

KWAZULU-NATAL OFFICE OF THE PREMIER

ANNUAL REPORT



2021/2022

FINANCIAL YEAR



KWAZULU-NATAL PROVINCE
OFFICE OF THE PREMIER
REPUBLIC OF SOUTH AFRICA



**GROWING
KWAZULU-NATAL
TOGETHER**



CONTENTS

| | |
|--|-----------|
| PART A: GENERAL INFORMATION | 5 |
| 1. DEPARTMENT GENERAL INFORMATION..... | 5 |
| 2. LIST OF ABBREVIATIONS/ACRONYMS | 6 |
| 3. FOREWORD BY THE PREMIER | 7 |
| 4. REPORT OF THE ACCOUNTING OFFICER..... | 9 |
| 5. STATEMENT OF RESPONSIBILITY AND CONFIRMATION OF ACCURACY..... | 33 |
| 6. STRATEGIC OVERVIEW | 34 |
| 6.1. VISION..... | 34 |
| 6.2. MISSION..... | 34 |
| 6.3. VALUES | 34 |
| 7. LEGISLATIVE AND OTHER MANDATES..... | 35 |
| 8. ORGANISATIONAL STRUCTURE..... | 39 |
| PART B: PERFORMANCE INFORMATION | 40 |
| 1. AUDITOR GENERAL'S REPORT: PREDETERMINED OBJECTIVES | 41 |
| 1. PERFORMANCE INFORMATION BY PROGRAMME..... | 42 |
| 1.1 PROGRAMME 1: ADMINISTRATION..... | 42 |
| 1.2 PROGRAMME 2: INSTITUTIONAL DEVELOPMENT | 46 |
| 1.3 PROGRAMME 3: POLICY AND GOVERNANCE | 56 |
| REPORTING ON THE INSTITUTIONAL RESPONSE TO THE COVID-19 PANDEMIC | 64 |
| PART C: GOVERNANCE..... | 65 |
| 1. INTRODUCTION..... | 66 |
| 2. RISK MANAGEMENT | 66 |
| 7. PORTFOLIO COMMITTEES | 69 |
| 8. SCOPA RESOLUTIONS..... | 70 |
| 9. PRIOR MODIFICATIONS TO AUDIT REPORTS | 97 |
| 10. INTERNAL CONTROL UNIT | 99 |
| 11. AUDIT COMMITTEE REPORT..... | 100 |
| 12. BBBEE COMPLIANCE..... | 104 |

| | |
|---|------------|
| PART D: HUMAN RESOURCE MANAGEMENT..... | 105 |
| 1. INTRODUCTION..... | 106 |
| 2. OVERVIEW OF HUMAN RESOURCES..... | 106 |
| 3. HUMAN RESOURCES OVERSIGHT STATISTICS..... | 107 |
| 3.1 PERSONNEL RELATED EXPENDITURE..... | 108 |
| 3.2 EMPLOYMENT AND VACANCIES..... | 110 |
| 3.3 FILLING OF SMS POST..... | 113 |
| 3.4 JOB EVALUATION..... | 115 |
| 3.5 EMPLOYMENT CHANGES..... | 117 |
| 3.6 EMPLOYMENT EQUITY | 121 |
| 3.7 SIGNING OF PERFORMANCE AGREEMENTS BY SENIOR MANAGEMENT SERVICES MEMBERS..... | 126 |
| 3.8 PERFORMANCE REWARDS | 127 |
| 3.9 FOREIGN WORKERS | 130 |
| 3.10 LEAVE UTILISATION..... | 131 |
| 3.11 HIV/AIDS & HEALTH PROMOTION PROGRAMMES | 133 |
| 3.12 LABOUR RELATIONS | 135 |
| 3.13 SKILLS DEVELOPMENT..... | 137 |
| 3.14 INJURY ON DUTY | 138 |
| 3.15 UTILIZATION OF CONSULTANTS..... | 139 |
| 3.16 SEVERANCE PACKAGES..... | 140 |
| PART E: FINANCIAL INFORMATION..... | 142 |
| 1. REPORT OF THE AUDITOR GENERAL..... | 143 |
| ANNEXURE - AUDITOR-GENERAL'S RESPONSIBILITY FOR THE AUDIT..... | 147 |
| 2. ANNUAL FINANCIAL STATEMENTS..... | 149 |



PART A
GENERAL INFORMATION

1. GENERAL INFORMATION



PHYSICAL ADDRESS

Moses Mabhida Building
300 Langalibalele Street
Pietermaritzburg, 3200



POSTAL ADDRESS

Private Bag X 9037
Pietermaritzburg, 3201



TELEPHONE NUMBER:

033 341 3300



FAX NUMBER:

033 341 3342



EMAIL ADDRESS:

info@kznpremier.gov.za



WEBSITE ADDRESS:

<http://www.kznonline.gov.za/>



2. LIST OF ABBREVIATIONS/ACRONYMS

| | | |
|-----|---------------|---|
| 1. | AGSA | Auditor General of South Africa |
| 2. | AO | Accounting Officer |
| 3. | APP | Annual Performance Plan |
| 4. | AWG | Action Work Group |
| 5. | BBBEE | Broad Based Black Economic Empowerment |
| 6. | CFO | Chief Financial Officer |
| 7. | COHOD | Committee of Heads of Departments |
| 8. | DG | Director-General |
| 9. | DPSA | Department of Public Service and Administration |
| 10. | EU | European Union |
| 11. | HOD | Head of Department |
| 12. | HR | Human Resources |
| 13. | ICT | Information and Communication Technology |
| 14. | IGR | Inter-Governmental Relations |
| 15. | MEC | Member of Executive Council |
| 16. | MTEF | Medium Term Expenditure Framework |
| 17. | MTSF | Medium Term Strategic Framework |
| 18. | ODA | Overseas Donor Assistance |
| 19. | OMF | Operations Management Framework |
| 20. | OTP | Office of The Premier |
| 21. | PAA | Public Audit Act |
| 22. | PARMED | Medical Aid Scheme |
| 23. | PERSAL | Personal and Salary Administration System |
| 24. | PFMA | Public Finance Management Act |
| 25. | PGDS | Provincial Growth Development Strategy |
| 26. | PPE | Personal Protective Equipment |
| 27. | PPSTA | Provincial Public Service Training Academy |
| 28. | RMTSF | Revised Medium Term Strategic Framework |
| 29. | SCM | Supply Chain Management |
| 30. | SDIP | Service Delivery Improvement Plan |
| 31. | SEIAS | Socio-Economic Impact Assessment System |
| 32. | SITA | State Information Technology Agency |
| 33. | SMME | Small Medium and Micro Enterprises |
| 34. | SMS | Senior Management Staff |
| 35. | TR | Treasury Regulations |
| 36. | ZRHT | Zulu Royal House Trust |

3. FOREWORD BY THE PREMIER



NOMUSA DUBE-NCUBE

PREMIER

KWAZULU-NATAL PROVINCIAL GOVERNMENT

We look back to the 2021/2022 financial year, buoyed by the achievement of our provincial government that saw the attainment of a record 7 clean audits.

The Office of the Premier has recorded its first clean audit in history.

This crowned the end of a challenging year, and best illustrates the spirit of our resilience, ethical leadership and the result of a common purpose agenda that was led by the Office of the Premier and the Provincial Treasury.

In that way what started as a challenging year has become a feather in the cap of the government of KwaZulu-Natal as we turned adversity into opportunity.

The beginning of the 2021/2022 financial year became rather significant in the life of the Sixth Administration due to unexpected challenges that were laid at the door of our province.

Chief among these was the sad demise of our beloved king His Majesty Zwelithini kaBhekuzulu in March followed by Her Majesty Regent Mantfombi Dlamini Zulu's passing in April.

As if this was not enough, a few months later our province found itself deep in the middle of the July 2021 civil unrest. Allied to the unfolding impact of the COVID-19 pandemic, this presented a unique set of challenges to KwaZulu-Natal which did not exist elsewhere in the country. We however remained joined at the hip with the rest of South Africa as we were battered by the negative effects of a global economy recovering from COVID-19.

We are pleased however that our government did not shirk from its responsibilities, we embraced these adversities and tapped their potential for a restart, reengagement and a reset of our economy. We took to battle to shield our most vulnerable from the worst impact by providing social nets and support to individuals and businesses.



As declared by His Excellency President Cyril Ramaphosa in 2021 our country identified the urgent priorities of Defeating the Coronavirus pandemic; Accelerating Economic Recovery; Implementing economic reforms for sustainable jobs and inclusive growth and fighting corruption and strengthening the capacity of the State.

In KwaZulu-Natal we focused on Fighting the Coronavirus; Re-igniting economic recovery and job creation; Building Social Cohesion, Fighting Crime and Corruption; Delivering Basic Services in particular Water; Building a Capable and Ethical Development State.

Rolling out the Economic Reconstruction and Recovery Plan we sought to fast-track infrastructure development, and to create jobs while managing our economy prudently and without fraud and corruption.

In this regard we directed that procurement spend is targeted at women, youth and the disabled. One of these highlights was to launch the KZN Youth Empowerment Fund with R50m, aiming to double it to R100 million the following year.

We worked to attract inward investment into our economy by engaging the diplomatic community and reassuring them that KwaZulu-Natal is open for business to lift our economy while creating much-needed jobs and addressing poverty. New sectors with huge potential included developing our competitive edge in the Blue and Green Economies which continued to hold massive potential for our province.

Work in the provision of shelter and human settlements, maintenance of roads and bridges, agricultural hubs and industrial development zones were key to the facilitation of entrepreneurship and economic growth in the province.

The Office of the Premier achieved 94% of its targets in the 2021/22 financial year. We extend appreciation to all staff and officials led by the Director-General Dr Nonhlanhla Mkhize for this achievement. We are determined to accelerate the tempo and achieving 100% of our targets with impact and value for money. The fundamentals are in place for enhanced efficiency and string internal control systems to improve on our performance.

We remain firm on our path of the National Development Plan 2030 (NDP) and the Provincial Growth and Development Plan (PGDP), and the Provincial Growth and Development Strategy to ensure the realisation of our development objectives. We congratulate the entire provincial government the Provincial Executive Council, the Director General and Heads of Departments for going through what was a difficult year, indeed *“Together we will grow KwaZulu-Natal”*.

Ambassador: Nomusa Dube-Ncube
Premier of KwaZulu-Natal

31 AUGUST 2022

4. REPORT OF THE ACCOUNTING OFFICER



DR NONHLANHLA O MKHIZE

DIRECTOR - GENERAL

KWAZULU-NATAL PROVINCIAL GOVERNMENT

INTRODUCTION

The Annual Report of the Office of the Premier illustrates the activities of the department during the 2021/22 financial year as it strives towards implementing its vision “Growing Kwa-Zulu Natal together”. It provides the people of KwaZulu-Natal with an opportunity to assess the progress made by the Office of the Premier in the 2021/22 financial year in its effort to serve its people.

The report also endeavours to demonstrate the departments’ role as it delivers on its constitutional mandate Section 125 (1) of the Constitution of the Republic of South Africa, 1966 (Act 108 of 1966) as amended.

1. GENERAL REVIEW OF THE STATE OF FINANCIAL AFFAIRS

The Office of the Premier spent 93% of the appropriated budget of R810,240 million. The expenditure amounted to R754,197 million, resulting in a total under spending of R56,043 million at the financial year end. The table below reflects the appropriation of funds and spending against each Programme.

| Programme | Final Budget 2021/22 | Actual Expenditure: 31 March 2022 | Variance | % Spent |
|-----------------------------------|-------------------------|---|---------------|------------|
| | R'000 | R'000 | R'000 | R'000 |
| Prog 1: Administration | 205 334 | 187 248 | 18 086 | 91% |
| Prog 2: Institutional Development | 420 412 | 404 610 | 15 802 | 96% |
| Prog 3: Policy and Governance | 184 494 | 162 339 | 22 155 | 88% |
| TOTAL | 810 240 | 754 197 | 56 043 | 93% |

Programme 1: Administration

The expenditure for Programme 1: Administration amounted to R187,248 million and this amount is represented as 91% spent against a budget of R205,334 million. The total underspending for Programme 1 amounted to R18,086 million and was mainly due to the following reasons:

- *Compensation of Employees* was underspent by R10,296 million mainly as a result of an amount of R8 million that was allocated as additional funding to the Department for the wage increments. These funds were not utilized as the wage increments were covered from savings

derived from early retirements as well as due to posts that were filled later than originally anticipated. In respect of the six posts that were approved for filling, three posts were filled during the year, two posts are awaiting DPSA concurrence and one post was re-advertised.

- *Goods and Services* was underspent by R7,7 million primarily due to travel expenses, catering for meetings as well as other administrative expenses that had been greatly reduced due to more virtual meetings taking place as a result of the COVID-19 pandemic and the national lockdown regulations. The underspending was also attributed to IDA accounts in respect of building leases that were not received from the Department of Public Works.
- *Transfers and Subsidies* was underspent by R79 thousand primarily due to a reduction in PARMED claims for retired parliamentarians as a result of natural attrition.
- *Payments for Capital Assets* was underspent by a minimal amount of R9 thousand.

Programme 2: Institutional Development

The expenditure for Programme 2: Institutional Development amounted to R404,610 million and this amount is represented as 96% spent against a budget of R420,412 million. The total underspending for Programme 2 amounted to R15,802 million and was mainly due to the following reasons:

- *Compensation of Employees* was underspent by R7,702 million mainly as a result of early retirements as well as due to posts that were either filled later than originally anticipated or were still undergoing recruitment processes by the financial year end. In respect of the fourteen posts that were approved for filling, eight posts were filled during the year, four posts are awaiting DPSA concurrence and two Information Technology Director posts were advertised during March 2022. In addition, the Undergraduate Programme was finalized late in March 2022 due to the programme being redesigned to cater for a wider field of graduates.
- *Goods and Services* was underspent by R6,892 million primarily due to the outsourcing of Forensic Investigations that could not be finalized due to challenges experienced with obtaining suitable service providers. In addition, the Youth Day event was hosted by national department, therefore minimal costs were incurred by the Department. Events such as the Human Rights Day and the International Day for People with Disabilities, amongst other human rights campaigns and outreach programmes were scaled down due to the national lockdown regulations.
- *Transfers and Subsidies* was underspent by R1,195 million mainly due to the lower intake of students in respect of external bursaries.
- *Payments for Capital Assets* was underspent by a minimal amount of R13 thousand.

Programme 3: Policy and Governance

The expenditure for Programme 3: Policy and Governance amounted to R162,339 million and this amount is represented as 88% spent against a budget of R184,494 million. The total underspending for Programme 3 amounted to R22,155 million and was mainly due to the following reasons:

- *Compensation of Employees* was underspent by R1,116 million mainly as a result of early retirements as well as due to posts that were filled later than originally anticipated. In respect of the six posts that were approved for filling, three posts were filled during the year, two posts are awaiting DPSA concurrence and one post, namely the Chief Director: Monitoring and Evaluation post is undergoing recruitment processes.
- *Goods and Services* was underspent by R21,002 million mainly due to stakeholder engagements that were scaled down as a result of the national lockdown regulations. In addition, the Royal Household events were put on hold due to the challenges encountered with the succession of the new King following the passing away of the former, His Majesty the King. The underspending was also attributed to the late conclusion of the integrated monitoring and evaluation system that was aimed at providing credible data and an evidence base against indicators and targets in a single plan. The bulk of the furniture for the OSS War rooms was delivered and paid for during 2021/22. However, some furniture could not be delivered as a result of stock shortages.
- *Payments for Capital Assets* was underspent by a minimal amount of R37 thousand.

Virement of Funds:

Programme 1 and Programme 2 were decreased by R8,902 million and R4,210 million, respectively, and a total amount of R13,112 million was transferred to Programme 3. This virement of funds is explained in detail against each Programme, further below.

| | Adjusted Budget 2021/22 | Shifting of Funds | Virement | Final Budget 2021/22 |
|-----------------------------------|-------------------------|-------------------|----------|----------------------|
| | R'000 | R'000 | R'000 | R'000 |
| Prog 1: Administration | 214 236 | 0 | (8 902) | 205 334 |
| Prog 2: Institutional Development | 424 622 | 0 | (4 210) | 420 412 |
| Prog 3: Policy and Governance | 171 382 | 0 | 13 112 | 184 494 |
| TOTAL | 810 240 | 0 | 0 | 810 240 |

a) Shifting of Funds:

Funds were shifted within *Compensation of Employees* to rectify the budget due to shortfalls arising from the wage increments. The purpose of these funds remained the same and were shifted across all sub-programmes within Programme 1 and are therefore only reflected in further detail on the attached Annexure A as well as in the Appropriation Statement of the 2021/22 Annual Financial Statements.



b) Virement of Funds:

Programme 1 was decreased by a net amount of R8,902 million, as follows:

- *Compensation of Employees* was reduced by R7 million as a result of savings derived from staff exits as well as due to vacant funded posts that were filled later than originally anticipated. In respect of the six posts that were approved for filling, three posts were filled during the year, two posts were still awaiting DPSA concurrence and one post was re-advertised.

The savings of R7 million were moved to *Transfers and Subsidies* under Programme 3, against the Royal Household sub-programme to cover urgent fencing repairs at the Royal Palaces that had to be prioritized, due to the high security risk posed by the deteriorated fences. Provincial Treasury approval was obtained for the final virement of funds to increase the transfer payment to the Zulu Royal Household Trust (ZRHT).

- *Goods and Services* was reduced by R4,857 million as a result of savings derived from travel expenses, catering for meetings as well as other administrative expenses that had been greatly reduced due to more virtual meetings taking place as a result of the COVID-19 pandemic and the national lockdown regulations. Activities such as the State of the Province Address and the implementation of the IGR Strategy through community engagements, workshops and other stakeholder platforms were also scaled down to comply with the national lockdown regulations.

The savings of R4,857 million were moved as follows:

- o An amount of R1,812 million was moved to *Payments for Capital Assets* under Programme 2, against the Information Communication Technology sub-programme for the purchase of tools of trade.
- o An amount of R3,045 million was moved to *Payments for Capital Assets* within Programme 1, against *Buildings and other fixed structures* (R2,325 million) for the security upgrades at Parkside Residence; and to *Machinery and Equipment* (R720 thousand) for office furniture that had been ordered in the prior financial year, for which, the rollover of funds was not approved by Provincial Treasury.
- *Transfers and Subsidies to: Households* was decreased by R142 thousand due to savings derived from reduced medical aid payments to PARMED for ex-parliamentarians. These savings were transferred within *Transfers and Subsidies to: Provinces and Municipalities* to cater for motor vehicle licences. The motor vehicle licence budget cannot be accurately budgeted for, as expenses are incurred only when the invoices are received from the Department of Transport.
- *Payments for Capital Assets* was increased by a net amount of R2,955 million, due to the following reasons:

- o *Buildings and other fixed structures* was increased by R4,230 million as a result of funds amounting to R2,325 million that was moved from *Goods and Services* and an amount of R1,905 million from Machinery and Equipment, within Programme 1 to cover the security upgrades at the Parkside Residence.
- o *Machinery and Equipment* was decreased by a net amount of R1,275 million, due to:
 - An amount of R1,905 million that was transferred to *Buildings and other Fixed Structures* for the security upgrades at the Parkside Residence; and
 - An amount of R90 thousand that was moved to Programme 2 for office furniture and equipment that had been ordered in the previous financial year and, for which, a rollover of funds was not approved by Provincial Treasury.
 - Mitigating the above decreases was an increase of R720 thousand that was moved from *Goods and Services*, within Programme 1, to cover the shortfall in respect of office furniture and equipment that had been ordered in the previous financial year and, for which, a rollover of funds was not approved.

Programme 2: Institutional Development:

a) Shifting of Funds:

Funds were shifted within *Compensation of Employees* to rectify the budget due to shortfalls arising from the wage increments. The purpose of these funds remained the same and were shifted across all sub-programmes within Programme 2 and are therefore only reflected in further detail on the attached Annexure A as well as in the Appropriation Statement of the 2021/22 Annual Financial Statements.

An amount of R1,794 million was shifted from *Goods and Services* and was moved to *Machinery and Equipment* in respect of Finance Leases, to separate cellphone subscriptions in terms of the cost of cell phones and the lease cost. The purpose of these funds remains the same and is therefore regarded as a shifting of funds.

b) Virement of Funds:

Programme 2 was decreased by a net amount of R4,210 million, as follows:

- *Compensation of Employees* was reduced by R5,250 million as a result of savings derived from staff exits as well as due to vacant funded posts that were filled later than originally anticipated. In respect of the fourteen posts that were approved for filling, eight posts were filled during the year, four posts are awaiting DPSA concurrence and two Information Technology Director posts were advertised during March 2022. In addition, the Undergraduate Programme was finalized late in March 2022 due to the programme being redesigned to cater for a wider field of graduates.



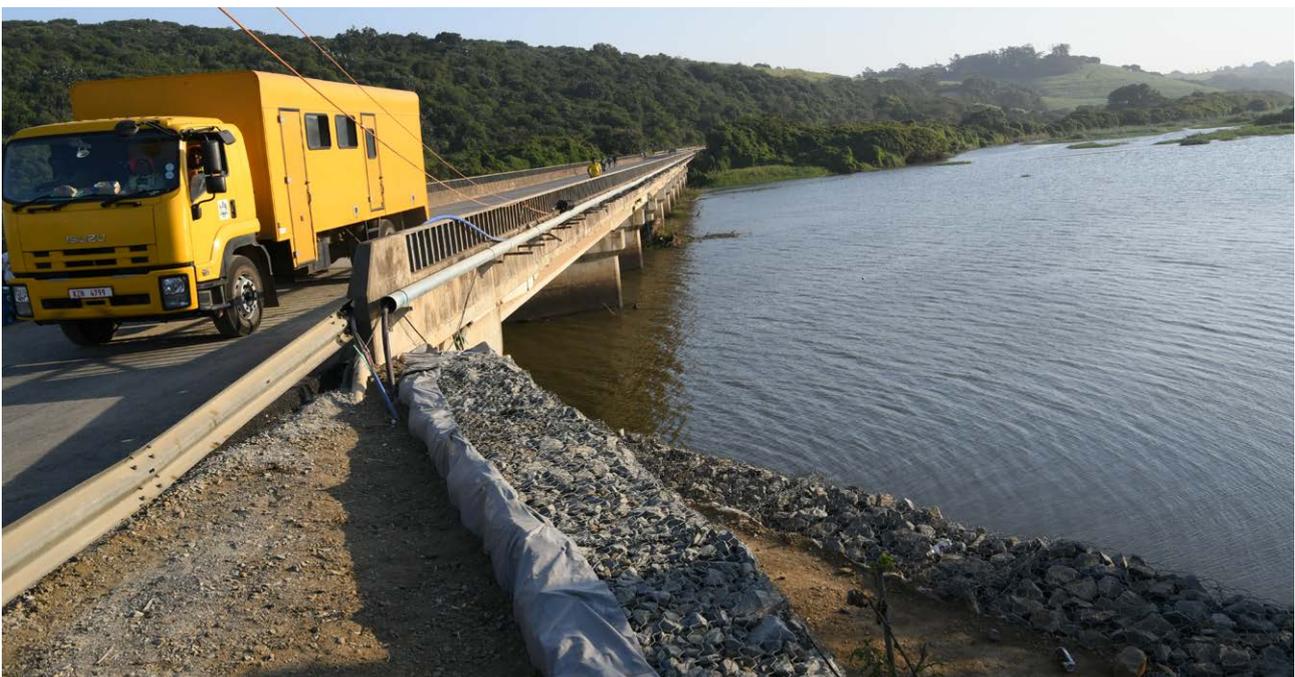
The savings of R5,250 million were moved to *Transfers and Subsidies* under Programme 3, against the Royal Household sub-programme to cover urgent fencing repairs at the Royal Palaces that had to be prioritized, due to the high security risk posed by the deteriorated fences. Provincial Treasury approval was obtained for the final virement of funds to increase the transfer payment to the Zulu Royal Household Trust (ZRHT).

