

**MPUMALANGA PROVINCE
VOTE No 3**

ANNUAL REPORT

**2019 / 2020
FINANCIAL YEAR**



provincial treasury
MPUMALANGA PROVINCE
REPUBLIC OF SOUTH AFRICA



PART A: GENERAL INFORMATION	5
1. DEPARTMENT GENERAL INFORMATION	6
2. LIST OF ABBREVIATIONS/ACRONYMS	7
3. FOREWORD BY THE MEC	9
4. REPORT OF THE ACCOUNTING OFFICER	10
5. STATEMENT OF RESPONSIBILITY AND CONFIRMATION OF ACCURACY FOR THE ANNUAL REPORT	15
6. STRATEGIC OVERVIEW	16
6.1. Vision	16
6.2. Mission	16
6.3. Values	16
7. LEGISLATIVE AND OTHER MANDATES	16
8. ORGANISATIONAL STRUCTURE	19
9. ENTITIES REPORTING TO THE MEC	19
PART B: PERFORMANCE INFORMATION	20
1. AUDITOR GENERAL'S REPORT: PREDETERMINED OBJECTIVES	21
2. OVERVIEW OF DEPARTMENTAL PERFORMANCE	21
2.1 Service Delivery Environment	21
2.2 Service Delivery Improvement Plan	22
2.3 Organisational environment	24
2.4 Key policy developments and legislative changes	24
3. STRATEGIC OUTCOME ORIENTED GOALS	24
4. PERFORMANCE INFORMATION BY PROGRAMME	25
4.1 Programme 1: Administration	25
4.2 Programme 2: Sustainable Resource Management	30
4.3 Programme 3: Assets and Liabilities Management	35
4.4 Programme 4: Financial Governance	43
5. TRANSFER PAYMENTS	51
6. CONDITIONAL GRANTS	51
7. DONOR FUNDS	51
8. CAPITAL INVESTMENT	51
8.1. Capital investment, maintenance and asset management plan	51

PART C: GOVERNANCE	53
1. INTRODUCTION	54
2. RISK MANAGEMENT	54
3. FRAUD AND CORRUPTION	54
4. MINIMISING CONFLICT OF INTEREST	54
5. CODE OF CONDUCT	55
6. HEALTH SAFETY AND ENVIRONMENTAL ISSUES	55
7. PORTFOLIO COMMITTEES	56
8. SCOPA RESOLUTIONS	57
9. PRIOR MODIFICATIONS TO AUDIT REPORTS	57
10. INTERNAL CONTROL UNIT	58
11. INTERNAL AUDIT AND AUDIT COMMITTEES	60
12. AUDIT COMMITTEE REPORT	60
13. B-BBEE COMPLIANCE PERFORMANCE INFORMATION	62
PART D: HUMAN RESOURCE MANAGEMENT	63
1. INTRODUCTION	64
2. OVERVIEW OF HUMAN RESOURCES	64
3. HUMAN RESOURCES OVERSIGHT STATISTICS	66
PART E: FINANCIAL INFORMATION	90
1. REPORT OF THE AUDITOR GENERAL	92
2. ANNUAL FINANCIAL STATEMENTS	97



PART A: **GENERAL** **INFORMATION**

1. DEPARTMENT's GENERAL INFORMATION

PHYSICAL ADDRESS:	Nokuthula Simelane Building 4, No 7 Government Boulevard Riverside Park Extension 2 Mbombela, 1200
POSTAL ADDRESS:	Private Bag X11205 Mbombela 1200
TELEPHONE NUMBER:	+27 13 766 4404/4572
FAX NUMBER:	+27 13 766 4604
EMAIL ADDRESS:	HOTreasury@mpg.gov.za
WEBSITE ADDRESS:	http://treasury.mpg.gov.za
TWITTER:	@MPTreasury
FACEBOOK:	Mpumalanga Treasury

2. LIST OF ABBREVIATIONS/ACRONYMS

AIDS	Acquired Immunodeficiency Syndrome
AGSA	Auditor General of South Africa
AO	Accounting Officer
BBBEE	Broad Based Black Economic Empowerment
CFO	Chief Financial Officer
DORA	Division of Revenue Act
DPSA	Department of Public Service and Administration
DTI	Department of Trade and Industries
ERM	Enterprise Risk Management
EU	European Union
EXCO	Executive Council
GIAMA	Government Immovable Asset Management Act
HIV	Human Immune Virus
HPT	Head: Provincial Treasury
HR	Human Resource
ICT	Information Communication Technology
IT	Information Technology
IYM	In-Year Monitoring
LED	Local Economic Development
LOGIS	Logistical Information System
MEC	Member of Executive Council
MFMA	Municipal Finance Management Act
MPL	Member of Parliament
MTEC	Medium Term Expenditure Committee
MTEF	Medium Term Expenditure Framework
MTSF	Medium Term Strategic Framework
NT	National Treasury
OHS	Occupational Health and Safety
OTP	Office of the Premier
PPPFA	Preferential Procurement Policy Framework Act
PAIA	Promotion of Access to Information Act
PAJA	Promotion of Administrative Justice Act
PERSAL	Personnel Salary System
PFMA	Public Finance Management Act
PILIR	Policy on incapacity and ill health retirement
PMDS	Performance Management and Development System
PMTCT	Prevention of mother to child transmission
PPIA	Protection of Personal Information Act
PPP	Public Private Partnership
PSA	Public Service Act
PSA	Public Service Association
PSAA	Public Service Administration Act
PSCBC	Public Service Commission's Bargaining Council
SCM	Supply Chain Management

SCOPA	Select Committee on Public Accounts
SDIP	Service Delivery Improvement Plan
SHEQ	Safety Healthy and Environment Quality
SITA	State Information Technology Agency
SMME	Small Medium and Micro Enterprises
SMS	Senior Management Services
TR	Treasury Regulations
TVET	Technical vocational education and training

3. FOREWORD BY THE MEC

I am honoured to present the report on the performance of Provincial Treasury for the 2019/20 financial year. This report was prepared amid a challenging economic discourse worsened by the outbreak of Coronavirus (also known as COVID-19) in December 2019.

Since March 2020, the Government has implemented measures to save lives; to contain the spread of this virus and to support individuals and businesses that experienced significant distress as a result of this pandemic. Working together with National Treasury, we considered adjustments to the Budget to respond to COVID-19 cases in our Mpumalanga.

The mandate of the Provincial Treasury is to ensure optimal resource allocation and fiscal discipline in the Department and throughout our Provincial Administration. We are satisfied with the progress the Department is making to fulfil this Constitutional task.

During the period under review, the Department resuscitated the CFOs' Forum which brings together the Chief Financial Officers of Provincial Departments and Public Entities to share best practices and ideas on building sustainable financial administration.

In line with the policy injunctions of the sixth administration, we:-

- Convened Supply Chain Management Indaba in the three districts of the Province to deepen understanding of the public procurement policy and opportunities,
- Rolled out support programmes to build capacity in the financial management discipline through partnerships with financial sector institutions.
- Commenced the implementation of financial recovery planning targeting the identified distressed municipalities in the Province, and
- Kick-started the project of automating various financial systems in the quest to build a capable and efficient government. This process will continue in the 2020/21 financial year, with other systems being identified to enhance our business processes.

Given the significant decline in economic activities and reduced fiscal space as a result of the global health pandemic, we will continue to review operational requirements, firstly, to enable full compliance with the Health and Safety standards and, secondly, to restore the economic fundamental anchored on the principles of allocative efficiencies, prudent spending and improved financial governance across the Provincial Administration.

Our focus in 2020/21 will include monitoring and supporting municipalities to implement financial recovery plans. We will also reinforce transparency on COVID-19 spending, and follow up on audit improvement plans in pursuit of the goal of a "clean" administration.

As I conclude, let me take this opportunity to acknowledge the Head Official, management and staff of the Provincial Treasury for obtaining the eleventh consecutive Clean audit outcome.

We want to assure the public of our unequivocal commitment to live up to the mandate vested on the Provincial Treasury, and to continue supporting Departments, Public entities and Municipalities in executing their task of maintaining sound financial administration.



Mr PS NGOMANE (MPL)
MEC for Finance, Economic Development and Tourism
11 September 2020



4. REPORT OF THE ACCOUNTING OFFICER

Overview of the operations of the Provincial Treasury

We appreciate the opportunity to report on the performance of the Mpumalanga Provincial Treasury for the 2019/20 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) for the financial year ending 31 March 2020.

Establishment

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's staff establishment was 317 (posts) which comprises of 277 permanent posts and 40 contract employees inclusive of interns and learners. During the year under review, 12 officials were appointed to act in higher positions in accordance with paragraph 63(1) of the Public Service Regulation, 2016 and EXCO Resolution of August 2017.

Programme performance

The four programmes of the Department have substantially achieved the targets set in the 2019/20 Annual Performance Plan.

The Provincial Treasury facilitated the timely tabling of three Appropriation Bills at the Provincial Legislature, which are Adjustments Appropriation for 2019/20; Second Adjustments Appropriation for 2019/20 as well as the Main Appropriations for 2020/21.

The Department implemented the Provincial Revenue Enhancement strategy. The Province's revenue collection is in line with the annualised target of R1,619 billion for the 2019/20 fiscal year.

During the year under review, support was provided to 19 Municipalities. In view of the Executive Council's decision for focused intervention in distressed Municipalities, the Department finalised the financial recovery plans for four Municipalities, that is, Lekwa; Thaba Chweu; Msukaligwa and Govan Mbeki Municipalities, the plans which have since been adopted by the respective Councils.

The Provincial Treasury has during the year supported Departments, Public Entities and Municipalities on the implementation of the Supply Chain Management Policy Framework. The Provincial Treasury further provided training on supply chain management and the operations of bid committees to improve capacity for policy implementation and to enhance decision making in the awarding of tenders in these provincial institutions.

During the year under review, the Provincial Treasury implemented the Transversal term contract covering overnight accommodation and travelling, and identified other commodities for implementation in the 2020/21 financial year.



The Provincial Treasury introduced the Business Automation project, which intends to automate all business processes in the Provincial Administration over a period of time, commencing with the Electronic Leave Management System; Invoice Tracking System, as well as Automated Financial Statements. All these systems are at advanced stages of implementation with 1 July 2020 being the envisaged implementation date.

The Provincial Treasury also provided advice and guidance and supported Provincial Departments, Public Entities and Municipalities on financial and governance matters. Guidelines and support processes were developed and provided to assist the government entities to resolve their audit qualifying issues.

Overview of the financial results of the Provincial Treasury:

Departmental receipts

Departmental receipts	2018/19			2019/20		
	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	2 375	427	2 800	1 819	981
Transfers received	-	-	-	-	-	-
Fines, penalties and forfeits	-	-	-	-	-	-
Interest, dividends and rent on land	111 999	127 096	(15 097)	116 736	92 381	24 355
Sale of capital assets	-	248	(248)	-	36	(36)
Financial transactions in assets and liabilities	7	89	(82)	13	124	(111)
Total	114 808	129 808	(15 000)	119 549	94 360	25 189

Programme Expenditure

Programme Name	2018/19			2019/20		
	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	97 510	97 455	55	103 157	103 071	86
Sustainable Resource Management	56 556	56 537	19	47 654	47 647	7
Assets and Liabilities	145 618	145 548	70	173 176	172 652	524
Financial Governance	31 986	31 978	8	30 905	30 892	13
Total	331 670	331 518	152	354 892	354 262	630

The Provincial Treasury has spent R356 262 000 of the allocated total budget of R354 892 000 in the 2019/20 financial year. The total amount of R630 000 underspending was mainly on payments for capital assets.

Virements/roll overs

- The Provincial Treasury increased its budget allocation for goods and services by R888 000 and transfers and subsidies by R4 000, utilising savings from the compensation of employees.
- Reason for the virement was to defray excess expenditure under goods and services as well as under transfers and subsidies.

Programme 1: Administration

The programme's budget was increased by R122 000, which was mainly on payments for capital assets.

Programme 2: Sustainable Resource Management

The programme's budget was reduced by R3 007 000, which was mainly on goods and services.

Programme 3: Assets and Liabilities Management

The programme's budget was increased by R3 703 000, which was mainly on goods and services.

Programme 4: Financial Governance

The programme's budget was reduced by R818 000, which was mainly on the compensation of employees.

Roll-Overs

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

Unauthorised, Irregular, Fruitless, and Wasteful Expenditures

Provincial Treasury did not incur any Unauthorised, Irregular, Fruitless, and Wasteful Expenditure during the year under review. The irregular expenditure reflected in the report refers to spending on PMDS in 2018/19 that exceeded allowed percentage which has since been attended to by the Provincial Treasury subsequent to the end of the financial year.

Future plans of the Provincial Treasury

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

Discontinued activities/activities to be discontinued

None.

New or proposed activities

The Provincial Treasury introduced the Business Processes Automation project for the Mpumalanga Provincial Government, commencing with eLeave (Human Resources Management), Invoice Tracking and Payments (Supply Chain Management) and the Automated Financial Statements (Financial Reporting). The budget for the above systems is currently within the Assets and Liabilities Management Programme.

Supply Chain Management

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

The Provincial Treasury has complied with the *Broad-Based Black Economic Empowerment Amendment, 2013* (Act 46 of 2013) in awarding of bids during the year under review.

The Provincial Treasury continued to monitor compliance with the Local Content Regulations through the 2011 Preferential Procurement Policy Framework Act (PPPFA) as amended

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 were no 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

I would like to convey my appreciation to the management and staff in the Department, and the assistance of the Audit Committee, Risk and Ethics Management Committee 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

I hereby, in my capacity as the Accounting Officer, approve the Annual Report for the 2019/20 financial year.



MS GUGU MASHITENG

Accounting Officer: Provincial Treasury

Date: 30 June 2020

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 2020.

Yours faithfully



Ms GUGU MASHITENG

Accounting Officer: Provincial Treasury

Date: 30 June 2020

6. STRATEGIC OVERVIEW

6.1 Vision

A dynamic Provincial Treasury leading in service excellence.

6.2 Mission

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

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

6.3 Values

We commit ourselves to the following core values:

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

7. LEGISLATIVE AND OTHER MANDATES

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

Division of Revenue Act, 2019 (Act No. 16 of 2019) (DORA)

The Act provides 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 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 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.

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 2019/20 financial year:

Mpumalanga Appropriation Act, 2019 (Act No. 2 of 2019)

The Act provides for the appropriation of money from the Provincial Revenue Fund for the requirements of the Province for the 2019/20 financial year; to prescribe conditions for the spending of funds withdrawn for the 2020/21 financial year before the commencement of the Mpumalanga Appropriation Act for the 2020/21 financial year; and to provide for matters incidental thereto.

Mpumalanga Adjustments Appropriation Act, 2019 (Act No. 3 of 2019)

The Act effects adjustments to the appropriation of money from the Provincial Revenue Fund for the requirements of the Province in respect of the 2019/20 financial year; and to provide for matters incidental thereto.

Mpumalanga Second Adjustments Appropriation Act, 2020 (Act No. 1 of 2020)

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 2019/20 financial year ending 31 March 2019; and to provide for matters incidental thereto.

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 rulings:

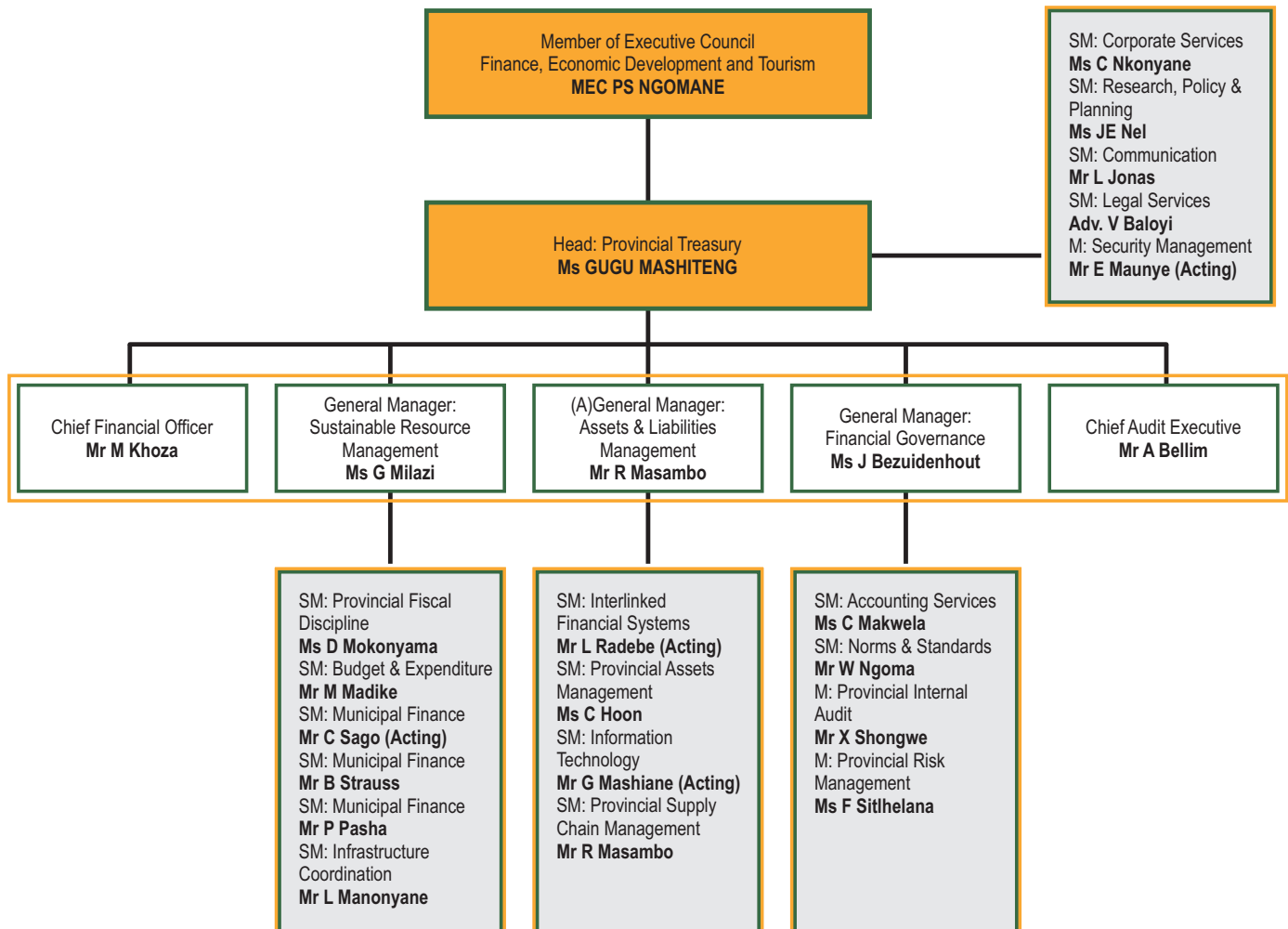
Nyathi v Mec Health, Gauteng and Department of Justice

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

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

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

8. ORGANISATIONAL STRUCTURE



9. ENTITIES REPORTING TO THE MEC

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



PART B: **PERFORMANCE INFORMATION**

1. AUDITOR GENERAL'S REPORT: PREDETERMINED OBJECTIVES

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

Refer to page 92 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 317 posts, inclusive of interns and learners. The provincial moratorium on the filling of posts was continued 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 2020/21 budget was tabled on 10 March 2020 which is within the prescribed period as required by sec 27 (2) of the PFMA. The second adjustments budget, which appropriates additional funds to the Departments of Education and Human Settlements was passed by the Legislature on the same day. Provincial Treasury supported all 13 votes on budget and expenditure by providing guidance and feedback on the IYM and draft budgets. The Senior Manager: Budget and Expenditure retired from public service on 31 March 2020. The position is currently vacant.

The Provincial Treasury provided support and coordination to the six infrastructure Departments despite being short-staffed. The manager who was pursuing further studies overseas completed his training in September 2020 he joined the Infrastructure and coordination directorate.

Provincial Treasury provided support to 12 votes on revenue collection. The Department of Community Safety Security and Liaison was funded for the takeover of the vehicle licensing function from the City of Mbombela and Nkomazi Municipality. The Department was further funded to conclude the arrangement with the South African Post Office to provide the vehicle licensing function on behalf of the Provincial government. These initiatives have enabled the province to collect R1.582 billion own revenue for the year under review.

The Provincial Treasury introduced the Business Automation Processes which intends to automate the business processes in the Provincial Administration. Electronic Leave Management to automate leave applications, invoice tracking system to automate the submission of invoices and monitor the payments within 30 days and the automation of financial statements are at the advance stage of being implemented with 1 July 2020 being the implementation date.

Supply Chain Management Indaba were conducted to all the three districts as per MEC announcement to inform and educate the public about opportunities available in different sphere of government especially for women, people with disabilities and the youth.

The Provincial Treasury has again developed guides and support processes to assist the government entities to resolve their audit qualifying issues. The process involved following up on corrective measures and verifying the validity of the work done.

2.2 Service Delivery Improvement Plan

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

Main services and standards

Main services	Beneficiaries	Current/ actual standard of service	Desired standard of service	Actual achievement
Monitor and support all Departments, Municipalities and Public Entities adhering to compliance on payment of suppliers within 30 days after receipt of an invoice	Provincial Departments, Municipalities and Public Entities	100% 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	100% compliance by Departments (12 Votes, 4 Public Entities and 20 Municipalities)	100% compliance by Departments (12 Votes, 4 Public Entities and 20 Municipalities)	100% submission of procurement plans by Departments, Public Entities and Municipalities

Batho Pele arrangements with beneficiaries (Consultation access etc.

