p>Prepayments and advances</p> <p>Prepayments and advances are recognised in the statement of financial position when the department receives or disburses the cash.</p> <p>Prepayments and advances are initially and subsequently measured at cost.</p> <p>(Indicate when prepayments are expensed and under what circumstances)</p> |
| 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 | Movable capital assets Movable capital assets are initially recorded in the notes to the financial statements at cost. Movable capital assets acquired through a non-exchange transaction is measured at fair value as at the date of acquisition. Where the cost of movable capital assets cannot be determined reliably, the movable capital assets are measured at fair value and where fair value cannot be determined; the movable assets are measured at R1. All assets acquired prior to 1 April 2002 (or a later date as approved by the OAG) may be recorded at R1. |

| | |
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| | <p>Movable capital assets are subsequently carried at cost and are not subject to depreciation or impairment.</p> <p>Biological assets are subsequently carried at fair value.</p> <p>Subsequent expenditure that is of a capital nature 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 | <p>Provisions and Contingents</p> |
| 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</p> |

| | |
|-------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| | it is not probable that an outflow of resources will be required to settle the obligation or the amount of the obligation cannot be measured reliably. |
| 17.3 | <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>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.</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

1.1 Annual Appropriation

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

| | Final Appropriation | Actual Funds Received | 2018/19 Funds not requested /not received R'000 | Final Appropriation | 2017/18 Appropriation received R'000 |
|-------------------------------------|------------------------|-----------------------------|-------------------------------------------------------------------|------------------------|-----------------------------------------------|
| | R'000 | R'000 | R'000 | R'000 | R'000 |
| Administration | 97 510 | 97 510 | - | 87 587 | 87 587 |
| Sustainable Resource Management | 56 556 | 56 556 | - | 47 532 | 47 532 |
| Asset and Liabilities Management | 145 618 | 145 618 | - | 128 122 | 128 122 |
| Financial Government | 31 986 | 31 986 | - | 26 704 | 26 704 |
| Total | 331 670 | 331 670 | - | 289 945 | 289 945 |

2. Departmental revenue

| | Note | 2018/19 R'000 | 2017/18 R'000 |
|-------------------------------------------------------|------|------------------|------------------|
| Sales of goods and services other than capital assets | 2.1 | 2 375 | 2 255 |
| Interest, dividends and rent on land | 2.2 | 127 096 | 103 664 |
| Sales of capital assets | 2.3 | 248 | - |
| Transactions in financial assets and liabilities | 2.4 | 89 | 14 |
| Total revenue collected | | 129 808 | 105 933 |
| Less: Own revenue included in appropriation | 10 | 21 481 | 9 026 |
| Departmental revenue collected | | 108 327 | 96 907 |

2.1 Sales of goods and services other than capital assets

| | Note | 2018/19 R'000 | 2017/18 R'000 |
|--------------------------------------------------------|------|------------------|------------------|
| Sales of goods and services produced by the department | 2 | 2 375 | 2 255 |
| Sales by market establishment | | 11 | 11 |
| Administrative fees | | 103 | 98 |
| Other sales | | 2 261 | 2 146 |
| Total | | 2 375 | 2 255 |

Other sales refers to the sale of tender documents

2.2 Interest, dividends and rent on land

| | | 2018/19 R'000 | 2017/18 R'000 |
|--------------|--------|------------------|------------------|
| Interest | Note 2 | 127 096 | 103 664 |
| Total | | 127 096 | 103 664 |

2.3 Sale of capital assets

| | | 2018/19 R'000 | 2017/18 R'000 |
|--------------------------|--------|------------------|------------------|
| Tangible assets | Note 2 | 248 | |
| Machinery and equipment | 25 | 248 | - |
| Intangible assets | | | |
| Software | 26 | - | - |
| Total | | 248 | - |

2.4 Transactions in financial assets and liabilities

| | | 2018/19 R'000 | 2017/18 R'000 |
|--------------|--------|------------------|------------------|
| Receivables | Note 2 | 89 | 14 |
| Total | | 89 | 14 |

3. Compensation of employees

3.1 Salaries and Wages

| | | 2018/19 R'000 | 2017/18 R'000 |
|----------------------------------|--------|------------------|------------------|
| Basic salary | Note 3 | 131 857 | 114 571 |
| Performance award | | 6 494 | 2 761 |
| Service Based | | 254 | 148 |
| Compensative/circumstantial | | 3 207 | 4 093 |
| Other non-pensionable allowances | | 27 818 | 26 930 |
| Total | | 169 630 | 148 503 |