- Savings were derived against *Goods and Services* as a result of travel expenses, catering for meetings as well as other administrative expenses that had been greatly reduced due to more virtual meetings taking place as a result of the COVID-19 pandemic and the national lockdown regulations. In addition, the outsourcing of Forensic Investigations could not be finalized due to challenges experienced with obtaining suitable service providers. Events such as the Youth Day event was hosted by the National Department of Sport, Arts and Culture therefore minimal costs were incurred by the Department. Events such as the Human Rights Day and the International Day for People with Disabilities, amongst other human rights campaigns and outreach programmes were also scaled down due to the national lockdown regulations.

The net savings of R454 thousand is made up as follows:

- o An amount of R454 thousand was moved to *Machinery and Equipment* within Programme 2 to cover the implementation of security services biometrics access systems at the Office of the Premier buildings.
- o In addition to the above transfer of funds, funds were moved within *Goods and Services* under Programme 2 amounting to R885 thousand to cover security services as well as investigations into Heads of Departments. Furthermore, an amount of R17,838 million was transferred from the Forensic Investigations and Integrity Management sub-programme (R10 million); the Special Programmes sub-programme (R2,838 million) and the Provincial Government Communication sub-programme (R5 million) and was allocated to the Information Communication Technology (ICT) sub-programme to cater for the implementation of the Digital Transformation Strategy projects.
- *Transfers and Subsidies to: Households* was decreased by R862 thousand due to savings derived from the Provincial Bursary Programme as a result of a lower intake of students. These savings were transferred to *Transfers and Subsidies to: Households* under Programme 3 to cover leave gratuity pay-outs in respect of staff exits emanating from resignations and early retirements.

- *Payments for Capital Assets* was increased by a net amount of R2,356 million, due to the following reasons:
 - o An amount of R454 thousand was transferred to *Machinery and Equipment* from *Goods and Services*, within Programme 2 to cover the implementation of security services biometrics access systems at the Office of the Premier buildings.
 - o An amount of R90 thousand was moved from Programme 1 to cover office furniture and equipment that had been ordered in the previous financial year and, for which, a rollover of funds was not approved by Provincial Treasury.
 - o An amount of R1,812 million was moved from Programme 1 to the Information Communication Technology (ICT) sub-programme for the purchase of tools of trade.





Programme 3: Policy and Governance:

a) Shifting of Funds:

Funds were shifted within *Compensation of Employees* to rectify the budget due to shortfalls arising from the wage increments. The purpose of these funds remained the same and were shifted across all sub-programmes within Programme 3 and are therefore only reflected in further detail on the attached Annexure A as well as in the Appropriation Statement of the 2021/22 Annual Financial Statements.

b) Virement of Funds:

Programme 3 was increased by a net amount of R13,112 million, as follows:

- *Compensation of Employees* was reduced by R4,7 million as a result of savings derived from staff exits as well as due to vacant funded posts that were filled later than originally anticipated. In respect of the six posts that were approved for filling, three posts were filled during the year, two posts are awaiting DPSA concurrence and one post, namely the Chief Director: Monitoring and Evaluation post is undergoing recruitment processes.

The savings of R4,7 million were moved to *Transfers and Subsidies* under Programme 3, against the Royal Household sub-programme to cover urgent fencing repairs at the Royal Palaces that had to be prioritized, due to the high security risk posed by the deteriorated fences. Provincial Treasury approval was obtained for the final virement of funds to increase the transfer payment to the Zulu Royal Household Trust (ZRHT).

- *Goods and Services* was reduced by R5,636 million as a result of savings derived from the Royal Household events such as the Reed Dance, First Fruits ceremony, the King Dinuzulu Prayer Day and the Nhliziyonye annual multi-denominational prayer day, among others that were put on hold due to the challenges encountered with the succession of the new King following the passing away of the former His Majesty, the King. These funds were moved within Programme 3 as follows:
 - o An amount of R171 thousand was moved to *Machinery and Equipment* to cover office furniture and equipment that had been ordered in the previous financial year and, for which, a rollover of funds was not approved by Provincial Treasury. An additional shortfall in this category was due to damaged gardening equipment that had to be replaced for the Royal Household.

- o An amount of R5,465 million was moved to *Transfers and Subsidies*, against the Royal Household sub-programme to cover the shortfall incurred on operational expenses by the Zulu Royal Household Trust (ZRHT) as a result of unanticipated expenses such as the hiring of vehicles for the Queens as well as the funeral expenses for the former His Majesty, the King and the former Her Majesty, the Queen. Provincial Treasury approval was obtained for the final virement of funds to increase the transfer payment to the Zulu Royal Household Trust (ZRHT).
- Transfers and Subsidies increased by an amount of R23,277 million and these funds were allocated as follows:
 - o An amount of R22,415 million was allocated to *Departmental Agencies and Accounts* to cover operational expenses (R5,465 million) and fencing repairs at the Royal Palaces (R16,950 million) for which Provincial Treasury approval was obtained to increase the transfer payment to the ZRHT.
 - o An amount of R862 thousand was allocated to *Households* to cater for leave gratuity payouts as a result of staff exits emanating from resignations and early retirements.
- *Machinery and Equipment* was increased by R171 thousand to cover office furniture and equipment (R149 thousand) that had been ordered in the previous financial year and, for which, a rollover of funds was not approved by Provincial Treasury. An additional shortfall (R22 thousand) in this category was due to damaged gardening equipment that had to be replaced for the Royal Household.

Revenue:

The Office of the Premier collected R1,144 million, represented as 82% of the revenue budget of R1,394 million, resulting in a total under-collection of R249 thousand. The table below reflects the revenue budget and revenue collection against each revenue category.

| Revenue Category | Revenue Budget 2021/22 | Actual Revenue as at 31 March 2022 | Variance (Over)/ Under | % Collected |
|--|---------------------------|---|------------------------------|----------------|
| | R'000 | R'000 | R'000 | % |
| Sales of goods and Services | 321 | 165 | 155 | 51% |
| Interest, dividends & rent on land | 1 | 5 | (4) | 500% |
| Sale of Capital Assets | 1,019 | 0 | 1,019 | 0% |
| Transactions in financial assets and liabilities | 53 | 974 | (921) | 1,837% |
| Total | 1,394 | 1,144 | 249 | 82% |



- **Sales of Goods and Services:**

Revenue received in this category relates to commission received on payroll deductions, tender fees, rental on state accommodation. The revenue collected on this item amounted to R166 thousand and was under collected by R155 thousand mainly due to a reduction in the collection of commission on PERSAL deductions, such as insurance premiums and garnishee orders.

- **Interest, dividends & rent on land:**

Interest was over collected by R4 thousand in respect of staff debts.

- **Sales of Capital Assets:**

No auction sale was held due to reduced travelling mainly as a result of the lockdowns imposed during the COVID -19 pandemic. Departmental vehicles had therefore not reached their mileage in order to be written-off before the financial year end.

- **Transactions in Financial Assets and Liabilities:**

An amount of R974 thousand is the net amount in terms of revenue collected for prior year recoveries such as staff debts in respect of salary reversals and breached bursary contracts.

Transfer Payments:

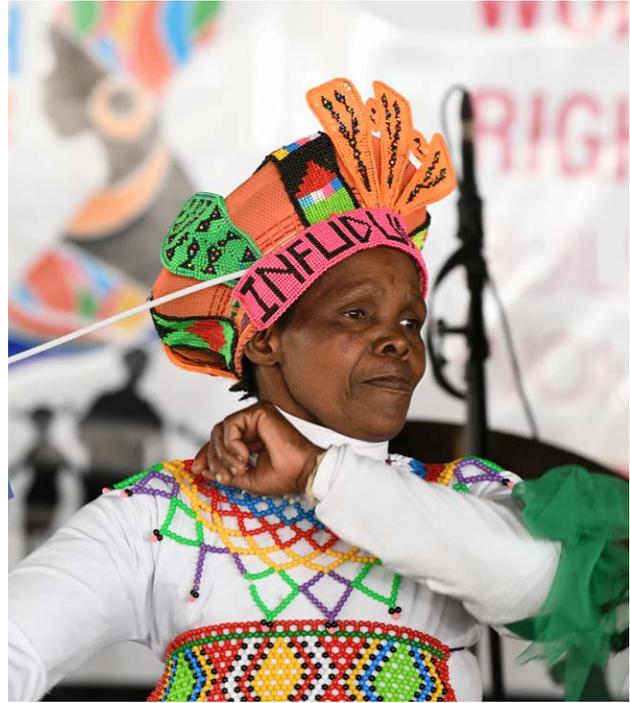
In accordance with Section 38 (1) (j) of the Public Finance Management Act, the Office of the Premier obtained written assurance, from institutions to which transfer payments were made, that effective, efficient and transparent financial management and internal control systems were implemented. For the financial year ending 31 March 2022, transfer payments were made as tabulated below:

| NAME OF INSTITUTION | AMOUNT TRANSFERRED | EXPENDITURE |
|---------------------------------|--------------------|-----------------|
| The Zulu Royal Household Trust | R46,163 million | R46,163 million |
| KwaZulu-Natal Growth Fund Trust | R50,000 million | - |

The Zulu Royal Household Trust

The Zulu Royal Household Trust was established in 2009 as an entity in terms of the KZN KwaZulu-Natal Royal Household Trust Act, 2007. It was repositioned through the enactment of the KwaZulu-Natal Zulu Royal House Trust Act, 2018 (Act No. 03 of 2018). The Zulu Royal Household Trust is responsible for operational costs in respect of the Royal Household.

The main appropriation budget was R23,748 million. Included in the main budget was also an amount of R2,505 million in respect of the capital infrastructure budget that was transferred to the Trust as this function normally resides with the Trust as per Legislation.



A post adjustment approval was obtained from Provincial Treasury to increase the transfer payment to the Zulu Royal Household Trust by R22,415 million. This amount is made up of R5,465 million that was required for operational expenses as a result of unanticipated expenses that were incurred during the financial year such as the funeral expenses for the former His Majesty, The King and the former Queen. In addition, an amount of R16,950 million was required for urgent repairs to the fencing at the Royal Palaces that was posing as a security risk.

Transfer payments totalling R46,163 million were therefore made to the Zulu Royal Household Trust by the financial year end.

IRREGULAR EXPENDITURE:

The irregular expenditure identified in the 2021/22 financial year is R874 thousands which was due to contract threshold exceeded. There has been a significant decrease of Irregular Expenditure in the 2021/22 financial year.

FRUITLESS AND WASTEFUL EXPENDITURE:

The Department has not recorded any fruitless and wasteful expenditure during 2021/22 financial year.

PUBLIC PRIVATE PARTNERSHIPS:

The Department has not entered Public Private Partnerships during the 2021/22 financial year.

DISCONTINUED ACTIVITIES / ACTIVITIES TO BE DISCONTINUED:

The Department did not discontinue any activities during the 2021/22 Financial year.



2. SERVICES RENDERED BY THE DEPARTMENT

The role of the Office of the Premier is to ensure that Provincial Government is coordinated, aligned and integrated and is providing sound governance and leadership with a firm focus on poverty eradication, community empowerment and radical economic transformation.

Programme 1: Administration

The mandate of Programme 1 is to provide administrative support to the Premier, Executive Council and the Director- General in fulfilling their legislative and oversight function and in promoting good governance. For 2021/22, a total of 7 out of 8 indicators implemented were achieved. This translated to 88% of targets achieved.

The target not met related to the review of 8 twinning agreements for the year. Due to restrictions posed by COVID-19 between countries, only 6 agreements were reviewed. The province will adopt a proactive approach and consult with foreign counterparts well in advance to review twinning agreements ahead. This will minimize risk posed by unforeseen incidents. Digital platforms will also be considered to facilitate interaction.

Programme 2: Institutional Development

The role of Programme 2 is to facilitate transformation of the public service and provide institutional development and support to the KwaZulu-Natal Provincial Government. For the year under review, 95% of targets (37 out of 39 indicators) were achieved.

One challenge was on the process of revitalization of the Training Academy, which was not finalized within set timeframes. This included review of the draft Strategy to incorporate models such as the OSS/DDM. This delayed implementation and related reporting.

The other challenge pertained to finalization of the Provincial Security Coordination Framework. Priority was given to the internal Security policy, which would set the tone for coordination and inform the provincial framework. The Framework was drafted and consulted with governance structures. Approval by the Executive Council is anticipated in the first quarter of 2022/23 and will guide subsequent implementation.

Programme 3: Policy and Governance

The purpose of Programme 3 is to improve and facilitate the coordination and alignment of the transversal policies, strategies, short- and long-term plans and programmes as well as the reporting and monitoring of these for the Provincial Government. The programme also provides a coordinating role for all provincial stakeholders.

During 2021/22, the programme achieved 95% of its targets (18 out of 19 indicators).

Stakeholder compacts for 5 sectors were not finalized as intended, to guide engagement among various stakeholders of government. Priority was given to the Economic sector, where the social compact was finalized and approved by the Premier. Implementation and monitoring for the remainder of 2021/22 focused on this sector. Compacts for other sectors will be addressed in 2022/23.

Entity Oversight

The Office of the Premier played the oversight role on the Entity (Zulu Royal House Trust) where quarterly reports were assessed and funds transferred accordingly. Most targets related to support His Majesty were not undertaken in 2021/22 as the new King had not been coronated by the end of the financial year.

3. CORPORATE GOVERNANCE ARRANGEMENTS

Policy Decisions

In terms of the alignment to the National Development Plan and Reviewed Medium-Term Strategic Framework (RMTSF) 2019-24, this office is aligned to the national and provincial priorities throughout all its plans.

The 2020-2021 was the first year of the new five - year strategic planning cycle, and implementation of the new National Framework for Strategic Planning. The 2021-2022 Plan continued to build on these deliverables.

The Office of the Premier also strengthened its mission statement to ensure the inclusion of vulnerable groups in the strategic mission of the Office of the Premier by including the mission of “*Co-ordinating provincial programmes to ensure the rights and empowerment of women, youth and persons with disabilities*”.

The Department at the onset of the 202-2025 Planning Cycle, adopted the following impact statement for the five-year term: Transformed, Capable Ethical Developmental Provincial Administration. It aspires to achieve the following outcomes by 2025:

Outcome 1: Improved governance & accountability

Outcome 2: Improved co-ordination, integration and efficiency in government

Outcome 3: Inclusive stakeholder engagement & improved partnerships

Outcome 4: Professional & ethical provincial administration

These were reaffirmed for the 2021-22 planning cycle and Medium-Term Expenditure Framework.



In the 2020-21 year the Premier indicated that the province were intensifying its efforts to improve audit outcomes, root out malfeasance, build social cohesion, and fight crime. In 2021-22 the Office of the Premier continued working towards this through the implementation of the approved KwaZulu-Natal Framework for Consequence Management to ensure that public servants are held accountable for their actions and in some cases inaction as we move to have a Province that is driven by good governance.

The organization embraced a technological culture and is utilising fourth industrial revolution principles to assist this office to improve co-ordination, integration and efficiency. The commencement of the development and monitoring of Social Compacts is aimed at cultivating social contracts that will enable increased economic growth and employment through inclusive stakeholder engagements and improved partnerships amongst the various sectors.

The Impact of COVID-19 was felt severely in the Province, coupled with the July unrest, reflected the need to strengthen our rapid response interventions and coordination, whilst also highlighting the need to strengthen our interventions to build a capable, ethical and developmental state. To this extent, in response to these challenges, the Training Academy successfully adjusted to offering on-line courses to ensure that public servants are capacitated through targeted training by the Provincial Training Academy. The development of an ethical provincial administration continued through these platforms, whilst also reviving the “I do Right Campaigns” as the restrictions were lifted towards the end of the financial year.

The Province not only suffered the devastating effects of the second and third waves of COVID-19, but also the extremities of the July unrest. Recovery Plans and implementation thereof remain key factors and enables include the embracing the fourth industrial revolution and ensuring the implementation of the Nerve Centre Optimisation strategy as well as playing our co-ordination role in the ensuring governance of ICT systems in all departments.

Strengthening our monitoring and evaluation capacity and systems commenced and will continue as a focus area for the next three years – working towards the Integrated Monitoring and Evaluation System for the Province. This will cover several key areas, including Policy Management through the implementation and monitoring of the Socio-Economic Impact Assessments; Monitoring of Priority Programmes, including Vulnerable Groups, Front-Line Service Delivery Interventions, Service Delivery complaints and related case management and monitoring, as well as progress in implementing the Medium Terms Strategic Framework and Provincial Growth and Development Strategy.

The Office of the Premier will continue to strengthen the entrenchment of the District Delivery Model through its integration with Operation Sukuma Sakhe and ensure that the process is supported and monitored as this remains a critical approach to encourage community participation and a ward level, whilst coordinating through the Districts.

The experiences last year echoed the need to address service delivery and, as per the State of the Province Address, this year will be marked by “Quickening the Tempo to Economic Recovery and Job Creation”.

Municipalities must be prioritising the delivery of basic services to the people, especially the provision of clean water and sanitation. Weakness need to be identified early at frontline service delivery points through Operation Siyahlola, to intervene on time to attend to service delivery challenges. The crime fighting campaign, Operation Vala, will go far in ensuring that we confront and make a dent in violent crime, gender-based violence and femicide, and the proliferation of drugs.

Poor performance and corruption remain key focus areas and to this extent a Consequence Management Framework has been developed to address poor performance and irregularities that are hindering progress. A consequence management framework was approved by the Executive Council to ensure that there is effective and uniform consequence management in the Office of the Premier and in other Departments.

The focus on National Priorities and electoral Mandate, as expressed through the Medium Term-Strategic Framework plans are transversal to the Office of the Premier by virtue of its Constitutional and Legislative mandates, and in particular in the context of its role to coordinate, legislate and provide strategic direction.

The MTSF 2019-2024 also includes the 7 Key Government Priorities, namely:

- Priority 1: Capable, ethical and developmental state
- Priority 2: Economic transformation and job creation
- Priority 3: Education, skills and health
- Priority 4: Consolidating social wage through reliable and basic services
- Priority 5: Spatial development, human settlements and local government
- Priority 6: Social cohesion and safe communities
- Priority 7: A better Africa and a better world

These have also been adopted as the key focus areas for the Province of KwaZulu-Natal through the formal adoption of the Provincial Growth and Development Strategy (PGDS 2021), by the Executive Council on 09 February 2022.

The approved PGDS also incorporates the, priorities been confirmed through the Premier’s Priorities from inauguration speech delivered by the Premier of KwaZulu-Natal, Mr Sihle Zikalala - 27 May 2019, as follows:

- Priority No.1 – Basic Services
- Priority No.2 – Job Creation



- Priority No 3 – Growing the Economy The MTSF 2019-2024 also includes the 7 Key Government Priorities, namely:
 - Priority 1: Capable, ethical and developmental state
 - Priority 2: Economic transformation and job creation
 - Priority 3: Education, skills and health
 - Priority 4: Consolidating social wage through reliable and basic services
 - Priority 5: Spatial development, human settlements and local government
 - Priority 6: Social cohesion and safe communities
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- Priority No.1 – Basic Services
- Priority No.2 – Job Creation
- Priority No 3 – Growing the Economy
- Priority No.4 – Growing SMMEs and Cooperative
- Priority No. 5 – Education and Skills Development
- Priority No. 6 – Human Settlement and sustainable livelihood
- Priority No. 7 – Build a Peaceful Province
- Priority No. 8 – Build a caring and incorruptible government

The Office of the Premier has a central role in leading the Provincial Administration in relation to Priority 1, Capable, Ethical and Developmental State, whilst also contributing to other priorities through its coordination and monitoring role. The institutional arrangements for the implementation of the Provincial Priorities has been refined to ensure alignment to the revised MTSF 2019-2024 and PGDS 2021. Action Work Groups (AWGs) are an institutional mechanism designed as a strategic vehicle comprising of government, business, labour and civil society. Its purpose is to facilitate integrated service delivery informed by the strategic priorities of government, as adopted through the PGDS. It also serves as strategic task teams to drive, monitor and improve interventions through the cluster system.

The National Priorities of the 6th Administration as provided in the Revised Medium-Term Strategic Framework 2019 – 2024 and the PGDS required a review and alternative configuration to strengthen integrated delivery through an outcome-based approach.

Integrated planning and service delivery as an approach through the adoption of the District Development Model remains a focus area and the Metro has adopted its One-Plan. Operation Sukuma Sakhe remains key to improving the social wage and health and work on the revitalisation of the approach will continue moving as it integrates with the District Delivery Model. This model brings all three spheres of government together including state owned entities to plan, budget and implement jointly. In this model, the Office of the Premier will provide oversight, coordination, monitoring and evaluation. Government's approach to delivery requires a mass mobilisation of resources and partnerships, supported by a people centred and communication strategy that will engage citizens to be active participants in their development.

The National Policy Development Framework, 2020 and updated Socio-Economic Impact Assessment System (SEIAS) is driven by the Presidency and seeks to improve policy development. Macro-policy management needs to be strengthened to support sound policy development through the revitalisation and implementation of in partnership with the Presidency. Compliance is still a challenge. Whilst departments have been reminded, and policy developers are advised on an ongoing basis to follow the SEIAS and Planning for Implementation Guidelines, the application of the principles remain lacking. An updated Policy Manual was developed and adopted by the Committee of Heads of Department (COHOD), and 12 Students completed training last year. This will be continued through the Presidency and National School of Government, and ongoing monitoring through the Office of the Premier.

The Office of the Premier co-ordinates youth development interventions. The Integrated Youth Development Strategy 2021-2025 was approved on 09 June 2021 and progress with implementation will continue to be monitored and reported to ensure youth are empowered to secure a better the future for all.

The Province also approved the Provincial International Relations and Official Development Assistance (ODA) Strategy. This strategy redirects governments international relations and donor support towards achieving national and provincial priorities. This will also be monitored on an ongoing basis and inform the ongoing review and conclusion of international agreements.

Cost containment has been applied as far as possible and the reprioritisation of posts and projects is ongoing. This has required innovative approaches, including reskilling and repositioning current resources to support more effective Intergovernmental Relations, the review, coordination and monitoring of the Poverty Eradication Master Plan (PEMP); Inkululeko Projects; Operation Sukuma Sakhe and reviving the Social Cohesion and Moral Regeneration Movement.

At the time of preparing this report, the Department has been further subjected to severe floods which again highlights the need to strengthen our disaster management and interventions. This will require us to carefully evaluate our interventions, the design thereof, as well as impact. These disasters also expose the need for government to be capable, ethical and developmental in its approach. This will be a core focus area for the Office of the Premier in exercising its mandate and contributing towards the prevention and responses.