Current/actual arrangements	Desired arrangements	Actual achievements
<ul style="list-style-type: none"> 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 the 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. 	<ul style="list-style-type: none"> a) Availability of a Complaints system through submissions in writing and website.
<ul style="list-style-type: none"> b) Presentations, Guidelines, policies and procedures and Provincial Treasury circulars. 	<ul style="list-style-type: none"> b) Presentations, Guidelines, policies and procedures and Provincial Treasury circulars available and utilised. 	<ul style="list-style-type: none"> 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 Provincial Treasury has an approved organogram with 433 posts. As a result of the PERSAL clean-up and the moratorium on the filling of posts only active and filled posts were retained on PERSAL system. The Provincial Treasury operated with three hundred and seventeen (317) positions, namely; Two hundred and seventy-seven (277) permanent employees and forty (40) contract employees inclusive of interns and learners.

In order to circumvent the human capacity challenges, the Provincial Treasury identified critical posts for filling and submitted a request to the Office of the Premier for approval. Whilst waiting for approval to fill the critical posts, 12 employees were appointed on acting positions with a view to ensuring consistent operations.

The current organisational structure was revised, internal consultation processes were concluded it was thereafter submitted to the Office of the Premier for onward approval by the Executive Council.

The organisational structure of the Provincial Treasury currently makes provision for four Programmes. Programme 1 is responsible for the financial and administrative management and support. The other three Programmes focus on treasury functions, which are Sustainable Resource Management, Assets and Liabilities Management and Financial Governance. The core mandate of the Provincial Treasury is to provide financial and governance support towards effective implementation of the Public Finance Management Act (PFMA) and Municipal Finance Management Act (MFMA).

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 gradually address the shortfall in human resources.

2.4 Key policy developments and legislative changes

There were no key policy developments for the year under review.

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 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 2018/19	Planned Target 2019/20	Actual Achievement 2019/20	Deviation from planned target to Actual Achievement for 2019/20	Comment on deviations
Provide policy and political directives in order to achieve provincial objectives	Table 2 Provincial and 1 Policy and Budget Statement	Table 2 Provincial and 1 Policy and Budget Statement	Tabled 3 Provincial and 1 Policy and Budget Statement	A second adjustment budget was passed. This is due to the Departments of Education and Human Settlements receiving additional funds for the year under review.	N/A
Translate policies and priorities into strategies for effective service delivery	Unqualified audit opinion	Unqualified audit opinion	Unqualified audit opinion	None	N/A
Provide sound Financial Management and Supply Chain Management services in Provincial Treasury	Unqualified audit opinion	Unqualified audit opinion	Unqualified audit opinion	None	N/A
Provide efficient and effective internal audit services in Provincial Treasury	1 Approved Audit Plan	1 Approved Audit Plan	1 Approved Audit Plan	None	N/A

Reasons for deviations

a) Provide policy and political directives in order to achieve provincial objectives.

- A second adjustments budget was passed. This is due to the Departments of Education and Human Settlements receiving additional funds for the year under review.

Performance indicators

Programme 1: Administration							
Performance Indicator	Actual Achievement 2016/2017	Actual Achievement 2017/2018	Actual Achievement 2018/2019	Planned Target 2019/2020	Actual Achievement 2019/2020	Deviation from planned target to Actual Achievement for 2019/2020	Comment on deviations
Sub-programme: Office of the MEC							
Number of Annual Reports tabled	1 Report	1 Report	1 Report	1 Report	1 Report	None	N/A
Number of Appropriation Bills tabled	2 Documents	2 Documents	2 Bills	2 Bills	3 bills	One more bill was tabled	A second adjustment budget passed. This is due to the Departments of Education and Human Settlements receiving additional funds for the year under review.
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	Not achieved	The Annual Performance Plan was not tabled before end of the financial year but only on 15 May 2020.	Following the "LOCKDOWN and Risk-Adjusted Strategy for Economic Activity" pronouncement by State President, the Provincial Legislature was not accessible for the entire lockdown period (27 March 2020- 30 April 2020) and all Legislature business were suspended until May 2020.

Programme 1: Administration							
Performance Indicator	Actual Achievement 2016/2017	Actual Achievement 2017/2018	Actual Achievement 2018/2019	Planned Target 2019/2020	Actual Achievement 2019/2020	Deviation from planned target to Actual Achievement for 2019/2020	Comment on deviations
Number of Risk Registers approved	1 Register	1 Register	1 Register	1 Register	1 Register	None	N/A
Number of Risk Evaluation Reports submitted	New Indicator	New Indicator	4 Evaluation Report	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 legislations	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 Annual Financial Statements submitted	1 set of Annual Financial Statements	1 set of Annual Financial Statements	1 set of Annual Financial Statements	1 set of Annual Financial Statements	1 set of Annual Financial Statements	None	N/A
Number of Budget Documents submitted in compliance with prescripts	2 Documents	2 Documents	2 Documents	2 Documents	2 Documents	None	N/A
Percentage of suppliers paid within 30 days of receipt of valid invoices	100%	100%	100%	100%	98.9%	1.1%	During April 2019, the LOGIS system opened late and this delayed payments. The delay in the processing of the payment was also due to the bank account that was closed and the new banking details were supplied late, hence the payment was done after 30 days.

Programme 1: Administration							
Performance Indicator	Actual Achievement 2016/2017	Actual Achievement 2017/2018	Actual Achievement 2018/2019	Planned Target 2019/2020	Actual Achievement 2019/2020	Deviation from planned target to Actual Achievement for 2019/2020	Comment on deviations
Sub-programme: Internal Audit							
Number of quarterly progress reports submitted on implementation of the audit plan	Submitted 4 quarterly progress reports on implementation of the audit plan	4 Reports	4 Reports	4 Reports	4 Reports	None	N/A

Reasons for deviations

Sub Programme: Office of the MEC

- a) Number of Appropriation Bills tabled.
 - Over-achievement of one Bill. A second adjustments budget passed. This was due to the Departments of Education and Human Settlements receiving additional funds for the year under review.

Sub Programme: Management Services: Office of the Head: Provincial Treasury

- a) Number of Annual Performance Plans submitted
 - Following the “LOCKDOWN and Risk-Adjusted Strategy for Economic Activity” pronouncement by State President, the Provincial Legislature was not accessible for the entire lockdown period (27 March 2020 - 30 April 2020) and all Legislature business were suspended until May 2020.

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

- a) Percentage of suppliers paid within 30 days of receipt of valid invoices
 - During April 2019, the LOGIS system opened late and this delayed payments. The delay in the processing of the payment was also due to the bank account that was closed, and the new banking details were supplied late, hence the late payment.

Strategy to overcome areas of under performance

- a) Number of Annual Performance Plans submitted
 - New dates for tabling of the 2020/21 documents were on 15 May 2020, and Provincial Treasury submitted all documents as required to the Provincial Legislature.
- b) Percentage of suppliers paid within 30 days of receipt of valid invoices
 - Update all key accounts of CSD database when services are rendered.

Changes to planned targets

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

Linking performance with budgets

The Programme has spent R103 075 000 which is 99.9% of its total budget allocated of R103 157 000

Sub-programme expenditure

Sub-Programme Name	2018/2019			2019/2020		
	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	41 158	41 082	76	45 343	45 269	74
Financial Management	50 913	50 935	(22)	52 424	52 413	11
Internal Audit	5 439	5 438	1	5 390	5 389	1
Total	97 510	97 455	55	103 157	103 071	86

4.2 Programme 2: Sustainable Resource Management

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

The programme consists of the following Sub-Programmes:

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

Strategic Objectives of Programme 2:

- Support provincial Votes to maximise sustainable revenue generation and collection.
- Allocation of provincial budget and monitoring the implementation.
- Provide support and monitor municipalities on the implementation of the MFMA.
- Coordinate the delivery of Infrastructure performance 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 have been replaced.

Strategic objectives

Programme 2: Sustainable Resource Management					
Strategic objectives	Actual Achievement 2018/2019	Planned Target 2019/20	Actual Achievement 2019/20	Deviation from planned target to Actual Achievement for 2019/2020	Comment on deviations
Support provincial Votes to maximise sustainable revenue generation and collection	Support and Monitor 12 Votes and 4 Public Entities in terms of Revenue Management	Support and Monitor 12 Votes in terms of Revenue Management	Supported and Monitored 12 Votes in terms of Revenue Management	None	N/A
Allocation of provincial budget and monitoring the implementation	13 Votes	13 Votes	13 Votes	None	N/A
Provide support and monitor Municipalities on the implementation of the MFMA	20 Municipalities	19 Municipalities	19 Municipalities	None	N/A
Coordinate the delivery of Infrastructure performance in the Province	Provide support and monitor 6 Infrastructure Departments	Provide support and monitor 6 Infrastructure Departments	Provided support and monitored 6 Infrastructure Departments	None	N/A

Reasons for deviations

All planned targets were achieved and there were no deviations.

Performance indicators

Programme 2: Sustainable Resource Management							
Performance Indicator	Actual Achievement 2016/2017	Actual Achievement 2017/2018	Actual Achievement 2018/2019	Planned Target 2019/2020	Actual Achievement 2019/2020	Deviation from planned target to Actual Achievement for 2019/2020	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

Programme 2: Sustainable Resource Management							
Performance Indicator	Actual Achievement 2016/2017	Actual Achievement 2017/2018	Actual Achievement 2018/2019	Planned Target 2019/2020	Actual Achievement 2019/2020	Deviation from planned target to Actual Achievement for 2019/2020	Comment on deviations
Number of Votes Debt reports analysed	12 Votes	12 Votes 4 Public Entities	12 Votes 4 Public Entities	12 Votes	12 Votes	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	2 Bills	2 Bills	2 Bills	2 Bills	3 Bills	1 More Bill	A second adjustment budget passed. This is due to the Departments of Education and the Department of Human Settlements receiving additional funds for the year under review.
Number of consolidated Provincial In-Year-Monitoring reports submitted	12 Reports	12 Reports	12 Reports	12 Reports	12 Reports	None	N/A
Sub-programme: Municipal Finance							
Number of consolidated Municipal Budget Statements published and submitted to Provincial Legislature	4 Budget Statements	4 Budget Statements	4 Budget Statements	4 Budget Statements	4 Budget Statements	None	N/A
Number of Annual Draft Municipal Budgets analysed	Analyse 20 Draft Budgets and provide feedback	Analyse 19 Draft Budgets and provide feedback	Analyse 19 Draft Budgets and provide feedback	19 Draft Budgets	19 Draft Budgets	None	N/A

Programme 2: Sustainable Resource Management							
Performance Indicator	Actual Achievement 2016/2017	Actual Achievement 2017/2018	Actual Achievement 2018/2019	Planned Target 2019/2020	Actual Achievement 2019/2020	Deviation from planned target to Actual Achievement for 2019/2020	Comment on deviations
Number of Mid-Year Budget and Performance Assessment Engagements	20 Municipalities	19 Municipalities	19 Municipalities	19 Municipalities	19 Municipalities	None	N/A
Number of Consolidated Municipal In-Year-Monitoring reports submitted (Section 71 of MFMA)	12 Reports	12 Reports	12 Reports	12 Reports	12 Reports	None	N/A
Number of Municipalities supported to improve Revenue Management and Debt Collection	New indicator	8 Municipalities	6 Municipalities	4 Municipalities	4 Municipalities	None	N/A
Number of Municipalities assisted with the development of Financial Recovery Plans	New indicator	New Indicator	New Indicator	3 Municipalities	4 Municipalities	One more was done	With the Executive Council's decision for a focused intervention in dysfunctional and or distressed Municipalities, the Department had to compile financial recovery plans for four Municipalities namely Lekwa, Thaba Chweu, Msukaligwa and Govan Mbeki Municipalities
Sub-programme: Infrastructure Co-ordination							
Number of Infrastructure Reporting Model analysis reports provided.	12 Reports	12 Reports	12 Reports	12 Reports	12 Reports	None	N/A

Programme 2: Sustainable Resource Management							
Performance Indicator	Actual Achievement 2016/2017	Actual Achievement 2017/2018	Actual Achievement 2018/2019	Planned Target 2019/2020	Actual Achievement 2019/2020	Deviation from planned target to Actual Achievement for 2019/2020	Comment on deviations
Number of User Asset Management plan analysis provided	6 Plans	6 Plans	6 Plans	6 Plans	6 Plans	None	N/A

Reasons for deviations

Sub Programme: Budget and Expenditure

- a) Number of Appropriation Bills tabled.
- Over-achievement as a second adjustments Bill passed. This was due to the Departments of Education and Human Settlements receiving additional funds for the year under review.

Sub Programme: Municipal Finance

- a) Number of Municipalities assisted with the development of Financial Recovery Plans.
- As a result of the Executive Council decision for a focused intervention in dysfunctional and / or distressed Municipalities, the Department had to compile financial recovery plans for four Municipalities namely Lekwa; Thaba Chweu; Msukaligwa, and Govan Mbeki Municipalities.

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 R47 647 000 which is 100.0% of its total budget allocated of R47 654 000.

Sub-programme expenditure

Sub- Programme Name	2018/2019			2019/2020		
	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	1596	1595	1	1 748	1 746	2
Provincial Administration Fiscal Discipline	10681	10680	1	10 940	10 939	1
Budget and Expenditure Management	12138	12137	1	11 307	11 305	2
Municipal Finance	27159	27148	11	18 957	18 956	1
Infrastructure Co-Ordination	4982	4977	5	4 702	4 701	1
Total	56556	56537	19	47 654	47 647	7

4.3 Programme 3: Assets and Liabilities Management

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

The programme consists of the following Sub-programmes:

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

Strategic Objectives of Programme 3:

- Monitor the implementation of Supply Chain Management Framework
- Provide support to comply with relevant Legislation on liabilities management
- Provide support to comply with Asset Management Framework
- Provide business support on Transversal Systems
- Provide an enabling environment and systems for sound corporate governance of ICT in Mpumalanga Province.

Strategic objectives, performance indicators, planned targets and actual achievements

The Assets and Liabilities Management Programme aims to provide better services to the stakeholders by ensuring availability of information technology network, operating of financial systems and related security. The programme introduced the Business Automation project which intends to automate all the business processes in the Provincial Administration. The programme will build capacity to the stakeholders in order to comply with the applicable legislations.

Strategic objectives

Programme 3: Assets and Liabilities Management					
Strategic objectives	Actual Achievement 2018/2019	Planned Target 2019/2020	Actual Achievement 2019/2020	Deviation from planned target to Actual Achievement for 2019/2020	Comment on deviations
Monitor the implementation of Supply Chain Management Framework	12 Votes, 20 Municipalities and 4 Public Entities	12 Votes, 20 Municipalities and 4 Public Entities	12 Votes, 15 Municipalities and 4 Public Entities	5 Municipalities less were monitored	The planned target could not be achieved due to non-submission of the required information by institutions and therefore non-compliance letters were issued to the Accounting Officers
Provide support to comply with relevant Legislation on liabilities management	12 Votes, 7 Municipalities and 4 Public Entities	12 Votes, 9 Municipalities and 4 Public Entities	12 Votes 9 Municipalities 3 Public Entities	One less Public Entity was monitored	One public entity was not available to be provided with the planned support
Provide support to comply with Asset Management Framework	12 Votes, 6 Municipalities and 2 Public Entities	6 Votes, 6 Municipalities and 2 Public Entities	6 Votes 7 Municipalities 2 Public Entities	1 Municipality more was supported	There was a need for support on Asset management for one more Municipality
Provide business support on transversal systems	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: 6 Votes and 9 Municipalities	IT systems: 12 Votes	IT systems: 12 Votes	None	N/A

Reasons for deviations

Sub Programme: Provincial Supply Chain Management

- a) Monitor the implementation of Supply Chain Management Framework.
- The planned target could not be achieved due to non-submission of the required information by institutions, and therefore non-compliance letters were issued to the Accounting Officers

Sub Programme: Public Sector Liabilities Management

- a) Provide support with relevant Legislation on liabilities management
- One Public Entity was not available to be provided with the planned support.

Sub Programme: Physical Asset Management

- a) Provide support to comply with Asset Management framework.
- There was a need for support on Asset management for one more Municipality

Performance indicators

Programme3: Assets and Liabilities Management							
Performance Indicator	Actual Achievement 2016/2017	Actual Achievement 2017/2018	Actual Achievement 2018/2019	Planned Target 2019/2020	Actual Achievement 2019/2020	Deviation from planned target to Actual Achievement for 2019/2020	Comment on deviations
Sub-programme: Provincial Supply Chain Management							
Number of Votes, Municipalities and Public Entities monitored on implementation of procurement plans	12 Votes, 20 Municipalities and 5 Public Entities	12 Votes, 19 Municipalities and 4 Public Entities	12 Votes, 20 Municipalities and 4 Public Entities	12 Votes, 20 Municipalities and 4 Public Entities	12 Votes, 15 Municipalities and 4 Public Entities	5 Municipalities less were monitored	The planned target could not be achieved due to non-submission of the required information by institutions and therefore non-compliance letters were issued to the Accounting Officers
Number of Votes, Municipalities and Public Entities monitored on timeous payments to contracted service providers	New Indicator	New Indicator	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

Programme3: Assets and Liabilities Management							
Performance Indicator	Actual Achievement 2016/2017	Actual Achievement 2017/2018	Actual Achievement 2018/2019	Planned Target 2019/2020	Actual Achievement 2019/2020	Deviation from planned target to Actual Achievement for 2019/2020	Comment on deviations
Number of Votes and Municipalities monitored on contract management	New Indicator	New Indicator	3 Votes and 14 Municipalities	12 Votes and 7 Municipalities	5 Votes, and 12 Municipalities	7 Vote less were monitored. 2 Public Entities and 5 municipalities more were monitored	The planned target for votes could not be achieved due to non-submission of the required information by institutions and therefore non-compliance letters were issued to their Accounting Officers More Public Entities and Municipalities were monitored on contract management.
Number of training sessions conducted on SCM	New Indicator	New Indicator	New Indicator	4 Training sessions	9 Training sessions	5 more training sessions were done	More requests were received from Departments for training

Programme3: Assets and Liabilities Management							
Performance Indicator	Actual Achievement 2016/2017	Actual Achievement 2017/2018	Actual Achievement 2018/2019	Planned Target 2019/2020	Actual Achievement 2019/2020	Deviation from planned target to Actual Achievement for 2019/2020	Comment on deviations
Number of Transversal Term Contracts initiated and monitored	New Indicator	New Indicator	New Indicator	3 Contracts	1 Contract awarded and monitored	2 Contract not awarded.	The specifications were approved by the committee and Head of Department; the tender was advertised but expired due to validity period. No extension was requested due to changes that must be made on the pricing schedule to fixed prices. The tender will be re-advertised in the 21-22 financial year after approval of the changed specifications on pricing.
Sub-programme: Public Sector Liabilities Management							
Number institutions monitored on compliance to Liability Management Guideline	12 Votes, 20 Municipalities and 5 Public Entities	47 Feedback Reports	12 Votes 7 Municipalities 4 Public Entities	12 Votes 9 Municipalities 4 Public Entities	12 Votes 9 Municipalities 3 Public Entities	One less Public Entity was monitored	One public entity was not available to be provided with the planned support
Sub-programme: Physical Asset Management							
Number of Votes, Public Entities and Municipalities supported and monitored to comply with Asset Management Framework	4 Votes 2 Public Entities 9 Municipalities	4 Votes 2 Public Entities 9 Municipalities	12 Votes 12 Municipalities 4 Public Entities	6 Votes 6 Municipalities 2 Public Entities	6 Votes 7 Municipalities 2 Public Entities	1 Municipality more was supported	There was a need for support on Asset management for one more Municipality

Programme3: Assets and Liabilities Management							
Performance Indicator	Actual Achievement 2016/2017	Actual Achievement 2017/2018	Actual Achievement 2018/2019	Planned Target 2019/2020	Actual Achievement 2019/2020	Deviation from planned target to Actual Achievement for 2019/2020	Comment on deviations
Number of Votes supported on Inventory Management	Monitor implementation in 8 Votes	8 Votes	6 Votes	6 Votes	7 Votes	1 Vote and 1 Public Entity	There was a need for support on inventory management for one more vote and a Public Entity
Number of Municipalities supported on implementation of Audit Action Plans	New Indicator	New Indicator	New Indicator	7 Municipalities	9 Municipalities	2 more municipalities were supported	There was a need from more municipalities for support in terms of the audit action plans
Sub-programme: Interlinked Financial Systems							
Number of Votes monitored on optimal utilisation of the Persal and Logis	New Indicator	New Indicator	12 Votes	12 Votes	12 Votes	None	N/A
Number of Votes monitored on access security profiles	New Indicator	New Indicator	12 Votes	12 Votes	12 Votes	None	N/A
Sub-programme: Information Technology							
Percentage of Up-time of ICT Network Infrastructure	95%	95%	94,3%	95%	97.23%	2.23%	Stability in the IT environment wherein the mitigation of risks were more effective
Percentage of calls resolved	99%	99%	100%	99%	100%	1%	The over-achievement is due to efficiencies as all calls reported were attended to
Number of Votes and Municipalities monitored on IT Governance	12 Votes and 20 Municipalities	12 Votes and 20 Municipalities	9 Votes and 9 Municipalities	6 Votes and 9 Municipalities	6 Votes and 12 Municipalities	3 municipalities more were supported	There was a need from more municipalities for support

Reasons for deviations

Sub Programme: Provincial Supply Chain Management

- b) Number of Votes, Municipalities and Public Entities monitored on implementation of procurement plans
 - The planned target could not be achieved due to non-submission of the required information by institutions, and therefore non-compliance letters were issued to the Accounting Officers
- c) Number of Votes and Municipalities monitored on contract management
 - The planned target could not be achieved due to non-submission of the required information by institutions, and therefore non-compliance letters were issued to their Accounting Officers
 - More Public Entities and Municipalities were monitored on contract management due to additional support requested.
- d) Number of training sessions conducted on SCM
 - More requests were received from Departments for training

Sub Programme: Transversal Term Contracts

- a) Number of Transversal Term Contracts initiated and monitored
 - The specifications were approved by the committee and Head of Department; the tender was advertised but expired due to validity period. No extension was requested due to changes that must be made on the pricing schedule to fixed prices. The tender will be re-advertised in the 21-22 financial year after approval of the changed specifications on pricing.