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

3.2 Social contributions

| | Note | 2018/19 | 2017/18 |
|----------------------------------------|------|----------------|----------------|
| | 3 | R'000 | R'000 |
| Employer contributions | | | |
| Pension | | 17 049 | 14 827 |
| Medical | | 6 998 | 6 364 |
| Bargaining council | | 26 | 24 |
| Total | | 24 073 | 21 215 |
| Total compensation of employees | | 193 703 | 169 718 |
| Average number of employees | | 309 | 327 |

Number of employees includes **281** permanent workers and **28** contract workers

4. Goods and services

| | Note | 2018/19 | 2017/18 |
|-----------------------------------------------------------|------|----------------|----------------|
| | | R'000 | R'000 |
| Administrative fees | | 558 | 464 |
| Advertising | | 728 | 1 202 |
| Minor assets | 4.1 | 146 | 239 |
| Catering | | 708 | 377 |
| Communication | | 4 429 | 4 039 |
| Computer services | 4.2 | 65 775 | 62 296 |
| Consultants: Business and advisory services | | 8 855 | 4 120 |
| Legal services | | 60 | 98 |
| Contractors | | 410 | 427 |
| Agency and support / outsourced services | | 23 | - |
| Audit cost – external | 4.3 | 4 948 | 5 478 |
| Fleet services | | 1 218 | 1 369 |
| Consumables | 4.4 | 6 416 | 2 201 |
| Operating leases | | 6 998 | 7 270 |
| Property payments | 4.5 | 3 398 | 2 895 |
| Transport provided as part of the departmental activities | | 55 | 8 |
| Travel and subsistence | 4.6 | 14 532 | 13 514 |
| Venues and facilities | | 1 208 | 908 |
| Training and development | | 2 403 | 2 525 |
| Other operating expenditure | 4.7 | 814 | 824 |
| Total | | 123 682 | 110 254 |

4.1 Minor assets

| | Note | 2018/19 | 2017/18 |
|-------------------------|------|------------|------------|
| | 4 | R'000 | R'000 |
| Tangible assets | | | |
| Machinery and equipment | | 146 | 239 |
| Total | | 146 | 239 |

4.2 Computer services

| | Note | 2018/19 | 2017/18 |
|-------------------------------------|------|---------------|---------------|
| | 4 | R'000 | R'000 |
| SITA computer services | | 50 360 | 45 834 |
| External computer service providers | | 15 415 | 16 462 |
| Total | | 65 775 | 62 296 |

4.3 Audit cost – External

| | Note | 2018/19 | 2017/18 |
|-------------------|------|--------------|--------------|
| | 4 | R'000 | R'000 |
| Regularity audits | | 4 883 | 4 520 |
| Computer audits | | 65 | 958 |
| Total | | 4 948 | 5 478 |

4.4 Consumables

| | Note | 2018/19 | 2017/18 |
|------------------------------------------|------|--------------|--------------|
| | 4 | R'000 | R'000 |
| Consumable supplies | | 4 367 | 1 184 |
| Uniform and clothing | | 154 | 129 |
| Household supplies | | 2 034 | 1 043 |
| Building material and suppliers | | 16 | - |
| Communication Accessories | | 17 | - |
| IT consumables | | 2 139 | 5 |
| Other consumables | | 7 | 7 |
| Stationery, printing and office supplies | | 2 049 | 1 017 |
| Total | | 6 416 | 2 201 |

Other refers to laptop bags classified as consumables

4.5 Property payments

| | Note | 2018/19 | 2017/18 |
|----------------------------------|------|--------------|--------------|
| | 4 | R'000 | R'000 |
| Municipal services | | 3 398 | 2 893 |
| Property maintenance and repairs | | - | 2 |
| Total | | 3 398 | 2 895 |

4.6 Travel and subsistence

| | <i>Note</i> | 2018/19 | 2017/18 |
|--------------|-------------|----------------|----------------|
| | | R'000 | R'000 |
| Local | 4 | 14 189 | 13 491 |
| Foreign | | 343 | 23 |
| Total | | 14 532 | 13 514 |