Partnerships remain critical in ensuring that the strategic intent, vision and developmental path of the Province is achieved. Efforts will continue to streamline processes and to reduce duplication, whilst also improving social compacts and monitoring thereof.

The disaster has further exposed the plight of our vulnerable groups and reaffirmed the need for more assertive approaches in addressing our vulnerable groups and fight against Gender-based violence. The Department will continue to monitor progress on the implementation of a comprehensive Provincial Youth Empowerment Strategy, Human Resource Management Turn-around Strategy; and improved Communication Strategy, as well as intensifying efforts to support vulnerable groups and anti-Gender Based Violence and to facilitate deliberate interventions in policies and plans, with strengthened coordination, monitoring and evaluation. This includes working with Provincial Treasury to support the targeted and budgeted interventions for vulnerable groups. Work commenced through the reporting on the implementation of the Vulnerable Group Scorecard and this will continue moving forward. Internal Audit has also participated in assessing compliance to the Gender-Responsive Planning, Budgeting, Monitoring, Evaluation and Auditing Framework (GRPBMEAF). The Department will continue to monitor compliance in partnership with Internal Audit and the Department for Women Youth and People with Disability to promote targeted interventions for vulnerable groups.

The Department will continue to lead the development of a Public Sector Development Chapter in the Provincial Human Resource Development Strategy to facilitate delivery against MTSF Priority 1- A Capable, Ethical and Developmental State. This will include the repositioning of the Provincial Public Sector Training Academy to ensure it is well structured to be able to deliver programmes that are aligned to the priority of a capable, ethical and development state.

The Office of the Premier remains committed to enable government to function in a coordinated manner, through integrated interventions, providing sound governance and leadership with a firm focus on a capable, ethical and developmental state. This includes providing leadership in the implementation of and all national and provincial priorities, including poverty eradication, community empowerment and radical economic transformation. This also includes coordinating and providing continued support to coordinate efforts in re-building our Province and building it to be a better place for all, in partnership with its citizens and His Majesty.

Provincial Digital Transformation Strategy

As part of the implementation of the Provincial Digital Transformation Strategy roadmap, the Office of the Premier has accelerated the implementation of the key systems that lends itself to maturing the repurposing of the Nerve Centre. The Office of the Premier has gone live and automated key business processes i.e. e-Leave and e-Submission.

The Bursary Management, DG Tracking, Contract Management systems have been developed and as part of the change management and adoption process, the staff are undergoing training wherein the systems will go live in July 2022.

The underpinning buildings blocks falls within the ambit of the system integration pillar with the Digital Transformation Strategy, wherein the OTP has achieved this milestone.

The need to implement cloud platforms were exacerbated by COVID-19. To this effect the OTP has migrated to the Cloud which allows users to work effectively at all times. Tools of trade were procured for users to ensure continuity and enhance service delivery.

The OTP has also formed strategic partnerships with Microsoft and ERSI (SA) to further accelerate the provincial digitization in making KZN a SMART province.

Key Projects undertaken during the 2021/22 Financial Year:

- 1) Implementation of Cloud based Collaboration systems;
- 2) Development of Service Delivery application;
- 3) Implementation of the War room application;
- 4) Commencement with data driven reporting;
- 5) Conducting awareness of Information Technology (IT) Governance;
- 6) Reducing IT, Auditor-General (AG) findings by strengthening controls;
- 7) Repurposing of the Nerve Centre;
- 8) E-Leave, e-Submission, DG Tracking and Contract Management; and
- 9) MTSF application.

PROVINCIAL GOVERNMENT COMMUNICATION

Provincial Government Communication continued to enhance the three principal elements of government communication which include responsiveness, effectiveness and accountability. Government Communication creates an empowered citizenry by providing timely two-way communication between government and the citizens it serves.

The Provincial Communication Service anchored its work on communication efforts to:

- Defeating COVID-19;
- Re-igniting the economy and supporting job creation;
- Strengthening governance, especially the District Development Model;
- Fighting corruption;
- Water Provision; and
- Ending Gender-Based Violence and Femicide.

An informed and empowered public is an essential condition for a responsive and accountable government.



PROVINCIAL PUBLIC SERVICE TRAINING ACADEMY

The Department signed five (5) strategic partnerships with provincial institutions of higher learning including the University of South Africa. These partnerships are an intervention to influence the development of academic curriculum that responds to the skills and economic needs of the Province of KwaZulu-Natal. In its oversight and coordinating role, the Department continues to engage various sectors and stakeholders to facilitate skills development through the KwaZulu-Natal Human Resource Development Council.

The Department is finalising the Provincial Human Resource Development Strategy under the Human Resource Development Council. This is to support the building a Capable, Ethical and Developmental State through skills development. The Department commissioned skills audit in three sectors i.e. the business, local government and public sector; to ascertain the skills in demand and supply in these sectors. The local government (municipalities) and the business sectors skills audits were finalised while the public sector skills audit is underway. This is also in support of the finalisation of the Human Resource Development Strategy.

Six thousand, seven hundred and twelve (6712) public servants were trained through the Provincial Academy in order to enhance public sector skills development and to implement National Priority 1- A Capable, Ethical and Developmental State. The repositioning of the Provincial Public Sector Training Academy was undertaken. This resulted in the development of the Academy's Revitalisation Strategy which ensures that the Academy provides public sector training that is integrated and transformational.

As part Provincial Digital Transformation Strategy, the Department through the Provincial Public Service Training Academy has developed the E-Learning Strategy. This strategy provides interventions to respond to the technological demands brought about by the 4th Industrial Revolution and the advent of COVID-19 in skills development.

The strategy will amongst others, facilitate online learning, promote digital skilling in the public sector and increase access to learning thereby improving public sector skills development.

STRATEGIC HUMAN RESOURCE MANAGEMENT

Implementation of the KwaZulu-Natal Provincial Human Resource Turnaround Strategy has been institutionalised with all Heads of Department signing Service Level Agreements with the Director-General to report on the key indicators in the Strategy.

Transformation in terms of women in SMS posts (50% target) and people with disabilities (2% target) has been monitored rigorously with departments directed to develop remedial- and sustainability plans.

The Office of the Premier (OTP) successfully implemented the OTP automated leave management and e-Submissions systems during the first half of the financial year.

The Office also implemented the Electronic Document Delivery (EDD) System for the distribution of electronic payslips within all KZN Provincial Departments.

The implementation of the Operations Management Framework (OMF) has improved year on year with tangible improvements being visible.

The development, implementation and institutionalisation of the various building blocks, specifically those relating to Standard Operating Procedures (SOPs), has seen a definitive improvement in turnaround times relating to mandated processes performed by Departments.

The restructuring and repositioning of the PPSTA is ongoing in order to ensure that the PPSTA is positioned to meet the growing training needs for the Province and to elevate the quality and scope of training provided.

The Province managed to reduce the number of precautionary suspension cases from 100 as at 31 March 2021 with a financial implication of R56 939 655.00 to 63 officials on precautionary suspension with a financial implication of R40 863 701.00 as at 31 March 2022.

The Labour Relations Turnaround strategy was developed. As a way for implementing the strategy, a Provincial Steering Committee was established to come up with sustainable strategies to enforce discipline, ethics and consequence management in Kwazulu-Natal Provincial Government.

Provincial Employee Health and Wellness Strategy has been approved and implemented across all Provincial Departments. This was approved and institutionalised by the Heads of Department.



DR NONHLANHLA O. MKHIZE
DIRECTOR-GENERAL
KWAZULU-NATAL PROVINCIAL GOVERNMENT
DATE: 24 AUGUST 2022



The Annual Report being presented captures the activities of the Office of the Premier during the 2021/22 financial year.

In keeping with its mandate as defined in the Constitution of the Republic, the Office of the Premier continues to strive to deliver quality services to all the citizens of KwaZulu-Natal Province as reflected in more detail in the pages of this Annual Report.

1. GENERAL REVIEW OF THE STATE OF FINANCIAL AFFAIRS

Revenue:

The Office of the Premier collected R1,144 million, represented as 82,3% of the revenue budget of R1,394 million, resulting in a total under-collection of R247 thousand. The table below reflects the revenue budget and revenue collection against each revenue category.

| Departmental Receipts | 2020/21 | | | 2021/22 | | |
|--|--------------|-------------------------|--------------------------|--------------|-------------------------|--------------------------|
| | Estimate | Actual Amount Collected | (Over)/ Under Collection | Estimate | Actual Amount Collected | (Over)/ Under Collection |
| | R'000 | R'000 | R'000 | R'000 | R'000 | R'000 |
| Tax Receipts | - | - | - | - | - | - |
| Sale of goods and services other than capital assets | 304 | 178 | 126 | 321 | 165 | 153 |
| Interest, dividends and rent on land | 1 | 46 | -45 | 1 | 3 | -2 |
| Sale of capital assets | 966 | | 966 | 1 019 | - | 1 019 |
| Financial transactions in assets and liabilities | 50 | 284 | -234 | 53 | 976 | -923 |
| Total | 1 321 | 508 | 813 | 1 394 | 1 144 | 247 |



Programme Expenditure

| PROGRAMMES | 2020/21 | | | 2021/22 | | |
|--|---------------------|--------------------|--------------------------|---------------------|--------------------|--------------------------|
| | 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 1: Administration | 110 394 | 105 933 | 4 462 | 205 334 | 187 248 | 18 086 |
| Programme 2: Institutional Development | 380 279 | 332 630 | 47 649 | 420 412 | 404 610 | 15 802 |
| Programme 3: Policy and Governance | 143 421 | 140 138 | 3 283 | 184 494 | 162 339 | 22 155 |
| Total | 634 094 | 578 700 | 55 394 | 810 240 | 754 197 | 56 043 |

Programme 1: Administration

| Programme 1: Administration | 2020/21 | | | 2021/22 | | |
|-----------------------------|---------------------|--------------------|--------------------------|---------------------|--------------------|--------------------------|
| | 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 |
| Premier Support | 26 244 | 24 568 | 1 676 | 29 055 | 26 456 | 2 599 |
| Executive Council Support | 12 216 | 11 484 | 732 | 11 574 | 11 574 | - |
| Director General | 18 910 | 18 037 | 873 | 22 837 | 22 723 | -114 |
| Financial Management | 35 605 | 35 482 | 123 | 118 439 | 104 964 | 13 475 |
| Intergovernmental Relations | 17 419 | 16 361 | 1 058 | 23 429 | 21 531 | 1 898 |
| Total | 110 394 | 105 932 | 4 462 | 205 334 | 187 248 | 18 086 |





Programme 2: Institutional Development

| Programme 2: Institutional Development | 2020/21 | | | 2021/22 | | |
|--|--------------------------|-------------------------|---------------------------------|--------------------------|--------------------|---------------------------------|
| | Final Approp- riation | Actual Expen- diture | (Over)/ Under Expenditure | Final Approp- riation | Actual Expenditure | (Over)/ Under Expenditure |
| | R'000 | R'000 | R'000 | R'000 | R'000 | R'000 |
| Strategic Human Resources | 72 344 | 71 564 | 780 | 80 593 | 76 108 | 4 485 |
| Information Com. Tech. (lct) | 160 679 | 120 501 | 40 178 | 124 459 | 123 065 | 1 394 |
| Legal Services | 12 311 | 11 936 | 375 | 12 847 | 12 847 | - |
| Communication Services | 53 342 | 51 380 | 1 962 | 52 175 | 51 533 | 642 |
| Special Programmes | 57 205 | 53 520 | 3 685 | 117 624 | 110 724 | 6 900 |
| Forensic Investigations & Integrity Management | 24 398 | 23 729 | 669 | 32 714 | 30 333 | 2 381 |
| Total | 380 279 | 332 630 | 47 649 | 420 412 | 404 610 | 15 802 |

Programme 3: Policy and Governance

| Programme 3: Policy and Governance | 2020/21 | | | 2021/22 | | |
|---------------------------------------|--------------------------|-------------------------|---------------------------------|--------------------------|--------------------|---------------------------------|
| | Final Approp- riation | Actual Expen- diture | (Over)/ Under Expenditure | Final Approp- riation | Actual Expenditure | (Over)/ Under Expenditure |
| | R'000 | R'000 | R'000 | R'000 | R'000 | R'000 |
| Provincial Policy Management | 37 366 | 35 517 | 1 849 | 25 874 | 24 515 | 1 359 |
| Premier's Priority Programmes | 32 303 | 31 201 | 1 102 | 65 398 | 51 397 | 14 001 |
| Royal Household | 73 752 | 73 420 | 332 | 93 222 | 86 427 | 6 795 |
| Total | 143 421 | 140 138 | 3 283 | 184 494 | 162 339 | 22 155 |

| NAME OF INSTITUTION | AMOUNT TRANSFERRED | EXPENDITURE |
|---------------------------------|--------------------|-------------|
| | R'000 | R'000 |
| The Royal Household Trust | 46 163 | 43 658 |
| KwaZulu-Natal Growth Fund Trust | 50 000 | - |

2. 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 standard 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 department for the financial year ended 31 March 2022.

Yours faithfully



ACCOUNTING OFFICER
DR. NONHLANHLA O MKHIZE
DATE: 24 AUGUST 2022



3. STRATEGIC OVERVIEW

3.1 Vision

The Office of the Premier will be the centre of governance, providing leadership towards achieving KZN Vision 2030.

3.2 Mission

The mission of the department is to support the Premier in carrying out his constitutional and statutory duties. The department fulfils this mission primarily by:

- Enhancing good and co-operative governance within the province.
- Promoting an integrated service delivery model.
- Effective stakeholder management and communication.
- Enhancing performance management and accountability through monitoring and evaluation.
- Co-ordinating provincial programmes to ensure the rights and empowerment of women and children, youth and people with disabilities.

3.3 Values

In addition to the Batho Pele principles, the Office of the Premier will embrace the values of:

- Integrity;
- Professionalism;
- Accountability; and
- Ubuntu



4. LEGISLATIVE AND OTHER MANDATES

The mandates of the Office in its supportive role to the Premier are embodied in the country's Constitution, Public Service Act and other statutory provisions, National and Provincial policy papers and Cabinet Resolutions. The Office is also the custodian of the body of law applicable in the province. Some of the legal mandates of the Office of the Premier, with a brief description of what they entail, are as follows:

4.1 Constitution of the Republic of South Africa, 1996

The Constitution provides for the Premier exercising the executive authority, together with the Executive Council, in the Province by:

The following functions are assigned to the Premier specifically:

- Assenting to and signing Bills;
- Referring Bill back to legislature for reconsideration of Bill's constitutionality;
- Referring Bill to Constitutional Court for a decision on the Bill's constitutionality;
- Summoning the legislature to an extraordinary sitting to conduct special business;
- Appointing commissions of inquiry; and
- Calling a referendum in the province in accordance with national legislation.

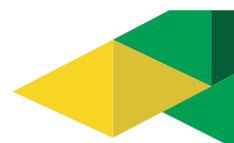
The following mandates are also assigned to the Premier by the Constitution:

- Appointing Members of Executive Council, assigning their powers and functions and dismissing them;
- Transferring functions of Members of the Executive Council; and
- Temporary assignment of a function of a Member of the Executive Council to another.

4.2 Public Service Act, 1994 and Public Service Regulations, 2001

The Premier has the following functions in terms of the Public Service Act:

- To establish or abolish a department of the provincial administration;
- To make determinations relating to the assignment, abolishment and transfer of functions of provincial departments; and
- Dealing with the appointment and other career incidents of Heads of Department.



As the executing authority of the Office of the Premier, the Premier must exercise those competencies and duties regarding:

- The internal organization of department;
- Establishment of the department; and
- Recruitment, appointment, performance management, promotion, transfer and dismissal of officials and employees, which are assigned to him under the Act.

The Director-General has the following responsibilities as Head of the Provincial Administration:

- Secretary to the Executive Council (Provincial Cabinet);
- Intergovernmental relations between departments, other provincial administrations and national government, including co-ordinating conduct and legislation; and
- Giving strategic direction to the Provincial Administration with regard to:
 - Functions and organizational arrangements;
 - Employment, training, human resource management;
 - Salaries and conditions of service;
 - Labour relations;
 - Information management and technology; and
 - Transformation and reform.

4.3 Public Finance Management Act, 1999 and Treasury Regulations, 2001

The Premier, as executing authority of the Department, has the following functions in terms of the Public Finance Management Act, 1999:

- Ensuring that execution of statutory functions take place within available funds;
- Exercising control of public entities to ensure that it complies with the Act; and
- Tabling in the provincial legislature:
 - The Annual Financial Statements and Annual Report; and
 - The findings of a disciplinary board in respect of financial misconduct.

The Director-General, as Accounting Officer of the Department, has the following responsibilities and functions:

- When the annual budget is introduced, to submit measurable objectives to the legislature in regard to each main division of vote.
- The Accounting Officer must ensure that the department has and maintains:
 - Systems of financial and risk management and internal control;
 - A system of internal audit under the control and direction of an audit committee;
 - An appropriate procurement system; and
 - A system for evaluating all major capital projects prior to a decision on the matter.
- Responsible for the effective, efficient, economical and transparent use of resources of the department.

Must take appropriate steps to–

- Collect all money due to department;
- Prevent unauthorized, irregular, fruitless and wasteful expenditure and losses as a result from criminal conduct;
- Manage available working capital efficiently and economically,
- Responsibility for management of assets and liabilities;
- Budgetary control;
- Reporting responsibilities such as the submission of annual financial statements;
- Submission of required information to Treasury and the Auditor-General such as motivations for expenditure; and
- To draw up an inventory and submit supporting documentation when assets are transferred.

4.4 Labour Relations Act, 1995

The Act regulates the relationship between the department as employer and officials as employees and stipulates their respective rights and obligations. In particular, it provides for the collective agreements to be concluded in order to regulate matters such as the conduct of employees.

4.5 Basic Conditions of Employment Act, 1997

This Act establishes and makes provision for the regulation of basic conditions of employment in compliance with the obligations of the Republic as a member state of the International Labour Organisation.

4.5.1 Employment Equity Act, 1998

This legislation prohibits unfair discrimination in the workplace, provides for affirmative action, the submission of an Employment Equity Plan (EEP) and progress reports on monitoring the implementation of the EEP.

4.5.2 Skills Development Act, 1998

This Act enjoins the Department to develop a skills development strategy for the department, to implement the strategy and to utilize at least 1% of its payroll for the training and education of its employees with effect from 1 April 2000.

4.5.3 Promotion of Equality and Prevention of Unfair Discrimination Act, 2000

This Act binds the Department and prohibits unfair discrimination by it. It also contains a positive obligation on the Department to promote equality.

4.5.4 Promotion of Administrative Justice Act, 2000

In terms of this Act, all administrative decisions must be taken in accordance with the procedure prescribed in the Act or an equivalent procedure stipulated in another law. It also provides for judicial review of administrative action and remedies if any administrative action is not taken in accordance with the Act.



4.5.5 Promotion of Access to Information Act, 2000

Provides for access to any information held by the state or any information held by another person and that is required for the exercise or protection of any rights. It further provides for the procedure whereby information may be requested.

4.5.6 KwaZulu-Natal Commissions Act, 1999

This Act provides the framework for the appointment of Commissions of Inquiry by the Premier and the functioning of such commissions.

4.5.7 National Youth Commission Act, 1996

Section 7A of the Act provides that the Premier, as the Minister responsible for youth matters, be consulted on procedures and programmes to promote and maintain a sound working relationship between the Commission and the Province.

4.5.8 KwaZulu-Natal Youth Commission Act, 1999

This Act mandates the Premier to:

- Appoint the members of the KwaZulu-Natal Youth Commission in accordance with the procedure stipulated therein;
- Provide the Commission with such secretarial, administrative and other support as he may deem necessary;
- Designate an official in the Provincial Administration as the accounting officer of the Commission;
- Establish a youth development and empowerment fund;
- Make rules which shall govern the control of the Fund; and
- Make grants, with the approval of Cabinet, to the Commission for purposes of the integrated youth policy.

4.5.9 Electronic Communications and Transactions Act, 2002

In terms of section 28 of this Act, the Department may specify by notice in the Gazette the manner and format wherein data messages must be filed, the type of electronic signatures required, the appropriate control processes and procedures to ensure adequate security and confidentiality of data messages or payments.

4.5.10 State Information Technology Agency Act, 1999

This law regulates the provision and procurement of goods and services relating to information technology in the Public Service.

4.5.11 Royal Household Trust Act, 2007

The Royal Household Trust is a juristic person established through the Royal Household Trust Act (Act 2 of 2007). The trust is further described as a Provincial entity subject to the provisions of the Public Finance Management Act (Act 1 of 1999).

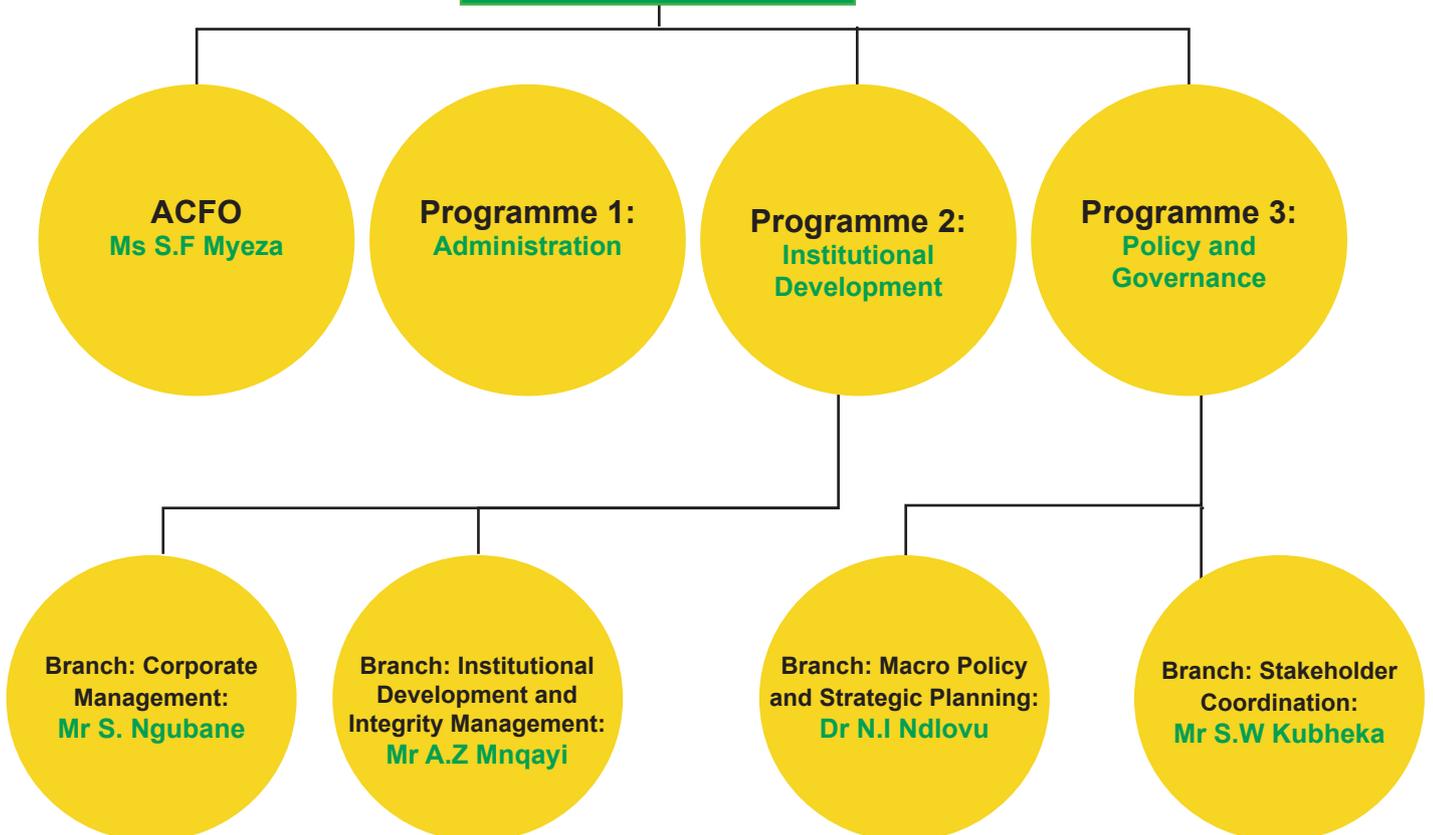
5. ORGANIZATIONAL STRUCTURE



Premier:
Nomusa Dube - Ncube



Accounting Officer:
Dr Nonhlanhla O Mkhize





PART B
PERFORMANCE INFORMATION



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 143 of the Report of the Auditor General, published as Part E: Financial Information.