Sub Programme: Public Sector Liabilities Management

- b) Number of institutions monitored on compliance to Liability Management Guideline
 - One Public Entity was not available to be provided with the planned support.

Sub Programme: Physical Asset Management

- b) Number of Votes, Public Entities and Municipalities supported and monitored to comply with the Asset Management Framework
 - There was a need for support on Asset management for one more Municipality
- c) Number of Votes supported on inventory management
 - There was a need for support on inventory management for one more Vote and a Public Entity
- d) Number of Municipalities supported on implementation of Audit Action Plans.
 - There was a need from more municipalities for support in terms of the audit action plans

Sub Programme: Information Technology

- a) Percentage Up-time of ICT Network infrastructure
 - The over-achievement is due to stability in the IT environment wherein the mitigation of risks was more effective
- b) Percentage of calls resolved
 - The over-achievement is due to efficiencies as all calls reported were attended to

c) Number of Votes and Municipalities monitored on IT Governance

- The over-achievement is due to more municipalities needing support on IT Governance.

Strategy to overcome areas of underperformance

Sub Programme: Provincial Supply Chain Management

a) Number of Votes and Municipalities monitored on contract management

- As part of the interventions for improvement on the non-compliance by Accounting Officers, escalation letters will also be made to the Executive Authorities of those institutions that are non-compliant.

b) Number of Transversal Term Contracts initiated and monitored

- Plans are in place, and contracts will be awarded as per regulations in the new financial year.

Sub Programme: Public Sector Liabilities Management

a) Number of institutions monitored on compliance to Liability Management Guideline

- As part of the interventions for improvement on the non-compliance by Accounting Officers, escalation letters will also be made to the Executive Authorities of those institutions that are non-compliant.

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 R172 652 000 which is 99.7% of its total budget of R173 176 000.

Sub-programme expenditure

Sub- Programme Name	2018/2019			2019/2020		
	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	415	398	17	323	322	1
Provincial Supply Chain Management	19 157	19 130	27	18 602	18 601	1
Public Sector Liabilities	6 270	6 268	2	5 659	5 658	1
Physical Assets Management	6 417	6 403	14	5 168	5 166	2
Interlinked Financial Systems	12 839	12 838	1	27 946	27 945	1
Information Technology	100 520	100 511	9	115 478	114 960	518
Total	145 618	145 548	70	173 176	172 652	524

4.4 Programme 4: Financial Governance

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

The programme consist of the following Sub-programmes:

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

Strategic Objectives of Programme 4:

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

Strategic objectives, performance indicators, planned targets and actual achievements

The Programme was in a position to achieve most 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 underachievement under the Norms and Standards Unit were two Municipalities' audit action plans which were not analysed was because the audit results were not issued as these Municipalities experienced numerous challenges. Mbombela Local Municipality was initially not included in the target, but a decision was taken to analyse the action plan as they submitted all relevant documents to the Provincial Treasury. Two Municipalities' progress reports on Human Resource Management action plans were added to the target after analysis indicated challenges being experienced that needed the attention of management in these Municipalities.

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

Strategic objectives

Programme 4: Financial Governance					
Strategic objectives	Actual Achievement 2018/2019	Planned Target 2019/2020	Actual Achievement 2019/2020	Deviation from planned target to Actual Achievement for 2019/2020	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 4 Public Entities	12 Votes, 19 Municipalities and 4 Public Entities	12 Votes, 19 Municipalities and 4 Public Entities	None	N/A

Programme 4: Financial Governance					
Strategic objectives	Actual Achievement 2018/2019	Planned Target 2019/2020	Actual Achievement 2019/2020	Deviation from planned target to Actual Achievement for 2019/2020	Comment on deviations
Improve the systems of internal controls in public sector institutions	12 Votes, 20 Municipalities and 4 Public Entities	12 Votes, 19 Municipalities and 4 Public Entities	12 Votes, 19 Municipalities and 4 Public Entities	None	N/A
Facilitate effective implementation of Risk Management processes	12 Votes, 20 Municipalities and 4 Public Entities	12 Votes, 19 Municipalities and 4 Public Entities	12 Votes, 19 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, 19 Municipalities and 4 Public Entities	12 Votes, 19 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 2016/2017	Actual Achievement 2017/2018	Actual Achievement 2018/2019	Planned Target 2019/2020	Actual Achievement 2019/2020	Deviation from planned target to Actual Achievement for 2019/2020	Comment on deviations
Sub-programme: Accounting Services							
Number of Votes and Public Entities trained, advised and supported on Accounting Standards, Financial Statements and audit processes	12 Votes and 5 Public Entities	12 Votes and 4 Public Entities	12 Votes and 2 Public Entities	12 Votes and 4 Public Entities	12 Votes and 4 Public Entities	None	N/A
Number of Votes and Public Entities received feedback on Interim Financial Statements analysed	12 Votes	12 Votes and 3 Public Entities	12 Votes and 2 Public Entities	12 Votes and 2 Public Entities	12 Votes and 1 Public Entities	None	N/A

Programme 4: Financial Governance							
Performance Indicator	Actual Achievement 2016/2017	Actual Achievement 2017/2018	Actual Achievement 2018/2019	Planned Target 2019/2020	Actual Achievement 2019/2020	Deviation from planned target to Actual Achievement for 2019/2020	Comment on deviations
Number of Municipalities supported on Accounting Standards and monitored on preparation of Financial Statements and audit processes	20 Municipalities	12 Municipalities	14 Municipalities	19 Municipalities	19 Municipalities	None	N/A
Number of consolidated Annual Financial Statements for Votes and Public Entities tabled in the Provincial Legislature	1 Set	1 Set	1 Set	1 Set	1 Set	None	N/A
Sub-programme: Norms and Standards							
Number of Votes monitored on Financial Management	New indicator	6 Votes	8 Votes	8 Votes	8 Votes	None	N/A
Number of action plans analysed for completeness on audit findings for Votes and 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	12 Votes and 4 Public Entities	12 Votes and 4 Public Entities	None	N/A

Programme 4: Financial Governance

Performance Indicator	Actual Achievement 2016/2017	Actual Achievement 2017/2018	Actual Achievement 2018/2019	Planned Target 2019/2020	Actual Achievement 2019/2020	Deviation from planned target to Actual Achievement for 2019/2020	Comment on deviations
Number of action plans analysed for completeness on audit findings for Municipalities	New indicator	Action plans for 20 Municipalities analysed	Action plans for 20 Municipalities analysed	19 Municipalities	18 Municipalities	Two Municipalities (Dr J.S Moroka and Govan Mbeki LM) were not issued with audit results/ opinion by Auditor General due to challenges experienced by these Municipalities. Mbombela LM was initially not included in the target but a decision was taken to perform the analysis as they submitted all documents to the Provincial Treasury	The Provincial Treasury endeavored to assist the Municipalities with the challenges experienced before and during the audit period and will keep on supporting auditees to enable them to submit annual financial statements for auditing.
Number of Municipalities monitored on implementation of audit findings action plans (Human Resource Management)	New indicator	9 Municipalities	9 Municipalities	10 Municipalities	12 Municipalities	2 Municipalities	Two Municipalities (Thaba Chweu, and Steve Tshwete LM), were added to the target, after officials analysed the progress reports and noted that some issues needed attention of the Municipal management

Programme 4: Financial Governance							
Performance Indicator	Actual Achievement 2016/2017	Actual Achievement 2017/2018	Actual Achievement 2018/2019	Planned Target 2019/2020	Actual Achievement 2019/2020	Deviation from planned target to Actual Achievement for 2019/2020	Comment on deviations
Number of Votes monitored on fleet management in respect of the qualification criteria and adherence to Transport Policy.	New indicator	New indicator	New indicator	8 Votes	8 Votes	None	N/A
Sub-programme: Provincial Risk Management							
Number of revised Enterprise Risk Management (ERM) frameworks reviewed / issued	1 revised Enterprise Risk Management (ERM) Framework issued	1 revised Enterprise Risk Management (ERM) Framework issued	1 revised Enterprise Risk Management (ERM) Framework reviewed / issued	1 ERM Framework	1 ERM Framework	None	N/A
Number of Votes, Public Entities and Municipalities monitored on implementation of the Provincial Risk Management Framework	6 Votes, 2 Public Entities and 10 Municipalities monitored on implementation of the Framework	5 Votes, 2 Public Entities and 8 Municipalities monitored on implementation of the Framework	5 Votes, 2 Public Entities and 8 Municipalities monitored on implementation of the Framework	6 Votes, 2 Public Entities and 8 Municipalities	11 Votes 15 Municipalities 4 Public Entities	5 Votes, 7 Municipalities and 2 Public Entities more were done	The over-achievement is due to the high number of requests and invitations to attend and evaluate the Risk Management Committee meetings as well as requests for support by the relevant
Number of Guidelines on Risk Management processes developed / reviewed / issued	1 Guideline issued	1 Guideline issued	1 Guideline reviewed / issued	2 Guidelines	2 Guidelines	None	N/A
Sub-programme: Provincial Internal Audit							
Percentage of Internal Audit Plans that were received, analysed	100% of internal audit plans that were received, analysed	100% of internal audit plans that were received, analysed	100% of internal audit plans that were received, analysed	100% of internal audit plans	100% of internal audit plans	None	N/A

Programme 4: Financial Governance

Performance Indicator	Actual Achievement 2016/2017	Actual Achievement 2017/2018	Actual Achievement 2018/2019	Planned Target 2019/2020	Actual Achievement 2019/2020	Deviation from planned target to Actual Achievement for 2019/2020	Comment on deviations
Number of Municipalities with functional audit committees	New indicator	16 Municipalities	16 Municipalities	16 Municipalities	16 Municipalities	Two municipalities were replaced	Due to non sitting of the Audit Committee meeting at Dipaleseng LM, the Unit issued a non compliance letter and this Municipality was replaced by Dr Pixley Isaka Ka Seme LM. There were instabilities in Dr JS Moroka Municipality LM and the Municipality was placed under administration, there is currently no sitting of Audit Committee meetings and the Municipality was replaced by Gert Sibande District Municipality. Dr Pixley Isaka Ka Seme LM and Gert Sibande District Municipality were not part of the technical Indicators.

Programme 4: Financial Governance							
Performance Indicator	Actual Achievement 2016/2017	Actual Achievement 2017/2018	Actual Achievement 2018/2019	Planned Target 2019/2020	Actual Achievement 2019/2020	Deviation from planned target to Actual Achievement for 2019/2020	Comment on deviations
Number of evaluations performed on the effectiveness of Audit Committees	50 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	20 Evaluations	31 Evaluations for Votes and 16 evaluations for Public Entities	27 more evaluations done.	The over achievement is due to the high number of re-quests and invitations received to attend and evaluate the Audit committee meetings and newly appointed Audit committees were inducted.
Number of Internal Audit Assessments performed on readiness of Quality Assurance Review	2 assessments 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	1 Assessment	1 Assessment	None	N/A
Number of follow-ups conducted on the implementation of Quality Assurance Review recommendations	2 follow-ups conducted on the implementation of Quality Assurance review recommendations	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-ups	2 Follow-ups	None	N/A

Reasons for deviations

Sub-programme: Norms and Standards

- a) Number of action plans analysed for completeness on audit findings for Municipalities:
 - Two Municipalities (Dr J.S Moroka and Govan Mbeki LM) were not issued with audit results/ opinion by Auditor General due to the challenges experienced by these Municipalities. Mbombela LM was initially not included in the target but a decision was taken to perform the analysis as they submitted all documents to the Provincial Treasury.
- b) Number of Municipalities monitored on implementation of audit findings action plans (Human Resource Management):
 - Two Municipalities (Thaba Chweu, and Steve Tshwete), were added to the target after officials analysed the progress reports and noted that some issues needed the attention of the Municipal management.

Sub-programme: Provincial Risk Management

- a) Number of Votes, Public Entities and Municipalities monitored on implementation of the Provincial Risk Management Framework:
 - The overachievement is due to the high number of requests and invitations received to attend and evaluate the Risk Management Committee meetings and requests received for support by the Provincial Treasury.

Sub-programme: Provincial Internal Audit

- a) Number of Municipalities with functional audit committees.
- b) Two planned municipalities were changed due to non-sitting of the Audit Committee meetings at Dipaleseng LM, the Unit issued a non-compliance letter and this Municipality was replaced by Dr Pixley Isaka Ka Seme LM. There were instabilities in Dr JS Moroka Municipality LM and the Municipality was placed under administration, there is currently no sitting of Audit Committee meetings and the Municipality was replaced by Gert Sibande District Municipality. Dr Pixley Isaka Ka Seme LM and Gert Sibande District Municipality were not part of the technical Indicators.
- c) Number of evaluations performed on the effectiveness of Audit Committees:
 - The overachievement is due to the high number of requests and invitations received to attend and evaluate Audit Committee meetings and induction of newly appointed Committee members.

Strategy to overcome areas of under performance

Sub-programme: Norms and Standards

- a) Number of action plans analysed for completeness on audit findings for Municipalities
 - The Provincial Treasury made an effort to assist the Municipalities with the challenges experienced before and during the audit period, and will keep on supporting auditees to enable them to submit annual financial statements for auditing.

Changes to planned targets

There were no changes to planned targets during the year.

Linking performance with budgets

The Programme has spent R30 892 000 which is 100.0% of its total budget allocated of R30 905 000.

Sub-programme expenditure

Sub-Programme Name	2018/2019			2019/2020		
	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	3 038	3 036	2	2 630	2 629	1
Accounting Services	6 851	6 851	-	6 248	6 247	1
Norms and Standards	14 638	14 638	-	14 419	14 416	3
Risk Management	3 766	3 765	1	3 476	3 472	4
Provincial Internal Audit	3 693	3 688	5	4 132	4 128	4
Total	31 986	31 978	8	30 905	30 892	13

5. TRANSFER PAYMENTS

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

6. CONDITIONAL GRANTS

The Provincial Treasury did not receive any conditional grant for the financial year under review.

7. DONOR FUNDS

The Provincial Treasury did not receive any donor fund for the financial year under review.

8. CAPITAL INVESTMENT

8.1. Capital investment, maintenance and asset management plan

- The Provincial Treasury managed to implement the procurement plan for assets.
- The Provincial Treasury spent 99.8 Percent of the total budget of **R 27 919 000**.
- During the year under review moveable tangible assets amounting to R729 000 were disposed.
- The status of the Provincial Treasury's assets can be classified as fair to good condition.

Infrastructure projects	2018/2019			2019/2020		
	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	12 494	12 472	22	27 919	27 307	612
Total	12 494	12 472	22	27 919	27 307	612



PART C: **GOVERNANCE**

1. INTRODUCTION

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

2. RISK MANAGEMENT

The Provincial Treasury has an approved Risk Management Policy, Risk 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 addressing identified risk areas are evaluated on a quarterly basis, and the quarterly reviews would also identify new or emerging risks to ensure that risks which were not covered during the Risk Assessment process are considered and monitored quarterly. Risk awareness workshops are conducted to create awareness of risk management to all levels in the Provincial Treasury.

The Provincial Treasury has a platform for reporting Emerging risks to ensure that risks which were not covered during the Risk Assessment process are considered and monitored on a quarterly basis

A Risk and Ethics Management Committee that advises management on the overall system of risk management has been appointed which comprises of selected members of Senior Management within the Provincial Treasury. The REMC executes its functions in line with its Terms of Reference. An external Chairperson was appointed to comply with the Public Sector Risk Management Framework and 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.

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.

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, four 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 adherence to the Code of Conduct as well as on grievance procedures, through awareness workshops.

Officials of the Provincial Treasury were given an opportunity to enrol an online course on Ethics in the Public Service offered by the National School of Government; the purpose of the training was to enhance understanding of the public service code of conduct.

Any contravention of the Code of Conduct is dealt with in terms of the Disciplinary Code and Procedures for the public service. During the period under review, there was only one case of misconduct, two grievances and two cases of harassment, and all these cases were dealt with and concluded. The Provincial Treasury promotes high standard of professional ethics.

6. HEALTH SAFETY AND ENVIRONMENTAL ISSUES

The Occupational Health and Safety Act, 1993 (Act 85 of 1993) as amended imposes the responsibility on the employer to provide and maintain, as far as reasonably practical, a healthy working environment that is safe and without risk to the health of its employees. In compliance with the Occupational Health and Safety Act, 1993 (Act No. 85 of 1993), the Provincial Treasury appointed Occupational Health and Safety (OHS) representatives and they were trained accordingly. An Occupational Health and Safety Committee convened quarterly meetings to review and monitor compliance on occupational health and safety standards.

An Occupational Health and Safety Action plan was developed to track compliance in order to minimise any possible and existing occupational hazards for all workstations of the Provincial Treasury. Ongoing inspections were conducted to identify occupational hazards and recommend remedial actions. Only occupational hazards that fall within the competency of the Provincial Treasury were improved whilst majority of the hazards were escalated accordingly to the Department of Public Works, Roads and Transport.

Awareness workshop on OHS was conducted in collaboration with the Department of Employment and Labour for all officials. An evacuation drill was executed in the Evander Regional office for the purpose of testing the readiness of staff in the event of an emergency, to educate staff about the emergency evacuation procedure and their plans and to conscientise staff about emergency contact numbers of different role players.

Three cases of injury on duty were registered with the Compensations Commissioner and will upon finalizing the adjudication of the claims issue a directive to the employer to pay compensation to the employee where applicable.

7. PORTFOLIO COMMITTEES

Meeting dates of the Portfolio Committee

- Vote 3: Budget 2019/20: 25 June 2019
- 1st Quarter Performance report 2019/20: 29 August 2019
- 2nd Quarter Performance report 2019/20: No issues raised, hence no appearance before the committee
- 3rd Quarter Performance report 2019/20: only received questions no resolutions

Resolution No.	Resolutions	Response by Provincial Treasury
VOTE 3: BUDGET 2019/20		
1.	The Treasury must consider invoking Section 18(2)(g) of the PFMA , which states that “a Provincial Treasury must intervene by taking appropriate steps, which may include the withholding of funds, to address a serious or potential material breach of this Act” on government institutions that are failing to pay Municipal services.	Provincial Treasury issued circular to all Departments indicated the consequences in terms of Section 18(2) (g) of the PFMA for not paying the outstanding municipal debt and requested department to verify and sign off all Government debt owed to Municipalities. PT to consider the recommendation if Departments continue to delay payments without reason.
2.	The Treasury must pay more attention and assist Municipalities that are struggling to pay their debts with Eskom i.e. eMalahleni, Govan Mbeki and Lekwa Local Municipalities.	Municipalities are monitored in terms of Section 41 Of the MFMA and support is provided with tariff setting and improvement of revenue management. Emalahleni, Govan Mbeki, Lekwa were prioritised for support.
3.	The Treasury must fill these critical funded vacant positions immediately after approval from EXCO has been received.	Recruitment plan will be developed and adopted accordingly to ensure filling of critical posts within the applicable turnaround time.
1st Quarter Performance Report 2019/20		
1.	The Provincial Treasury must improve in its spending to avoid a possible March-spike.	Provincial Treasury has put controls in place to avoid March-Spike spending, the procurement plan has been closely monitored and all the key projects have already been finalised. The outstanding projects are projected to be finalised before the end of the third quarter.