4.7 Other operating expenditure

| | <i>Note</i> | 2018/19 | 2017/18 |
|-------------------------------------------------------|-------------|----------------|----------------|
| | | R'000 | R'000 |
| Professional bodies, membership and subscription fees | 4 | 48 | 34 |
| Other | | 766 | 790 |
| Total | | 814 | 824 |

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

5. Transfers and subsidies

| | | 2018/19 | 2017/18 |
|------------------------------------|--------------------|----------------|----------------|
| | | R'000 | R'000 |
| Provinces and municipalities | <i>Note 48, 49</i> | 16 | 208 |
| Departmental agencies and accounts | <i>Annex 1B</i> | 583 | 546 |
| Households | <i>Annex 1G</i> | 1 062 | 227 |
| Total | | 1 661 | 981 |

6. Expenditure for capital assets

| | <i>Note</i> | 2018/19 | 2017/18 |
|--------------------------------------|-------------|----------------|----------------|
| | | R'000 | R'000 |
| Tangible assets | | 12 472 | 6 580 |
| Buildings and other fixed structures | | - | 24 |
| Machinery and equipment | 25 | 12 472 | 6 556 |
| Intangible assets | | - | 9 |
| Software | 25 | - | 9 |
| Total | | 12 472 | 6 589 |

6.1 Analysis of funds utilised to acquire capital assets – 2018/19

| | Voted funds | Aid assistance | Total |
|--------------------------|---------------|----------------|---------------|
| | R'000 | R'000 | R'000 |
| Tangible assets | 12 472 | - | 12 472 |
| Machinery and equipment | 12 472 | - | 12 472 |
| Intangible assets | | | |
| Software | - | - | - |
| Total | 12 472 | - | 12 472 |

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

| | Voted funds | Aid assistance | Total |
|--------------------------------------|--------------|----------------|--------------|
| | R'000 | R'000 | 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. Cash and cash equivalents

| | 2018/19 | 2017/18 |
|----------------------------------------|--------------|--------------|
| | R'000 | R'000 |
| Consolidated Paymaster General Account | 1 634 | 8 997 |
| Disbursements | - | (892) |
| Total | 1 634 | 8 105 |

8. Receivables

| | 2018/19 | | | 2017/18 | | |
|---------------|------------|-------------|------------|------------|-------------|------------|
| | Current | Non-current | Total | Current | Non-current | Total |
| | R'000 | R'000 | R'000 | R'000 | R'000 | R'000 |
| Staff debt | 138 | 30 | 168 | 18 | 161 | 179 |
| Other debtors | 63 | 530 | 593 | 82 | 530 | 612 |
| Total | 201 | 560 | 761 | 100 | 691 | 791 |

Note

8.1

8.2

Other receivables relates to ex-employees that are debted to Provincial Treasury.

8.1 Staff debt

| | Note | 2018/19 | 2017/18 |
|--------------------------------------|------|------------|------------|
| | 8 | R'000 | R'000 |
| Overpayment | | - | 1 |
| Recovery for loss / damage to assets | | 168 | 178 |
| Total | | 168 | 179 |

8.2 Other debtors

| | Note | 2018/19 | 2017/18 |
|---------------------------------------------------|------|------------|------------|
| | 8 | R'000 | R'000 |
| Ex-employees – Tax Debt | | 2 | 5 |
| Amount to be recovered from Irregular Expenditure | | 530 | 530 |
| Ex-employees – Salary Overpayment | | 51 | 77 |
| Recovery for loss / damage to assets | | 10 | - |
| Total | | 593 | 612 |

9. Voted funds to be surrendered to the Revenue Fund

| | 2018/19 | 2017/18 |
|----------------------------------------------------------------|------------|--------------|
| | R'000 | R'000 |
| Opening balance | 2 403 | 1 196 |
| Prior period error | - | - |
| As restated | 2 403 | 1 196 |
| Transfer from statement of financial performance (as restated) | 152 | 2 403 |
| Paid during the year | (2 403) | (1 196) |
| Closing balance | 152 | 2 403 |

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

| | 2018/19 | 2017/18 |
|----------------------------------------------------------------|--------------|--------------|
| | R'000 | R'000 |
| Opening balance | 2 174 | 1 774 |
| As restated | 2 174 | 1 774 |
| Transfer from Statement of Financial Performance (as restated) | 108 327 | 96 907 |
| Own revenue included in appropriation | 21 481 | 9 026 |
| Paid during the year | (130 469) | (105 533) |
| Closing balance | 1 513 | 2 174 |