1. PERFORMANCE INFORMATION BY PROGRAMME

1.1 Programme 1: Administration

PURPOSE

The objective of Programme 1 is to provide administrative support to the Premier, Executive Council and the Director-General in fulfilling their legislative and oversight function and in promoting good corporate governance.

The Programme comprises of the following Sub-Programmes:

- Premier Support
- Executive Council Support
- Director-General Support
- Financial Management
- Inter-governmental Relations

| Programme/Sub-programme: Executive Support | | | | | | | | |
|--|------------------------------|---|--------------------------------------|--------------------------------------|--------------------------|--------------------------------|---|--|
| Outcome | Output | Output Indicator | Audited Actual Performance 2019/2020 | Audited Actual Performance 2020/2021 | Planned Target 2021/2022 | **Actual Achievement 2021/2022 | Deviation from planned target to Actual Achievement for 2021/2022 | Reasons for deviations |
| 1.1 Improved governance & accountability. | Functional Executive Council | Number of Executive Council decision matrix implementation progress reports submitted to the Executive Council. | 21 | 15 | 12 | 19 | 7 | <p>Additional meetings were convened in:</p> <p>i. Q1 to process urgent matters that required attention of the Executive Council.</p> <p>ii. Q2, where a total of 5 additional meetings were convened to respond to the social unrest of July 2021 and mitigate thereof.</p> <p>iii. Q4 to address matters that were previously deferred and required approval by the Executive Council.</p> |

| Programme/Sub-programme: Executive Support | | | | | | | | |
|---|-------------------------------|--|--------------------------------------|--------------------------------------|--------------------------|--------------------------------|---|---|
| Outcome | Output | Output Indicator | Audited Actual Performance 2019/2020 | Audited Actual Performance 2020/2021 | Planned Target 2021/2022 | **Actual Achievement 2021/2022 | Deviation from planned target to Actual Achievement for 2021/2022 | Reasons for deviations |
| Programme/Sub-programme: Executive Support | | | | | | | | |
| | | Number of Special Executive Council decision matrix implementation progress reports submitted to the Executive Council (COVID-19 related). | Not Applicable | 10 | Not Applicable | Not Applicable | Not Applicable | Not Applicable |
| Programme/Sub-programme: Financial Management | | | | | | | | |
| | Audit Improvement. | Percentage of invoices paid within 30 days. | 92.7 | 79% | 90% | 98% | 8% | There was improved implementation of controls for processing of invoices. |
| | | Percentage reduction of wasteful and fruitless expenditure. | 99% | R3332.76 (6431% increase) | 25% from 2020 baseline | 100% | 75% | There was effective implementation of controls to avoid fruitless and wasteful expenditure. |
| | | Percentage reduction of irregular expenditure. | 44% | 84% reduction | 20% from 2020 baseline | 92% | 72% | There was improved compliance with SCM rules and regulations. |
| Programme/Sub-programme: Inter-Governmental Relations | | | | | | | | |
| 1.2 Improved co-ordination, integration and efficiency in government. | Strengthening IGR Structures. | Number of PCF decision matrix implementation reports. | 5 | 7 | 4 | 5 | 1 | A special PCF meeting was convened in Q2 in response to the social unrest of July 2021. |
| | | Number of COHOD meeting decision matrices implementation reports. | 13 | 16 | 12 | 12 | 0 | No deviation from set target. |



| Programme/Sub-programme: Executive Support | | | | | | | | |
|---|--|--|--------------------------------------|--------------------------------------|--------------------------|--------------------------------|---|---|
| Outcome | Output | Output Indicator | Audited Actual Performance 2019/2020 | Audited Actual Performance 2020/2021 | Planned Target 2021/2022 | **Actual Achievement 2021/2022 | Deviation from planned target to Actual Achievement for 2021/2022 | Reasons for deviations |
| Programme/Sub-programme: Inter-Governmental Relations | | | | | | | | |
| 1.2 Improved co-ordination, integration and efficiency in government. | | Number of Special COHOD meeting decision matrixes implementation reports (COVID-19 related). | Not Applicable | 9 | Not Applicable | Not Applicable | Not Applicable | Not Applicable |
| 1.3 Inclusive stakeholder engagement & improved partnerships. | International Relations strategy implementation. | Number of International Relations and ODA Strategy implementation monitoring reports. | Not Applicable | 1 | 2 | 2 | 0 | No deviation from set target. |
| | | Number of Twinning Agreements reviewed in line with the South African Foreign policy. | 18 | 8 | 8 | 6 | -2 | Due to the unavailability of overseas counterparts, COVID-19 travel restrictions and complete lockdown for some countries, only six (6) of 8 twinning agreements were reviewed. |

Strategy to overcome areas of under performance

The Department reported underperformance on one indicator, one indicator in Programme 1 (Intergovernmental relations). To address under performance, the Department has assumed the following measures:

Twinning Agreements reviewed in line with the South African Foreign policy. The province will adopt a proactive approach and consult with foreign counterparts in advance to review agreements ahead.

Performance in relation to Standardised Outputs and Output Indicators for Sectors with Concurrent Functions

There were no standardized outputs for the Office of the Premier in Programmes 1, 2 and 3.

Changes to planned targets

Targets were not revised for financial year 2021/22.

Linking performance with budgets

Performance was linked to budget for the 2021/22 financial year.

Sub-programme expenditure

| Sub- Programme Name | 2021/22 | | | 2020/21 | | |
|------------------------------|---------------------|--------------------|---------------------------|---------------------|--------------------|---------------------------|
| | 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 |
| Premier Support | 29 055 | 26 456 | 2 599 | 26 244 | 24 568 | 1 676 |
| Executive Council Support | 11 574 | 11 574 | 0 | 12 216 | 11 484 | 732 |
| Director General | 22 837 | 22 723 | 114 | 18 910 | 18 037 | 873 |
| Financial Management | 118 439 | 104 966 | 13 473 | 35 605 | 35 482 | 123 |
| Inter-Governmental Relations | 23 429 | 21 531 | 1 898 | 17 419 | 16 361 | 1 058 |
| Total | 205 334 | 187 250 | 18 084 | 110 394 | 105 932 | 4 462 |





1.2 Programme 2: Institutional Development

PROGRAMME 2A: STRATEGIC HUMAN RESOURCES

| Outcome | Output | Output Indicator | Audited Actual Performance 2019/2020 | Audited Actual Performance 2020/2021 | Planned Target 2021/2022 | **Actual Achievement 2021/2022 | Deviation from planned target to Actual Achievement for 2021/2022 | Reasons for deviations |
|--|--|--|--------------------------------------|--------------------------------------|--------------------------|--------------------------------|---|-------------------------------|
| Programme/Sub-programme: Strategic Human Resource Management | | | | | | | | |
| 2.1.1 Improved governance and accountability. | Strengthened Labour Relations (Note this Output also links to the Outcome Ethical Professional & ethical provincial administration). | Number of quarterly reports on labour and disciplinary cases submitted to the Executive Council. | 1 | 4 | 4 | 4 | 0 | No deviation from set target. |
| | Transversal Provincial HR Policies (Note this Output also links to the Outcome Ethical Professional & ethical provincial administration) | Number of reports on Technical HR support services on KZN HR policy matters. | 4 | 4 | 4 | 4 | 0 | No deviation from set target. |
| | | Number of Human Resource compliance monitoring reports. | 15 | 15 | 15 | 15 | 0 | No deviation from set target. |
| Programme/Sub-programme: ICT | | | | | | | | |
| | ICT Governance. | Number of annual provincial departments ICT Governance assessment reports. | 1 | 1 | 1 | 1 | 0 | No deviation from set target. |
| Programme/Sub-programme: Strategic Human Resource Management | | | | | | | | |
| 2.1.2 Improved co-ordination, integration and efficiency in government. | Operations management productivity assessment reports (Note this Output also links to the Outcome Ethical Professional & ethical provincial administration). | Number of reports on the implementation of the Operations Management Framework. | Not Applicable | 3 | 4 | 4 | 0 | No deviation from set target. |

| Outcome | Output | Output Indicator | Audited Actual Performance 2019/2020 | Audited Actual Performance 2020/2021 | Planned Target 2021/2022 | **Actual Achievement 2021/2022 | Deviation from planned target to Actual Achievement for 2021/2022 | Reasons for deviations | |
|--|---|--|--|--------------------------------------|--------------------------|--------------------------------|---|-------------------------------|----------------|
| 2.1.2 Improved co-ordination, integration and efficiency in government. | Programme/Sub-programme: Strategic Human Resource Management | | | | | | | | |
| | | Number of reports on productivity assessments. | Not Applicable | 1 | Not Applicable | Not Applicable | Not Applicable | Not Applicable | |
| | Compliance with COVID-19 measures and other occupational diseases. | Number of COVID-19 Occupational Health and Safety Compliance Reports. | Not Applicable | 3 | 4 | 4 | 0 | No deviation from set target. | |
| | Implementation of HR Turn Around Strategy | Number of Reports on the implementation of the HR Turnaround Strategy | Not Applicable | Not Applicable | 4 | 4 | 0 | No deviation from set target. | |
| | Programme/Sub-programme: ICT | | | | | | | | |
| | Digital Transformation (ICT Strategy). 1 | Number of ICT Strategy Implementation monitoring reports. | 1 | 2 | Not Applicable | Not Applicable | Not Applicable | Not Applicable | |
| | | Strategy for Optimisation and Utilisation of Nerve Centre. | Not Applicable | 1 | Not Applicable | Not Applicable | Not Applicable | Not Applicable | |
| | | Number of Nerve centre strategy implementation reports | Not Applicable | Not Applicable | 2 | 2 | 0 | No deviation from set target. | |
| | 2.1.4 Professional & ethical provincial administration. | Programme/Sub-programme: Strategic Human Resource Management | | | | | | | |
| | | Public Service Development: Public Service Training Academy Revitalisation Strategy. | Number of Public Service Training Academy Revitalisation Plan's developed. | Not Applicable | 1 | Not Applicable | Not Applicable | Not Applicable | Not Applicable |
| Public Service Development: Mentorship Programme. | | Number of mentorship Programme developed. | Not Applicable | 1 | Not Applicable | Not Applicable | Not Applicable | Not Applicable | |
| Public Service Development: Public Service training sessions responding to the capacity needs of the public service. | | Number of training sessions co-ordinated by the Provincial Training Academy. | 88 | 100 | Not Applicable | Not Applicable | Not Applicable | Not Applicable | |



| Outcome | Output | Output Indicator | Audited Actual Performance 2019/2020 | Audited Actual Performance 2020/2021 | Planned Target 2021/2022 | **Actual Achievement 2021/2022 | Deviation from planned target to Actual Achievement for 2021/2022 | Reasons for deviations |
|--|--|---|--------------------------------------|--------------------------------------|--------------------------|--------------------------------|---|---|
| Programme/Sub-programme: Strategic Human Resource Management | | | | | | | | |
| 2.1.4 Professional & ethical provincial administration. | Public Service Development: Public Service training sessions responding to the capacity needs of the public service. | Number of training sessions. | Not Applicable | Not Applicable | 100 | 148 | 48 | The higher number of sessions conducted was due to an increased uptake of online training programmes coordinated by the National School of Governance (NSG) through the Provincial Public Service Training Academy. This was to mitigate against COVID-19 restrictions on face-to-face interaction. |
| | | Number of reports on the implementation of the PPSTA revitalisation plan. | Not Applicable | Not Applicable | 4 | 3 | -1 | The report was not finalised at the time of reporting due to restricted human resources at the Provincial Training Academy during the first quarter. |
| | | Number of E-learning strategies developed. | Not Applicable | Not Applicable | 1 | 1 | 0 | No deviation from set target |
| | | Number of structured partnerships established with institutions of higher learning. | 1 | 3 | 2 | 2 | 0 | No deviation from set target |
| | Public Service Development: HRD Council meetings. | Number of reports on the implementation of the HRD Council resolutions. | 1 | 2 | 3 | 3 | 0 | No deviation from set target |

| Outcome | Output | Output Indicator | Audited Actual Performance 2019/2020 | Audited Actual Performance 2020/2021 | Planned Target 2021/2022 | **Actual Achievement 2021/2022 | Deviation from planned target to Actual Achievement for 2021/2022 | Reasons for deviations |
|---|---|--|--------------------------------------|--------------------------------------|--------------------------|--------------------------------|---|------------------------------|
| Programme/Sub-programme: Communication Services | | | | | | | | |
| 2.1.3 Inclusive stakeholder engagement & improved partnerships. | Annual Provincial & Departmental Communication support initiatives. | Number of monitoring reports on implementation of Provincial Communication Strategy. | 0 | 3 | 4 | 4 | 0 | No deviation from set target |
| | | Number of reports on provincial campaigns Supported. | Not Applicable | 4 | 4 | 4 | 0 | No deviation from set target |





PROGRAMME 2B: INSTITUTIONAL DEVELOPMENT AND INTEGRITY MANAGEMENT

| Outcome | Output | Output Indicator | Audited Actual Performance 2019/2020 | Audited Actual Performance 2020/2021 | Planned Target 2021/2022 | **Actual Achievement 2021/2022 | Deviation from planned target to Actual Achievement for 2021/2022 | Reasons for deviations | |
|---|---|---|--------------------------------------|--------------------------------------|--------------------------|--------------------------------|--|------------------------------|--|
| Programme/Sub-programme: Legal Services | | | | | | | | | |
| 2.2.1 Improved governance & accountability. | Appropriate and constitutionally compliant Provincial Legislation. | Number of quarterly reports on Provincial Legislative programme. | 4 | 4 | 4 | 4 | 0 | No deviation from set target | |
| | Programme/Sub-programme: Special Programmes (Integrity Management) | | | | | | | | |
| | Report on Provincial Forensic Investigations. | Number of Premier's Reports on the status of Provincial Investigations. | Not Applicable | 3 | 4 | 4 | 0 | No deviation from set target | |
| | Programme/Sub-programme: Special Programmes (Security Services and Protocol) | | | | | | | | |
| Provincial Security Co-ordination Framework. | Number of Provincial Security Co-ordination Frameworks submitted to Executive Council for approval. | Not Applicable | 0 | 1 | 0 | -1 | Provincial Security Coordination Framework was not finalized during 2021/22. Priority was given to finalizing OTP Security Management Policy. The Provincial Framework will be approved by Executive Council in Q1 of 2022/23. | | |
| | Number of quarterly Minimum Physical Security Standards (MPSS) monitoring coordination reports. | 4 | 4 | 4 | 4 | 0 | No deviation from set target | | |
| Programme/Sub-programme: Special Programmes (Integrity Management) | | | | | | | | | |
| 2.2.2 Improved co-ordination, integration and efficiency in government. | Ombudsperson Coordination. | Number of OTP Ombudsperson reports. | 2 | 4 | 2 | 2 | 0 | No deviation from set target | |

| Outcome | Output | Output Indicator | Audited Actual Performance 2019/2020 | Audited Actual Performance 2020/2021 | Planned Target 2021/2022 | **Actual Achievement 2021/2022 | Deviation from planned target to Actual Achievement for 2021/2022 | Reasons for deviations |
|---|---|--|--------------------------------------|--------------------------------------|--------------------------|--------------------------------|---|-------------------------------|
| 2.2.2 Improved co-ordination, integration and efficiency in government. | Programme/Sub-programme: Special Programmes (Integrity Management) | | | | | | | |
| | SDIP reports. | Number of Service Delivery Improvement Plans (SDIP) implementation monitoring reports. | 2 | 2 | 1 | 1 | 0 | No deviation from set target |
| | Siyahlola Reports. | Number of Siyahlola reports. | Not Applicable | 4 | 4 | 4 | 0 | No deviation from set target. |
| 2.2.4 Professional & ethical provincial administration. | Batho Pele compliance reports. | Number of reports on level of compliance with Batho Pele principles. | 2 | 3 | 2 | 2 | 0 | No deviation from set target. |
| 2.2.2 Improved co-ordination, integration and efficiency in government. | Service delivery monitoring. | Number of intervention reports on the resolution of service delivery complaints. | 3 | 4 | 4 | 4 | 0 | No deviation from set target. |
| | Programme/Sub-programme: Special Programmes (Democracy Support) | | | | | | | |
| | Mainstreaming a culture of human rights through integrated plans for vulnerable groups (Note this output also links with Outcome yielding Inclusive stakeholder engagement & improved partnerships. | Number of updated 5year strategic plans for each target group: 1 x gender equality; 1 x disability, 1 x children; and 1 x senior citizens. | 0 | 4 | Not Applicable | Not Applicable | Not Applicable | Not Applicable |
| | Number of coordination reports on the protection and empowerment of designated groups (1 x Women, 1 x Senior Citizens, 1 x Children and 1 x People with disabilities). | 12 | 16 | Not Applicable | Not Applicable | Not Applicable | Not Applicable | |



| Outcome | Output | Output Indicator | Audited Actual Performance 2019/2020 | Audited Actual Performance 2020/2021 | Planned Target 2021/2022 | **Actual Achievement 2021/2022 | Deviation from planned target to Actual Achievement for 2021/2022 | Reasons for deviations |
|---|--|--|--------------------------------------|--------------------------------------|--------------------------|--------------------------------|---|------------------------------|
| Programme/Sub-programme: Special Programmes (Democracy Support) | | | | | | | | |
| 2.2.2 Improved co-ordination, integration and efficiency in government. | Mainstreaming a culture of human rights through integrated plans for vulnerable groups (<i>Note this output also links with Outcome yielding Inclusive stakeholder engagement & improved partnerships</i>) | Number of progress reports compiled on the interventions coordinated for Senior Citizens. | Not Applicable | Not Applicable | 4 | 4 | 0 | No deviation from set target |
| | | Number of progress reports compiled on the interventions coordinated for people with Disabilities. | Not Applicable | Not Applicable | 4 | 4 | 0 | No deviation from set target |
| | Mainstreaming a culture of human rights through integrated plans for vulnerable groups. | Number of progress reports compiled on the interventions coordinated for Women and Gender. | Not Applicable | Not Applicable | 4 | 4 | 0 | No deviation from set target |
| | | Number of progress reports compiled on the interventions coordinated for children. | Not Applicable | Not Applicable | 4 | 4 | 0 | No deviation from set target |
| | | Number of monitoring reports on the implementation of 365 days visible campaigns against GBV as part of the Provincial anti GBV and Femicide Plan. | Not Applicable | 4 | Not Applicable | Not Applicable | Not Applicable | Not Applicable |
| | | Number of monitoring reports on the implementation of the Provincial Gender Based Violence and Femicide Strategic Implementation Plan. | Not Applicable | Not Applicable | 4 | 4 | 0 | No deviation from set target |
| | | Number of consolidated human rights monitoring reports. | 4 | 4 | 4 | 4 | 0 | No deviation from set target |

| Outcome | Output | Output Indicator | Audited Actual Performance 2019/2020 | Audited Actual Performance 2020/2021 | Planned Target 2021/2022 | **Actual Achievement 2021/2022 | Deviation from planned target to Actual Achievement for 2021/2022 | Reasons for deviations |
|---|--|--|--------------------------------------|--------------------------------------|--------------------------|--------------------------------|---|------------------------------|
| Programme/Sub-programme: Special Programmes (Youth Development) | | | | | | | | |
| 2.2.2 Improved co-ordination, integration and efficiency in government. | Youth Programmes Coordination (Note this output also links to the Outcome Inclusive stakeholder engagement & improved partnerships). | Number of Integrated Provincial Youth Development Strategy Implementation plans. | Not Applicable | 1 | 1 | 1 | 0 | No deviation from set target |
| | | Number of coordination reports on the implementation of provincial youth development plan. | 0 | 4 | 4 | 4 | 0 | No deviation from set target |
| | | Number of progress reports on the rollout of the Youth Empowerment Fund. | 1 | 4 | 4 | 4 | 0 | No deviation from set target |
| Programme/Sub-programme: Special Programmes (Integrity Management) | | | | | | | | |
| 2.2.4 Professional & ethical provincial administration. | Ethics and Integrity campaign (I Do Right). | Number of reports on the "I Do Right Even When No-one is Looking" campaign. | 1 | 3 | 4 | 4 | 0 | No deviation from set target |
| | | Number of quarterly progress reports (National Anti-corruption Hotline KZN cases). | 4 | 4 | 4 | 4 | 0 | No deviation from set target |
| | | Percentage of provincial cases resolved from the National Anti-Corruption hotline (PSC) | 94% | 92% | Not Applicable | Not Applicable | Not Applicable | Not Applicable |
| | | Provincial Hotline established. | Not Applicable | 1 | Not Applicable | Not Applicable | Not Applicable | Not Applicable |
| | | Number of ethics workshops. | 4 | 8 | Not Applicable | Not Applicable | Not Applicable | Not Applicable |
| | | Number of departmental awareness workshops on anti-fraud and anti-corruption. | 2 | 12 | Not Applicable | Not Applicable | Not Applicable | Not Applicable |
| | | | | | | | | |



| Outcome | Output | Output Indicator | Audited Actual Performance 2019/2020 | Audited Actual Performance 2020/2021 | Planned Target 2021/2022 | **Actual Achievement 2021/2022 | Deviation from planned target to Actual Achievement for 2021/2022 | Reasons for deviations |
|---|---|---|--------------------------------------|--------------------------------------|--------------------------|--------------------------------|---|--|
| 2.2.4 Professional & ethical provincial administration. | Programme/Sub-programme: Special Programmes (Integrity Management) | | | | | | | |
| | Ethics and Integrity campaign (I Do Right). | Number of departmental awareness workshops on fraud and ethics. | Not Applicable | Not Applicable | 14 | 18 | 4 | Some Departments received more than 1 workshop each. The higher output reflects additional workshops conducted for Departments of Agriculture, Public Works, Transport and Office of the Premier in 2021/22. |
| | | Number of Fraud and Corruption reports. | 4 | 4 | 4 | 4 | 0 | There is no deviation from set target |
| | | Number of Lifestyle Audit reports. | Not Applicable | 3 | Not Applicable | Not Applicable | Not Applicable | Not Applicable |
| | | Number of progress reports on implementation of Lifestyle Audits as per DPSA guidelines. | Not Applicable | Not Applicable | 2 | 2 | 0 | There is no deviation from set target |
| | Programme/Sub-programme: Special Programmes (Security Services and Protocol) | | | | | | | |
| | Security Managers Capacitated. | Number of capacity building sessions conducted for security managers in provincial departments. | 1 | 3 | 4 | 4 | 0 | No deviation from set target. |
| | | Number of Provincial Security Coordination Forum engagement reports. | Not Applicable | 1 | Not Applicable | Not Applicable | Not Applicable | Not Applicable |

Two targets were not achieved for the 2021/22 financial year. One was in Programme 2A (Strategic Human Resources) and the other from Programme 2B (Institutional Development and Integrity Management). Details on reasons for deviation are indicated in the table above and strategies to mitigate these are detailed below.