Resolution No.	Resolutions	Response by Provincial Treasury
2.	The Provincial Treasury must develop a plan with achievable targets and timeframes to support municipalities to improve their audit outcomes	<p>Provincial Treasury established multi-disciplinary teams consisting of experts from Financial Reporting, Asset Management, Revenue Management, Budgeting, Internal Audit and Risk Management to assist Municipalities in the resolution of the Audit Action Plan issues.</p> <p>Capacity building was performed on the preparation and accounting of Audit issues which had an impact on the AFS preparation.</p> <p>Municipalities were assisted with the AFS preparation plan to ensure that all AFS components have been attended to and the processes to be undertaken.</p> <p>Training was undertaken on the Supply Chain Management and Asset Management in preparation of the AFS.</p> <p>Municipalities were furthermore assisted in the following areas:</p> <ul style="list-style-type: none"> • Resolve outstanding matters on the Audit Action Plans • Engagements with Auditor General in terms of technical issues and issues of dispute • Provided a comprehensive AFS preparation plan incorporating every process that need to be undertaken as per year-end. • GRAP interpretation and resolution of audit queries and attending the audit steering committee meetings.
2nd Quarter Performance Report 2019/20		
1.	The Committee notes that the 39% spending as at the end of the 2019/20 2 nd Quarter is according to the Treasury's projections and that the Provincial Treasury projects to breakeven at the end of the financial year. The Provincial Treasury must monitor its spending during the subsequent quarters to avoid a possible March-spike.	<p>The Provincial Treasury is strictly monitoring the spending patterns on monthly basis, project managers and responsibility managers are frequently cautioned by the Departmental Budget Advisory Committee to ensure payments of suppliers within 30 days and avoid the March-Spike.</p> <p>The project steering Committee has been established that monitors the progress in the key provincial projects currently being implemented by the Provincial Treasury. All processes are fully in place and the payments for the projects will not rise to March spike.</p>

8. SCOPA RESOLUTIONS

SCOPA: only received questions on AR 2018/19 no resolutions

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) 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
Ms Thabsile Idah Ranape Chairperson	B Tech: Public Management National Diploma: Public Management and Administration Diploma: State Finance	External	N/A	01/04/2017	N/A	5
Ms JS Masite	B Com Degree Certified Internal Auditor Certified Fraud Examiner (CFE) Chartered Internal Auditor Chartered Qualification in Internal Audit Leadership Chartered Government Internal Auditor	External	N/A	01/11/2019	N/A	1
Mr M Mathabathe	B Tech Internal Auditing Post Grad Diploma Internal Auditing Certified Internal Auditor Certified Information Systems Auditor	External	N/A	01/11/2019	N/A	2
Mr LC Mohalala	Bachelor of Law Post Grad Diploma in Public Management Diploma Corporate Law	External	SSA	01/11/2019	N/A	1
Mr Y Haffejee	Honour Bachelor Commerce Masters of Commerce Certified Internal Auditor Certified Fraud Examiner CA (SA)	External	Sentech	01/11/2019	07/02/2020	1
Mr Sam Mthembu	FAP(IAC)SA B Com Accounting MBL	External	N/A	01/11/2013	31/10/2019	3
Ms Nonyaniso Brenda Mzuzu	B Proc Degree Certificate in Business Rescue	External	N/A	01/11/2016	31/10/2019	2
Mr Sibusiso Khululekani Mavundla	B Com Accounting	Internal	Office of the Premier IT Audit Section	01/11/2016	31/10/2019	3

12. AUDIT COMMITTEE REPORT

The Audit Committee hereby presents its report for the financial year ended 31 March 2020.

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 then raised with management.

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

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

The following were areas of concern:

- Impact of the moratorium of filling of vacancies on the performance of the Provincial Treasury;
- Failure by the Department of Public Works, Roads and Transport to attend timeously to Occupational Health Safety matters impacting the Provincial Treasury;
- Non-adherence to the timelines in the procurement plan;
- Movement of assets not reflected on LOGIS and incorrect capturing of assets on the asset register;
- Inadequate review of asset reconciliation and follow-up on reconciling items;
- Inadequate monitoring, supervision and review of the usage of government vehicles;
- Workstation software, patch management maintenance and anti-virus management;
- Performance information management; and
- Inadequate feedback on oversight activities to public sector institutions.

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 by management with implementing action plans address those deficiencies.

Effectiveness of the overall system of risk management

A Risk & Ethics Management Committee has been established. The Committee sits quarterly to assess and validate the work performed against the risk management plan as well as improvement in the management of risks. The Chairperson of the Risk & Ethics Management Committee has a standing invitation to attend all Audit Committee meetings with the purpose of sharing expertise and providing assurance on the detailed processes used to drive the effectiveness of risk management. Both the Audit Committee and Risk and Ethics Committees provide assurance and advise management on improvement on effectiveness of governance, risk management and internal control processes.

Any major incidents/losses attributable to the failure of risk management, and any major successes/gains achieved, or losses/incidents avoided through applying a rigorous risk management process.

There were no major incidents attributed to the failure of risk management during the period; however, the impact of COVID 19 pandemic that emerged towards the financial year-end destabilize the whole country and has had some impact on the operational environment in the Provincial Treasury.

In-Year Management and Monthly and Quarterly Reports

The Provincial Treasury has been reporting monthly and quarterly as required by the PFMA.

Evaluation of Financial Statements

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

Auditor-General South Africa's (AGSA) Report

The Audit Committee reviewed the Provincial Treasury's implementation plan regarding audit issues raised in the previous year and is satisfied that the matters have been adequately resolved. The Audit Committee notes that there were disagreements regarding matters relating to Supply Chain reflected in the current AGSA Management Report and Irregular Expenditure noted in the Audit Report that relates to prior year items that have been investigated and condoned subsequent to the audit process. It was agreed that further discussions to enhance compliance and understanding of Government Policy will be held. It should be noted that the disagreements do not affect the audit outcome.

The Audit Committee concurs and accepts the conclusion of the Auditor-General South Africa's regarding the Annual Financial Statements and Annual Performance Report, and is of the opinion that the Audited Annual Financial Statements and Annual Performance Report 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. This was confirmed through submissions of declarations of interest at every Audit Committee meeting.

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



Ms. THABSILE IDAH RANAPE
Chairperson of the Audit Committee
Mpumalanga Provincial Treasury
Date: 15 September 2020

13. B-BBEE COMPLIANCE PERFORMANCE INFORMATION

The following table has been completed in accordance with the compliance to the BBBEE requirements of the BBBEE Act of 2013 and as determined by the Department of Trade and Industry.

Has the Department / Public Entity applied any relevant Code of Good Practice (B-BBEE Certificate Levels 1 – 8) with regards to the following:		
Criteria	Response Yes / No	Discussion <i>(include a discussion on your response and indicate what measures have been taken to comply)</i>
Determining qualification criteria for the issuing of licences, concessions or other authorisations in respect of economic activity in terms of any law?	No	Provincial Treasury does not have criteria for issuing of licences, concessions and any other economic activity as this does not form part of Provincial Treasuries mandate.
Developing and implementing a preferential procurement policy?	Yes	The Provincial Treasury has a Supply Chain Management Policy and currently does implement the Preferential Procurement Policy Framework Act (PPPFA) as amended.
Determining qualification criteria for the sale of state-owned enterprises?	No	The Provincial Treasury do not sale any state-owned enterprises.
Developing criteria for entering into partnerships with the private sector?	No	The Provincial Treasury do not enter into any PPP and only provide support to other stakeholders in the application process to the National Treasury.
Determining criteria for the awarding of incentives, grants and investment schemes in support of Broad-Based Black Economic Empowerment?	No	Provincial Treasury does not award incentives, grants and investment schemes in support of Broad-Based Black Economic Empowerment.



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 high standard of performance in the Provincial Treasury is as a result of the commitment, diligence, and often selfless efforts of its employees despite human capacity challenges. The modern people management landscape has shifted significantly in recent years and requires complex navigation between a range of competing variables.

Apart from the fact that these variables are inter-dependent and inter-related, they are also governed by stringent rules and regulations, which prove difficult when retention and attraction initiatives are explored. These include balancing service delivery imperatives, the attraction and retention of critical and scarce skills, workforce empowerment, career management, succession planning, employment equity and creating an enabling environment where employees are able to thrive.

Further to this, the Provincial Treasury is required to function within a harsh environment, which demands that managers consider the impact of “doing more with less”. Despite the changing patterns and increased demands impacting on the modern workplace, the consistent hard work of our workforce has resulted in remarkable achievements and service delivery improvement during the year under review.

Corporate Services unit continued to monitor the implementation of a range of people management compliance indicators and provides management with regular updates on the workforce profile and other relevant people management data to enable decision making. The indicators include, inter alia, staff establishment information, headcount, leave liability information, status on labour cases, vacancy rates, staff movement, employment equity etcetera.

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

Human Resource Priorities	The impact thereof
Attracting and recruiting the best and skilled employees	Improved organizational performance
Retaining and developing a modern responsive and professional workforce	Reduced personnel turnover
Ensure proper implementation of exit interviews	Improved retention strategy
Provision of accurate HR information	Informed decision-making
Proper management of sick leave	Maximum performance. Reduced leave liability.
Entrench and instil 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.

The purpose of Workforce Planning is to ensure that the Provincial Treasury has the required number of people with the requisite skills, knowledge and attitudes to perform the work. Through this process, the Provincial Treasury assesses its workforce profile against current and future organisational needs. The aim of this assessment is to identify to what extent the current workforce profile addresses the key people management outcomes that would guarantee service continuity and value. The Plan is therefore aligned to the vision and mission of the Department's strategic plan.

Moratorium on the 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

The purpose of Performance Management is to increase performance by encouraging individual commitment, accountability and motivation. All employees are required to complete a performance agreement before 31 May each year. The agreement is, in essence, a contract between the employer and the employee containing the projects, programmes, activities, expectations and standards for the required delivery. The performance management process requires that a mid-year review and an annual assessment is conducted, but that the operational targets and achievements linked to the performance agreement be monitored and communicated on an ongoing basis.

In instances where targets or performance expectations are not met, the gaps are addressed through the management of poor performance. The process is developmental; however, in instances where individuals have been identified as poor performers in terms of the legislative framework, they are required to subject themselves to a developmental plan or alternatively to disciplinary action.

All eligible officials on salary levels 2 to 12, including Senior Managers on Salary 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 the exception of the Head: Provincial Treasury.

c) Employee Wellness Programmes

The Provincial Treasury's Employee Health and Wellness Programme (EHW) follows a holistic approach to employee well-being and is largely preventative in nature, offering both primary and secondary services.

The Employee Health and Wellness Committee convened quarterly meetings to monitor compliance to the strategic framework on health and wellness and to recommend support programmes aimed at promoting health and productivity.

Four (4) awareness programmes on HIV/AIDS and TB Management were implemented, namely; awareness on HIV/AIDS, STI and PMTCT, Candlelight Memorial, Voluntary Counselling and Testing as well as the commemoration of World AIDS Day.

Three (3) awareness programmes on Health and Productivity were implemented, namely; Health Screening, Women's Health and awareness workshop on Health and Productivity.

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

Furthermore, on-going reporting to the Department of Public Service and Administration (DPSA) was done and such reporting focuses on four areas namely; HIV/ AIDS, Health and Productivity, Wellness Management and SHEQ (Safety Health Environment and Quality).

d) Highlight of Achievements

- 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 in Human Resource policies, with a specific focus on the following aspects; PMDS, salary determination, leave management, pension matters, HR Policies and PILIR.
- Compiled and submitted Workplace Skills Plan to FASSET and subsequently obtained grant funding to enrol 9 TVET learners on learnership programme with effect from 01 April 2019.
- 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 meeting was held as directed by the Minister of Public Service and Administration to review progress on the implementation of the eight principle action plan for women empowerment and gender equality to address gender inequality in the workplace.
- Donated eight (8) refrigerators to eight underprivileged households as part of the social empowerment programmes.

The following main **challenges** were experienced during the period under review;

- The imposed moratorium on filling of critical vacant and funded posts.
- Non-achievement of 50% target on employment of women at SMS level.

3. HUMAN RESOURCES OVERSIGHT STATISTICS

3.1. Personnel related expenditure

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

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

Table 3.1.1 Personnel expenditure by programme for the period 1 April 2019 and 31 March 2020

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	103 071	62 088	1 532	446	60	388
Sustainable resource manage	47 647	41 285	245	1 216	87	860
Assets & liabilities man	172 652	58 229	729	0	34	647
Financial governance	30 892	25 522	717	11	83	555
Total as on Financial Systems (BAS)	354 262	187 124	3 223	1 673	53	544

Table 3.1.2 Personnel costs by salary band for the period 1 April 2019 and 31 March 2020

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)	1 794	1	9	199
Skilled (Levels 3-5)	9 030	4.8	32	282
Highly skilled production (Levels 6-8)	42 191	22.5	92	459
Highly skilled supervision (Levels 9-12)	108 177	57.8	127	852
Senior management (Levels >= 13)	21 264	11.4	17	1 250
Contract (Levels 6-8)	2 245	1.2	30	75
Contract (Levels 9-12)	1 063	0.6	1	1 063
Contract (Levels >= 13)	155	0.1	0	0
Contract Other	407	0.2	8	51
Abnormal Appointment	792	0.4	27	29
TOTAL	187 118	100	344	544

Table 3.1.3 Salaries, Overtime, Home Owners Allowance and Medical Aid by programme for the period 1 April 2019 and 31 March 2020

Programme	Salaries		Overtime		Home Owners Allowance		Medical Aid	
	Amount (R'000)	Salaries as a % of personnel costs	Amount (R'000)	Overtime as a % of personnel costs	Amount (R'000)	HOA as a % of personnel costs	Amount (R'000)	Medical aid as a % of personnel costs
PR1 Administration	51 022	78,2	573	0,9	1 788	2,7	3 367	5,2
PR2 Sustainable Resource Management	35 948	80,6	6	0	852	1,9	773	1,7
PR3 Assets and Liabilities Management	48 903	77,4	269	0,4	1 179	1,9	2 521	4,0
PR4 Financial Governance	21 888	78,0	19	0,1	451	1,6	863	3,1
TOTAL	157 761	78,5	868	0,4	4 270	2,1	7 524	3,7

Table 3.1.4 Salaries, Overtime, Home Owners Allowance and Medical Aid by salary band for the period 1 April 2019 and 31 March 2020

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)	1 235	68,5	8	0,4	149	8,3	264	14,6
Skilled (Levels 3-5)	6 698	73,0	95	1	534	5,8	840	9,2
Highly skilled production (Levels 6-8)	33 204	75,5	535	1,2	1 518	3,5	2 798	6,4
Highly skilled supervision (Levels 9-12)	92 981	78,8	229	0,2	1 543	1,3	3 346	2,8
Senior management (Levels >= 13)	19 137	82,2	0	0	526	2,3	275	1,2
Contract (Levels 6-8)	2 244	98,6	0	0	0	0	0	0
Contract (Levels 9-12)	1 063	93,1	0	0	0	0	0	0
Contract Other	407	97,4	0	0	0	0	0	0
Abnormal Appointment	792	93,2	0	0	0	0	0	0
TOTAL	157 761	78,5	868	0,4	4 270	2,1	7 524	3,7

3.2. Employment and Vacancies

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

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

This information is presented in terms of three key variables:

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

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

Table 3.2.1 Employment and vacancies by programme as on 31 March 2020

Programme	Number of posts on approved establishment	Number of posts filled	Vacancy Rate	Number of employees additional to the establishment
PR1 Administration	166	116	30,1	39
PR2 Sustainable Resource Management	59	45	23,7	0
PR3 Assets and Liabilities Management	157	88	43,9	1
PR4 Financial Governance	51	28	45,1	0
TOTAL	433	277	36,0	40

Table 3.2.2 Employment and vacancies by salary band as on 31 March 2020

Salary band	Number of posts on approved establishment	Number of posts filled	Vacancy Rate	Number of employees additional to the establishment
Lower Skilled (Levels 1-2), Permanent	18	9	50	0
Skilled (Levels 3-5), Permanent	75	32	57,3	0
Highly Skilled Production (Levels 6-8), Permanent	129	92	28,7	0
Highly Skilled Supervision (Levels 9-12), Permanent	190	127	33,2	0
Senior Management (Levels >= 13), Permanent	21	17	19,0	0
Other, Contract	0	0	0	8
Contract (Levels 6-8), Permanent	0	0	0	31
Contract (Levels 9-12), Permanent	0	0	0	1
TOTAL	433	277	36,0	40

Table 3.2.3 Employment and vacancies by critical occupations as on 31 March 2020

Critical occupation	Number of posts on approved establishment	Number of posts filled	Vacancy Rate	Number of employees additional to the establishment
Administrative related, permanent	94	55	41,5	39
Cleaners in offices workshops hospitals etc., Permanent	18	9	50	0
Communication and information related, permanent	6	5	16,7	0
Finance and economics related, permanent	51	24	52,9	0
Financial and related professionals, permanent	41	31	24,4	1
Financial clerks and credit controllers, permanent	2	2	0	0
Head of department/chief executive officer, permanent	1	0	100	0

Critical occupation	Number of posts on approved establishment	Number of posts filled	Vacancy Rate	Number of employees additional to the establishment
Human resources related, permanent	12	7	41,7	0
Information technology related, permanent	40	33	17,5	0
Light vehicle drivers, permanent	5	1	80	0
Logistical support personnel, permanent	53	27	49,1	0
Messengers porters and deliverers, permanent	5	1	80	0
Other administrative policy and related officers, permanent	1	1	0	0
Other information technology personnel., Permanent	1	1	0	0
Other occupations, permanent	51	51	0	0
Risk management and security services, permanent	2	1	50	0
Secretaries & other keyboard operating clerks, permanent	29	11	62,1	0
Senior managers, permanent	21	17	19	0
TOTAL	433	277	36	40

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	17	15	88	2	12
Total	21	17	81	4	19

Table 3.3.2 SMS post information as on 30 September 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	17	15	88	2	12
Total	21	17	81	4	19

Table 3.3.3 Advertising and filling of SMS posts for the period 1 April 2019 and 31 March 2020

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 2019 and 31 March 2020

Reasons for vacancies not advertised 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 all vacant posts as per circular dated 13 March 2015.

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 2019 and 31 March 2020

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

3.4. Job Evaluation

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

Table 3.4.1 Job Evaluation by Salary band for the period 1 April 2019 and 31 March 2020

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)	18	0	0	0	0	0	0
Skilled (Levels 3-5)	75	0	0	0	0	0	0
Highly Skilled Production (Levels 6-8)	129	0	0	0	0	0	0
Highly Skilled Supervision (Levels 9-12)	190	0	0	0	0	0	0
Senior Management Service Band A	14	0	0	0	0	0	0
Senior Management Service Band B	6	0	0	0	0	0	0
Senior Management Service Band C	1	0	0	0	0	0	0
TOTAL	433	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 2019 and 31 March 2020

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

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

Table 3.4.3 Employees with salary levels higher than those determined by job evaluation by occupation for the period 1 April 2019 and 31 March 2020

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

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

Table 3.4.4 Profile of employees who have salary levels higher than those determined by job evaluation for the period 1 April 2019 and 31 March 2020

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 2019 and 31 March 2020

Salary band	Number of employees at beginning of period-1 April 2019	Appointments and transfers into the department	Terminations and transfers out of the department	Turnover rate
Lower Skilled (Levels 1-2), Permanent	9	0	0	0
Skilled (Levels 3-5), Permanent	32	0	0	0
Highly Skilled Production (Levels 6-8), Permanent	92	0	0	0
Highly Skilled Supervision (Levels 9-12), Permanent	127	0	1	0,8
Senior Management (Levels >= 13), Permanent	17	0	0	0
TOTAL	277	0	0	0

Table 3.5.2 Annual turnover rates by critical occupation for the period 1 April 2019 and 31 March 2020

Critical occupation	Number of employees at beginning of period-April 2019	Appointments and transfers into the department	Terminations and transfers out of the department	Turnover rate
Administrative related, permanent	55	0	1	1,8
Cleaners in offices workshops hospitals etc., Permanent	9	0	0	0
Communication and information related, permanent	5	0	0	0
Finance and economics related, permanent	24	0	0	0
Financial and related professionals, permanent	31	0	0	0
Financial clerks and credit controllers, permanent	2	0	0	0
Head of department/chief executive officer, permanent	0	0	0	0

Critical occupation	Number of employees at beginning of period-April 2019	Appointments and transfers into the department	Terminations and transfers out of the department	Turnover rate
Human resources related, permanent	7	0	0	0
Information technology related, permanent	33	0	0	0
Light vehicle drivers, permanent	1	0	0	0
Logistical support personnel, permanent	27	0	0	0
Messengers porters and deliverers, permanent	1	0	0	0
Other administrative policy and related officers, permanent	1	0	0	0
Other information technology personnel., Permanent	1	0	0	0
Other occupations, permanent	51	0	0	0
Risk management and security services, permanent	1	0	0	0
Secretaries & other keyboard operating clerks, permanent	11	0	0	0
Senior managers, permanent	17	0	0	0
TOTAL	277	0	1	1,8

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 2019 and 31 March 2020

Termination Type	Number	% of Total Resignations
Resignation, Permanent	5	62,5
Retirement, Permanent	1	12,5
Total	6	100.0
Total number of employees who left as a % of total employment	6	100

Table 3.5.4 Promotions by critical occupation for the period 1 April 2019 and 31 March 2020

Occupation	Employees 1 April 2019	Promotions to another salary level	Salary level promotions as a % of employees by occupation	Progressions to another notch within a salary level	Notch progression as a % of employees by occupation
ADMINISTRATIVE RELATED, Permanent	55	0	0	34	60,7
CLEANERS IN OFFICES WORKSHOPS HOSPITALS ETC., Permanent	9	0	0	8	66,7
COMMUNICATION AND INFORMATION RELATED, Permanent	5	0	0	2	66,7
FINANCE AND ECONOMICS RELATED, Permanent	24	0	0	21	87,5

Occupation	Employees 1 April 2019	Promotions to another salary level	Salary level promotions as a % of employees by occupation	Progressions to another notch within a salary level	Notch progression as a % of employees by occupation
Financial and related professionals, permanent	31	0	0	27	71,1
Financial clerks and credit controllers, permanent	2	0	0	1	50
Head of department/chief executive officer, permanent	0	0	0	5	11,6
Human resources related, permanent	7	0	0	27	81,8
Information technology related, permanent	33	0	0	1	100
Light vehicle drivers, permanent	1	0	0	21	84
Logistical support personnel, permanent	27	0	0	1	100
Messengers porters and deliverers, permanent	1	0	0	0	0
Other administrative policy and related officers, permanent	1	0	0	0	0
Other information technology personnel., Permanent	1	0	0	41	78,8
Other occupations, permanent	51	0	0	1	100
Risk management and security services, permanent	1	0	0	10	83,3
Secretaries & other keyboard operating clerks, permanent	11	0	0	4	40
Senior managers, permanent	17	0	0	0	0
TOTAL	277	0	0,0	204	64,8