11. Payables – current

| | Note | 2018/19 R'000 | 2017/18 R'000 |
|-------------------|------|------------------|------------------|
| Clearing accounts | 11.1 | 19 | 3 593 |
| Total | | 19 | 3 593 |

11.1 Clearing accounts

| | Note | 2018/19 R'000 | 2017/18 R'000 |
|-----------------|------|------------------|------------------|
| Sal: Income Tax | 11 | 1 | 3 582 |
| Housing Refund | | 18 | 11 |
| Total | | 19 | 3 593 |

12. Net cash flow available from operating activities

| | 2018/19 R'000 | 2017/18 R'000 |
|------------------------------------------------------------------|------------------|------------------|
| Net surplus/(deficit) as per Statement of Financial Performance | 108 479 | 99 310 |
| Add back non cash/cash movements not deemed operating activities | (102 711) | (88 044) |
| (Increase)/decrease in receivables | 30 | (102) |
| Increase/(decrease) in payables – current | (3 574) | 3 172 |
| Proceeds from sale of capital assets | (248) | - |
| Expenditure on capital assets | 12 472 | 6 589 |
| Surrenders to Revenue Fund | (132 872) | (106 729) |
| Own revenue included in appropriation | 21 481 | 9 026 |
| Net cash flow generated by operating activities | 5 768 | 11 266 |

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

| | 2018/19 R'000 | 2017/18 R'000 |
|----------------------------------------|------------------|------------------|
| Consolidated Paymaster General account | 1 634 | 8 997 |
| Disbursements | - | (892) |
| Total | 1 634 | 8 105 |

14. Contingent liabilities and contingent assets

14.1 Contingent liabilities

| | Note 14 | 2018/19 R'000 | 2017/18 R'000 |
|-------------------------------|------------|------------------|------------------|
| Liable to | | | |
| Claims against the department | Annex 3B | 3 962 | 3 962 |
| Total | | 3 962 | 3 962 |

15. Commitments

| | 2018/19 R'000 | 2017/18 R'000 |
|----------------------------|------------------|------------------|
| Current expenditure | | |
| Approved and contracted | 280 | 1 415 |
| Total Commitments | 280 | 1 415 |

16. Accruals and payables not recognised

16.1 Accruals

| | | | 2018/19 R'000 | 2017/18 R'000 |
|------------------------------------------|----------------|-----------------|------------------|------------------|
| Listed by economic classification | | | | |
| | 30 Days | 30+ Days | Total | Total |
| Goods and services | 1 778 | - | 1 778 | 3 648 |
| Other | 1 093 | - | 1 093 | 12 129 |
| Total | 2 871 | - | 2 871 | 15 777 |

| | Note 16 | 2018/19 R'000 | 2017/18 R'000 |
|-----------------------------------|------------|------------------|------------------|
| Listed by programme level | | | |
| Administration | | 1 812 | 4 057 |
| Sustainable Resource Management | | 317 | 2 737 |
| Assets and Liabilities Management | | 340 | 6 477 |
| Financial Governance | | 402 | 2 506 |
| Total | | 2 871 | 15 777 |

Other refers to Personnel cost amounting to **R740** and Leave gratuity amounting to **R353**.

16.2 Payables not recognised

| | 2018/19 | | | 2017/18 |
|------------------------------------------|----------------|-----------------|--------------|--------------|
| | R'000 | | | R'000 |
| Listed by economic classification | | | | |
| | 30 Days | 30+ Days | Total | Total |
| Goods and services | 102 | 28 | 130 | 6 |
| Other | - | - | - | - |
| Total | 102 | 28 | 130 | 6 |

| | Note | 2018/19 | 2017/18 |
|-----------------------------------|------|------------|----------|
| | 16 | R'000 | R'000 |
| Listed by programme level | | | |
| Administration | | 14 | 6 |
| Sustainable Resource Management | | 11 | - |
| Assets and Liabilities Management | | 17 | - |
| Financial Governance | | 88 | - |
| Total | | 130 | 6 |

| | Note | 2018/19 | 2017/18 |
|--------------------------------------------------------|---------|-----------|-----------|
| | | R'000 | R'000 |
| Included in the above totals are the following: | | | |
| Confirmed balances with other departments | Annex 5 | 71 | 75 |
| Total | | 71 | 75 |