Strategy to overcome areas of under performance

To address under performance, the Department effected strategies listed below:

- **Provincial Security Coordination Framework** - Provincial Security Coordination Framework was not finalized during 2021/22. Framework will be approved by Executive Council in Q1 of 2022/23.
- **Number of reports on the implementation of the PPSTA Revitalisation Plan** - a report on implementation of the PPSTA revitalization was not finalized in Q1 due to restricted human resources.

Changes to planned targets

Targets were not revised for financial year 2021/22.

Linking performance with budgets

Targets not achieved were mainly driven through operational costs. There was no significant effect on the budget.

Sub-programme expenditure

| Sub- Programme Name | 2021/22 | | | 2020/21 | | |
|--|----------------------|--------------------|--------------------------|----------------------|--------------------|--------------------------|
| | Actual Appropriation | Actual Expenditure | (Over)/Under Expenditure | Actual Appropriation | Actual Expenditure | (Over)/Under Expenditure |
| | R'000 | R'000 | R'000 | R'000 | R'000 | R'000 |
| Strategic Human Resources | 80 604 | 76 108 | 4 496 | 72 344 | 71 564 | 780 |
| Information Communication Technology | 124 448 | 123 065 | 1 383 | 160 679 | 120 501 | 40 178 |
| Legal Services | 12 847 | 12 847 | 0 | 12 311 | 11 936 | 375 |
| Communication Services | 52 175 | 51 533 | 642 | 53 342 | 51 380 | 1 962 |
| Special Programmes | 117 624 | 110 724 | 6 900 | 57 205 | 53 520 | 3 685 |
| Forensic Investigations and Integrity Management | 32 714 | 30 333 | 2 381 | 24 398 | 23 729 | 669 |
| Total | 420 412 | 404 610 | 15 802 | 380 279 | 332 630 | 47 649 |



1.3 Programme 3: Policy and Governance

PURPOSE

The purpose of this programme is to improve and facilitate the coordination and alignment of the transversal policies, strategies, short- and long-term plans and programmes as well as the reporting and monitoring of these for the Provincial Government. The programme also provides a co-ordinating role for all provincial stakeholders.

It comprises of two Branches, each with sub-programmes.

3a. Macro Policy and Strategic Management

- Provincial Policy Management

3b. Stakeholder Coordination

- Premier's Priority Programme
- King's Support and Royal Household

PROGRAMME 3A: STRATEGIC MANAGEMENT

| Outcome | Output | Output Indicator | Audited Actual Performance 2019/2020 | Audited Actual Performance 2020/2021 | Planned Target 2020/2021 | **Actual Achievement 2021/2022 | Deviation from planned target to Actual Achievement for 2021/2022 | Reasons for deviations |
|--|---|--|--------------------------------------|--------------------------------------|--------------------------|--------------------------------|---|------------------------------|
| Programme/Sub-programme: Provincial Policy Management | | | | | | | | |
| 3.1.1 Improved governance and accountability. | Performance Reports of Departments. | Number of Performance Reports on departments. | 4 | 4 | 2 | 2 | 0 | No deviation from set target |
| | Priority Programmes Monitoring reports. | Number of reports on Provincial Priority Programmes. | Not Applicable | 4 | 2 | 2 | 0 | No deviation from set target |

| Outcome | Output | Output Indicator | Audited Actual Performance 2019/2020 | Audited Actual Performance 2020/2021 | Planned Target 2020/2021 | **Actual Achievement 2021/2022 | Deviation from planned target to Actual Achievement for 2021/2022 | Reasons for deviations |
|--|--|--|--------------------------------------|--------------------------------------|--------------------------|--------------------------------|---|------------------------------|
| Programme/Sub-programme: Provincial Policy Management | | | | | | | | |
| 3.1.2 Improved co-ordination, integration and efficiency in government. | Co-ordination of Provincial Evaluation. | Number of reports on the Provincial Evaluation Plan. | 2 | 2 | 2 | 2 | 0 | No deviation from set target |
| | Integrated MTSF report. | Number of MTSF reports. | 1 | 2 | 1 | 1 | 0 | No deviation from set target |
| | District Development Model reports | Number of oversight reports on the District Development Model /OSS. | Not Applicable | 4 | 4 | 4 | 0 | No deviation from set target |
| | Policy and Research Coordination: Macro Policy & Research inventory. | Number of macro policy & research inventory reports. | Not Applicable | 2 | 1 | 1 | 0 | No deviation from set target |
| | Integrated Planning System: Consolidated planning alignment report. | Number of consolidated provincial strategic planning alignment reports. | 1 | 1 | 1 | 1 | 0 | No deviation from set target |
| | Integrated Planning System: Functional Planning Commission. | Number of reports on the implementation of the Provincial Planning Commission business plan. | Not Applicable | 4 | 1 | 1 | 0 | No deviation from set target |
| | Integrated Planning System: Reviewed Provincial Growth & development Strategy. | PGDS reviewed. | Not Applicable | 1 | Not Applicable | Not Applicable | Not Applicable | Not Applicable |



PROGRAMME 3B: STAKEHOLDER COORDINATION

| Outcome | Output | Output Indicator | Audited Actual Performance 2019/2020 | Audited Actual Performance 2020/2021 | Planned Target 2020/2021 | **Actual Achievement 2021/2022 | Deviation from planned target to Actual Achievement for 2021/2022 | Reasons for deviations |
|--|---|---|--------------------------------------|--------------------------------------|--------------------------|--------------------------------|---|------------------------|
| Programme/Sub-programme: King's Support and Royal Household | | | | | | | | |
| 3.2.1 Improved governance & accountability. | Entity oversight: support plan to His Majesty developed & linked to the budget. | Number of KZN Zulu Royal House Trust support plans developed | Not Applicable | 1 | Not Applicable | Not Applicable | Not Applicable | Not Applicable |
| | Entity Oversight: KZN Zulu Royal House Trust quarterly monitoring reports. | Number of KZN Zulu Royal House Trust quarterly monitoring reports | 4 | 4 | Not Applicable | Not Applicable | Not Applicable | Not Applicable |
| | Entity Oversight: KZN Zulu Royal House Trust Annual Performance Plan Assessment report. | KZN Zulu Royal House Trust Annual Performance assessment report. | 1 | 1 | Not Applicable | Not Applicable | Not Applicable | Not Applicable |

| Outcome | Output | Output Indicator | Audited Actual Performance 2019/2020 | Audited Actual Performance 2020/2021 | Planned Target 2020/2021 | **Actual Achievement 2021/2022 | Deviation from planned target to Actual Achievement for 2021/2022 | Reasons for deviations |
|--|--|--|--------------------------------------|--------------------------------------|--------------------------|--------------------------------|---|------------------------------|
| Programme/Sub-programme: King's Support and Royal Household | | | | | | | | |
| | Entity Oversight: Support Plan to the Zulu Monarch developed & linked to the budget | Number of reports compiled on the implementation of the KZN Government Service Support Plan to the Zulu Monarch. | Not Applicable | Not Applicable | 4 | 4 | 0 | No deviation from set target |
| | Entity Oversight: KZN Zulu Royal House Trust Annual Performance Plan Assessment report | Number of Monitoring reports compiled on the performance of the KZN Zulu Royal House Trust. | Not Applicable | Not Applicable | 4 | 4 | 0 | No deviation from set target |





PROGRAMME 3B: STAKEHOLDER COORDINATION

| Programme/Sub-programme: Premier's Priority Programmes | | | | | | | | |
|--|--|---|----------------|----------------|----------------|----------------|----------------|------------------------------|
| 3.2.2 Improved co-ordination, integration and efficiency in government. | PEMP Co-ordination | Number of annual Implementation report on PEMP programme. | Not Applicable | 0 | Not Applicable | Not Applicable | Not Applicable | Not Applicable |
| | | Number of annual Implementation report on Phase IV of the PEMP Master Plan. | Not Applicable | 0 | Not Applicable | Not Applicable | Not Applicable | Not Applicable |
| | | Number of quarterly coordination reports on progress with PEMP implementation by departments. | 1 | 4 | Not Applicable | Not Applicable | Not Applicable | No deviation from set target |
| | Implementation of Poverty Eradication Plans monitored. | Number of progress report on the implementation of poverty eradication interventions in all districts. | Not Applicable | Not Applicable | 4 | 4 | 0 | No deviation from set target |
| | Reviewed OSS implemented. | Number of quarterly reports on the implementation of the revitalisation strategy of OSS. | 4 | 4 | 4 | 4 | 0 | No deviation from set target |
| 3.2.3 Inclusive stakeholder engagement & improved partnerships. | Priority Programmes Co-ordinated. | Number of consolidated multi-sectorial intervention monitoring and coordination reports on HIV and AIDS & TB. | 4 | 4 | 4 | 4 | 0 | No deviation from set target |
| | | Number of quarterly coordination reports on Inkululeko Development projects. | Not Applicable | 4 | 4 | 4 | 0 | No deviation from set target |

| Programme/Sub-programme: Premier's Priority Programmes | | | | | | | | |
|--|--|--|----------------|----------------|----------------|----------------|----------------|--|
| 3.2.3 Inclusive stakeholder engagement & improved partnerships. | Priority Programmes Co-ordinated. | Number of consolidated reports compiled on the implementation of KZN Stakeholders Social Compacts. | Not Applicable | Not Applicable | 4 | 2 | -2 | Stakeholder compacts were not finalized in Q1 and Q2. The process involved extensive consultation which spanned beyond the first 2 quarters. |
| | | Number of Veteran support services coordination reports. | 0 | 0 | Not Applicable | Not Applicable | Not Applicable | Not Applicable |
| | | Number of progress reports compiled on the interventions coordinated for Military Veterans. | Not Applicable | Not Applicable | 4 | 4 | 0 | No deviation from set target |
| | | Number of Rapid Response (RR) programmes coordinated. | 1 | 0 | Not Applicable | Not Applicable | Not Applicable | Not Applicable |
| | | Number of reports on the interventions of the Rapid Response programme. | 2 | 4 | 4 | 4 | 0 | No deviation from set target |
| | Strategic Partnership co-ordination reports. | Number of quarterly reports of District Multi-Sectoral Stakeholder engagements. | Not Applicable | 4 | Not Applicable | Not Applicable | Not Applicable | Not Applicable |
| | | Number of reports on strategic engagements held with farm workers and farm dwellers. | 2 | 4 | Not Applicable | Not Applicable | Not Applicable | No deviation from set target |



| Programme/Sub-programme: Premier's Priority Programmes | | | | | | | | |
|--|--|--|----------------|----------------|----------------|----------------|----------------|------------------------------|
| | Strategic Partnership co-ordination reports. | Number of progress reports compiled on the interventions coordinated for Farm Dwellers and Farm Workers. | Not Applicable | Not Applicable | 4 | 4 | 0 | No deviation from set target |
| | | Number of MRM and Social Cohesion coordination reports. | 4 | 4 | 4 | 4 | 0 | No deviation from set target |
| | Izimbizo co-ordinated | Number of Izimbizo, Sector & Stakeholder engagement co-ordination reports. | 3 | 3 | Not Applicable | Not Applicable | Not Applicable | Not Applicable |
| | | Number of Izimbizo, co-ordination reports. | Not Applicable | 0 | Not Applicable | Not Applicable | Not Applicable | Not Applicable |

The Department did not achieve 1 target under Stakeholder Coordination (Programme 3) during 2021/22. Social compacts were not finalized at the time of reporting for Q1 and Q2. No reports were compiled on the implementation thereof.

Strategy to overcome areas of under performance

In future, setting of milestones will consider period required for consultation, before implementation.

Changes to planned targets

There were no changes in the Annual Performance plan for financial year 2021/22.

Linking performance with budgets

Performance was linked to budget for the 2021/22 financial year.

| Sub-Programme Name | 2021/22 | | | 2020/21 | | |
|-------------------------------|---------------------|--------------------|--------------------------|---------------------|--------------------|--------------------------|
| | 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 |
| Provincial Policy Management | 25 874 | 24 515 | 1 359 | 37 366 | 35 517 | 1 849 |
| Premier's Priority Programmes | 65 399 | 51 397 | 14 002 | 32 303 | 31 201 | 1 102 |
| Royal Household | 93 221 | 86 427 | 6 794 | 73 752 | 73 420 | 332 |
| Total | 184 494 | 162 339 | 22 155 | 143 421 | 140 138 | 3 283 |





Reporting on the Institutional Response to the COVID-19 Pandemic

1. Internal COVID-19 interventions

The main intervention implemented by the Office of the Premier in response to the COVID-19 pandemic was coordination of the Provincial Health and Wellness programme, which largely monitored effects of the pandemic in public servants.

2. External COVID-19 interventions

2.1 With reduction in COVID-19 incidents during 2021/22, there was subsequent ease on most restrictions. Employees had returned to office on a full-time basis and regularity was facilitated gradually as permitted for each lockdown level.

2.2 All provincial Departments maintained set COVID-19 protocols throughout 2021/22. These included screening at entrances to government buildings and provision of protective equipment on a continuous basis.

3. Provincial Evaluation on COVID-19

A Rapid Evaluation on the implementation of COVID-19 interventions was extended to the first quarter of 2021/22 to cover a broader scope and conclude on areas where less intervention was observed in the initial assessment.

Progress on institutional Response to the COVID-19 Pandemic.

| NO. | DEPARTMENT | POSITIVE CASES IDENTIFIED | ACTIVE CASES | RECOVERIES | DEATHS |
|-----|--|---------------------------|--------------|------------|--------|
| 1 | Agriculture and Rural Development | 221 | 0 | 204 | 17 |
| 2 | Arts and Culture | 63 | 1 | 59 | 3 |
| 3 | Community Safety and Liaison | 45 | 0 | 44 | 1 |
| 4 | Cooperative Governance and Traditional Affairs | 243 | 0 | 230 | 13 |

| | | | | | |
|----|---|---------------|-----------|---------------|------------|
| 5 | Economic Development, Tourism and Environmental Affairs | 119 | 0 | 119 | 0 |
| 6 | Education | 12 550 | 0 | 12 230 | 320 |
| 7 | Health | 27 649 | 37 | 27 156 | 456 |
| 8 | Human Settlements | 131 | 0 | 129 | 2 |
| 9 | Office of the Premier | 84 | 0 | 81 | 3 |
| 10 | Provincial Treasury | 98 | 0 | 98 | 0 |
| 11 | Public Works | 164 | 0 | 140 | 24 |
| 12 | Social Development | 488 | 0 | 464 | 24 |
| 13 | Sport and Recreation | 56 | 0 | 55 | 1 |
| 14 | Transport | 495 | 0 | 464 | 31 |
| | TOTAL | 42 406 | 38 | 41 473 | 895 |

KWAZULU-NATAL

PROVINCIAL GOVERNMENT
REPUBLIC OF SOUTH AFRICA

PART C

GOVERNANCE



1. INTRODUCTION

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

2. RISK MANAGEMENT

To achieve the requirements of section 38(a) of the Public Finance Management Act, the Department has, as part of its risk management strategy, a Risk Management unit which is responsible for coordinating the effective implementation of risk management within the Department.

To ensure a well-structured approach to the implementation of risk management, the Department has developed and approved a Risk Management Policy, Risk Management Strategy and Risk Appetite Statement.

The Accounting Officer has established a Risk Management Committee to oversee and monitor the implementation of the Risk Management Policy, Risk Management Strategy and Risk Appetite Statement. The objectives, authority, composition and roles and responsibility of the Risk Management Committee are defined by its Terms of Reference. This committee is, amongst other things, responsible for the following:

- Collaborating with the Accounting Officer and Executive Authority in setting an appropriate tone by supporting and being seen to be supporting the Department's aspirations for effective management of risks;
- Review and recommend for the approval of the Accounting Officer the risk management policy; risk management strategy; risk management implementation plan; and the Department's risk appetite;
- Review and recommend for the approval of the Accounting Officer the Fraud Prevention Plan and Implementation Plan;
- Review and recommend for approval of the Accounting Officer the Business Continuity Arrangements of the Department;
- Review and recommend for the approval of the Accounting Officer the Department's risk identification and assessment methodologies, after satisfying itself of their effectiveness in timeously and accurately identifying and assessing the Department's risks;
- Evaluate the extent and effectiveness of risk management integration within the Department;
- Monitor and assess the implementation of the risk management policy and strategy (including the implementation plan).
- Monitor and assess the implementation of the fraud prevention plan and business continuity policy (including associated implementation plans);
- Ensure that risk assessments happen on a regular basis to ensure the identification of emerging risks;
- Evaluate the completeness and credibility of the Department's risk registers;
- Oversee the identification and implementation of the risk management action plans;
- Evaluate the effectiveness of the risk mitigation strategies implemented to address material risks of the Department;
- Review all directorates risk registers and reports;
- Review the material findings and recommendations from assurance providers on the system of risk management and internal control; and monitor the implementation of such recommendations;

- Interact with the Provincial Audit and Risk Committee (CARC) to share information relating to material risks for their advice and input;
- Assist the CARC in reviewing and recommending disclosures on matters of risk in the annual reports and financial statements of the Department;
- Assist the CARC in reviewing and recommending disclosures on matters of risk and risk management in the Department's annual report;
- Assist the CARC in ensuring that the internal and external audit plans are aligned to the Department's risk profile;
- Satisfying itself that it has appropriately addressed financial reporting risks, fraud risks, and IT risks as they relate to financial reporting;

The Cluster Audit and Risk Committee meet on a quarterly basis to independently review the Department's risk management processes and advise the Accounting Officer and the Department on the adequacy and effectiveness thereof.

The implementation and improvement of risk management has had a positive impact on the operations of the Department. The following are some of the benefits that can be attributed to improved risk management processes:

- Greater awareness and compliance with prescripts;
- Greater awareness of the risk management policy and its effect on service delivery initiatives
- Enhanced monitoring and tracking of audit recommendations;
- Regular review and update of risk register;
- Coordinated approach to identification, recording, monitoring and reporting of risks.

3. FRAUD AND CORRUPTION

The Department has the Fraud Prevention Plan which was reviewed and approved by the Director-General on 26 August 2020. The Department conducted Departmental awareness workshops on fraud and ethics as part of the rollout of the Fraud Prevention Plan. Departmental awareness workshops on fraud and ethics which were conducted included an induction workshop for newly appointed officials and a workshop on disclosure of financial interests for members of Senior Management Service and Middle Management Service. The Department circulated anti-fraud and anti-corruption articles to all officials in the Department. The Department also conducted fraud and ethics risk assessments as part of the implementation of the Fraud Prevention Plan.

Mechanisms are in place to report fraud and corruption and how these operate.eg: Whistle blowing - which encourages officials to make confidential disclosure about suspected fraud and corruption. The Department has the Whistle Blowing Policy which gives rights to employees, workers, members of the public, and service providers to report all allegations of fraud, theft, corruption, maladministration and irregularities taking place in the Department. Officials can report fraud and corruption directly to their supervisors or to the Head of Integrity Management and Forensic Investigations Chief Directorate. Officials are also allowed to call the National Anti-Corruption Hotline 0800 701 701 to report fraud and corruption.

Members of the public and service providers who wish to report fraud and corruption can contact any member of management, or the Director-General, or the Chief Director Integrity Management Services on Private Bag X9037 Pietermaritzburg 3200, or call the National Anti-Corruption Hotline on 0800 701 701. Officials, members of the public and service providers can also report allegations of fraud and corruption to the Premier. Officials, members of the public and service providers can remain anonymous when reporting allegations of fraud and corruption.



The Department has the Forensic Investigations Directorate which deals with all reported allegations of fraud and corruption in the Department. This include those received from the National Anti-Corruption Hotline. Forensic Investigations Directorate conducts preliminary investigation on all reported allegations to determine whether full scale investigation is required and if so, what form it should take. Allegations of fraud and those irregularities that constitute criminal conduct are reported to the South African Police Services by the Department. In order to protect whistle blowers, progression of investigations is handled in confidential manor. It is not disclosed or discussed with any other person other than those who have legitimate right to the information.

4. MINIMISING CONFLICT OF INTEREST

The Department adopted the Reviewed Provincial Policy Framework on Conflicts of Interest. The adopted *Reviewed Provincial Policy Framework on Conflicts of Interest* and the *Public Service Code of Conduct* always form part of the Departmental awareness workshop on fraud and ethics. As part of managing conflicts of interest officials in all levels in the Department disclose their financial interests. Officials at Levels 1 to 8 officials disclose their financial interests in the manual form. Supply Chain Management, Financial Management, level 9 and 10 officials, Middle Management Service and Senior Management Service officials disclose their financial interests in the e-Disclosure system.

The Department has designated Ethics Officers who conduct verification of disclosed financial interests. Ethics Officers also conduct lifestyle reviews to determine conflicts of interest. Identified cases of conflict of interest are reported to the Director-General, who oversees removal of conflict of interests. The Department acts against officials who fail to remove conflicts of interest.

Supply Chain Management conducts vetting of suppliers which includes verifying Directors of companies in the Central Supply Database. The vetting is done to ensure that the Department does not award contracts to companies owned by employees of the Department. Supply Chain Management Practitioners and all other employees involved in the Supply Chain Management processes including BID Committee members complete the declaration of interest forms.

5. CODE OF CONDUCT

The Code of Conduct is workshopped to all employees in the Office of the Premier. It is part of the orientation program for the newly appointed employees. The breach of the Code of Conduct is dealt with in terms of the Consequence Management Framework that was adopted by the Executive Council of the KZN Province.

6. HEALTH SAFETY AND ENVIRONMENTAL ISSUES

As purported by the National Employee Health and Wellness Strategic Framework for the Public Service, the Provincial Government is implementing the Provincial Employee Health and Wellness Strategy which seeks to provide for an integrated, needs driven, participative and holistic approach to Employee Health and Wellness. The integrated approach to employee health, safety and wellness, recognizes the importance of individual health, safety and wellness in relation to organisational wellness of the Office of the Premier and provincial Departments.

The Provincial Government is committed to the provision and promotion of a healthy and safe work environment for employees and clients utilizing government infrastructure; and to assess and control risks through the enforcement of the Occupational Health and Safety Act, No. 85 of 1993.