Table 3.5.5 Promotions by salary band for the period 1 April 2019 and 31 March 2020

Salary Band	Employees 1 April 2019	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	9	0	0	4	44,4
Skilled (Levels 3-5), Permanent	32	0	0	28	84,8
Highly Skilled Production (Levels 6-8), Permanent	92	0	0	62	67,4
Highly Skilled Supervision (Levels 9-12), Permanent	127	0	0	101	78,9
Senior Management (Levels >= 13), Permanent	17	0	0	9	52,9
TOTAL	277	0	0	204	64,8

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 2020

Occupational category	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Senior officials and managers	2	0	1	1	5	0	0	1	10
Professionals	69	2	0	6	65	0	0	3	145
Technicians and associate professionals	34	0	0	0	47	0	1	0	82
Clerks	4	0	0	0	9	0	0	0	13
Service shop and market sales workers	0	0	0	0	1	0	0	0	1
Plant and machine operators and assemblers	1	0	0	0	0	0	0	0	1
Labourers and related workers	27	0	0	1	36	0	0	1	65
Total	137	2	1	8	163	0	1	5	317
Employees with disabilities	4	0	0	1	1,00	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 2020

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	53	0	0	1	127
Skilled technical and academically qualified workers, junior management, supervisors, foremen, Permanent	36	1	0	0	53	0	1	1	92
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	8	0	0	0	9
Learners Contract, Permanent	5	0	0	0	4	0	0	0	9
Contract (Professionally Qualified), Permanent	0	0	0	1	0	0	0	0	1
Contract (Skilled Technical), Permanent	13	0	0	0	17	0	0	0	30
TOTAL	137	2	1	8	163	0	1	5	317

Table 3.6.3 Recruitment for the period 1 April 2019 and 31 March 2020

Occupational band	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Learners Contract, Permanent	7	0	0	0	3	0	0	0	10
Interns Contract (Skilled technical), Permanent	17	0	0	0	18	0	0	0	35
Total	24	0	0	0	21	0	0	0	45
Employees with disabilities	0	0	0	0	0	0	0	0	0

Table 3.6.4 Promotions for the period 1 April 2019 and 31 March 2020

Occupational band	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top Management	0	0	0	0	0	0	0	0	0
Senior Management	0	0	0	0	0	0	0	0	0
Professionally qualified and experienced specialists and mid-management	0	0	0	0	0	0	0	0	0
Skilled technical and academically qualified workers, junior management, supervisors, foreman and superintendents	0	0	0	0	0	0	0	0	0
Semi-skilled and discretionary decision making	0	0	0	0	0	0	0	0	0
Unskilled and defined decision making	0	0	0	0	0	0	0	0	0
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 2019 and 31 March 2020

Occupational band	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Professionally qualified and experienced specialists and mid-management, Permanent	0	0	0	0	1	0	0	0	1
Learners Contract, Permanent	2	0	0	0	0	0	0	0	2
Interns Contract (Skilled technical), Permanent	4	0	0	0	1	0	0	0	5
Total	6	0	0	0	2	0	0	0	8
Employees with Disabilities	0	0	0	0	0	0	0	0	0

Table 3.6.6 Disciplinary action for the period 1 April 2019 and 31 March 2020

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

Table 3.6.7 Skills development for the period 1 April 2019 and 31 March 2020

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 2019

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	0	0	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	17	15	15	100
Total	21	17	17	100

Table 3.7.2 Reasons for not having concluded Performance agreements for all SMS members as on 31 March 2020

Reasons
All SMS members' performance agreements were signed by 31 May 2019.

Table 3.7.3 Disciplinary steps taken against SMS members for not having concluded Performance agreements as on 31 March 2020

Reasons
No steps taken as all agreements were signed by 31 May 2019

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	107	142	66	1 528	14 283
African, Male	69	119	51,9	1 269	18 391
Asian, Female	1	1	100	13	12 536
Asian, Male	1	1	100	17	16 966
Coloured, Female	0	0	0	0	0
Coloured, Male	2	2	100	43	21 657
White, Female	2	5	40	36	17 947
White, Male	7	7	40	182	26 037
Employees with a disability	4	6	66,7	78	19 368
TOTAL	193	277	60,9	3 166	16 403

Table 3.8.2 Performance Rewards by salary band for personnel below Senior Management Service for the period 1 April 2019 and 31 March 2020

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)	9	9	100	98	10 925	7.9
Skilled (Levels 3-5)	29	32	90,6	217	7 475	3.2
Highly Skilled Production (Levels 6-8)	52	93	56,5	506	9 753	1.5
Highly Skilled Supervision (Levels 9-12)	90	127	70,9	2 098	23 338	2.3
Contract (Levels 9-12)	1	1	100	39	38 922	3.7
TOTAL	181	262	60,3	2 957	16 337	2.1

Table 3.8.3 Performance Rewards by critical occupation for the period 1 April 2019 and 31 March 2020

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	0	2	0	0	0
Messengers porters and deliverers	1	1	100	13	13 399
Risk management and security services	1	1	100	38	37 780
Logistical support personnel	12	27	44,4	151	12 581
Finance and economics related	15	24	62,5	277	18 390
Other occupations	42	48	82,4	719	17 126
Financial and related professionals	23	38	60,5	497	21 591
Administrative related	39	47	70,9	634	16 266
Communication and information related	2	3	66,7	26	13 123
Secretaries & other keyboard operating clerks	9	11	81,8	58	6 473
Cleaners in offices workshops hospitals etc.	11	12	91,7	118	10 686
Human resources related	8	12	17,4	135	16 929
Other administrative policy and related officers	0	1	0	0	0
Senior managers	9	17	90	148	16 488
Other information technology personnel.	0	1	0	0	0
Light vehicle drivers	1	1	100	7	6 446
Information technology related	20	31	60,6	345	17 260
TOTAL	193	277	60,9	3 166	16 403

Table 3.8.4 Performance related rewards (cash bonus), by salary band for Senior Management Service for the period 1 April 2019 and 31 March 2020

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	7	12	58,3	114	16 247	0,7
Band B	5	5	100	95	19 014	1,2
Band C	0	0	0	0	0	0
TOTAL	12	17	70,6	209	17 400	0,9

3.9. Foreign Workers

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

Table 3.9.1 Foreign workers by salary band for the period 1 April 2019 and 31 March 2020

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 2019 and 31 March 2020

Major occupation	01 April 2019		31 March 2020		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 2019

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)	2	100	1	0,5	2	11
Contract (Levels 6-8)	30	80	11	5,5	3	12
Contract (Levels 9-12)	1	0,0	1	0,5	1	4
Contract Other	8	87,5	3	1,5	3	2
Highly skilled production (Levels 6-8)	549	82,0	64	32,2	9	892
Highly skilled supervision (Levels 9-12)	540	86,3	73	36,7	7	1 694
Lower skilled (Levels 1-2)	83	84,3	10	5	8	48
Senior management (Levels 13-16)	66	93,9	10	5	7	297
Skilled (Levels 3-5)	175	70,3	26	13,1	7	149
Total	1 454	82,8	199	100	7	3 110

Table 3.10.2 Disability leave (temporary and permanent) for the period 1 January 2019 to 31 December 2019

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)	40	100	1	25	40	225
Highly skilled production (Levels 6-8)	34	100	1	25	34	57
Highly skilled supervision (Levels 9-12)	207	100	2	50	104	745
TOTAL	281	100	4	100	70	1 028

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 2019 to 31 December 2019

Salary band	Total days taken	Average per employee	Number of Employees using annual leave
Contract (Levels 6-8)	130	5	25
Contract (Levels 9-12)	21	21	1
Contract Other	25	5	5
Highly skilled production (Levels 6-8)	2 427	26	94
Highly skilled supervision (Levels 9-12)	3 371	26	129
Lower skilled (Levels 1-2)	244	24	10
Senior management (Levels 13-16)	475	28	17
Skilled (Levels 3-5)	862	25	34
TOTAL	7 555	24	315

Table 3.10.4 Capped leave for the period 1 January 2019 to 31 December 2019

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 2019
Contract (Levels 6-8)	0	0	0	0
Contract (Levels 9-12)	0	0	0	0
Contract Other	0	0	0	0
Highly skilled production (Levels 6-8)	2	1	2	65
Highly skilled supervision (Levels 9-12)	0	0	0	58
Lower skilled (Levels 1-2)	0	0	0	0
Senior management (Levels 13-16)	0	0	0	51
Skilled (Levels 3-5)	0	0	0	64
TOTAL	2	1	2	61

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

Table 3.10.5 Leave payouts for the period 1 April 2019 and 31 March 2020

Reason	Total amount (R'000)	Number of employees	Average per employee (R'000)
Annual - discounting with resignation (work days)	16	3	5
Annual - gratuity: death/retirement/medical retirement(work	280	3	93
Capped - gratuity: death/retirement/medical retirement(work	409	2	205
TOTAL	704		

5.1 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 Provincial Treasury designated a member of the SMS to implement the provisions contained in Part VI E of Chapter 1 of the Public Service Regulations, 2001? If so, provide her/his name and position	Yes		Ms Cecilia Nkonyane: Senior Manager: Corporate Services
2. Does Provincial Treasury have a dedicated unit or has it designated specific staff members to promote the health and well-being of your employees? If so, indicate the number of employees who are involved in this task and the annual budget that is available for this purpose	Yes		Three (3) employees, Budget R3 622 097.00

Question	Yes	No	Details, if yes
3. Has Provincial Treasury introduced an Employee Assistance or Health Promotion Programme for your employees? If so, indicate the key elements/services of this Programme	Yes		Conduct one-on-one consultation Referral to professionals. Coordination of Support Groups Absence pattern analysis report. Implement Health and Wellness Committee recommendations
4. Has Provincial Treasury established (a) committee(s) as contemplated in Part VI E.5 (e) of Chapter 1 of the Public Service Regulations, 2001? If so, please provide the names of the members of the committee and the stakeholder(s) that they represent	Yes		Ms JE Nel Ms NG Gabela (NEHAWU) Mr MK Sibanyoni (PSA) Ms EY Mnisi Mr BJ Hlatshwayo Mr TK Theledi Ms AS Mthombeni Ms TA Sibanyoni Mr MS Nkambule Mr MJ Ntimane Ms SG Zitha Ms TT Thwala Ms SE Ngwenya
5. Has Provincial Treasury reviewed its employment policies and practices to ensure that these do not unfairly discriminate against employees on the basis of their HIV status? If so, list the employment policies/practices so reviewed	Yes		HIV/AIDS and TB Management Policy, Health and Productivity Management Policy, Wellness Management Policy SHEQ Management Policy
6. Has Provincial Treasury introduced measures to protect HIV-positive employees or those perceived to be HIV-positive from discrimination? If so, list the key elements of these measures	Yes		Awareness sessions , workshops and meetings of support groups
7. Does Provincial Treasury encourage its employees to undergo Voluntary Counselling and Testing? If so, list the results that you have achieved	Yes		Positive response from officials in terms of testing for HIV/AIDS, sugar diabetics, high blood pressure, cholesterol 124 officials participated in the voluntary counselling and testing
8. Has Provincial Treasury developed measures/indicators to monitor & evaluate the impact of its health promotion programme? If so, list these measures/indicators	Yes		Quarterly reports

1.12. 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

Notes

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

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

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

Table 3.12.2 Misconduct and disciplinary hearings finalised for the period 1 April 2019 and 31 March 2020

Outcomes of disciplinary hearings	Number	% of Total
Correctional counselling	0	0
Verbal warning	0	0
Written warning	0	0
Final written warning	1	100
Suspended without pay	0	0
Fine	0	0
Demotion	0	0
Dismissal	0	0
Not guilty	0	0
Case withdrawn	0	0
Total	1	100

Notes

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

Total number of Disciplinary hearings finalised	One
--	------------

Table 3.12.3 Types of misconduct addressed at disciplinary hearings for the period 1 April 2019 and 31 March 2020

Type of misconduct	Number	% of Total
Insubordination and unacceptable conduct	1	100
Total	1	100

Table 3.12.4 Grievances logged for the period 1 April 2019 and 31 March 2020

Grievances	Number	% of Total
Number of grievances resolved	2	100
Number of grievances not resolved	0	0
Total number of grievances lodged	2	100

Table 3.12.5 Disputes logged with Councils for the period 1 April 2019 and 31 March 2020

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 2019 and 31 March 2020

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 2019 and 31 March 2020

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

1.13. Skills Development

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

Table 3.13.1 Training needs identified for the period 1 April 2019 and 31 March 2020

Occupational category	Gender	Number of employees as at 1 April 2019	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	8	0	3	0	3
	Male	9	0	2	0	2
Professionals	Female	23	4	3	0	3
	Male	33	1	8	0	8
Technicians and associate professionals	Female	34	0	3	0	3
	Male	42	0	4	0	4
Clerks	Female	69	0	11	0	11
	Male	49	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	169	0	33	0	33
	Male	146	0	33	0	33
Total		315	0	66	0	66

Table 3.13.2 Training provided for the period 1 April 2019 and 31 March 2020

Occupational category	Gender	Number of employees as at 1 April 2019	Training provided within the reporting period			
			Learnerships	Skills Programmes & other short courses	Other forms of training	Total
Legislators, senior officials and managers	Female	8	0	3	0	3
	Male	9	0	2	0	2
Professionals	Female	23	1	3	0	3
	Male	33	0	8	0	8
Technicians and associate professionals	Female	34	0	3	0	3
	Male	42	0	4	0	4
Clerks	Female	69	0	11	0	11
	Male	49	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	169	1	33	0	33
	Male	146	0	33	0	33
Total		315	1	66	0	66

1.14. Injury on Duty

The following tables provide basic information on injury on duty.

Table 3.14.1 Injury on duty for the period 1 April 2019 and 31 March 2020

Nature of injury on duty	Number	% of Total
Required basic medical attention only	0	0
Temporary Total Disablement	3	100
Permanent Disablement	0	0
Fatal	0	0
Total	3	100

1.15. 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 2019 and 31 March 2020

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

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

Table 3.15.2 Analysis of consultant appointments using appropriated funds, in terms of Historically Disadvantaged Individuals (HDIs) for the period 1 April 2019 and 31 March 2020

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

Table 3.15.3 Report on consultant appointments using Donor funds for the period 1 April 2019 and 31 March 2020

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

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

Table 3.15.4 Analysis of consultant appointments using Donor funds, in terms of Historically Disadvantaged Individuals (HDIs) for the period 1 April 2019 and 31 March 2020

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

1.16. Severance Packages

Table 3.16.1 Granting of employee-initiated severance packages for the period 1 April 2019 and 31 March 2020

Salary band	Number of applications received	Number of applications referred to the MPSA	Number of applications supported by MPSA	Number of packages approved by the 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

Table 3.15.4 Analysis of consultant appointments using Donor funds, in terms of Historically Disadvantaged Individuals (HDIs) for the period 1 April 2019 and 31 March 2020

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

1.17. Severance Packages

Table 3.16.1 Granting of employee-initiated severance packages for the period 1 April 2019 and 31 March 2020

Salary band	Number of applications received	Number of applications referred to the MPSA	Number of applications supported by MPSA	Number of packages approved by the 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**

Table of Contents

Report of the Auditor General	92
Appropriation Statement	97
Notes to the Appropriation Statement	121
Statement of Financial Performance	122
Statement of Financial Position	123
Statement of Changes in Net Assets	124
Cash Flow Statement	125
Notes to the Annual Financial Statements (including Accounting policies)	134
Unaudited Annexures	153

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 95 to 153, which comprise the appropriation statement, statement of financial position as at 31 March 2020, 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 2020, and its financial performance and cash flows for the year then ended in accordance with the Modified Cash Standard (MCS) and the requirements of the Public Finance Management Act of South Africa, 1999 (Act No. 1 of 1999) (PFMA) and the Division of Revenue Act of South Africa, 2019 (Act No. 16 of 2019) (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 *Code of ethics for professional accountants* and parts 1 and 3 of the *International code of ethics for professional accountants* (including International Independence Standards) of the International Ethics Standards Board for Accountants (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, irregular expenditure of R3,5 million incurred in the previous year was still awaiting condonation.

Non-adjusting events after reporting date

8. I draw attention to note 24 to the financial statements that deals with subsequent events and especially the possible effects of the future implications of Covid-19 on the department's future prospects, performance and cash flows. Management also describes how they plan to deal with these events and circumstances. My opinion is not modified in respect of this matter.

Other matter

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

Unaudited supplementary schedules

10. The supplementary information set out on pages 155 to 156 does not form part of the financial statements and is presented as additional information. I have not audited these schedules and, accordingly, I do not express an opinion on them.

Responsibilities of the accounting officer for the financial statements

11. 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.
12. 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

13. 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.
14. 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

15. 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 on the usefulness and reliability of the reported performance information against predetermined objectives for selected programmes presented in the annual performance report. I performed procedures to identify material findings but not to gather evidence to express assurance.
16. My procedures address the usefulness and reliability of 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 do not examine whether the actions taken by the department enabled service delivery. My procedures also do 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.

17. 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 programme presented in the annual performance report of the department for the year ended 31 March 2020:

Programme	Pages in the annual performance report
Programme 3: Assets and Liabilities Management	33 – 40

18. 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.
19. I did not identify any material findings on the usefulness and reliability of the reported performance information for this programme:
- Programme 3: Assets and Liabilities Management

Other matters

20. I draw attention to the matters below.

Achievement of planned targets

21. Refer to the annual performance report on pages xx to xx for information on the achievement of planned targets for the year and explanations provided for the under/overachievement of a number of targets.

Adjustment of material misstatements

22. I identified material misstatements in the annual performance report submitted for auditing. These material misstatements were in the reported performance information of assets and liabilities management. 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

23. In accordance with the PAA and the general notice issued in terms thereof, I have a responsibility to report material findings on the department's compliance with specific matters in key legislation. I performed procedures to identify findings but not to gather evidence to express assurance.
24. I did not identify any 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

25. 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 the selected programme presented in the annual performance report that has been specifically reported in this auditor's report.
26. 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.
27. 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 programme presented in the annual performance report, or my knowledge obtained in the audit, or otherwise appears to be materially misstated.
28. 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.
29. I have nothing to report in this regard.

Internal control deficiencies

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

AUDITOR GENERAL

Auditor General
Mbombela
23 September 2020



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 relating to events or conditions that may cast significant doubt on the ability of the department 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 my 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 operating as a going concern
 - evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and determine 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, actions taken to eliminate threats or safeguards applied.