17. Employee benefits

| | 2018/19 | 2017/18 |
|--------------------------|---------------|---------------|
| | R'000 | R'000 |
| Leave entitlement | 9 878 | 8 182 |
| Service bonus | 4 942 | 4 491 |
| Performance awards | 6 488 | 2 904 |
| Capped leave commitments | 9 201 | 8 673 |
| Other | 219 | 254 |
| Total | 30 728 | 24 504 |

Other is provision for long service award for employees that have completed **20, 30 and 40** years of service in the next twelve months.

Leave entitlement includes negative leave with an amount of **R 120 208.97**, the leave year and the financial year are not the same.

18. Lease commitments

18.1 Operating leases

| 2018/19 | Specialised military equipment R'000 | Land R'000 | Buildings and other fixed structures R'000 | Machinery and equipment R'000 | Total R'000 |
|-------------------------------------------------|-----------------------------------------------|---------------|--------------------------------------------------------|----------------------------------------|----------------|
| Not later than 1 year | - | - | 701 | 1 163 | 1 864 |
| Later than 1 year and not later than 5 years | - | - | 660 | 755 | 1 498 |
| Later than five years | - | - | - | - | - |
| Total lease commitments | - | - | 1 361 | 1 918 | 3 279 |

| 2017/18 | Specialised military equipment R'000 | Land R'000 | Buildings and other fixed structures R'000 | Machinery and equipment R'000 | Total R'000 |
|-------------------------------------------------|-----------------------------------------------|---------------|--------------------------------------------------------|----------------------------------------|----------------|
| 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 |

19. Accrued departmental revenue

| | Note 19 | 2018/19 R'000 | 2017/18 R'000 |
|--------------------------------------------------|------------|------------------|------------------|
| Transactions in financial assets and liabilities | | 532 | 406 |
| Total | | 532 | 406 |

19.1 Analysis of accrued departmental revenue

| | Note 19 | 2018/19 R'000 | 2017/18 R'000 |
|-------------------------|------------|------------------|------------------|
| Opening balance | | 406 | 251 |
| Add: amounts recognised | | 126 | 155 |
| Closing balance | | 532 | 406 |

An amount of **R 532 000** has been paid over to the Asset Forfeiture unit on behalf of the Provincial Treasury by an ex-employee as accrued revenue (of which **R126 000** relates to the financial year under review.)

20. Irregular expenditure

20.1 Reconciliation of irregular expenditure

| | Note 20 | 2018/19 R'000 | 2017/18 R'000 |
|----------------------------------------------------------------|------------|------------------|------------------|
| Opening balance | | | |
| Prior period error | | - | - |
| Add: Irregular expenditure – relating to prior year | | - | - |
| Add: Irregular expenditure – relating to current year | | 4 800 | - |
| Closing balance | | 4 800 | - |
| Analysis of awaiting condonation per age classification | | | |
| Current year | | 4 800 | - |
| Prior years | | - | - |
| Total | | 4 800 | - |

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

| Incident | Disciplinary steps taken/criminal proceedings | 2018/19 R'000 |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------|------------------|
| Overspending in terms of the Performance Bonuses, which is 1.5% of the total wage bill, the DPSA Directive says the Executive Authority may not exceed the 1.5% even in Justifiable circumstances. | None | 3 474 |
| Procurement of the VIP Vehicle | None | 1 326 |
| Total | | 4 800 |

21. Fruitless and wasteful expenditure

21.1 Reconciliation of fruitless and wasteful expenditure

| | Note 21 | 2018/19 R'000 | 2017/18 R'000 |
|---------------------------------------------------------------|------------|------------------|------------------|
| Opening balance | | | |
| Fruitless and wasteful expenditure – relating to current year | | - | 98 |
| Less: Amounts resolved | | - | (98) |
| Closing balance | | - | - |

22. Related party transactions

In kind goods and services provided/received

During the 2018/2019 financial year, Provincial Treasury occupied building number four (4) upper and lower grounds in the Riverside Government Complex, a service provided by the Department of Public Works, Roads and Transport free of charge.