The core objectives are to:

- i Improve occupational health and safety by controlling health hazards in the workplace;
- ii Promote a healthy public service environment that is safe for both public servants and the

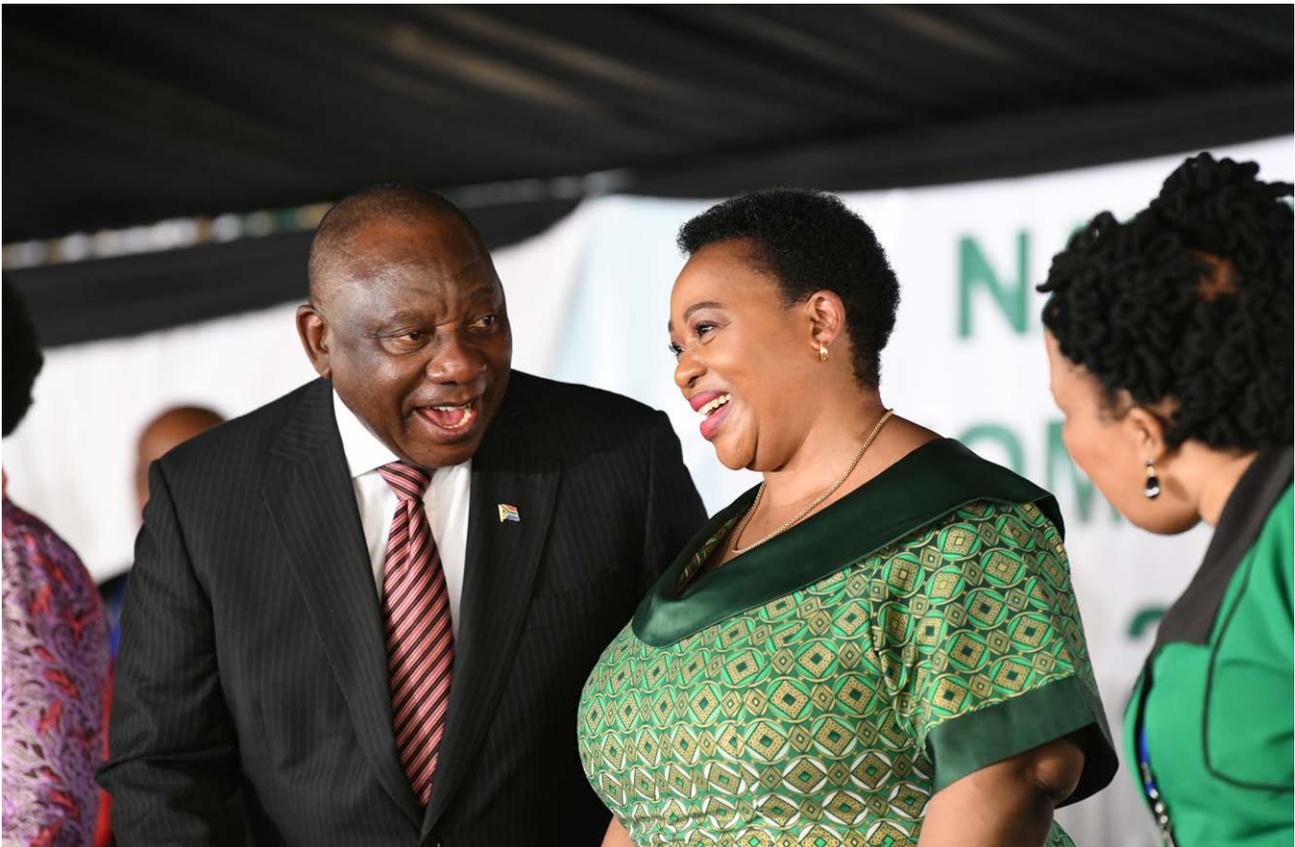
- community at large;
- iii Have a provincial public service that can identify and manage risks and improve the quality of services; and
- iv Provide guidance on how to manage risks, eliminate illness, disease and accidents.

7. PORTFOLIO COMMITTEES

During the reporting period, the Office of the Premier appeared before the Premier Portfolio Committee on 31 August 2021, 25 January 2022 and 15 March 2022. The Office of the Premier also appeared before the Finance Portfolio Committee on 23 April 2021, 03 September 2021 and 18 November 2021.

Matters raised by the Portfolio Committee:

- i The Premier Portfolio Committee agenda required the Office of the Premier to report on financial and non-financial quarterly performance, expenditure to date and to provide the written responses to resolutions from the Finance Portfolio Committee as well as SCOPA. All the required reports and follow-up responses were submitted to the Committee.
- ii The Premier Portfolio Committee further required the Office of the Premier to provide responses to the various resolutions of the Sector Parliaments held in 2020. This was provided during the meeting of the Committee in 2021/22.
- iii The Finance Portfolio Committee raised matters as they were captured on the Finance Portfolio Committee Resolutions. The main matter raised consistently by the Committee was in respect of the implementation of the Departmental Audit Improvement Plan. The Department responded by presenting progress regarding the implementation of the Plan together with achieved milestones per quarter.



8. SCOPA RESOLUTIONS -

| Resolution No. | Subject | Details | Response by the department | Resolved (Yes/No) |
|--------------------|--|---|---|-------------------|
| Resolution 1/2021: | Office of the Premier: Audit findings on Compliance with Procurement and Contract Management Prescripts. | The Committee resolved that: - That the Accounting Officer provide a progress report to the Committee by 30 June 2021 on the impact and effectiveness of the measures implemented to address these audit findings and to prevent a recurrence. | <p>The Department drafted an Audit Improvement Plan which was approved by the Accounting Officer on the 23 November 2020 and implementation thereof has been monitored on monthly and quarterly basis through MANCO and EXCO meeting.</p> <p>With regards to the Audit Findings on Compliance with Procurement and Contract Management Prescripts the following improvement measures were implemented.</p> <p>Procurement of Goods and Service below R500 000</p> <ul style="list-style-type: none"> o The Department filled the critical posts within SCM unit appointed three SCM practitioners and one Assistant Director: Demand Management. Practitioners will assist in expedition of requisitions and making follow up with nominated suppliers to submit quotations. o Initiate consequence measures against officials who are responsible for the non-compliance with applicable prescripts and the policies and procedures of the department. o Training/Workshop on SCM standard operating procedures was conducted to SCM officials, top management, Responsibility Managers and other departmental officials so that they understand SCM processes and procedures. o The SCM Unit circular communicating reasonable timeframes for submission of request to allow SCM Unit enough time to source quotations was circulated to all officials within the Department. | Yes |

| Resolution No. | Subject | Details | Response by the department | Resolved (Yes/No) | | | | | | | | | | | | | | | | | | | | | | | | | | | |
|--|--|-------------------------------------|---|-----------------------------------|---|-------------------------------------|----------|---|--|---------------------|--------------------------------|-----|----------------|-----|-----|-----------------|----------------------------------|----|-----------------------|-----|-----|--|--|----|---------------|--|-----|-----------------|--|----|--|
| | | | <p>o Furthermore, SCM Unit developed internal timeframes for the processing of the procurement requests and these were communicated via departmental circular.</p> <p>o Of the R351 318 000 the identified irregular expenditure R199 281 000 has been investigated and a submission for condonation have been submitted to Provincial Treasury</p> <p>o R 152 037 000 has is still to be finalised.</p> <table border="1"> <thead> <tr> <th>Remedial Action that can be taken</th> <th>Indicated number of Consequence Management taken per category</th> <th>Number of transactions with letters</th> </tr> </thead> <tbody> <tr> <td>Training</td> <td>6 SCM Training sessions took place with staff</td> <td></td> </tr> <tr> <td>Counselling letters</td> <td>29 counselling letters issued:</td> <td>101</td> </tr> <tr> <td>Verbal Warning</td> <td>Nil</td> <td>N/a</td> </tr> <tr> <td>Written Warning</td> <td>9 written warning letters issued</td> <td>96</td> </tr> <tr> <td>Final Written warning</td> <td>Nil</td> <td>N/a</td> </tr> <tr> <td>Notice of intent to take disciplinary action -</td> <td>14 notice of intent to take disciplinary action issued</td> <td>47</td> </tr> <tr> <td>Legal opinion</td> <td>All transactions Prior to 31 March 2018 are covered by the Legal opinion</td> <td>184</td> </tr> <tr> <td>No Action taken</td> <td>This was due to the official either retiring or leaving the department</td> <td>25</td> </tr> </tbody> </table> <p>Transaction greater R500 000 Training is being planned for all SMS members on handling discipline in the workplace.</p> <p>Of the R351 318 000 the identified irregular expenditure R199 281 000 has been investigated and a submission for condonation have been submitted to Provincial Treasury.</p> <p>R 152 037 000 is still to be finalised.</p> <p>Contracts awarded to Non-compliant suppliers:</p> <p>o Request for quotation form (RFQ) has been amended. Service providers are now requested to attach Tax verification pin number and CSD tax compliance proof.</p> | Remedial Action that can be taken | Indicated number of Consequence Management taken per category | Number of transactions with letters | Training | 6 SCM Training sessions took place with staff | | Counselling letters | 29 counselling letters issued: | 101 | Verbal Warning | Nil | N/a | Written Warning | 9 written warning letters issued | 96 | Final Written warning | Nil | N/a | Notice of intent to take disciplinary action - | 14 notice of intent to take disciplinary action issued | 47 | Legal opinion | All transactions Prior to 31 March 2018 are covered by the Legal opinion | 184 | No Action taken | This was due to the official either retiring or leaving the department | 25 | |
| Remedial Action that can be taken | Indicated number of Consequence Management taken per category | Number of transactions with letters | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Training | 6 SCM Training sessions took place with staff | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Counselling letters | 29 counselling letters issued: | 101 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Verbal Warning | Nil | N/a | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Written Warning | 9 written warning letters issued | 96 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Final Written warning | Nil | N/a | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Notice of intent to take disciplinary action - | 14 notice of intent to take disciplinary action issued | 47 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Legal opinion | All transactions Prior to 31 March 2018 are covered by the Legal opinion | 184 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| No Action taken | This was due to the official either retiring or leaving the department | 25 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |

| Resolution No. | Subject | Details | Response by the department | Resolved (Yes/No) |
|----------------|---------|---------|--|-------------------|
| | | | <ul style="list-style-type: none"> o Acquisition section within SCM generates CSD tax compliance form at the pre-screening stage to confirm compliance. A copy of the tax compliance report will be filed for evidence of the verification. o Upon awarding and issuing of an order (logistics section) same report is printed, to ensure full compliance with tax. o A copy of the tax compliance report will be filed for evidence of the verification. o SCM unit will identify an individual within the unit who will be assigned duties of a compliance officer to screen the procurement documents for any non-compliance with applicable prescripts and the policies and procedures of the department. <p>Contract Extensions</p> <ul style="list-style-type: none"> o Contract Management Section undertakes monthly reconciliation of all contracts, which is sent to each unit to complete and verify in order to track and monitor contracts. o The Department ensures that payments do not exceed the authorised contract value, all payments are submitted to the contract management unit for confirmation that funds are available within the budget of the contract before the payment can be processed. o Contract register is updated and monitored on monthly basis. o An electronic workbook which reflect all contract per unit ,the balances will be reduced in line with the monthly payments o To ensure that records are properly maintained all contract documentation are being scanned into an electronic database and the hardcopies are filed in a secure locked room. o The Department is in the process of procuring an Electronic Contract management System and the Service Provider has been sourced in compliance to the Supply Chain Management Policy. <p>Non-compliance with local content requirements</p> <ul style="list-style-type: none"> o The department has reviewed its SCM processes and bid documents to incorporate the requirements for local content. o The SBD 6.2 form to form part of the request for quotation (RFQ). The SBD 6.2 together <ul style="list-style-type: none"> • with Annexure C forms will be completed when the requisitioned item requires compliance • with the local content requirements. | Yes |

| Resolution No. | Subject | Details | Response by the department | Resolved (Yes/No) |
|--------------------|---|--------------------------------|---|-------------------|
| | | | <ul style="list-style-type: none"> o Procurement of items that requires local content implementation is reported to Department of Trade and Industry after the award. o Compliance checklist was re-designed to incorporate legislative requirements for local content. o Training programme for SCM Officials and Responsibility Managers on SCM processes and procedures was conducted. o Regular trainings are conducted for SCM staff to ensure that staff are up to date with changes in legislation and are developed to ensure adequate implementation. <p>The Department had a total number of 129 improvement measures that were to be implemented and to date 108 have been adequately implemented and the remaining 21 are in progress due to the complexity and the processes involved and there are further monitored on monthly and quarterly basis through MANCO and EXCO.</p> | Yes |
| Resolution 2/2021: | Office Of The Premier: Audit Findings On Compliance With Procurement And Contract Management Prescripts | The Committee resolved that: - | <p>Various control measures were implemented as per the Audit Improvement Plan, emanating from the audit finding previously raised during 2019/20 by the AGSA.</p> <p>FA Circular 05 of 2020 was disseminated within Office of the Premier in November 2020 to reiterate compliance to Treasury Regulation 8.2.3. Furthermore, as an additional control measure, rejection registers (reports) are emailed weekly to the DDG's to manage and monitor payment rejections and to implement consequence management accordingly.</p> <p>The Branch Managers have implemented controls to manage, monitor and ensure that rejected payments are corrected timeously and within the three-day turnaround time, in order to avoid 30-day payments. This process involves constant interaction between the Branch Manager and the relevant Responsibility Manager, in order to ensure compliance to financial prescripts.</p> <p>Furthermore, the Office of the Branch Manager investigates reported 30-day payments presented at MANCO and EXCO and ensure that the transactions are investigated, and the root causes addressed and if necessary, implement consequence management.</p> | |

| Resolution No. | Subject | Details | Response by the department | Resolved (Yes/No) | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
|----------------|---|--|---|---|--|---------------------|--|---------------------|--|--|---|---|--|---------|------|-----|------|----|----|---------|------|-----|------|----|----|---------|------|-----|------|----|---|---------|------|-----|------|----|----|---------|-----|----|-----|----|---|--|
| | | | <p>In the 21/22 financial year, in order to address the monitoring of movement of invoices, the Office of the Premier has further implemented an electronic SCM and invoice tracking internal system in order to digitise from the requisition through to the payment process. The electronic systems has a number of control measures at each stage of the procurement process in order to address the challenges in ensuring that errors are eliminated and that the documents are audit ready prior to processing. In this manner, invoices will be tracked in real time and red flags will be identified at an early stage in terms of staff that are delaying the processing of the payment timeously, thereby preventing the occurrence of 30-day payments. The above action plans have been adequately implemented by the Department and has resulted in reduction on the payments made over 30 days to the suppliers</p> <p>The table below illustrates the improvement as a result of the various improvement measures implemented since November 2020:</p> <table border="1"> <thead> <tr> <th rowspan="2">YEAR</th> <th rowspan="2">TOTAL NUMBER OF PAYMENTS PROCESSED ON BAS</th> <th colspan="2">EXCEEDING 30 DAYS</th> <th colspan="2">PAID WITHIN 30 DAYS</th> </tr> <tr> <th>TOTAL NUMBER OF PAYMENTS PROCESSED EXCEEDING 30 DAYS</th> <th>TOTAL NUMBER OF PAYMENTS PROCESS WITHIN 30 DAYS</th> <th>AVERAGE % OF BAS PAYMENTS PAID WITHIN 30 DAYS</th> <th>AVERAGE % OF BAS PAYMENTS PAID EXCEEDING 30 DAYS</th> </tr> </thead> <tbody> <tr> <td>2017/18</td> <td>5363</td> <td>656</td> <td>4707</td> <td>88</td> <td>12</td> </tr> <tr> <td>2018/19</td> <td>4173</td> <td>594</td> <td>3579</td> <td>86</td> <td>14</td> </tr> <tr> <td>2019/20</td> <td>2327</td> <td>162</td> <td>2165</td> <td>93</td> <td>7</td> </tr> <tr> <td>2020/21</td> <td>2053</td> <td>405</td> <td>1648</td> <td>80</td> <td>20</td> </tr> <tr> <td>2021/22</td> <td>451</td> <td>17</td> <td>434</td> <td>98</td> <td>2</td> </tr> </tbody> </table> <p>*2021/22 statistics is from 1 April 2021 to 31 August 2021</p> <p>In addition to the above, two payment workshops were held within the department. A payment process training workshop was held online on 12th May 2021 and a 30 day payment process training workshop was held on the 22nd September 2021 for all departmental officials to assist with outlining process and procedures in an effort reduce the number of payments made over 30 days. Workshop training documents was also disseminated to all departmental officials for ease of reference.</p> | YEAR | TOTAL NUMBER OF PAYMENTS PROCESSED ON BAS | EXCEEDING 30 DAYS | | PAID WITHIN 30 DAYS | | TOTAL NUMBER OF PAYMENTS PROCESSED EXCEEDING 30 DAYS | TOTAL NUMBER OF PAYMENTS PROCESS WITHIN 30 DAYS | AVERAGE % OF BAS PAYMENTS PAID WITHIN 30 DAYS | AVERAGE % OF BAS PAYMENTS PAID EXCEEDING 30 DAYS | 2017/18 | 5363 | 656 | 4707 | 88 | 12 | 2018/19 | 4173 | 594 | 3579 | 86 | 14 | 2019/20 | 2327 | 162 | 2165 | 93 | 7 | 2020/21 | 2053 | 405 | 1648 | 80 | 20 | 2021/22 | 451 | 17 | 434 | 98 | 2 | |
| YEAR | TOTAL NUMBER OF PAYMENTS PROCESSED ON BAS | EXCEEDING 30 DAYS | | | | PAID WITHIN 30 DAYS | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | | TOTAL NUMBER OF PAYMENTS PROCESSED EXCEEDING 30 DAYS | TOTAL NUMBER OF PAYMENTS PROCESS WITHIN 30 DAYS | AVERAGE % OF BAS PAYMENTS PAID WITHIN 30 DAYS | AVERAGE % OF BAS PAYMENTS PAID EXCEEDING 30 DAYS | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 2017/18 | 5363 | 656 | 4707 | 88 | 12 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 2018/19 | 4173 | 594 | 3579 | 86 | 14 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 2019/20 | 2327 | 162 | 2165 | 93 | 7 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 2020/21 | 2053 | 405 | 1648 | 80 | 20 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 2021/22 | 451 | 17 | 434 | 98 | 2 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |

| Resolution No. | Subject | Details | Response by the department | Resolved (Yes/No) |
|--------------------|--|--|---|-------------------|
| | | | Further to the above, a pronouncement was also made by the Director General and Exco that with effect 1 October 2021, no 30 day approval submissions will be considered and that consequence management would be implemented whereby official may be charged with financial misconduct. | |
| Resolution 4/2021: | Office Of The Premier: Areas Of Concern: Risk Management And Risk Strategy | The Committee resolved that: - That the Accounting Officer report to the Committee by 30 June 2021 on the impact and effectiveness of the measures implemented to address the deficiencies. | <p>The Accounting Officer has established a Risk Management Committee to oversee and monitor the implementation of the Risk Management Policy, Risk Management Strategy and Risk Appetite Statement. Risk Committee meetings are held on a quarterly basis and chaired by the Accounting Officer.</p> <p>The objectives, authority, composition and roles and responsibility of the Risk Management Committee are defined by its Terms of Reference. This committee is, amongst other things, responsible for the following:</p> <ul style="list-style-type: none"> o Review and recommend for the approval of the Accounting Officer the department's risk identification and assessment methodologies, after satisfying itself of their effectiveness in timeously and accurately identifying and assessing the department's risks; o Evaluate the extent and effectiveness of risk management integration within the department; o Monitor and assess the implementation of the risk management policy and strategy (including the implementation plan). o Ensure that risk assessments happen on a regular basis to ensure the identification of emerging risks; o Evaluate the completeness and credibility of the department's risk registers; o Oversee the identification and implementation of the risk management action plans; o Evaluate the effectiveness of the risk mitigation strategies implemented to address material risks of the department; o Review all directorates risk registers and reports; o Review the material findings and recommendations from assurance providers on the system of risk management and internal control; and monitor the implementation of such recommendations; | Yes |

| Resolution No. | Subject | Details | Response by the department | Resolved (Yes/No) |
|-------------------|--|---|---|-------------------|
| | | | <p>The Department has a risk register in place which is updated and reviewed on a continuous basis. The Risk register is aligned to the strategic and operational plan of the department. Review of the risk register takes into considerations the findings from Internal Audit Reports, AG Reports and any concerns emanating from the EXCO, MANCO, Branch MANCO meetings to ensure risk register coverage is representative of the department risk exposures.</p> <p>To ensure timeous implementation of improvement plans, the risk register is monitored and reported to various structures such as Cluster Audit and Risk Committee (CARC), Departmental Risk Committee, Branch MANCO and EXCO.</p> <p>Any delays in the implementation of risk improvement plans are reported to Branch MANCO and Risk Committee for review and analyses. This assist in ensuring timely identification of challenges and implementation of interventions.</p> | |
| Resolution 6/2021 | Office Of The Premier: Human Resource Management | <p>The Committee resolved that: -</p> <p>That the Accounting Officer report to the Committee by 30 June 2021 on the impact and effectiveness of the measures implemented to address the deficiencies in management of vacancies and leave management.</p> | <p>The Department has taken the necessary steps guided by the Provincial Treasury Circular No. PT (2) of 2021/22 (Cost Cutting measures) on the filling of critical posts to manage its vacancy rate. The vacancy rate is currently at 4.5%. The current processes are being reviewed to ensure improved turnaround times in the filling of critical positions in the Department. This will entail the submission of an exit report to EXCO on a monthly basis for consideration and reprioritising of funding for filling of critical positions. Once funds have been reprioritised to fill critical posts and approval obtained from Provincial Treasury, recruitment and selection process will be initiated. The Department will ensure that all these processes are finalised within three (3) months.</p> <p>In order to deal with the deficiency related to leave, the Department has implemented an electronic leave management system with effect from 7 June 2021. The e-Leave system will always allow for easier management and visibility of the leave processes. It also speeds up decision making, improves oversight and eliminates the delays typically associated with paper-based leave applications. The system enables employees in the Office of the Premier to manage (apply/amend/cancel) their leave electronically via a personal computer or using the Android/iOS App. The system automatically verifies the availability of an employee's leave credits when applying for leave and enables supervisors to recommend and approve leave electronically even when they out of the office. This avoids delays in the approval of leave which often results in unnecessary audit findings. The e-Leave system automatically updates all approved leave requests on the Persal system thus ensuring that the Persal records match the e-Leave system.</p> | Yes |

| Resolution No. | Subject | Details | Response by the department | Resolved (Yes/No) |
|---------------------|--|--|---|-------------------|
| Resolution 7/2021 | Office Of The Premier: Internal Investigations Relating To Irregularities (Relating To Scopa Resolution 5/2020 And Scopa Transversal Resolution 55/2019) | The Committee resolved that: - The findings and recommendations of the investigation relating to the Public Service Training Academy and all other completed investigations, as well as steps taken to implement the recommendations, including details of disciplinary action taken and the sanctions imposed, as well as steps taken to recover losses and to open criminal cases. The anticipated time frames for completing the investigations still in progress and details of any challenges experienced and steps taken to address the challenges and to accelerate finalisation. | The status is still the same. The investigation pertaining to allegation of fraud at the Youth Development Unit is still in-progress. The second draft report was resubmitted to the Chief Director for final review. It is anticipated that the report will be issued to the department in October 2021. | Yes |
| Resolution 108/2021 | Transversal Resolution (All Provincial Departments) – Irregular Expenditure Recorded In The 2019/20 Financial Year | The Committee resolved: That the Accounting Officers of all departments report to the Committee by 30 June 2021 on the following: | The following has been done to implement the proposed interventions to improve the control environment to detect and prevent irregular expenditure and to avoid a recurrence of the audit findings in relation to irregular expenditure, as well the effectiveness of these interventions: <ul style="list-style-type: none"> • The SCM compliance checklist was amended. • 6 training sessions were conducted for all SCM staff members, the trainings were based mainly on the recommended procurement process to ensure compliance • A register of irregular expenditure is maintained and updated regularly. | Yes |