MPUMALANGA PROVINCIAL TREASURY
VOTE 03
APPROPRIATION STATEMENT
for the year ended 31 March 2020

Appropriation per programme										
	2019/20					2018/19				
	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	R'000
Programme										
1. Administration	103 035	-	122	103 157	103 071	86	99.9%	97 510	97 455	
2. Sustainable Resources Management	50 661	-	(3 007)	47 654	47 647	7	100.0%	56 556	56 537	
3. Asset and Liability Management	169 473	-	3 703	173 176	172 652	524	99.7%	145 618	145 548	
4. Financial Governance	31 723	-	(818)	30 905	30 892	13	100.0%	31 986	31 978	
TOTAL	354 892	-	-	354 892	354 262	630	99.8%	331 670	331 518	

MPUMALANGA PROVINCIAL TREASURY
VOTE 03
APPROPRIATION STATEMENT
for the year ended 31 March 2020

	2019/20		2018/19	
	Final Appropriation	Actual Expenditure	Final Appropriation	Actual Expenditure
TOTAL (brought forward)				
Reconciliation with statement of financial performance				
ADD				
Departmental receipts				
NRF Receipts	84 501		108 327	
Aid assistance	-		-	
	-		-	
Actual amounts per statement of financial performance (total revenue)	439 393		439 997	
ADD				
Aid assistance	-			-
Prior year unauthorised expenditure approved without funding				
Actual amounts per statement of financial performance (total expenditure)		354 262		331 518

MPUMALANGA PROVINCIAL TREASURY
VOTE 03
APPROPRIATION STATEMENT
for the year ended 31 March 2020

Appropriation per economic classification									
2019/20							2018/19		
	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	325 592		19	325 611	325 593	18	100.0%	317 512	317 385
Compensation of employees	188 016	-	(892)	187 124	187 124	-	100.0%	193 765	193 703
Salaries and wages	163 810	-	(1 002)	162 808	162 809	(1)	100.0%	169 677	169 630
Social contributions	24 206	-	110	24 316	24 315	1	100.0%	24 088	24 073
Goods and services	137 576	-	911	138 487	138 469	18	100.0%	123 747	123 682
Administrative fees	991	-	(131)	860	853	7	99.2%	575	558
Advertising	758	-	(92)	666	665	1	99.8%	728	728
Minor assets	45	-	(8)	37	37	-	100.0%	146	146
Audit costs: External	5 163	-	(7)	5 156	5 155	1	100.0%	4 948	4 948
Catering: Departmental activities	1 166	-	(235)	931	930	1	99.9%	720	708
Communication	4 590	-	(119)	4 471	4 469	2	100.0%	4 405	4 429
Computer services	77 771	-	1 804	79 575	79 575	-	100.0%	65 781	65 775
Consultants: Business and advisory services	4 417	-	(2 744)	1 673	1 673	-	100.0%	8 871	8 855
Legal	-	-	-	-	-	-	-	60	60
Contractors	2 095	-	(1)	2 094	2 106	(12)	100.6%	411	410
Agency and support / outsourced services	273	-	(98)	175	175	-	100.0%	23	23
Fleet services	1 414	-	(13)	1 401	1 401	-	100.0%	1 218	1 218
Consumable supplies	1 646	-	3 528	5 174	5 210	(36)	100.7%	4 367	4 367
Consumable: Stationery, printing and office supplies	1 102	-	442	1 544	1 584	(40)	102.8%	2 050	2 049

MPUMALANGA PROVINCIAL TREASURY
VOTE 03
APPROPRIATION STATEMENT
for the year ended 31 March 2020

2019/20										2018/19	
	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	7 402	-	(12)	7 390	7 390	-	100.0%	6 998	6 998		
Property payments	4 490	-	(209)	4 281	4 280	1	100.0%	3 398	3 398		
Transport provided: Departmental activity	147	-	(14)	133	132	1	99.2%	55	55		
Travel and subsistence	17 569	-	(567)	17 002	16 917	85	99.5%	14 564	14 532		
Training and development	3 552	-	(327)	3 225	3 223	2	99.9%	2 406	2 403		
Operating payments	1 184	-	(149)	1 035	1 033	2	99.8%	812	814		
Venues and facilities	1 801	-	(137)	1 664	1 661	3	99.8%	1 211	1 208		
Transfers and subsidies	1 381	-	(19)	1 362	1 362	-	100.0%	1 664	1 661		
Provinces and municipalities	15	-	7	22	22	-	100.0%	16	16		
Provinces	15	-	7	22	22	-	100.0%	-	-		
Provincial agencies and funds	15	-	7	22	22	-	100.0%	-	-		
Municipalities	-	-	-	-	-	-	-	16	16		
Departmental agencies and accounts	637	-	(2)	635	635	-	100.0%	582	583		
Departmental agencies and accounts	637	-	(2)	635	635	-	100.0%	582	583		
Households	729	-	(24)	705	705	-	100.0%	1 066	1 062		
Social benefits	706	-	(1)	705	705	-	100.0%	1 066	1 062		
Other transfers to households	23	-	(23)	-	-	-	-	-	-		
Payments for capital assets	27 919	-	-	27 919	27 307	612	97.8%	12 494	12 472		

MPUMALANGA PROVINCIAL TREASURY
VOTE 03
APPROPRIATION STATEMENT
for the year ended 31 March 2020

2019/20							2018/19	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000
Machinery and equipment	27 919	-	(284)	27 635	27 023	612	97.8%	12 494
Transport equipment	2 009	-	(35)	1 974	1 974	-	100.0%	1 326
Other machinery and equipment	25 910	-	(249)	25 661	25 049	612	97.6%	11 168
Intangible assets	-	-	284	284	284	-	100%	-
Payments for financial assets	-	-	-	-	-	-	-	-
TOTAL	354 892	-	-	354 892	354 262	630	99.8%	331 670
								331 518

MPUMALANGA PROVINCIAL TREASURY
VOTE 03
APPROPRIATION STATEMENT
for the year ended 31 March 2020

Programme 1: Administration									
	2019/2020					2018/19			
	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	46 615	-	(1 272)	45 343	45 269	74	99.8%	41 158	41 082
2. Financial Management	50 783	-	1 641	52 424	52 413	11	100.0%	50 913	50 935
3. Internal Audit	5 637	-	(247)	5 390	5 389	1	100.0%	5 439	5 438
Total for sub programmes	103 035	-	122	103 157	103 071	86	99.9%	97 510	97 455
Economic classification									
Current payments	98 434	-	(1 210)	97 224	97 145	79	99.9%	93 827	93 793
Compensation of employees	62 767	-	(679)	62 088	62 088	-	100.0%	61 116	61 113
Salaries and wages	54 074	-	(673)	53 401	53 401	-	100.0%	52 747	52 746
Social contributions	8 693	-	(6)	8 687	8 687	-	100.0%	8 369	8 367
Goods and services	35 667	-	(531)	35 136	35 057	79	99.8%	32 711	32 680
Administrative fees	438	-	(49)	389	388	1	99.7%	303	290
Advertising	758	-	(92)	666	665	1	99.8%	728	728
Minor assets	35	-	(6)	29	29	-	100.0%	50	50
Audit costs: External	4 723	-	-	4 723	4 722	1	100.0%	4 607	4 607
Catering: Departmental activities	688	-	(112)	576	576	-	100.0%	413	403
Communication	3 449	-	(31)	3 418	3 417	1	100.0%	3 390	3 419
Computer services	41	-	(1)	40	40	-	100.0%	19	19

MPUMALANGA PROVINCIAL TREASURY
VOTE 03
APPROPRIATION STATEMENT
for the year ended 31 March 2020

2019/2020										2018/19	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure		
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000		
Consultants: Business and advisory services	495	-	(49)	446	446	-	100.0%	364	348		
Legal services	-	-	-	-	-	-	-	60	60		
Contractors	611	-	(1)	610	571	39	93.6%	116	115		
Agency and support / outsourced services	273	-	(98)	175	175	-	100.0%	23	23		
Fleet services	1 414	-	(13)	1 401	1 401	-	100.0%	1 218	1 218		
Consumable supplies	1 646	-	(1)	1 645	1 645	-	100.0%	2 238	2 238		
Consumable: Stationery, printing and office supplies	1 102	-	442	1 544	1 584	(40)	102.8%	2 049	2 048		
Operating leases	7 402	-	(12)	7 390	7 390	-	100.0%	6 998	6 998		
Property payments	4 490	-	(209)	4 281	4 280	1	100.0%	3 398	3 398		
Transport provided: Departmental activity	41	-	(14)	27	27	-	100.0%	55	55		
Travel and subsistence	4 846	-	(30)	4 816	4 742	74	98.5%	4 261	4 248		
Training and development	1 637	-	(105)	1 532	1 532	-	100.0%	1 051	1 046		
Operating payments	665	-	(148)	517	517	-	100.0%	474	476		
Venues and facilities	913	-	(2)	911	910	1	99.9%	896	893		
Transfers and subsidies	883	-	(18)	865	865	-	100.0%	598	599		
Provinces and municipalities	15	-	7	22	22	-	100.0%	16	16		
Provinces	15	-	7	22	22	-	100.0%	-	-		
Provincial agencies and funds	15	-	7	22	22	-	100.0%	-	-		
Municipalities	-	-	-	-	-	-	-	16	16		

MPUMALANGA PROVINCIAL TREASURY
VOTE 03
APPROPRIATION STATEMENT
for the year ended 31 March 2020

2019/2020								2018/19	
	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
Municipal bank accounts	-	-	-	-	-	-	-	16	16
Departmental agencies and accounts	637	-	(2)	635	635	-	100.0%	582	583
Departmental agencies	637	-	(2)	635	635	-	100.0%	582	583
Households	231	-	(23)	208	208	-	100.0%	-	-
Social benefits	208	-	-	208	208	-	100.0%	-	-
Other transfers to households	23	-	(23)	-	-	-	-	-	-
Payments for capital assets	3 718	-	1 350	5 068	5 061	7	99.9%	3 085	3 063
Machinery and equipment	3 718	-	1 311	5 029	5 022	7	99.9%	3 085	3 063
Transport equipment	2 009	-	(35)	1 974	1 974	-	100.0%	1 326	1 326
Other machinery and equipment	1 709	-	1 346	3 055	3 048	7	99.9%	1 759	1 737
Intangible assets	-	-	39	39	39	-	100.0%	-	-
Payments for financial assets									
TOTAL	103 035	-	122	103 157	103 071	86	99.9%	97 510	97 455

MPUMALANGA PROVINCIAL TREASURY
VOTE 03
APPROPRIATION STATEMENT
for the year ended 31 March 2020

1.1 Management Services									
	2019/20					2018/19			
	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	45 759	-	(1 248)	44 511	44 437	74	99.8%	40 269	40 213
Compensation of employees	36 613	-	(500)	36 113	36 113	-	100.0%	33 998	33 996
Goods and services	9 146	-	(748)	8 398	8 324	74	99.1%	6 271	6 217
Transfers and subsidies	856	-	(24)	832	832	-	100.0%	581	581
Provinces and municipalities	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	634	-	(1)	633	633	-	100.0%	581	581
Households	199	-	-	199	199	-	100.0%	-	-
Other transfers to households	23	-	(23)	-	-	-	-	-	-
Payments for capital assets	-	-	-	-	-	-	-	308	288
Machinery and equipment	-	-	-	-	-	-	-	308	288
Payments for financial assets	-	-	-	-	-	-	-	-	-
TOTAL	46 615	-	(1 272)	45 343	45 269	74	99.8%	41 158	41 082

MPUMALANGA PROVINCIAL TREASURY
VOTE 03
APPROPRIATION STATEMENT
for the year ended 31 March 2020

1.2 Financial Management									
	2019/20					2018/19			
	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	47 038	-	285	47 323	47 319	4	100.0%	48 119	48 142
Compensation of employees	21 428	-	(5)	21 423	21 423	-	100.0%	22 422	22 421
Goods and services	25 610	-	290	25 900	25 896	4	100.0%	25 697	25 721
Transfers and subsidies	27	-	6	33	33	-	100.0%	17	18
Provinces and municipalities	15	-	7	22	22	-	100.0%	16	16
Departmental agencies and accounts	3	-	(1)	2	2	-	100.0%	1	2
Households	9	-	-	9	9	-	100.0%	-	-
Payments for capital assets	3 718	-	1 350	5 068	5 061	7	99.9%	2 777	2 775
Machinery and equipment	3 718	-	1 311	5 029	5 022	7	99.9%	2 777	2 775
Software and other intangible assets	-	-	39	39	39	-	100.0%	-	-
Payments for financial assets	-	-	-	-	-	-	-	-	-
TOTAL	50 783	-	1 641	52 424	52 413	11	100.0%	50 913	50 935

MPUMALANGA PROVINCIAL TREASURY
VOTE 03
APPROPRIATION STATEMENT
for the year ended 31 March 2020

1.2 Internal Audit									
2019/20							2018/19		
	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	5 637	-	(247)	5 390	5 389	1	100.0%	5 439	5 438
Compensation of employees	4 726	-	(174)	4 552	4 552	-	100.0%	4 696	4 696
Goods and services	911	-	(73)	838	837	1	99.9%	743	742
Payments for financial assets	-	-	-	-	-	-	-	-	-
TOTAL	5 637	-	(247)	5 390	5 389	1	100.0%	5 439	5 438

MPUMALANGA PROVINCIAL TREASURY
VOTE 03
APPROPRIATION STATEMENT
for the year ended 31 March 2020

Programme 2: Sustainable Resource Management									
	2019/20					2018/19			
	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	1 791	-	(43)	1 748	1 746	2	99.9%	1 596	1 595
2. Provincial Administration Fiscal Discipline	10 762	-	178	10 940	10 939	1	100.0%	10 681	10 680
3. Budget and Expenditure Management	11 448	-	(141)	11 307	11 305	2	100.0%	12 138	12 137
4. Municipal Finance	20 711	-	(1 754)	18 957	18 956	1	100.0%	27 159	27 148
5. Infrastructure Co-Ordination	5 949	-	(1 247)	4 702	4 701	1	100.0%	4 982	4 977
Total for sub programmes	50 661	-	(3 007)	47 654	47 647	7	100.0%	56 556	56 537
Economic classification									
Current payments	50 661	-	(3 007)	47 654	47 647	7	100.0%	56 549	56 530
Compensation of employees	41 181	-	104	41 285	41 285	-	100.0%	44 345	44 344
Salaries and wages	36 628	-	74	36 702	36 702	-	100.0%	39 783	39 783
Social contributions	4 553	-	30	4 583	4 583	-	100.0%	4 562	4 561
Goods and services	9 480	-	(3 111)	6 369	6 362	7	99.9%	12 204	12 186
Administrative fees	160	-	(39)	121	119	2	98.3%	80	78
Audit costs: External	137	-	(4)	133	133	-	100.0%	167	167
Catering: Departmental activities	161	-	(32)	129	129	-	100.0%	101	100
Communication	428	-	(43)	385	384	1	99.7%	395	390
Consultants: Business and advisory services	3 842	-	(2 626)	1 216	1 216	-	100.0%	7 566	7 566
Travel and subsistence	3 845	-	(239)	3 606	3 603	3	99.9%	3 309	3 298
Training and development	344	-	(99)	245	245	-	100.0%	160	161

MPUMALANGA PROVINCIAL TREASURY
VOTE 03
APPROPRIATION STATEMENT
for the year ended 31 March 2020

Programme 2: Sustainable Resource Management									
2019/20							2018/19		
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Operating payments	377	-	(4)	373	372	1	99.9%	251	251
Venues and facilities	186	-	(25)	161	161	-	100.0%	175	175
Transfers and subsidies	-	-	-	-	-	-	-	7	7
Households	-	-	-	-	-	-	-	7	7
Social benefits	-	-	-	-	-	-	-	7	7
Payments for financial assets	-	-	-	-	-	-	-	-	-
TOTAL	50 661	-	(3 007)	47 654	47 647	7	100.0%	56 556	56 537

2.1 Programme Support									
2019/20							2018/19		
	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	1 791	-	(43)	1 748	1 746	2	99.9%	1 596	1 595
Current payments	1 526	-	(10)	1 516	1 516	-	100.0%	1 422	1 422
Compensation of employees	265	-	(33)	232	230	2	99.1%	174	173
Goods and services	-	-	-	-	-	-	-	-	-
Payments for financial assets	-	-	-	-	-	-	-	-	-
TOTAL	1 791	-	(43)	1 748	1 746	2	99.9%	1 596	1 595

MPUMALANGA PROVINCIAL TREASURY
VOTE 03
APPROPRIATION STATEMENT
for the year ended 31 March 2020

2.2 Provincial Administration Fiscal Discipline									
	2019/20					2018/19			
	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	10 762	-	178	10 940	10 939	1	100.0%	10 681	10 680
Compensation of employees	9 827	-	266	10 093	10 093	-	100.0%	9 966	9 966
Goods and services	935	-	(88)	847	846	1	99.9%	715	714
Payments for financial assets	-	-	-	-	-	-	-	-	-
TOTAL	10 762	-	178	10 940	10 939	1	100.0%	10 681	10 680

2.3 Budget and Expenditure Management									
	2019/20					2018/19			
	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	11 448	-	(141)	11 307	11 305	2	100.0%	12 131	12 130
Compensation of employees	10 351	-	(13)	10 338	10 338	-	100.0%	11 131	11 130
Goods and services	1 097	-	(128)	969	967	2	99.8%	1 000	1 000
Transfers and subsidies	-	-	-	-	-	-	-	7	7
Provinces and municipalities	-	-	-	-	-	-	-	-	-
Households	-	-	-	-	-	-	-	7	7
Payments for financial assets	-	-	-	-	-	-	-	-	-
TOTAL	11 448	-	(141)	11 307	11 305	2	100.0%	12 138	12 137

MPUMALANGA PROVINCIAL TREASURY
VOTE 03
APPROPRIATION STATEMENT
for the year ended 31 March 2020

2.4 Municipal Finance									
	2019/20					2018/19			
	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	20 711	-	(1 754)	18 957	18 956	1	100.0%	27 159	27 148
Compensation of employees	15 115	-	10	15 125	15 125	-	100.0%	17 400	17 400
Goods and services	5 596	-	(1 764)	3 832	3 831	1	100.0%	9 759	9 748
Transfers and subsidies	-	-	-	-	-	-	-	-	-
Households	-	-	-	-	-	-	-	-	-
Payments for financial assets	-	-	-	-	-	-	-	-	-
TOTAL	20 711	-	(1 754)	18 957	18 956	1	100.0%	27 159	27 148

2.5 Infrastructure Co-ordination									
	2019/20					2018/19			
	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	5 949	-	(1 247)	4 702	4 701	1	100.0%	4 982	4 977
Compensation of employees	4 362	-	(149)	4 213	4 213	-	100.0%	4 426	4 426
Goods and services	1 587	-	(1 098)	489	488	1	99.8%	556	551
Payments for financial assets	-	-	-	-	-	-	-	-	-
TOTAL	5 949	-	(1 247)	4 702	4 701	1	100.0%	4 982	4 977

MPUMALANGA PROVINCIAL TREASURY
VOTE 03
APPROPRIATION STATEMENT
for the year ended 31 March 2020

Programme 3: Assets and Liabilities									
	2019/2020						2018/19		
	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	332	-	(9)	323	322	1	99.7%	415	398
2. Provincial Supply Chain Management	18 639	-	(37)	18 602	18 601	1	100.0%	19 157	19 130
3. Public Sector Liabilities	5 723	-	(64)	5 659	5 658	1	100.0%	6 270	6 268
4. Physical Assets and Liability	5 239	-	(71)	5 168	5 166	2	100.0%	6 417	6 403
5. Interlinked Financial Systems	28 205	-	(259)	27 946	27 945	1	100.0%	12 839	12 838
6. Information Technology	111 335	-	4 143	115 478	114 960	518	99.6%	100 520	100 511
Total for sub programmes	169 473	-	3 703	173 176	172 652	524	99.7%	145 618	145 548
Economic classification									
Current payments	144 936	-	5 053	149 989	150 071	(82)	100.1%	135 172	135 106
Compensation of employees	58 015	-	214	58 229	58 229	-	100.0%	60 872	60 815
Salaries and wages	50 217	-	130	50 347	50 348	(1)	100.0%	53 000	52 956
Social contributions	7 798	-	84	7 882	7 881	1	100.0%	7 872	7 859
Goods and services	86 921	-	4 839	91 760	91 842	(82)	100.1%	74 300	74 291
Administrative fees	189	-	(24)	165	165	-	100.0%	111	110
Advertising	-	-	-	-	-	-	-	-	-
Minor assets	10	-	(2)	8	8	-	100.0%	96	96
Catering: Departmental activities	231	-	(47)	184	183	1	99.5%	123	123

MPUMALANGA PROVINCIAL TREASURY
VOTE 03
APPROPRIATION STATEMENT
for the year ended 31 March 2020

2019/2020										2018/19	
	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		
Communication	468	-	(31)	437	437	-	100.0%	406	406		
Computer services	77 730	-	1 805	79 535	79 535	-	100.0%	65 762	65 756		
Contractors	1 484	-	-	1 484	1 535	(51)	103.4%	295	295		
Consumable supplies	-	-	3 529	3 529	3 565	(36)	101.0%	2 129	2 129		
Consumable: Stationery, printing and office supplies	-	-	-	-	-	-	-	1	1		
Transport provided: Departmental activity	106	-	-	106	105	1	99.1%	-	-		
Travel and subsistence	5 408	-	(187)	5 221	5 219	2	100.0%	4 298	4 297		
Training and development	875	-	(146)	729	729	-	100.0%	907	906		
Operating payments	63	-	(3)	60	60	-	100.0%	58	58		
Venues and facilities	357	-	(55)	302	301	1	99.7%	114	114		
Transfers and subsidies	336	-	-	336	335	1	99.7%	1 037	1 033		
Households	336	-	-	336	335	1	99.7%	1 037	1 033		
Social benefits	336	-	-	336	335	1	99.7%	1 037	1 033		
Payments for capital assets	24 201	-	(1 350)	22 851	22 246	605	97.4%	9 409	9 409		
Machinery and equipment	24 201	-	(1 595)	22 606	22 001	605	97.3%	9 409	9 409		
Transport equipment	-	-	-	-	-	-	-	-	-		
Other machinery and equipment	24 201	-	(1 595)	22 606	22 001	605	97.3%	9 409	9 409		
Software and other intangible assets	-	-	245	245	245	-	100.0%	-	-		
Payments for financial assets	-	-	-	-	-	-	-	-	-		
TOTAL	169 473	-	3 703	173 176	172 652	524	99.7%	145 618	145 548		

MPUMALANGA PROVINCIAL TREASURY
VOTE 03
APPROPRIATION STATEMENT
for the year ended 31 March 2020

3.1 Programme Support							
	2019/20					2018/19	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation
Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	%
Current payments	332	-	(9)	323	322	1	99.7%
Compensation of employees	233	-	15	248	248	-	100.0%
Goods and services	99	-	(24)	75	74	1	98.7%
Payments for financial assets	-	-	-	-	-	-	-
TOTAL	332	-	(9)	323	322	1	99.7%
							R'000
							415
							398

3.2 Provincial Supply Chain Management							
	2019/20					2018/19	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation
Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	%
Current payments	18 303	-	(37)	18 266	18 266	-	100.0%
Compensation of employees	15 739	-	119	15 858	15 859	(1)	100.0%
Goods and services	2 564	-	(156)	2 408	2 407	1	100.0%
Transfers and subsidies	336	-	-	336	335	1	99.7%
Households	336	-	-	336	335	1	99.7%
Payments for financial assets	-	-	-	-	-	-	-
TOTAL	18 639	-	(37)	18 602	18 601	1	100.0%
							R'000
							19 157
							19 130

MPUMALANGA PROVINCIAL TREASURY
VOTE 03
APPROPRIATION STATEMENT
for the year ended 31 March 2020