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

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

23. Key management personnel

| | No. of Individuals | 2018/19 R'000 | 2017/18 R'000 |
|--------------------------------------------------|-----------------------|------------------|------------------|
| Political office bearers (provide detail below) | | | |
| Officials: | | | |
| Level 15 to 16 – Head: Provincial Treasury | 1 | 1 523 | 1 531 |
| Level 14 (incl. CFO if at a lower level) | 12 | 11 697 | 10 556 |
| Chief Financial Officer | | 1 082 | 979 |
| Chief Director: Financial Governance | | 1 423 | 1 432 |
| Chief Director: Sustainable Resource Management | | 1 275 | 1 127 |
| Chief Director: Asset and Liabilities Management | | 1 219 | 1 127 |
| Programme Co-ordinator | | 1 358 | 1 228 |
| Director : Corporate Services | | 1 200 | 1 170 |
| Director : Planning | | 1 098 | 992 |
| Director : Communication | | 1 142 | 1 037 |
| Director: Internal Audit | | 1 200 | 1 084 |
| Chief Risk Officer | | 700 | 380 |
| Total | | 13 220 | 12 087 |

24. Provisions

| | Note 24 | 2018/19 R'000 | 2017/18 R'000 |
|-----------------------------------|------------|------------------|------------------|
| Operating leases escalating price | | - | 64 |
| Total | | - | 64 |

24.1 Reconciliation of movement in provisions – 2018/19

| | Provision 1 R'000 | Provision 2 R'000 | Provision 3 R'000 | Total provisions R'000 |
|-----------------------------------------|-------------------------|-------------------------|-------------------------|------------------------------|
| Opening balance | - | 64 | - | 64 |
| Increase in provision | - | - | - | - |
| Settlement of provision | - | (64) | - | (64) |
| Unused amount reversed | - | - | - | - |
| Reimbursement expected from third party | - | - | - | - |
| Closing balance | - | - | - | - |

24.2 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 | - | - | - | - |
| Closing balance | - | 64 | - | 64 |

25. Movable Tangible Capital Assets

MOVEMENT IN MOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2019

| | Opening balance R'000 | Value adjustments R'000 | Additions R'000 | Disposals R'000 | Closing Balance R'000 |
|--------------------------------------------------|-----------------------------|-------------------------------|--------------------|--------------------|-----------------------------|
| MACHINERY AND EQUIPMENT | 51 971 | - | 12 472 | 4 404 | 60 039 |
| Transport assets | 6 251 | - | 1 326 | 1 156 | 6 421 |
| Computer equipment | 37 226 | - | 10 818 | 2 783 | 45 261 |
| Furniture and office equipment | 4 642 | - | 22 | 166 | 4 498 |
| Other machinery and equipment | 3 852 | - | 306 | 299 | 3 859 |
| TOTAL MOVABLE TANGIBLE CAPITAL ASSETS | 51 971 | - | 12 472 | 4 404 | 60 039 |

25.1 Additions

ADDITIONS TO MOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2019

| | 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 | 12 472 | - | - | - | 12 472 |
| Transport assets | 1 326 | - | - | - | 1 326 |
| Computer equipment | 10 818 | - | - | - | 10 818 |
| Furniture and office equipment | 22 | - | - | - | 22 |
| Other machinery and equipment | 306 | - | - | - | 306 |
| TOTAL ADDITIONS TO MOVABLE TANGIBLE CAPITAL ASSETS | 12 472 | - | - | - | 12 472 |

25.2 Disposals

DISPOSALS OF MOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2019

| | Sold for cash | Non-cash disposal | Total disposals | Cash Received Actual |
|------------------------------------------------------------------|------------------|----------------------|--------------------|----------------------------|
| | R'000 | R'000 | R'000 | R'000 |
| MACHINERY AND EQUIPMENT | 1 156 | 3 248 | 4 404 | 248 |
| Transport assets | 1 156 | - | 1 156 | 248 |
| Computer equipment | - | 2 783 | 2 783 | - |
| Furniture and office equipment | - | 166 | 166 | - |
| Other machinery and equipment | - | 299 | 299 | - |
| TOTAL DISPOSAL OF MOVABLE TANGIBLE CAPITAL ASSETS | 1 156 | 3 248 | 4 404 | 248 |

25.3 Movement for 2017/18

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

| | Opening balance | Prior period error | Additions | Disposals | Closing Balance |
|--------------------------------------------------|--------------------|--------------------------|--------------|------------|--------------------|
| | R'000 | R'000 | R'000 | R'000 | 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 |