| Resolution No. | Subject | Details | Response by the department | Resolved (Yes/No) |
|----------------|---------|--|--|-------------------|
| | | <p>Progress made in the implementation of the proposed interventions to improve the control environment to detect and prevent irregular expenditure and to avoid a recurrence of the audit findings in relation to irregular expenditure, as well the effectiveness of these interventions.</p> <p>The reasons for these interventions not being implemented in the 2019/20 financial year and in prior years and why such omission does not constitute an act of financial misconduct.</p> <p>Whether irregular expenditure reported in the annual financial statements in 2019/20 and not yet condoned, has been investigated, the outcomes and findings of the investigations, details of disciplinary steps taken against any official/employee responsible for irregular expenditure and where investigations and</p> | <ul style="list-style-type: none"> A detailed audit improvement plan was developed which address amongst other measures to prevent and minimize irregular expenditure. The plan is to adequately address all non-compliance relating to SCM, contract management and any other issues that gives rise to irregular expenditure. <p>The above interventions are effective as a possible irregular expenditure is identified at an earlier stage while it can still be avoided as a result irregular expenditure identified in the 2020/21 financial year reflect a decrease of 90% compared to the 2019/2020 financial year.</p> <p>The reasons for these interventions not being implemented in the 2019/20 financial year and in prior years is that the irregular expenditure investigations started in the 2019/20 financial year and that is when they were identified.</p> <p>The reason why such omission does not constitute an act of financial misconduct is that upon investigation, it was verified that goods and services that were being procured were received in good order by the department therefore value for money was obtained by the Department</p> <p>The irregular expenditure reported in the annual financial statements in 2019/20 and not yet condoned, has been investigated and the details of the investigations were as follows:</p> | |

| Resolution No. | Subject | Details | Response by the department | | | Resolved (Yes/No) | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
|--|--------------|---|--|------------------------|--------------|-------------------|-------------------------------|-----|----------------|--------------------------|---|---------------|-----------------------------------|---|-------------|--|---|-------------|---------------------------|---|-------------|------------------------------|---|-------------|---------------|---|---------------|---|---|------------|----------------------|----|----------------|-----------------------------|----|----------------|-------------------|---|------------|------------------|----|---------------|--|----|----------------|-----------------------------------|---|---------------|--------------|------------|-----------------------|--|--|
| | | disciplinary proceedings have not yet been concluded, the reasons and timeframes for anticipated completion. In relation to irregular expenditure not yet condoned, steps taken to apply to Provincial Treasury for condonation and progress made and where application has not yet been made, the reasons for this. Steps taken to recover losses from any official responsible for irregular expenditure and progress made in this regard. Where irregular expenditure is related to fraud, corruption or other criminal conduct, whether the matter has been reported to the South African Police Service or the Provincial Treasury Internal Audit Services for investigation and progress made in such investigations. | <table border="1"> <thead> <tr> <th>Nature of irregularity</th> <th>No. of cases</th> <th>Amount</th> </tr> </thead> <tbody> <tr> <td>Three quotations not obtained</td> <td>167</td> <td>R15 259 389,44</td> </tr> <tr> <td>Tax Affairs not in order</td> <td>4</td> <td>R5 850 103,50</td> </tr> <tr> <td>Suppliers in service of the state</td> <td>2</td> <td>R189 604,00</td> </tr> <tr> <td>SBD 4 not provided/ or false declaration</td> <td>1</td> <td>R699 658,85</td> </tr> <tr> <td>Not procured through SITA</td> <td>3</td> <td>R251 247,83</td> </tr> <tr> <td>Local content not adhered to</td> <td>3</td> <td>R491 002,85</td> </tr> <tr> <td>Invalid BBBEE</td> <td>4</td> <td>R4 593 416,20</td> </tr> <tr> <td>Employee doing business with department</td> <td>1</td> <td>R21 598,00</td> </tr> <tr> <td>Deviations not valid</td> <td>42</td> <td>R29 290 530,46</td> </tr> <tr> <td>Contract threshold exceeded</td> <td>52</td> <td>R15 023 829,69</td> </tr> <tr> <td>Contract modified</td> <td>1</td> <td>R23 940,00</td> </tr> <tr> <td>Contract expired</td> <td>36</td> <td>R3 030 724,12</td> </tr> <tr> <td>Competitive bidding process not followed</td> <td>26</td> <td>R12 479 043,47</td> </tr> <tr> <td>Award made after the closing date</td> <td>2</td> <td>R6 146 823,60</td> </tr> <tr> <td>Total</td> <td>344</td> <td>R93 350 912,01</td> </tr> </tbody> </table> | Nature of irregularity | No. of cases | Amount | Three quotations not obtained | 167 | R15 259 389,44 | Tax Affairs not in order | 4 | R5 850 103,50 | Suppliers in service of the state | 2 | R189 604,00 | SBD 4 not provided/ or false declaration | 1 | R699 658,85 | Not procured through SITA | 3 | R251 247,83 | Local content not adhered to | 3 | R491 002,85 | Invalid BBBEE | 4 | R4 593 416,20 | Employee doing business with department | 1 | R21 598,00 | Deviations not valid | 42 | R29 290 530,46 | Contract threshold exceeded | 52 | R15 023 829,69 | Contract modified | 1 | R23 940,00 | Contract expired | 36 | R3 030 724,12 | Competitive bidding process not followed | 26 | R12 479 043,47 | Award made after the closing date | 2 | R6 146 823,60 | Total | 344 | R93 350 912,01 | | |
| Nature of irregularity | No. of cases | Amount | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Three quotations not obtained | 167 | R15 259 389,44 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Tax Affairs not in order | 4 | R5 850 103,50 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Suppliers in service of the state | 2 | R189 604,00 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| SBD 4 not provided/ or false declaration | 1 | R699 658,85 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Not procured through SITA | 3 | R251 247,83 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Local content not adhered to | 3 | R491 002,85 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Invalid BBBEE | 4 | R4 593 416,20 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Employee doing business with department | 1 | R21 598,00 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Deviations not valid | 42 | R29 290 530,46 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Contract threshold exceeded | 52 | R15 023 829,69 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Contract modified | 1 | R23 940,00 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Contract expired | 36 | R3 030 724,12 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Competitive bidding process not followed | 26 | R12 479 043,47 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Award made after the closing date | 2 | R6 146 823,60 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Total | 344 | R93 350 912,01 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | | | 26 consequence management letters were issued to officials/employees responsible for the above irregular expenditure. | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | | | Applications were sent to Provincial Treasury for condonation on the 7th of December 2020 and 30 April 2021 as submissions 7 and 11, respectively. The Department is still waiting for the outcome from Provincial Treasury. | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | | | The Department did not take any steps to recover losses because there are no losses that were incurred by the Department since the investigations conducted on these cases verified that value for money was obtained by the Department. | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | | | Upon investigations, no irregular expenditure was identified to be related to fraud, corruption or other criminal conduct. | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |

| Resolution No. | Subject | Details | Response by the department | Resolved (Yes/No) |
|---------------------|--|--|--|-------------------|
| Resolution 110/2021 | Zulu Royal Household Trust: Fruitless And Wasteful Expenditure - R28 000 | <p>The Committee resolved that: -</p> <p>That the respective Accounting Officers and Accounting Authorities report to the Committee by 30 June 2021 on the following:</p> <p>The reasons for the prior years' fruitless and wasteful expenditure not yet being resolved and steps taken to resolve it, with time frames.</p> <p>Steps taken to prevent a recurrence of fruitless and wasteful expenditure.</p> <p>Sufficient particularity must be provided to enable the committee to assess the effectiveness of those steps.</p> <p>The reasons for the steps listed under [2] above not being implemented in the 2018/19 financial year and prior years and why such omission does not constitute an act of financial misconduct.</p> <p>Which officials are responsible for the fruitless and wasteful expenditure, disciplinary steps taken against those officials and the outcomes thereof, as well as steps taken. No steps were taken against officials as this was not as a result of a policy transgression by officials of the Trust.</p> | <p>Fruitless and wasteful expenditure was incurred as a result of two incidents: -</p> <ul style="list-style-type: none"> • Interest charged on overdue accounts as a result late transfer payments to the Trust. (R17,127.00); and • storage of kitchen cupboards previously procured for one of the palaces (R11,000.00) <p>To address the finding, the service level agreement (SLA) between the Trust and OTP was amended to change the disbursement of transfer payments from a monthly to quarterly basis.</p> <p>The kitchen cupboards were moved to the storage in the Trust's new offices at Ulundi, to minimize further loss and rise to the fruitless and wasteful expenditure.</p> <p>No steps were taken against officials at this stage; however, this will form part of the irregular, fruitless and wasteful expenditure to be investigated.</p> | Yes |

| Resolution No. | Subject | Details | Response by the department | Resolved (Yes/No) |
|---------------------|--|--|---|-------------------|
| Resolution 113/2021 | Transversal Audit Findings And Related Matters | <p>The Committee resolved that:</p> <p>That the Accounting Officers of the relevant departments report to the Committee by 30 June 2021 on the following:</p> <ul style="list-style-type: none"> The steps taken to implement all outstanding risk mitigation plans identified in the 2019/20 departmental risk registers. A progress report on the implementation of the 2020/21 departmental risk mitigation plans, particularly those relating to critical and major risks and steps taken to ensure a speedy implementation of risk mitigation plans. Steps taken to capacitate the departmental risk management function, including risk management training for members of the risk management committee. Progress made in linking risks to departmental performance indicators. | <p>The steps taken to implement all outstanding risk mitigation plans identified in the 2019/20 departmental risk registers.</p> <p>The department has put in place the following measures to ensure implementation of outstanding risk action plans:</p> <ul style="list-style-type: none"> Risk Management has been included in the Performance Agreements of all Senior Management Service members. Risk Management has been included in the Operational Plans of all units. Risk Management unit has been attending numerous Branch EXCOs/MANCOs where outstanding risk action plans are discussed, and appropriate interventions/ acceleration plans are put in place to ensure timeous implementation. Risk Committee Meetings are held on a quarterly basis where a report on overdue risk action plans is presented by Risk Management unit. Risk Committee meetings are chaired by the Accounting Officer. The Accounting Officer and Risk Committee have put measures in place for Branch Heads to communicate and report challenges and reasons for delayed implementation of action plans for review and approval by the Risk Committee. Approval for revision of due dates is granted only after careful consideration by the Risk Committee of valid reasons and practical plans to fast track implementation of outstanding action plans. This has resulted in an improved rate of implementation of action plans. <p>A progress report on the implementation of the 2020/21 departmental risk mitigation plans, particularly those relating to critical and major risks and steps taken to ensure a speedy implementation of risk mitigation plans.</p> <p>The following Table provides statistical progress on the implementation of risk mitigation plans:</p> | Yes |

| Resolution No. | Subject | Details | Response by the department | | | | | Resolved (Yes/No) | | |
|----------------|---------|---------|--|----------------|--------------|---------------------------------|-------------------------------|--|---|--|
| | | | | Risk Magnitude | No. of risks | No. of agreed upon action plans | No. of completed action plans | No. of action plans due by 30 September 2021 | Percentage of action plans due by 30 September 2021 which have been completed | |
| | | | 1. | Critical | 0 | 0 | 0 | 0 | | |
| | | | 2. | Major | 8 | 29 | 9 | 9 | 100% | |
| | | | 3. | Moderate | 35 | 116 | 80 | 80 | 100% | |
| | | | 4. | Minor | 51 | 50 | 34 | 34 | 100% | |
| | | | 5. | Insignificant | 2 | 0 | 0 | 0 | | |
| | | | Total | | 94 | 195 | 123 | 123 | 100% | |
| | | | <p>The department has put in place the following measures to ensure implementation of outstanding risk action plans:</p> <ul style="list-style-type: none"> o Risk Management has been included in the Performance Agreements of all Senior Management Service members. o Risk Management has been included in the Operational Plans of all units. o Risk Management unit has been attending numerous Branch EXCOs/MANCOs where outstanding risk action plans are discussed, and appropriate interventions/ acceleration plans are put in place to ensure timeous implementation. o Risk Committee Meetings are held on a quarterly basis where a report on overdue risk action plans is presented by Risk Management unit. Risk Committee meetings are chaired by the Accounting Officer. | | | | | | | |

| Resolution No. | Subject | Details | Response by the department | Resolved (Yes/No) |
|----------------|---------|---------|--|-------------------|
| | | | <ul style="list-style-type: none"> o Risk Management has been included in the Operational Plans of all units. o Risk Management unit has been attending numerous Branch EXCOs/MANCOs where outstanding risk action plans are discussed, and appropriate interventions/ acceleration plans are put in place to ensure timeous implementation. o Risk Committee Meetings are held on a quarterly basis where a report on overdue risk action plans is presented by Risk Management unit. Risk Committee meetings are chaired by the Accounting Officer. o The Accounting Officer and Risk Committee have put measures in place for Branch Heads to communicate and report challenges and reasons for delayed implementation of action plans for review and approval by the Risk Committee. Approval for revision of due dates is granted only after careful consideration by the Risk Committee of valid reasons and practical plans to fast track implementation of outstanding action plans. This has resulted in an improved rate of implementation of action plans. o Furthermore, the Risk Management Unit is reviewing and validating evidence on completed action plans to ensure that supporting evidence is appropriately addressing implemented measures. <p>Steps taken to capacitate the departmental risk management function, including risk management training for members of the risk management committee.</p> <p>The Chief Risk Officer and/or Deputy Risk Officer attend Provincial Risk Management Forum meetings hosted by Provincial Treasury Risk and Advisory Services. 89% of Risk Committee members have successfully completed the National Treasury Risk Management e-Learning course. The remainder have only recently been appointed as Risk Committee members. The e-Learning course has recently been extended to other SMS members. Risk Management unit are also providing Risk Management training throughout the department as part of their Operational Plan.</p> <p>Posts within Risk Management Unit are all filled. Officials within Risk Management Unit have completed National Treasury Risk Management e-learning exercise. Employees EPMDs are managed to ensure that required training interventions are addressed. Furthermore, the department encourages its Risk Management personnel to attend training modules convened by IRMSA (Institute of Risk Management of South Africa) to enhance their risk management knowledge.</p> | |

| Resolution No. | Subject | Details | Response by the department | Resolved (Yes/No) |
|----------------------|--|---|--|-------------------|
| | | | <p>Departmental Risk Committee is chaired by the Accounting Officer and composed of EXCO members and Senior Managers. This structural arrangement makes it practical to deal with complex and sometimes transversal risks as a result of mixed skills and knowledge of the risk committee members.</p> <p>Provincial Risk and Advisory Unit from Treasury is a standing invitee to departmental Risk Committee meetings to provide advisory role on the implementation of risk management policy. As part of Provincial Treasury's operational plan, training interventions have been included to facilitate continuous training of departmental Risk Committee members.</p> <p>Progress made in linking risks to departmental performance indicators.</p> <p>A strategic risk assessment has been conducted where strategic risks were linked to strategic outcomes. Risks are also linked to Annual Performance Plan and Operational Plan outputs/ indicators when risk assessments are conducted at business unit level.</p> | |
| Resolution 116 /2021 | Transversal Resolution – Filling Of Critical Posts | <p>The Committee resolved that:</p> <p>That the Accounting Officers of the relevant departments report to the Committee by 30 June 2021 on progress made in the filling of critical posts and the time frames for the filling of those posts.</p> | <p>The Office of the Premier currently has 25 approved posts for this financial year and 1 overlap from the previous financial year.</p> <p>Eight of these posts were newly created on the reviewed organisational structure which is still awaiting concurrence by the MPSA and approval to fill these posts was on condition that the Department receive concurrence first before advertising. The Director-General had written to the Director-General for DPSA to request a waiver of the concurrence in relation to these posts because they are extremely critical, and the Department cannot function without them. The DPSA has not approved the waiver. Therefore, the Department has to wait for the concurrence of the reviewed structure which is in the processes of being submitted to the DPSA.</p> <p>Eighteen posts were approved without a condition and their status is as reflected below:</p> <ul style="list-style-type: none"> o 3 posts have been filled and candidates assumed duties on 1 May 2021, 18 June 2021 and 1 July 2021, respectively. o 2 SMS posts have been filled by female candidates and assumed duties on 1 and 16 September 2021, respectively. | Yes |

| Resolution No. | Subject | Details | Response by the department | Resolved (Yes/No) |
|---------------------|--|---|--|-------------------|
| | | | <ul style="list-style-type: none"> o 5 SMS posts have been shortlisted and interviews scheduled for 4th and 7th of October 2021, respectively. o 2 posts have been re-advertised with a closing date of 10 and 24 September 2021. Schedules have been finalised and HR Support is in the process of obtaining dates for the shortlisting in the month of October 2021. o Interviews for 2 posts have been completed and the appointment process is underway which includes obtaining approval. o The interview process for 1 post took place and no suitable candidate was found. HRS is in the process of re-advertising the post. o 1 post is in the process of being advertised and SCM processes are underway. o 2 posts have been put on hold due to the current organisational review process. | |
| Resolution 117/2021 | Transversal Resolution – Material Misstatements In Annual Financial Statements | <p>The Committee resolved:</p> <p>That the Accounting Officers of the relevant departments report to the Committee by 30 June 2021 on the following:</p> <p>The reasons for non-compliance with section 40(1)(b) of the PFMA. Sufficient particularity must be provided to enable the committee to establish whether the failure was due to wilfulness or negligence.</p> | <p>The AGSA commended the department for submitting financial statements that were free from material misstatements in the 2019/20 Audit Report.</p> <p>The financial statements did not contain any material misstatements.</p> <p>The AD Reporting post was filled in May 2020 and there has been ongoing mentoring that has been provided to the incumbent by the Director as well as training from Provincial Treasury.</p> <p>It must be noted that the DD Accounting Services post that directly relates and assists with AFS checking of inputs and checking the IFS/AFS composite input is correct was vacated in November 2020 and remains vacant. This post needs to be urgently filled along with the State Accountant Level 8 and Finance Clerk Level 5 who deal with the Inter-departmental accounts that were also vacated last year. These posts play a crucial role in the audit outcomes of the Annual Financial Statements. The Accounting Services which is responsible for the transaction work for the department has only 5 posts filled and 6 vacant. All these posts contribute to the Financial Statements</p> <p>A submission was prepared and is with the Acting CFO on these capacity constraints and will be actioned accordingly over the MTEF period.</p> | Yes |

| Resolution No. | Subject | Details | Response by the department | Resolved (Yes/No) |
|---------------------|--|---|---|-------------------|
| | | <p>Disciplinary steps taken against any official who acted wilfully or negligently. Where the non-compliance was due to a lack of capacity or skills or vacancies, the report must state the steps taken to address this with time frames.</p> <p>Measures put in place to prevent a recurrence of this audit finding and an evaluation of the effectiveness of these measures in the current financial year.</p> | | |
| Resolution 118/2021 | Transversal Resolution – Expenditure Management – Non-Payment Of Invoices Within 30 Days | <p>The Committee resolved:</p> <p>That all relevant Accounting Officers submit a report to the Committee by 30 June 2021 on the reasons for non-payment of invoices within 30 days with sufficient particularity to enable the Committee to determine whether an act of financial misconduct was committed, the steps taken to address this audit finding and measures put in place to prevent a recurrence.</p> | <p>Payments that exceeded the 30-day ruling, are reported by Office of the Premier to Provincial Treasury in terms of National Treasury Instruction Note no. 34. Reasons for late/non-payment and remedial steps are also documented in the reports that are submitted on a monthly basis to Provincial Treasury by the stipulated deadlines. The Office of the Premier strives to ensure that all payment to suppliers are paid within 30 days. However, the following reasons are to be considered which have ultimately caused delays, resulting in the non-compliance:</p> <ul style="list-style-type: none"> • Cash blocking constraints • Banking details not valid • Accounts closed • Entity details not matching on BAS • Incomplete documentation <p>Various control measures were implemented in November 2020 as per the Audit Improvement Plan, emanating from the audit finding previously raised during the 2019/20 financial year by the AGSA. Financial Accounting Circular 05 of 2020 was disseminated within Office of the Premier in November 2020 to reiterate compliance to Treasury Regulation 8.2.3.</p> | Yes |

| Resolution No. | Subject | Details | Response by the department | Resolved (Yes/No) |
|---------------------|---|---|--|-------------------|
| | | | <p>Furthermore, as an additional control measure, rejection registers are emailed weekly to the DDGs to manage and monitor payment rejections and to implement consequence management accordingly. Branch Managers have implemented controls to manage, monitor and ensure that rejected payments are corrected timeously and within the three-day turnaround time, in order to avoid 30-day payments. This process involves constant interaction between the Branch Manager and the relevant Responsibility Manager, in order to ensure compliance to financial prescripts. Furthermore, the Office of the Branch Manager investigates reported 30-day payments presented at MANCO and EXCO and ensure that the transactions are investigated, and the root causes addressed and if necessary, implements consequence management.</p> <p>Moving forward, in the 21/22 financial year, in order to address the monitoring of movement of invoices, a service provider has been appointed to look into implementing an electronic SCM and invoice tracking internal system in order to digitise from the requisition through to the payment process. SCM Manager and Acting CFO are in liaison with the appointed service provide with regards to the system.</p> | |
| Resolution 119/2021 | Transversal Resolution – Expenditure Management – Non-Payment Of Invoices Within 30 Days Transversal Audit Findings And Related Matters | The Committee resolved: That the Accounting Officers of the relevant departments report to the Committee by 30 June 2021 on the reasons for the commitments being unresolved, the steps taken to resolve the commitments and time frames for finalisation thereof. | <p>The accounting Officer approved the Audit Improvement Plan that outlined all the improvement measures to be Implemented to address the Transversal audit findings. The Department received an Unqualified audit opinion with material non-compliance.</p> <p>The implementation of these improvement measures are monitored on monthly and quarterly basis through MANCO and EXCO. The adequacy of the improvement measures have contributed to the successful implementation of the action plans and thus having a significant prevention of Audit Findings.</p> <p>The Audit Improvement plan had adequately implemented 109 out of 129 action plans and the outstanding 20 action Plans are in progress and most of the Improvement measures that have not be finalised are dependant to external stakeholder and the table below indicates the progress made thus far.</p> <p>The improvement measures and controls put in place has significantly reduced Irregular expenditure from R93 351 000 (2019/20) to R 14 936 000(2020/21) which 84% reduction from the previous year. Irregular expenditure.</p> <p>Register for Irregular Expenditure is maintained and updated on monthly basis.</p> | Yes |