3.2 Public Sector Liabilities									
	2019/20					2018/19			
	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	5 723	-	(64)	5 659	5 658	1	100.0%	5 901	5 899
Compensation of employees	5 151	-	2	5 153	5 153	-	100.0%	5 606	5 605
Goods and services	572	-	(66)	506	505	1	99.8%	295	294
Transfers and subsidies	-	-	-	-	-	-	-	369	369
Households	-	-	-	-	-	-	-	369	369
Payments for financial assets	-	-	-	-	-	-	-	-	-
TOTAL	5 723	-	(64)	5 659	5 658	1	100.0%	6 270	6 268

3.4 Physical Assets Management									
	2019/20					2018/19			
	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	5 239	-	(71)	5 168	5 166	2	100.0%	5 937	5 927
Compensation of employees	4 415	-	(32)	4 383	4 382	1	100.0%	5 264	5 254
Goods and services	824	-	(39)	785	784	1	99.9%	673	673
Transfers and subsidies	-	-	-	-	-	-	-	480	476
Households	-	-	-	-	-	-	-	480	476
Payments for financial assets	-	-	-	-	-	-	-	-	-
TOTAL	5 239	-	(71)	5 168	5 166	2	100.0%	6 417	6 403

3.5 Interlinked Financial Systems									
	2019/20						2018/19		
	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	28 205	-	(259)	27 946	27 945	1	100.0%	12 839	12 838
Compensation of employees	11 664	-	26	11 690	11 690	-	100.0%	11 629	11 628
Goods and services	16 541	-	(285)	16 256	16 255	1	100.0%	1 210	1 210
Payments for financial assets	-	-	-	-	-	-	-	-	-
TOTAL	28 205	-	(259)	27 946	27 945	1	100.0%	12 839	12 838

3.6 Information Technology									
	2019/20						2018/19		
	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	87 134	-	5 493	92 627	92 714	(87)	100.1%	91 111	91 102
Compensation of employees	20 813	-	84	20 897	20 897	-	100.0%	21 128	21 127
Goods and services	66 321	-	5 409	71 730	71 817	(87)	100.1%	69 983	69 975
Payment for capital assets	24 201	-	(1 350)	22 851	22 246	605	97.4%	9 409	9 409
Machinery and equipment	24 201	-	(1 595)	22 606	22 001	605	97.3%	9 409	9 409
Software and other intangible assets	-	-	-	245	245	-	100.0%	-	-
Payments for financial assets	-	-	-	-	-	-	-	-	-
TOTAL	111 335	-	4 143	115 478	114 960	518	99.6%	100 520	100 511

117

4.1 Programme Support									
2019/20							2018/19		
	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	3 169	-	(539)	2 630	2 629	1	100.0%	3 038	3 036
Compensation of employees	3 042	-	(511)	2 531	2 531	-	100.0%	2 519	2 518
Goods and services	127	-	(28)	99	98	1	99.0%	519	518
Payments for financial assets	-	-	-	-	-	-	-	-	-
TOTAL	3 169	-	(539)	2 630	2 629	1	100.0%	3 038	3 036

MPUMALANGA PROVINCIAL TREASURY
VOTE 03
APPROPRIATION STATEMENT
for the year ended 31 March 2020

4.2 Accounting Services									
	2019/20					2018/19			
	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	6 253	-	(5)	6 248	6 247	1	100.0%	6 851	6 851
Compensation of employees	4 718	-	9	4 727	4 727	-	100.0%	5 488	5 488
Goods and services	1 535	-	(14)	1 521	1 520	1	99.9%	1 363	1 363
Payments for financial assets	-	-	-	-	-	-	-	-	-
TOTAL	6 253	-	(5)	6 248	6 247	1	100.0%	6 851	6 851

4.3 Norms and Standards									
	2019/20					2018/19			
	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	14 312	-	(54)	14 258	14 254	4	100.0%	14 638	14 638
Compensation of employees	12 659	-	(31)	12 628	12 628	-	100.0%	13 405	13 405
Goods and services	1 653	-	(23)	1 630	1 626	4	99.8%	1 233	1 233
Transfer and Subsidies	162	-	(1)	161	162	(1)	100.6%	-	-
Household	162	-	(1)	161	162	(1)	100.6%	-	-
TOTAL	14 474	-	(55)	14 419	14 416	3	100.0%	14 638	14 638

MPUMALANGA PROVINCIAL TREASURY
VOTE 03
APPROPRIATION STATEMENT
for the year ended 31 March 2020

4.4 Risk Management									
	2019/20					2018/19			
	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	3 648	-	(172)	3 476	3 472	4	99.9%	3 744	3 743
Compensation of employees	2 476	-	1	2 477	2 477	-	100.0%	3 024	3 023
Goods and services	1 172	-	(173)	999	995	4	99.6%	720	720
Transfers and subsidies	-	-	-	-	-	-	-	22	22
Households	-	-	-	-	-	-	-	22	22
Payments for financial assets	-	-	-	-	-	-	-	-	-
TOTAL	3 648	-	(172)	3 476	3 472	4	99.9%	3 766	3 765

4.5 Provincial Internal Audit									
	2019/20					2018/19			
	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	4 179	-	(47)	4 132	4 128	4	99.9%	3 693	3 688
Compensation of employees	3 158	-	1	3 159	3 159	-	100.0%	2 996	2 997
Goods and services	1 021	-	(48)	973	969	4	99.6%	697	691
Payments for financial assets	-	-	-	-	-	-	-	-	-
TOTAL	4 179	-	(47)	4 132	4 128	4	99.9%	3 693	3 688

**Provincial Treasury /Mpumalanga Province
VOTE 3**

**NOTES TO THE APPROPRIATION STATEMENT
for the year ended 31 March 2020**

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	187 124	187 124	-	0.0%
	Goods and services	138 487	138 469	18	0.0%
	Transfers and subsidies				
	Provinces and municipalities	22	22	-	0.0%
	Departmental agencies and accounts	635	635	-	0.0%
	Households	705	705	-	0.0%
	Payments for capital assets				
	Machinery and equipment	27 635	27 023	612	2.2%
	Software and other intangible assets	284	284	-	0.0%
	Payments for financial assets	-	-	-	-

/

MPUMALANGA: PROVINCIAL TREASURY
VOTE 03
STATEMENT OF FINANCIAL PERFORMANCE
for the year ended 31 March 2020

	Note	2019/20 R'000	2018/17 R'000
REVENUE			
Annual appropriation	<u>1</u>	354 892	331 670
Departmental revenue	<u>2</u>	84 501	108 327
TOTAL REVENUE		439 393	439 997
EXPENDITURE			
Current expenditure			
Compensation of employees	<u>3</u>	187 124	193 703
Goods and services	<u>4</u>	138 469	123 682
Total current expenditure		325 593	317 385
Transfers and subsidies			
Transfers and subsidies	<u>5</u>	1 362	1 661
Total transfers and subsidies		1 362	1 661
Expenditure for capital assets			
Tangible assets	<u>6</u>	27 023	12 472
Intangible assets	<u>6</u>	284	-
Total expenditure for capital assets		27 307	12 472
Payments for financial assets	<u>8</u>	-	-
TOTAL EXPENDITURE		354 262	331 518
SURPLUS/(DEFICIT) FOR THE YEAR		85 131	108 479

Reconciliation of Net Surplus/(Deficit) for the year

Voted funds		630	152
Annual appropriation		630	152
Departmental revenue and NRF Receipts	10	84 501	108 327
SURPLUS/(DEFICIT) FOR THE YEAR		85 131	108 479

**MPUMALANGA: PROVINCIAL TREASURY
VOTE03**

**STATEMENT OF FINANCIAL POSITION
as at 31 March 2020**

	Note	2019/20 R'000	2018/19 R'000
ASSETS			
Current assets		3 731	1 835
Cash and cash equivalents	7	2 929	1 634
Receivables	8	802	201
Non-current assets		-	560
Receivables	8	-	560
TOTAL ASSETS		3 731	2 395
LIABILITIES			
Current liabilities		3 016	1 684
Voted funds to be surrendered to the Revenue Fund	9	630	152
Departmental revenue and NRF Receipts to be surrendered to the Revenue Fund	10	2 386	1 513
Payables	11	-	19
Non-current liabilities		-	-
Payables		-	-
TOTAL LIABILITIES		3 016	1 684
NET ASSETS		715	711

Represented by:

Recoverable revenue	715	711
TOTAL	715	711

**MPUMALANGA: PROCINCIAL TREASURY
VOTE03**

**STATEMENT OF CHANGES IN NET ASSETS
for the year ended 31 March 2020**

	Note	2019/20 R'000	2018/19 R'000
Recoverable revenue			
Opening balance		711	726
Transfers:		4	-15
Debts recovered (included in departmental receipts)		4	-15
Debts raised		-	-
Closing balance		<u>715</u>	<u>711</u>
 TOTAL		 <u>715</u>	 <u>711</u>

**MPUMALANGA: PROVINCIAL TREASURY
VOTE 03**

**CASH FLOW STATEMENT
for the year ended 31 March 2020**

	Note	2019/20 R'000	2018/19 R'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts		449 216	461 230
Annual appropriated funds received	1.1	354 892	331 670
Departmental revenue received	2	1 943	2 464
Interest received	2.3	92 381	127 096
Net (increase)/decrease in working capital		-620	-3 544
Surrendered to Revenue Fund		-93 639	-132 872
Current payments		-325 593	-317 385
Transfers and subsidies paid		-1 362	-1 661
Net cash flow available from operating activities	12	28 002	5 768
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for capital assets	6	-27 307	-12 472
Proceeds from sale of capital assets	2.3	36	248
Increase/(decrease) in non-current receivables		560	
Net cash flows from investing activities		-26 711	-12 224
CASH FLOWS FROM FINANCING ACTIVITIES			
Increase/(decrease) in net assets		4	-15
Net cash flows from financing activities		4	-15
Net increase/(decrease) in cash and cash equivalents		1 295	-6 471
Cash and cash equivalents at beginning of period		1 634	8 105
Unrealised gains and losses within cash and cash equivalents		-	-
Cash and cash equivalents at end of period	13	2 929	1 634

**MPUMALANGA PROVINCIAL TREASURY
VOTE 03**

ACCOUNTING POLICIES

for the year ended 31 March 2020

PART A: ACCOUNTING POLICIES

Summary of significant accounting policies

Concepts and Principles, Financial Statement Presentation

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.

**MPUMALANGA PROVINCIAL TREASURY
VOTE 03**

ACCOUNTING POLICIES

for the year ended 31 March 2020

7	Revenue
7.1	<p>Appropriated funds</p> <p>Appropriated funds comprises of departmental allocations as well as direct charges against the revenue fund (i.e. statutory appropriation).</p> <p>Appropriated funds are recognised in the statement of financial performance on the date the appropriation becomes effective. Adjustments made in terms of the adjustments budget process are recognised in the statement of financial performance on the date the adjustments become effective.</p> <p>The net amount of any appropriated funds due to / from the relevant revenue fund at the reporting date is recognised as a payable / receivable in the statement of financial position.</p>
7.2	<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.</p> <p>Any amount owing to the relevant revenue fund at the reporting date is recognised as a payable in the statement of financial position.</p>
7.3	<p>Accrued departmental revenue</p> <p>Accruals in respect of departmental revenue (excluding tax revenue) are recorded in the notes to the financial statements when:</p> <ul style="list-style-type: none"> • it is probable that the economic benefits or service potential associated with the transaction will flow to the department; and • the amount of revenue can be measured reliably. <p>The accrued revenue is measured at the fair value of the consideration receivable.</p> <p>Accrued tax revenue (and related interest and / penalties) is measured at amounts receivable from collecting agents.</p> <p>Write-offs are made according to the department's debt write-off policy</p>
8	Expenditure
8.1	Compensation of employees
8.1.1	<p>Salaries and wages</p> <p>Salaries and wages are recognised in the statement of financial performance on the date of payment.</p>
8.1.2	<p>Social contributions</p> <p>Social contributions made by the department in respect of current employees are recognised in the statement of financial performance on the date of payment.</p> <p>Social contributions made by the department in respect of ex-employees are classified as transfers to households in the statement of financial performance on the date of payment.</p>

**MPUMALANGA PROVINCIAL TREASURY
VOTE 03**

ACCOUNTING POLICIES

for the year ended 31 March 2020

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	<p>Leases</p>
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	<p>Aid Assistance</p>
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</p>

**MPUMALANGA PROVINCIAL TREASURY
VOTE 03**

ACCOUNTING POLICIES

for the year ended 31 March 2020

	<p>current liability.</p> <p>For the purposes of the cash flow statement, cash and cash equivalents comprise cash on hand, deposits held, other short-term highly liquid investments and bank overdrafts.</p>
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 and advances are expensed and under what circumstances.></p>
12	<p>Loans and receivables</p> <p>Loans and receivables are recognised in the statement of financial position at cost plus accrued interest, where interest is charged, less amounts already settled or written-off. Write-offs are made according to the department's write-off policy.</p>
13	<p>Investments</p> <p>Investments are recognised in the statement of financial position at cost.</p>
14	<p>Financial assets</p>
14.1	<p>Financial assets (not covered elsewhere)</p> <p>A financial asset is recognised initially at its cost plus transaction costs that are directly attributable to the acquisition or issue of the financial asset.</p> <p>At the reporting date, a department shall measure its financial assets at cost, less amounts already settled or written-off, except for recognised loans and receivables, which are measured at cost plus accrued interest, where interest is charged, less amounts already settled or written-off.</p>
14.2	<p>Impairment of financial assets</p> <p>Where there is an indication of impairment of a financial asset, an estimation of the reduction in the recorded carrying value, to reflect the best estimate of the amount of the future economic benefits expected to be received from that asset, is recorded in the notes to the financial statements.</p>
15	<p>Payables</p> <p>Payables recognised in the statement of financial position are recognised at cost.</p>
16	<p>Capital Assets</p>
16.1	<p>Immovable capital assets</p> <p>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.</p> <p>Subsequent expenditure of a capital nature forms part of the cost of the existing asset when ready for use.</p>

**MPUMALANGA PROVINCIAL TREASURY
VOTE 03**

ACCOUNTING POLICIES

for the year ended 31 March 2020

	Additional information on immovable assets not reflected in the assets register is provided in the notes to financial statements.
16.2	<p>Movable capital assets</p> <p>Movable capital assets are initially recorded in the notes to the financial statements at cost. Movable capital assets acquired through a non-exchange transaction is measured at fair value as at the date of acquisition.</p> <p>Where the cost of movable capital assets cannot be determined reliably, the movable capital assets are measured at fair value and where fair value cannot be determined; the movable assets are measured at R1.</p> <p>All assets acquired prior to 1 April 2002 (or a later date as approved by the OAG) may be recorded at R1.</p> <p>Movable capital assets are subsequently carried at cost and are not subject to depreciation or impairment.</p> <p>Biological assets are subsequently carried at fair value Subsequent expenditure that is of a capital nature forms part of the cost of the existing asset when ready for use.</p>
16.3	<p>Intangible assets</p> <p>Intangible assets are initially recorded in the notes to the financial statements at cost. Intangible assets acquired through a non-exchange transaction are measured at fair value as at the date of acquisition.</p> <p>Internally generated intangible assets are recorded in the notes to the financial statements when the department commences the development phase of the project.</p> <p>Where the cost of intangible assets cannot be determined reliably, the intangible capital assets are measured at fair value and where fair value cannot be determined; the intangible assets are measured at R1.</p> <p>All assets acquired prior to 1 April 2002 (or a later date as approved by the OAG) may be recorded at R1.</p> <p>Intangible assets are subsequently carried at cost and are not subject to depreciation or impairment.</p> <p>Subsequent expenditure of a capital nature forms part of the cost of the existing asset when ready for use.</p>
16.4	<p>Project Costs: Work-in-progress</p> <p>Expenditure of a capital nature is initially recognised in the statement of financial performance at cost when paid.</p> <p>Amounts paid towards capital projects are separated from the amounts recognised and accumulated in work-in-progress until the underlying asset is ready for use. Once ready for use, the total accumulated payments are recorded in an asset register. Subsequent payments to complete the project are added to the capital asset in the asset register.</p> <p>Where the department is not the custodian of the completed project asset, the asset is transferred to the custodian subsequent to completion.</p>
17	Provisions and Contingents

**MPUMALANGA PROVINCIAL TREASURY
VOTE 03**

ACCOUNTING POLICIES

for the year ended 31 March 2020

17.1	<p>Provisions</p> <p>Provisions are recorded in the notes to the financial statements when there is a present legal or constructive obligation to forfeit economic benefits as a result of events in the past and it is probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation and a reliable estimate of the obligation can be made. The provision is measured as the best estimate of the funds required to settle the present obligation at the reporting date.</p>
17.2	<p>Contingent liabilities</p> <p>Contingent liabilities are recorded in the notes to the financial statements when there is a possible obligation that arises from past events, and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not within the control of the department or when there is a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation or the amount of the obligation cannot be measured reliably.</p>
17.3	<p>Contingent assets</p> <p>Contingent assets are recorded in the notes to the financial statements when a possible asset arises from past events, and whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events not within the control of the department.</p>
17.4	<p>Capital commitments</p> <p>Capital commitments are recorded at cost in the notes to the financial statements.</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 or written off.</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>

**MPUMALANGA PROVINCIAL TREASURY
VOTE 03**

ACCOUNTING POLICIES

for the year ended 31 March 2020

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, not condoned and removed or written-off.</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 estimates and errors</p> <p>Changes in accounting estimates are applied prospectively in accordance with MCS requirements.</p> <p>Correction of errors is applied retrospectively in the period in which the error has occurred in accordance with MCS requirements, except to the extent that it is impracticable to determine the period-specific effects or the cumulative effect of the error. In such cases the department shall restate the opening balances of assets, liabilities and net assets for the earliest period for which retrospective restatement is practicable.</p>
22	<p>Events after the reporting date</p> <p>Events after the reporting date that are classified as adjusting events have been accounted for in the financial statements. The events after the reporting date that are classified as non-adjusting events after the reporting date have been disclosed in the notes to the financial statements.</p>
23	<p>Principal-Agent arrangements</p> <p>The department is party to a principal-agent arrangement for [include details here]. In terms of the arrangement the department is the [principal / agent] and is responsible for [include details here]. All related revenues, expenditures, assets and liabilities have been recognised or recorded in terms of the relevant policies listed herein. Additional disclosures have been provided in the notes to the financial statements where appropriate.</p>
24	<p>Departures from the MCS requirements</p> <p><i>[Insert information on the following: that management has concluded that the financial statements present fairly the department's primary and secondary information; that the department complied with the Standard except that it has departed from a particular requirement to achieve fair presentation; and the requirement from which the department has departed, the nature of the departure and the reason for departure.]</i></p>
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>

**MPUMALANGA PROVINCIAL TREASURY
VOTE 03**

ACCOUNTING POLICIES

for the year ended 31 March 2020

	<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>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>The number of individuals and the full compensation of key management personnel 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>
31	<p>Transfers of functions</p> <p>Transfers of functions are accounted for by the acquirer by recognising or recording assets acquired and liabilities assumed at their carrying amounts at the date of transfer.</p> <p>Transfers of functions are accounted for by the transferor by derecognising or removing assets and liabilities at their carrying amounts at the date of transfer.</p>
32	<p>Mergers</p> <p>Mergers are accounted for by the combined department by recognising or recording assets acquired and liabilities assumed at their carrying amounts at the date of the merger.</p> <p>Mergers are accounted for by the combining departments by derecognising or removing assets and liabilities at their carrying amounts at the date of the merger.</p>

VOTE 03: PROVINCIAL TREASURY
NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2020

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:

	2019/20			2018/19		
	Final Appropriation			Final Appropriation		
	Actual Funds Received			Appropriation received		
	Funds not requested/not received			Funds not requested /not received		
	R'000	R'000	R'000	R'000	R'000	R'000
Administration	103 157	103 157	-	97 510	97 510	-
Sustainable Resources Management	47 654	47 654	-	56 556	56 556	-
Assets and Liabilities Management	173 176	173 176	-	145 618	145 618	-
Financial Governance	30 905	30 905	-	31 986	31 986	-
Total	354 892	354 892	-	331 670	331 670	-

2. Departmental revenue

	<i>Note</i>	2019/20	2018/19
		R'000	R'000
Sales of goods and services other than capital assets	2.1	1 819	2 375
Interest, dividends and rent on land	2.3	92 381	127 096
Sales of capital assets	2.4	36	248
Transactions in financial assets and liabilities	2.5	124	89
Total revenue collected		94 360	129 808
Less: Own revenue included in appropriation	10	9 859	21 481
Departmental revenue collected		84 501	108 327

2.1 Sales of goods and services other than capital assets

	<i>Note</i>	2019/20	2018/19
		R'000	R'000
Sales of goods and services produced by the department	2	1 819	2 375
Sales by market establishment		11	11
Administrative fees		109	103
Other sales		1 699	2 261
Total		1 819	2 375

Other sales refers to the sale of tender documents

VOTE 03: PROVINCIAL TREASURY
NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2020

2.2 Interest, dividends and rent on land

	Note	2019/20	2018/19
	2	R'000	R'000
Interest		92 381	127 096
Total		92 381	127 096

2.3 Sale of capital assets

	Note	2019/20	2018/19
	2	R'000	R'000
Tangible assets		36	248
Machinery and equipment	23	36	248
Total		36	248

2.4 Transactions in financial assets and liabilities

	Note	2019/20	2018/19
	2	R'000	R'000
Receivables		124	89
Total		124	89

3. Compensation of employees

3.1 Salaries and Wages

	Note	2019/20	2018/19
	3	R'000	R'000
Basic salary		131 873	131 857
Performance award		3 166	6 494
Service Based		218	254
Compensative/circumstantial		1 009	3 207
Other non-pensionable allowances		26 546	27 818
Total		162 812	169 630

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

VOTE 03: PROVINCIAL TREASURY
NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2020

3.2 Social contributions

	Note	2019/20	2018/19
	3	R'000	R'000
Employer contributions			
Pension		16 763	17 049
Medical		7 522	6 998
Bargaining council		27	26
Total		24 312	24 073
Total compensation of employees		187 124	193 703
Average number of employees		317	309

The total number of employees is **317** that includes **28** contracts workers.