25.4 Minor assets

MOVEMENT IN MINOR ASSETS PER THE ASSET REGISTER FOR THE YEAR ENDED AS AT 31 MARCH 2019

| | 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 | - | 6 672 | - | 6 685 |
| Value adjustments | - | - | - | 8 | - | 8 |
| Additions | - | - | - | 146 | - | 146 |
| Disposals | - | 13 | - | 247 | - | 260 |
| TOTAL MINOR ASSETS | - | - | - | 6 579 | - | 6 579 |

| | Specialised military assets | Intangible assets | Heritage assets | Machinery and equipment | Biological assets | Total |
|--------------------------------------|-----------------------------------|----------------------|--------------------|-------------------------------|----------------------|--------------|
| Number of minor assets at cost | - | - | - | 3 260 | - | 3 260 |
| TOTAL NUMBER OF MINOR ASSETS | - | - | - | 3 260 | - | 3 260 |

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 |
| Prior period error | - | - | - | - | - | - |
| Additions | - | - | - | 241 | - | 241 |
| Disposals | - | - | - | 88 | - | 88 |
| TOTAL MINOR ASSETS | - | 13 | - | 6 672 | - | 6 685 |

| | Specialised military assets | Intangible assets | Heritage assets | Machinery and equipment | Biological assets | Total |
|-------------------------------------------------|-----------------------------------|----------------------|--------------------|-------------------------------|----------------------|--------------|
| Number of minor assets at cost | - | - | - | 3 341 | - | 3 341 |
| TOTAL NUMBER OF MINOR ASSETS | - | - | - | 3 341 | - | 3 341 |

26. Intangible Capital Assets

MOVEMENT IN INTANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2019

| | Opening balance R'000 | Value adjustments R'000 | Additions R'000 | Disposals R'000 | Closing Balance R'000 |
|--------------------------------------------|-----------------------------|-------------------------------|--------------------|--------------------|-----------------------------|
| SOFTWARE | 4 968 | - | - | 4 864 | 104 |
| TOTAL INTANGIBLE CAPITAL ASSETS | 4 968 | - | - | 4 864 | 104 |

26.1 Disposals

DISPOSALS OF INTANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2019

| | Sold for cash R'000 | Non-cash disposal R'000 | Total disposals R'000 | Cash Received Actual R'000 |
|---------------------------------------------------------|---------------------------|-------------------------------|-----------------------------|-------------------------------------|
| SOFTWARE | - | 4 864 | 4864 | - |
| TOTAL DISPOSALS OF INTANGIBLE CAPITAL ASSETS | - | 4 864 | 4 864 | - |

26.2 Movement for 2017/18

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

| | Opening balance | Prior period error | Additions | Disposals | Closing Balance |
|--------------------------------------------|--------------------|--------------------------|-----------|-----------|--------------------|
| | R'000 | R'000 | R'000 | R'000 | R'000 |
| SOFTWARE | 4 959 | - | 9 | - | 4 968 |
| TOTAL INTANGIBLE CAPITAL ASSETS | 4 959 | - | 9 | - | 4 968 |

27. Immovable Tangible Capital Assets

MOVEMENT IN IMMOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2019

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

27.1 Movement for 2017/18

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

| | Opening balance | Prior period error | Additions | Disposals | Closing Balance |
|----------------------------------------------------|--------------------|--------------------------|-----------|-----------|--------------------|
| | R'000 | R'000 | R'000 | R'000 | R'000 |
| BUILDINGS AND OTHER FIXED STRUCTURES | - | - | 24 | - | 24 |
| Other fixed structures | - | - | 24 | - | 24 |
| TOTAL IMMOVABLE TANGIBLE CAPITAL ASSETS | - | - | 24 | - | 24 |

28. Prior period errors

28.1 Correction of prior period errors

| | Amount before error correction | Prior period error | Restated Amount |
|--------------------------------------------|--------------------------------------|-----------------------|--------------------|
| | 2017/18 R'000 | 2017/18 R'000 | 2017/18 R'000 |
| Other: Key Management Personnel | | | |
| Programme Co-ordinator | | 1 228 | 1 228 |
| Director: Corporate | | 1 170 | 1 170 |
| Director: Planning | | 992 | 992 |
| Director: Communication | | 1 037 | 1 037 |
| Director: Internal Auditor | | 1 084 | 1 084 |
| Chief Risk Officer | | 380 | 380 |
| Net effect | | 5 891 | 5 891 |

Inclusion of all officials that are part of the Executive Management.