4. Goods and services

	Note	2019/20	2018/19
		R'000	R'000
Administrative fees		853	558
Advertising		665	728
Minor assets	4.1	37	146
Catering		930	708
Communication		4 469	4 429
Computer services	4.2	79 575	65 775
Consultants: Business and advisory services		1 673	8 855
Legal services		-	60
Contractors		2 106	410
Agency and support / outsourced services		175	23
Audit cost – external	4.3	5 155	4 948
Fleet services		1 401	1 218
Consumables	4.4	6 794	6 416
Operating leases		7 390	6 998
Property payments	4.5	4 280	3 398
Transport provided as part of the departmental activities		132	55
Travel and subsistence	4.6	16 917	14 532
Venues and facilities		1 661	1 208
Training and development		3 223	2 403
Other operating expenditure	4.7	1 033	814
Total		138 469	123 682

VOTE 03: PROVINCIAL TREASURY
NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2020

4.1 Minor assets

	Note	2019/20	2018/19
	4	R'000	R'000
Tangible assets		37	146
Machinery and equipment		37	146
Total		37	146

4.2 Computer services

	Note	2019/20	2018/19
	4	R'000	R'000
SITA computer services		47 388	50 360
External computer service providers		32 187	15 415
Total		79 575	65 775

4.3 Audit cost – External

	Note	2019/20	2018/19
	4	R'000	R'000
Regularity audits		4 805	4 883
Computer audits		350	65
Total		5 155	4 948

4.4 Consumables

	Note	2019/20	2018/19
	4	R'000	R'000
Consumable supplies		5 210	4 367
Uniform and clothing		257	154
Household supplies		1 127	2 034
Building material and supplies		-	16
Communication accessories		-	17
IT consumables		3 566	2 139
Other consumables		260	7
Stationery, printing and office supplies		1 584	2 049
Total		6 794	6 416

Other refers to IT tool kits for Technicians

VOTE 03: PROVINCIAL TREASURY
NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2020

4.5 Property payments

Note	2019/20	2018/19
4	R'000	R'000
Municipal services	4 280	3 398
Property management fees	-	-
Property maintenance and repairs	-	-
Total	4 280	3 398

4.6 Travel and subsistence

Note	2019/20	2018/19
4	R'000	R'000
Local	16 881	14 189
Foreign	36	343
Total	16 917	14 532

4.7 Other operating expenditure

Note	2019/20	2018/19
4	R'000	R'000
Professional bodies, membership and subscription fees	113	48
Other	920	766
Total	1 033	814

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

5. Transfers and subsidies

	2019/20	2018/19
	R'000	R'000
Note		
Provinces and municipalities	22	16
Departmental agencies and accounts	635	583
Households	705	1 062
Total	1 362	1 661

27
Annexure 1B
Annexure
1G

VOTE 03: PROVINCIAL TREASURY
NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2020

6. Expenditure for capital assets

	Note	2019/20 R'000	2018/19 R'000
Tangible assets		27 023	12 472
Buildings and other fixed structures		-	-
Machinery and equipment	23	27 023	12 472
Intangible assets		284	-
Software	23	284	-
Total		27 307	12 472

6.1 Analysis of funds utilised to acquire capital assets – 2019/20

	Voted funds R'000	Aid assistance R'000	Total R'000
Tangible assets	27 023	-	27 023
Machinery and equipment	27 023	-	27 023
Intangible assets	284	-	284
Software	284	-	284
Total	27 307	-	27 307

6.2 Analysis of funds utilised to acquire capital assets – 2019/20

	Voted funds R'000	Aid assistance R'000	Total R'000
Tangible assets	12 472	-	12 472
Buildings and other fixed structures	-	-	-
Machinery and equipment	12 472	-	12 472
Intangible assets	-	-	-
Software	-	-	-
Total	12 472	-	12 472

7. Cash and cash equivalents

	Note	2019/20 R'000	2018/19 R'000
Consolidated Paymaster General Account Disbursements		2 929	1 634
Total		2 929	1 634

VOTE 03: PROVINCIAL TREASURY
NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2020

8. Receivables

	<i>Note</i>	2019/20			2018/19		
		Current	Non-current	Total	Current	Non-current	Total
		R'000	R'000	R'000	R'000	R'000	R'000
Claims Recoverable	8.1	18	-	18	-	-	-
Staff debt	8.2	204	-	204	138	30	168
Other receivables	8.3	580	-	580	63	530	593
Total		802	-	802	201	560	761

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

8.1 Claims Recoverable

	<i>Note</i>	2019/20	2018/19
		R'000	R'000
SARS		18	-
Total		18	-

8.2 Staff debt

	<i>Note</i>	2019/20	2018/19
		R'000	R'000
Recovery for loss/ damage to assets		170	168
Salary Overpayment		34	-
Total		204	168

8.3 Other receivables

	<i>Note</i>	2019/20	2018/19
		R'000	R'000
Ex-employees-Tax Debts		2	2
Amount to be recovered from irregular expenditure		530	530
Ex-employees – Salary Overpayment		33	51
Recover for loss/ damage to assets		11	10
Supplier		4	-
Total		580	593

VOTE 03: PROVINCIAL TREASURY
NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2020

9. Voted funds to be surrendered to the Revenue Fund

	Note	2019/20	2018/19
		R'000	R'000
Opening balance		152	2 403
Prior period error		-	-
As restated		152	2 403
Transfer from statement of financial performance (as restated)		630	152
Paid during the year		(152)	(2 403)
Closing balance		630	152

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

	Note	2019/20	2018/19
		R'000	R'000
Opening balance		1 513	2 174
As restated		1 513	2 174
Transfer from Statement of Financial Performance (as restated)		84 501	108 327
Own revenue included in appropriation		9 859	21 481
Paid during the year		(93 487)	(130 469)
Closing balance		2 386	1 513

11. Payables – current

	Note	2019/20	2018/19
		R'000	R'000
Clearing accounts	11.1	-	19
Total		-	19

11.1 Clearing accounts

	Note	2019/20	2018/19
		R'000	R'000
Sal : Income Tax	11	-	1
Housing Refund		-	18
Total		-	19

VOTE 03: PROVINCIAL TREASURY
NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2020

12. Net cash flow available from operating activities

	2019/20	2018/19
	R'000	R'000
Net surplus/(deficit) as per Statement of Financial Performance	85 131	108 479
Add back non cash/cash movements not deemed operating activities	(57 129)	(102 711)
(Increase)/decrease in receivables	(601)	30
Increase/(decrease) in payables – current	(19)	(3 574)
Proceeds from sale of capital assets	(36)	(248)
Expenditure on capital assets	27 307	12 472
Surrenders to Revenue Fund	(93 639)	(132 872)
Own revenue included in appropriation	9 859	21 481
Other non-cash items	-	-
Net cash flow generated by operating activities	28 002	5 768

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

	2019/20	2018/19
	R'000	R'000
Consolidated Paymaster General account	2 929	1 634
Total	2 929	1 634

14. Contingent liabilities and contingent assets

14.1 Contingent liabilities

	Note	2019/20	2018/19
	14	R'000	R'000
Liable to Nature			
Claims against the department			
IT Help desk System	Annex 3B	3 962	3 962
Total		3 962	3 962

15. Commitment

Due to the changes in the Accounting Policy (MCS), we are required to disclose Capital Commitment only during the financial year under review; Provincial Treasury does not have Capital Commitments for the year under review.

VOTE 03: PROVINCIAL TREASURY
NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2020

16. Accruals and payables not recognised

16.1 Accruals

	2019/20		2018/19
	R'000		R'000
Listed by economic classification			
	30 Days	30+ Days	Total
Goods and services	2 960	-	2 960
Other	179	-	1 093
Total	3 139	-	2 871

	Note	2019/20	2018/19
	16	R'000	R'000
Listed by programme level			
Administration		2 996	1 812
Sustainable Resource Management		60	317
Assets and Liabilities Management		54	340
Financial Governance		29	402
Total		3 139	2 871

Other Accruals relates to Salary related submissions for the financial year under review

16.2 Payables not recognised

	2019/20		2018/19
	R'000		R'000
Listed by economic classification			
	30 Days	30+ Days	Total
Goods and services	95	-	130
Other	-	-	-
Total	95	-	130

	Note	2019/20	2018/19
	16	R'000	R'000
Listed by programme level			
Administration		50	14
Sustainable and Liabilities Management		-	11
Assets and Liabilities Management		27	17
Financial Management		18	88
Total		95	130

Included in the above totals are the following:

Confirmed balances with other departments

	Note	2019/20	2018/19
	Annex 5	R'000	R'000
Total		26	71

VOTE 03: PROVINCIAL TREASURY
NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2020

17. Employee benefits

	Note	2019/20	2018/19
	17	R'000	R'000
Leave entitlement		11 609	9 878
Service bonus		5 280	4 942
Performance awards		3 144	6 488
Capped leave		9 425	9 201
Other		116	219
Total		29 574	30 728

Other is a provision of long service award of officials that will complete **20** and **30** years of service in the next twelve months. Currently it is impractical to determine the long-term portion for the long service award as the amounts are determined by DPSA each financial year.

Leave entitlement includes negative leave with an amount of **R 85 542.38**

18. Lease commitments

18.1 Operating leases

2019/20	Specialised military equipment	Land	Buildings and other fixed structures	Machinery and equipment	Total
	R'000	R'000	R'000	R'000	R'000
Not later than 1 year	-	-	5 178	1 143	6 321
Later than 1 year and not later than 5 years	-	-	22 427	809	23 236
Later than five years	-	-	31 921	-	31 921
Total lease commitments	-	-	59 526	1 952	61 478

2018/19	Specialised military equipment	Land	Buildings and other fixed structures	Machinery and equipment	Total
	R'000	R'000	R'000	R'000	R'000
Not later than 1 year	-	-	701	1 163	1 864
Later than 1 year and not later than 5 years	-	-	660	755	1 415
Later than five years	-	-	-	-	-
Total lease commitments	-	-	1 361	1 918	3 279

VOTE 03: PROVINCIAL TREASURY
NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2020

19. Accrued departmental revenue

	Note	2019/20	2018/19
	19	R'000	R'000
Transactions in financial assets and liabilities		621	532
Total		621	532

19.1 Analysis of accrued departmental revenue

	Note	2019/20	2018/19
	19	R'000	R'000
Less: amounts received		532	406
Add: Amounts Recognised		89	126
Closing balance		621	532

20. Irregular expenditure

20.1 Reconciliation of irregular expenditure

	Note	2019/20	2018/19
	20	R'000	R'000
Opening balance		4 800	-
Prior period error		-	-
As restated		4 800	-
Add: Irregular expenditure – relating to prior year		-	-
Add: Irregular expenditure – relating to current year		-	4 800
Less: Prior year amounts condoned		(1 326)	-
Less: Current year amounts condoned		-	-
Less: Prior year amounts not condoned and removed		-	-
Less: Current year amounts not condoned and removed		-	-
Less: Amounts recoverable (current and prior year)		-	-
Less: Amounts written off		-	-
Closing balance		3 474	4 800

Analysis of awaiting condonation per age classification

Current year	-	4 800
Prior years	3 474	-
Total	3 474	4 800

VOTE 03: PROVINCIAL TREASURY
NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2020

20.2 Details of irregular expenditure condoned

Incident	Condoned by (relevant authority)	2019/20 R'000
Procurement of VIP Vehicle	Yes by Provincial Treasury	1 326
Total		1 326

21. Related Party Transactions

During the financial year 2019/20, Provincial Treasury occupied Nokuthula Simelane Building (Number Four (4)), Upper and Lower Ground levels in the Riverside Government Complex, a service provided by the Department of Public Works, Roads and Transport free of charge.

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

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

22. Key management personnel

	No. of Individuals	2019/20 R'000	2018/19 R'000
Officials:			
Level 15 to 16: Head: Provincial Treasury	1	15	1 523
Level 14(incl. CFO if at a lower level)	10	12 608	11 697
Chief Financial Officer		1 154	1 082
CD: Financial Governance		1 516	1 423
CD: Sustainable Resource Management		1 516	1 275
CD: Asset and Liabilities Management		1 249	1 219
Director : Legal Services		1 450	1 358
Director: Communication		1 275	1 200
Director: Corporate Services		1 263	1 098
Director: Planning		1 172	1 142
Director: Internal Audit		1 263	1 200
Chief Risk Officer		750	700
Total		12 623	13 220

The Key Management Personnel for the financial year under review is less due to the expenditure for the Head of Provincial Treasury being **R 15** thousand against the **R 1 523** million for the previous financial year. The **R 15** thousand is for the Non-Pensionable Allowances for the Head Provincial Treasury and the other total compensation of employees for the Head Provincial Treasury is reported by the Department of Education.

VOTE 03: PROVINCIAL TREASURY
NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2020

23. Provisions

	<i>Note</i>	2019/20	2018/19
	23	R'000	R'000
Operating leases escalation price		-	-
Total		-	-

23.1 Reconciliation of movement in provisions – 2018/19

	Provision 1	Provision 2	Provision 3	Provision 4	Total provisions
	R'000	R'000	R'000	R'000	R'000
Opening balance	-	64	-	-	64
Settlement of provision	-	(64)	-	-	(64)
Closing balance	-	-	-	-	-

24. Non-adjusting events after reporting date

Early in 2020 the World Health Organisation (WHO) declared the COVID-19 outbreak as a global pandemic and in response to this, the Honourable President of South Africa announced the declaration of a national state of disaster on the 15th March 2020. These developments occurred at the end of the 2019/20 financial year. Although a number of institutions / departments have been severely affected by these developments, the Mpumalanga Provincial Treasury has not experienced any difficulties in this regard due to continued funding support from Provincial and National Treasury budget allocation.

25. Movable Tangible Capital Assets

MOVEMENT IN MOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2020

	Opening balance	Value adjustments	Additions	Disposals	Closing Balance
	R'000	R'000	R'000	R'000	R'000
MACHINERY AND EQUIPMENT	60 039	-	27 023	729	86 333
Transport assets	6 421	-	1 974	-	8 395
Computer equipment	45 261	-	24 658	714	69 205
Furniture and office equipment	4 498	-	116	8	4 606
Other machinery and equipment	3 859	-	275	7	4 127
TOTAL MOVABLE TANGIBLE CAPITAL ASSETS	60 039	-	27 023	729	86 333

VOTE 03: PROVINCIAL TREASURY
NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2020

25.1. Additions

ADDITIONS TO MOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2020

	Cash	Non-cash	(Capital Work in Progress current costs and finance lease payments)	Received current, not paid (Paid current year, received prior year)	Total
	R'000	R'000	R'000	R'000	R'000
MACHINERY AND EQUIPMENT	27 023	-	-	-	27 023
Transport assets	1 974	-	-	-	1 974
Computer equipment	24 658	-	-	-	24 658
Furniture and office equipment	116	-	-	-	116
Other machinery and equipment	275	-	-	-	275
TOTAL ADDITIONS TO MOVABLE TANGIBLE CAPITAL ASSETS	27 023	-	-	-	27 023

25.2 Disposals

DISPOSALS OF MOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2020

	Sold for cash	Non-cash disposal	Total disposals	Cash Received Actual
	R'000	R'000	R'000	R'000
MACHINERY AND EQUIPMENT	729	-	729	36
Transport assets	-	-	-	-
Computer equipment	714	-	714	20
Furniture and office equipment	8	-	8	10
Other machinery and equipment	7	-	7	6
TOTAL DISPOSAL OF MOVABLE TANGIBLE CAPITAL ASSETS	729	-	729	36

VOTE 03: PROVINCIAL TREASURY
NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2020

25.3 Movement for 2018/19

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

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

26. Minor assets

26.1 MOVEMENT IN MINOR ASSETS PER THE ASSET REGISTER FOR THE YEAR ENDED AS AT 31 MARCH 2020

	Specialised military assets	Intangible assets	Heritage assets	Machinery and equipment	Biological assets	Total
	R'000	R'000	R'000	R'000	R'000	R'000
Opening balance	-	-	-	6 579	-	6 579
Value adjustments	-	-	-	-	-	-
Additions	-	-	-	37	-	37
Disposals	-	-	-	26	-	26
TOTAL MINOR ASSETS	-	-	-	6 590	-	6 590

	Specialised military assets	Intangible assets	Heritage assets	Machinery and equipment	Biological assets	Total
Number of R1 minor assets	-	-	-	3	-	3
Number of minor assets at cost	-	-	-	3 255	-	3 255
TOTAL NUMBER OF MINOR ASSETS	-	-	-	3 258	-	3 258

VOTE 03: PROVINCIAL TREASURY
NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2020

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

	Specialised military assets	Intangible assets	Heritage assets	Machinery and equipment	Biological assets	Total
Opening balance	-	13	-	6 680	-	6 693
Prior period error	-	-	-	-	-	-
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 R1 minor assets	-	-	-	-	-	-
Number of minor assets at cost	-	-	-	3 260	-	3 260
TOTAL NUMBER OF MINOR ASSETS	-	-	-	3 260	-	3 260

27. Intangible Capital Assets

MOVEMENT IN INTANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2020

	Opening balance	Value adjustments	Additions	Disposals	Closing Balance
	R'000	R'000	R'000	R'000	R'000
SOFTWARE	104	-	284	-	388
TOTAL INTANGIBLE CAPITAL ASSETS	104	-	284	-	388

VOTE 03: PROVINCIAL TREASURY
NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2020

27.1 Additions

ADDITIONS TO INTANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2020

	Cash	Non-Cash	(Develop-ment work in progress – current costs)	Received current year, not paid (Paid current year, received prior year)	Total
	R'000	R'000	R'000	R'000	R'000
SOFTWARE	284	-	-		284
TOTAL ADDITIONS TO INTANGIBLE CAPITAL ASSETS	284	-	-	-	284

27.2 Movement for 2018/19

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

	Opening balance	Prior period error	Additions	Disposals	Closing Balance
	R'000	R'000	R'000	R'000	R'000
SOFTWARE	4 968	-	-	4 864	104
TOTAL INTANGIBLE CAPITAL ASSETS	4 968	-	-	4 864	104

28. Immovable Tangible Capital Assets

MOVEMENT IN IMMOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2020

	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

VOTE 03: PROVINCIAL TREASURY
NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2020

28.1 Movement for 2018/19

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

	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

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

	2019/20							2018/19	
NAME OF MUNI- CIPALITY	GRANT ALLOCATION				TRANSFER			Division of Revenue Act	Actual 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	15	-	7	22	22	-	-	-	16
TOTAL	15	-	7	22	22	-	-	-	16

30. BROAD BASED BLACK ECONOMIC EMPOWERMENT PERFORMANCE

Information on compliance with the B-BBEE Act is included in the annual report under the section titled B-BBEE Compliance Performance Information.

VOTE 3: PROVINCIAL TREASURY
UNAUDITED ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2020

ANNEXURE 1B

STATEMENT OF TRANSFERS TO DEPARTMENTAL AGENCIES AND ACCOUNTS

DEPARTMENTAL AGENCY/ ACCOUNT	TRANSFER ALLOCATION				TRANSFER		2018/19
	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
SABC	2	-	-	2	2	100%	2
Finance and Accounting Service Sector, Education and Training	633	-	-	633	633	100%	581
TOTAL	635	-	-	635	635	-	583

ANNEXURE 1G

STATEMENT OF TRANSFERS TO HOUSEHOLDS

HOUSEHOLDS	TRANSFER ALLOCATION				EXPENDITURE		2018/19
	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	705	-	-	705	705	100%	1 062
Total	705	-	-	705	705	-	1 062

VOTE 3: PROVINCIAL TREASURY
UNAUDITED ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2020

ANNEXURE 3B

STATEMENT OF CONTINGENT LIABILITIES AS AT 31 MARCH 2020

Nature of Liability	Opening Balance 1 April 2019	Liabilities incurred during the year	Liabilities paid/ cancelled/ reduced during the year	Liabilities recoverable (Provide details hereunder)	Closing Balance 31 March 2020
	R'000	R'000	R'000	R'000	R'000
Claims against the department					
Columbus Technology	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 2019/20	
	31/03 2020	31/03 2019	31/03 2020	31/03 2019	31/03 2020	31/03 2019	Payment date up to six (6) working days before year end	Amount
	R'000	R'000	R'000	R'000	R'000	R'000		R'000

DEPARTMENTS


Current

Department of Education	26	71	-	-	26	71		
TOTAL	26	71	-	-	26	71	-	-

Mpumalanga Provincial Treasury
Private Bag X 11205 | Mbombela | 1200
No. 7 Government Boulevard | Nokuthula Simelane Building
Upper and Lower Ground | Riverside Park | Mbombela

Tel: +27 13 766 4437 | Fax: 013 766 9449

 **Twitter:** @MPTreasury

 **Facebook:** Mpumalanga Provincial Treasury

 **Website:** <http://treasury.mpg.gov.za>



provincial treasury
MPUMALANGA PROVINCE
REPUBLIC OF SOUTH AFRICA