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

| NAME OF MUNICIPALITY / DEPARTMENTS | GRANT ALLOCATION | | | | TRANSFER | | |
|---------------------------------------------------------|-----------------------------------|---------------|-------------|--------------------|--------------------|-------------------|------------------------------------------------------------------------|
| | DoRA and other transfers | Roll Overs | Adjustments | Total Available | Actual Transfer | Funds Withheld | Re-allocations by National Treasury or National Department |
| | R'000 | R'000 | R'000 | R'000 | R'000 | R'000 | % |
| Department of Community Safety, Security and Liaison | 17 | - | (1) | 16 | 16 | - | - |
| TOTAL | 17 | - | (1) | 16 | 16 | - | - |

ANNEXURE 1B
STATEMENT OF TRANSFERS TO DEPARTMENTAL AGENCIES AND ACCOUNTS

| DEPARTMENTAL AGENCY/ ACCOUNT | TRANSFER ALLOCATION | | | | TRANSFER | | 2017/18 |
|----------------------------------------------------------------------------------|---------------------------|---------------|-------------|--------------------|--------------------|-------------------------------------------|------------------------|
| | 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) | 581 | - | - | 581 | 581 | 100% | 544 |
| South African Broadcasting Corporation (SABC) | - | - | 1 | 1 | 2 | 200% | 2 |
| TOTAL | 581 | - | 1 | 582 | 583 | | 546 |

ANNEXURE 1G
STATEMENT OF TRANSFERS TO HOUSEHOLDS

| HOUSEHOLDS | TRANSFER ALLOCATION | | | | EXPENDITURE | | 2017/18 |
|------------------|----------------------------------|---------------|------------------|--------------------|--------------------|-------------------------------------------|------------------------|
| | 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 | 1 066 | - | - | 1 066 | 1 062 | 100% | 126 |
| Legacy Project | - | - | - | - | - | - | 101 |
| TOTAL | 1 066 | - | - | 1 066 | 1 062 | 100% | 227 |

ANNEXURE 3B
STATEMENT OF CONTINGENT LIABILITIES AS AT 31 MARCH 2019

| Nature of Liability | Opening Balance 1 April 2018 R'000 | Liabilities incurred 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 2019 R'000 |
|--------------------------------------|-------------------------------------------------|------------------------------------------------------------|---------------------------------------------------------------------------|------------------------------------------------------------------------------|-----------------------------------------------------|
| Claims against the department | | | | | |
| Columbus Technologies | 3 962 | - | - | - | 3 962 |
| TOTAL | 3 962 | - | - | - | 3 962 |

ANNEXURE 5
INTER-GOVERNMENT PAYABLES

| GOVERNMENT ENTITY | Confirmed balance outstanding | | Unconfirmed balance outstanding | | TOTAL | | Cash in transit at year end 2018/19 | |
|----------------------|----------------------------------|---------------------|------------------------------------|---------------------|---------------------|---------------------|------------------------------------------------------------------------|--------|
| | | | | | | | Payment date up to six (6) working days before year end | Amount |
| | 31/03/2019 R'000 | 31/03/2018 R'000 | 31/03/2019 R'000 | 31/03/2018 R'000 | 31/03/2019 R'000 | 31/03/2018 R'000 | | R'000 |


DEPARTMENT
Current

| | | | | | | | | |
|-------------------------------------------------|-----------|-----------|----------|----------|-----------|-----------|----------|----------|
| Government Printing | - | 24 | - | - | - | 24 | - | - |
| Department of Public works, Roads and Transport | - | 51 | - | - | - | 51 | - | - |
| Department of Education | 71 | - | - | - | 71 | - | - | - |
| TOTAL | 71 | 75 | - | - | 71 | 75 | - | - |

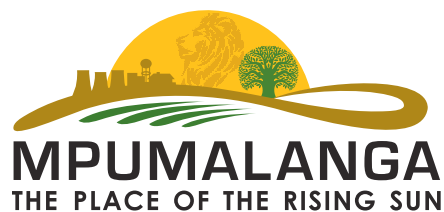
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