| Resolution No. | Subject | Details | Response by the department | Resolved (Yes/No) |
|---|---|---|---|-------------------|
| Special Resolutions On Senior Management (SMS) On Human Resources Regulations Compliance Of 2020/2021 Financial Year: Resolution 120/2021 | Departments: SMS Compliance With HRM Matters | The Committee resolved that: - That the Accounting Officers report to the Committee by 30 June 2021 on the outcome of the implementation of the implemented turnaround strategy and measures taken to ensure full compliance with HRM and PFMA Regulations in relations to performance agreements, security vetting, financial disclosure and verifications of qualifications. | Response on Performance Agreement The OTP achieved 100% compliance with the submission and signing of Performance Agreements. Through the intervention of the Accounting Officer and OTP EXCO the office was able to meet the 100% compliance in the filling of 2019/20 performance agreements. Response on Verifications of Qualifications The Office of the Premier has submitted all outstanding qualifications and vetting to the service providers. Of the 67 submitted 54 have been verified with 13 outstanding representing an 80% compliance level. However, there are delays in receiving the progress reports due to staff at SAQA working remotely. SAQA's last communication was received on 24 June 2021 with an apology for the delays and promised to assist the Department in due course. | Yes |
| Resolution 137/2021 | Office of the Premier: Non-compliance with Procurement and Contract Management Prescripts | That the Accounting Officer report to the Committee by 31 January 2022 on the measures implemented to address these audit findings and an evidence-based assessment of the effectiveness of the measures in preventing a recurrence. | The root of the identified non-compliance was attributed to the challenge with effective communication of contract information. In order to address this matter a Deputy Director was appointed in the 2020/21 financial year to supervise the Contracts Management Function. Seven (7) Circulars were distributed to Contract Owners to address the findings, in addition to the circulars, a Working Paper document was compiled for each contract to monitor payments, identify termination dates and record communications with the Contract Owner. This item is marked as implemented and completed on the Audit Improvement Plan. | Yes |
| Resolution 138/2021 | Office of the Premier: Expenditure Management: Irregular expenditure of R10.85 million in 2020/21 (Prior years' balance not yet condoned: R334.563 million) | That the Accounting Officer report to the Committee by 31 January 2022 on – An evidence-based assessment of the impact and effectiveness of the measures implemented to address these audit findings and to prevent a recurrence. | The Irregular Expenditure incurred by the Department has decreased significantly from R93, 351 million reported in 19/20 to R10,917 million in 20/21 and a significant reduction has been noticed for the current year. The significant reduction in Irregular Expenditure is due to prevention measures that were put in place during 202/21 in order to prevent and avoid Irregular Expenditure. | Yes |

| Resolution No. | Subject | Details | Response by the department | Resolved (Yes/No) |
|----------------|---------|--|--|-------------------|
| | | <p>Progress made in carrying out determination testing and submitting the irregular expenditure for 2020/21 and prior years to Provincial Treasury for condonation, the time frames for doing so and the outcomes where the expenditure has been submitted for condonation.</p> <p>The outcomes and findings of the investigations and steps taken to implement consequence management and to recover losses emanating from the irregular expenditure and the opening of criminal cases, where applicable, as well as time frames for taking such steps.</p> | <p>The internal control measures implemented to address the audit findings and to prevent their recurrence have proven to be highly effective as there has been a significant decrease in the irregular expenditure incurred in 2020/21 and the current financial year.</p> <p>The Department has gathered the relevant information relating to the R10,85 million irregular expenditure reported in 2020/21 financial year and has commenced to analyse the particulars of the non-compliance to establish the facts and any losses related to these transactions. The determination test was finalised on the 31st of January 2022.</p> <p>To date the Department has submitted 11 submissions to Provincial Treasury for the condonation of irregular expenditure amounting to R274.242 million. On the 29th of December 2021, Provincial Treasury provided the department with the outcome of the 5 submissions (submissions 1-4 & 6) they had finalised the evaluation</p> <p>The status of the 11 condonation submissions submitted to Provincial Treasury relating to the irregular expenditure amounting to R274 242 million is detailed in Annexure C.</p> <p>The employees that were identified to be responsible for the irregular expenditure were issued with counselling letters and the internal control improvement measures were put in place to address the breakdown in the control environment. The evidence of consequence management and the improvement measures put in place was submitted to Provincial Treasury with the condonation submission</p> <p>In the determination test exercise, the department did not incur losses as a result of the irregular expenditure because value for money was obtained. For the transactions that are under forensic investigation, the recommendation of the report will be fully implemented on completion of the on-going investigations.</p> | |

| Resolution No. | Subject | Details | Response by the department | Resolved (Yes/No) |
|---|--|---|---|-------------------|
| Resolution 139/2021: Office of the Premier | Programme 2: Underspending of the Budget R47.65 million | That the Accounting Officer report to the Committee by 31 January 2022 on the impact of the underspending and whether the amount underspent has been rolled over and will be fully spent in the 2021/22 financial year. | <p>The underspending was largely attributed to software upgrades as well as tools of trade that were ordered and not received by the financial year end, mainly as a result of delays encountered with the general impact of the COVID-19 pandemic on the supply of equipment in the country. A rollover of funds was requested from Provincial Treasury; however, the rollover of funds was not approved as unspent funds in the Province had to be reprioritized to the Department of Health to address additional challenges arising from the pandemic.</p> <p>Accordingly, the Department undertook an extensive analysis of the budget and spending trends. Savings were identified and were reprioritized during the Adjustments Estimate processes to cover the rollover commitments of R47,6 million.</p> <p>The tools of trade have since been delivered and payment has been made. The Digital Transformation Strategy project amounting to R35 million is also underway and is anticipated to be spent by the financial year end. The OTP have paid an amount of R21 million in terms of the Microsoft Enterprise Agreement. In terms of phase 2 of the Tools of Trade, the OTP will receive equipment by 15 March 2022 and the payment of 4 million will be expedited. As part of the implementation of the DTS, the OTP procured the GIS licenses for spatial mapping, an amount of 6 million will be paid by the end of the financial year.</p> | Yes |
| Resolution 140/2021 | Office of the Premier: Forensic Investigations | <p>That the Accounting Officer report to the Committee by 31 January 2022 on:</p> <p>The findings and recommendations of all completed investigations, the nature of the allegations and the amounts involved.</p> <p>The steps taken to implement the recommendations, including disciplinary action and the sanctions imposed, as well as steps taken to recover losses and to open criminal cases.</p> | <p>A detailed report (Annexure C) was submitted on 31 January 2022 with details of the nature of allegations and the amounts involved.</p> <p>In summary, there were twelve investigations, eight have been completed and four are still in progress.</p> | Yes |

| Resolution No. | Subject | Details | Response by the department | Resolved (Yes/No) |
|---------------------|--|--|--|-------------------|
| Resolution 141/2021 | Office of the Premier: Fruitless and Wasteful Expenditure: R 103 000 | <p>That the Accounting Officer report to the Committee by 31 January 2022 on:</p> <p>Progress made in the investigation of the 2020/21 and prior years' fruitless and wasteful expenditure.</p> <p>The findings and outcomes of the investigations and steps taken to implement consequence management against, and to recover the losses from, the officials responsible.</p> | <p>The Public Service Commission had also conducted an investigation on the same matters and their report came to the same conclusions as the internal investigation.</p> <p>The recommendations of the Public Service Commission have been implemented.</p> <p>The recommendations specified in the Public Service Commission's investigation report indicated that corrective measures must be taken against the responsible official who was identified in the report.</p> <p>Legal advice was sought to determine the most appropriate corrective measure to implement taking into consideration the time that had lapsed since the incident as well as various labour related matters.</p> <p>Based on the legal advice, an informal disciplinary process was followed, and responsible official was issued with a written warning.</p> <p>Prior years' fruitless and wasteful expenditure</p> <p>The investigation relating to prior years fruitless and wasteful expenditure of R576 000 is largely relates to expenditure that was incurred by the then Department of Royal Household which was transferred into the financial records of Office of the Premier.</p> <p>The Fruitless and Wasteful expenditure was as a result of two employees who continued to earn salaries while they were no longer in service.</p> <p>Our investigation has revealed that one (1) of the two (2) officials has passed on while the other official has retired.</p> <p>There has been a serious challenge with recovering the following critical documents which will enable an evaluation to assess whether the department's officials performed their duties and responsibilities as required:</p> <ul style="list-style-type: none"> • Employee personal files • Department headcount records between the years 2008 and 2014 • Attendance register • Pay-point payroll reports <p>Termination policies and SOPS</p> | Yes |

| Resolution No. | Subject | Details | Response by the department | Resolved (Yes/No) |
|---------------------|--|--|---|-------------------|
| | | | <p>The breakdown in the internal control environment that resulted in the salary overpayments took place at the then Department of Royal Household.</p> <p>The office of the Premier has adequate measures in place for the prevention and early detection of salary overpayment.</p> <p>The effectiveness of these controls is evidence by fact that the Office of the Premier has not incurred fruitless and wasteful expenditure of this nature.</p> | |
| Resolution 142/2021 | Office of the Premier: Investigation relating to the Accounting Officer of the Department of Works | That the Accounting Officer report to the Committee by 31 January 2022 on progress made in the investigation and the anticipated time frame for finalisation thereof. | <p>The investigation in terms of the Accounting Officer for Public Works was completed.</p> <p>An employer representative was appointed, and the disciplinary process has commenced.</p> <p>There have been points In Limine that have been raised at the commencement of the disciplinary hearing.</p> <p>The Presiding Officer ruled in favour of the employer party and the Accounting Officer and his legal representatives have made an application to the Labour Court for the review of the decision on the point In Limine.</p> <p>The matter is ongoing.</p> | Yes |
| Resolution 143/2021 | Office of the Premier: Forensic Investigations undertaken by the Integrity Management Unit | <p>That the Accounting Officer report to the Committee by 31 January 2022 and thereafter on a quarterly basis on:</p> <p>The date of commencement and completion of each investigation, per department, the FR number of each investigation, the nature of the investigation/allegations and the amounts involved.</p> | <p>A detailed report (Annexure C) was submitted on 31 January 2022 with all Forensic Investigations, with date of commencement and completion of each investigation, per department, FR number of each investigation, nature of the investigation/allegations and amounts involved.</p> <p>The submitted report further highlights findings and recommendations of all completed investigations and the date of the handing over of the report to the department concerned as well as challenges experienced in the finalisation of investigations and steps taken to address the challenges.</p> | Yes |

| Resolution No. | Subject | Details | Response by the department | Resolved (Yes/No) |
|----------------|---------|---|---|-------------------|
| | | <p>The findings and recommendations of all completed investigations and the date of handing over of the report to the department concerned.</p> <p>Challenges experienced in the finalisation of investigations and steps taken to address the challenges.</p> <p>Where an investigation has been closed, the reasons for this.</p> <p>In relation to Phase Two (criminal) investigations, a report on the status of the investigation and the criminal prosecution and the reasons for any delays.</p> <p>Any other relevant comments pertaining to the investigations to enable the Committee to follow-up on progress.</p> | <p>As at 1 October 2021 the Forensic Investigation Services Unit within the Integrity Management and Forensic Investigations Directorate of the Office of the Premier had seventy-eight (78) investigations that were in-progress.</p> <p>During the quarter ended 31 December 2021 a total of five (5) allegations were received for investigation; seven (7) reports were finalised and issued to the Provincial Departments and a balance of seventy-six (76) investigations remained in-progress.</p> | |

| Resolution No. | Subject | Details | Response by the department | Resolved (Yes/No) |
|---------------------|---|---|---|-------------------|
| Resolution 144/2021 | Zulu Royal Household Trust: Fruitless and Wasteful Expenditure: R67 000 | That the Accounting Authority report to the Committee by 31 January 2022 on: Steps taken to address this audit finding and to prevent a recurrence. Progress made in the investigations into the fruitless and wasteful expenditure, the findings and outcomes of the investigations and steps taken to implement consequence management against, and to recover the losses from, the officials responsible | The Trust has appointed an internal audit service provider to perform all internal audit functions. The first audit assignment as per the proposed internal audit plan is the investigation of the accumulated irregular, fruitless and wasteful to ensure that disciplinary steps are taken against those to be found to have deliberately transgressed the policy prescripts. Consequence management will be implemented as per the findings and recommendations of the Internal Audit. | Yes |
| Resolution 145/2021 | Zulu Royal Household Trust: Compliance and Consequence management | That the Accounting Officer report to the Committee by 31 January 2022 on progress made in the implementation of the proposed interventions to address the finding and the implementation of consequence management, as well as measures taken to prevent future occurrence. | The Trust has appointed an internal audit service provider to perform all internal audit functions. The first audit assignment as per the proposed internal audit plan is the investigation of the accumulated irregular, fruitless and wasteful to ensure that disciplinary steps are taken against those to be found to have deliberately transgressed the policy prescripts. Consequence management will be implemented as per the findings and recommendations of the Internal Audit. | Yes |

| Resolution No. | Subject | Details | Response by the department | Resolved (Yes/No) |
|---------------------|---|--|---|-------------------|
| Resolution 290/2021 | Transversal Resolution – Filling of Critical Posts | That the Accounting Officers and Accounting Authorities of the relevant departments and public entities report to the Committee by 31 January 2022 on progress made in the filling of critical management posts and the time frames for the filling of those posts. | <p>There were twenty-six (26) posts approved by the Provincial Treasury for filling within the Office of the Premier. Of the approved 26 approved posts:</p> <ul style="list-style-type: none"> • 1 is awaiting headhunting, • 1 post is on hold as a result of grievance from the previous process, • 5 are currently awaiting approval of structure by DPSA, • 2 were advertised on 27 February 2022, • 2 are being held in abeyance due to the Branch Administration Support Model, • 4 advertisements have closed and posts are in various internal stages of the recruitment process, and • 11 have been filled. <p>On 10th December 2021, Provincial Treasury approved a further 10 posts (of 11 requested). All the 10 posts were advertised on 27 February 2022.</p> <p>The time taken to fill posts is six (6) months or less. DPSA directs that posts must be filled within six (6) to twelve (12) months.</p> | Yes |
| Resolution 291/2021 | Transversal Resolution: Compliance with HRM matters | That the relevant Accounting Officers and Accounting Authorities report to the Committee by 31 January 2022 on measures taken to ensure full compliance with HRM matters in relations to signing of performance agreements, security vetting, submission of financial disclosure forms and verification of qualifications. | <p>SIGNING OF PERFORMANCE AGREEMENTS</p> <p>One (1) SMS Members Performance agreement is outstanding. The said official was appointed with effect from 1 January 2022 and has up to 31 March 2022 to complete the Performance Agreement.</p> <p>VERIFICATON OF QUALIFICATIONS</p> <p>The qualifications of 58 SMS members out of a total of a total of 63 SMS members have been verified. The remaining 5 have been submitted to SAQA from whom a response is awaited.</p> <p>DISCLOSURE OF FINANCIAL INTERESTS</p> <p>All SMS members submitted their financial disclosures. The department conducted investigations on discrepancies identified by PSC and further provided a report on the investigation to PSC on 28 July 2021.</p> <p>SECURITY VETTING</p> <p>The total number of employees that are eligible for vetting is 127. This number, however, is constantly affected by recruitment processes, natural attrition and other internal staff movements. 95 employees have been vetted and State Security is still in the process of vetting the remainder of 32 employees. The expected date of finalisation of the remaining 32 employees is March 2022.</p> | Yes |

| Resolution No. | Subject | Details | Response by the department | Resolved (Yes/No) |
|---------------------------------|---|---|--|-------------------|
| Transversal Resolution 292/2021 | Officials doing business with the State | <p>That all Accounting Officers report to the Committee by 31 January 2022 on: - The steps taken to monitor compliance with the legal prescripts relating to the prohibition of officials doing business with the state.</p> <p>Whether the Central Supplier Database is checked each time for verification to ensure that officials employed by the state or their companies are not awarded tenders or contracts.</p> <p>Reports or notifications received in 2020/21 from National Treasury, the Department of Public Service and Administration and the Public Service Commission or from any other source regarding officials doing business with the state and if so, full details thereof.</p> <p>Steps taken to implement consequence management in relation to transgressions, including details of disciplinary action and sanctions imposed, as well as criminal cases opened.</p> | An enquiry was initiated, the employee has denied doing business with the state and the procurement documents have been sourced from the national department. The employee opted to also resign from the company as it is registered under CSD. The enquiry was to be finalised by 28 February 2022. | Yes |

9. PRIOR MODIFICATIONS TO AUDIT REPORTS

In the 2020/21 regulatory audit conducted the Department had an unqualified audit opinion with two(2) material non-compliance findings which was a substantial improvement from seven (7) non-compliance material findings in the previous audit (2019/20) . The non-compliance material findings reported in the 2020/21 audit report were:

- Contracts extension not within the threshold
- Prevention of irregular expenditure

The key contributions that resulted in the significant improvement in the Departments audit outcome is attributed to:

- i The improvement in the drivers of internal control especially oversight responsibility, processing and reconciliation controls and regular reporting.
- ii A detailed audit improvement plan that was developed to address the control deficiencies that were reported by the Auditor General. The audit improvement plan focused on enhancing the Departments' internal control systems to eliminate recurrence of audit findings.
- iii Consequence management action taken against officials who were responsible for non-compliance with the Departmental policies and relevant legislation(s).

The table below details material non-compliance findings and the improvement measures that have been implemented to address the internal control deficiencies.



| Nature of qualification, disclaimer, adverse opinion and matters of noncompliance | Financial year in which it first arose | Progress made in clearing / resolving the matter* |
|---|--|---|
| Contract thresholds exceeded. | 2018/2019 | <p>Various contract management circulars were disseminated to the Department which addressed the following:</p> <ul style="list-style-type: none"> • Contract payment process • Contract monitoring reports • Contract extensions. <p>These circulars clearly outlined the roles and responsibility of the contract management unit and the responsibility managers to improve the contract management processes.</p> <p>Additionally, Provincial Treasury conducted a compliance review of the Department's contract register. The Department addressed all the issues that were identified during the review.</p> |
| Prevention of irregular expenditure | 2018/2019 | <p>The Audit Improvement Plan (AIP) focused on strengthening the internal controls within the areas of non-compliance that resulted in irregular expenditure.</p> <p>The Audit Improvement Plan has resulted in an increase in the first levels of assurance by Responsibility Managers and that has shifted focus from detection to prevention of irregular expenditure. Significant progress was achieved by the Department in the implementation of the action plans which has led to an improved internal control environment. The effectiveness of the improvement measures is evidenced by the significant decline in material non-compliance.</p> <p>Reporting on the implementation of the AIP is a standing agenda item at both MANCO and EXCO.</p> <p>The Accounting Officer has taken a stern decision to deal with officials responsible for irregular expenditure in line with the Consequence Management Framework.</p> |

10. INTERNAL CONTROL UNIT

MEMBERS OF CARC/PARC

| Name | Qualifications | Internal or external | If internal, position in the Department | Date appointed | Date Resigned | No. of Meetings attended |
|---|----------------------------|----------------------|---|------------------|-------------------|--------------------------|
| Mr S P Simelane (Acting Chairperson of PARC and Economic CARC) | CA(SA) | External | N/A | 23 February 2015 | 28th October 2021 | 01 |
| Mr V Ramphal | CA(SA) | External | N/A | 23 February 2015 | 28th October 2021 | 01 |
| (Economic CARC) | CA(SA) | External | N/A | 23 February 2015 | 28th October 2021 | 01 |
| Ms T Njozela | MBA | External | N/A | 23 February 2015 | 28th October 2021 | 01 |
| Mr D O'Connor | CA(SA) | External | N/A | 23 February 2015 | 28th October 2021 | 01 |
| Mr M Tarr | MSc Agricultural Economics | External | N/A | 01 May 2018 | 31 May 2024 | 01 |



11. REPORT OF THE AUDIT & RISK COMMITTEE ON VOTE 1– OFFICE OF THE PREMIER

The Audit Committee herewith presents its report for the financial year ended 31 March 2022, as required by Treasury Regulation 3.1.13 read with section 77 of the Public Finance Management Act, 1999 (Act No. 1 of 1999, as amended by Act No. 29 of 1999).

The Provincial Audit and Risk Committee (PARC) is the shared audit and risk committee for the provincial departments, and is further sub-divided into three Cluster Audit & Risk Committees (CARC's) that provide oversight of key functions to the KZN Provincial Government Departments. The Office of the Premier is served by the Governance, State Capacity and Institutional Development (GSCID) Cluster Audit & Risk Committee.

The Audit Committee reports that it has adopted formal terms of reference contained in its Audit and Risk Committee Charter. The Committee complied with its responsibilities arising from the Public Finance Management Act and Treasury Regulations; except that the Committee was not fully constituted for the full financial year.

1. Audit Committee Members and Attendance

The PARC and GSCID CARC consisted of the members listed hereunder who have met as reflected below.

| # | Name of Member | PARC Meetings Attended | GSCID CARC Meetings Attended |
|----|---|------------------------|------------------------------|
| 1. | Mr S Simelane (Acting Chairman of PARC and Economic CARC) | 2 of 2 | 1 of 1 |
| 2 | Mr V Ramphal | 2 of 2 | 1 of 1 |
| 3. | Mr P Christianson | 2 of 2 | N/A* |
| 4. | Ms T Njozela | 2 of 2 | N/A* |
| 5. | Mr D O'Connor | 2 of 2 | N/A* |
| 6. | Mr M Tarr | 2 of 2 | 1 of 1 |

* refers to PARC members who did not serve on the GSCID CARC

The contracts of five members ended on 31 October 2021 following a two-term of 3 years each. On 18 May 2022, new Provincial Audit and Risk Committee members were appointed by the MEC for Finance for a period of 3 years. The new Provincial Audit and Risk Committee met on 28 & 29 May 2022 to review the Annual Financial Statements for the 2021/22 financial year; and held a special PARC meeting in June 2022 to deal with outstanding internal audit reports relating to the 2022 financial year. The table below provides details of the newly constituted PARC and attendance of meetings held subsequent to the financial year-end:

| # | NAME & SURNAME | MEETING | |
|----|------------------------------|------------|--------------|
| | | AFS Review | Special PARC |
| 1. | Mr Z Zulu – PARC Chairperson | √ | √ |
| 2. | Mr M Tarr | √ | √ |
| 3. | Ms S Makhathini | √ | √ |
| 4. | Mr S Mthethwa | √ | √ |
| 5. | Ms R Ramphal | √ | √ |
| 6. | Mr S Maharaj | √ | √ |

2. The Effectiveness of Internal Control

The Committee has reviewed the reports of the Provincial Internal Audit Service (PIAS), the Audit Report on the Annual Financial Statements and Management Report of the Auditor General of South Africa (AGSA) and has commended the Department for the results of the audit, as there were no significant weaknesses identified in the control environment.

The Committee considered the appropriateness of management's interventions to ensure the control environment maintains its effectiveness.

3. Effectiveness of Internal Audit

PIAS activities were reviewed by the Committee during the special PARC and CARC monitoring processes. The Committee evaluated PIAS' reports detailing the assessment of the adequacy and effectiveness of controls designed to mitigate the risks associated with the operational and strategic activities of the department.

The PIAS planned to perform fifteen (15) audit assignments for the period under review, thirteen (13) were finalised by year end and two (2) audits were requested to be rolled over to the 2022/23 financial year with the formal approval of the Audit Committee.

The Committee is satisfied that PIAS performed effectively during the period under review. During the 2022/23 financial year, the Committee will continue to monitor the progress made by the PIAS against its operational plans in order to ensure that it continues to fulfil its mandate and add value to the Department.

4. Risk Management

The responsibilities of the Committee with respect to risk management are formally defined in its Charter. For the period under review, the Committee's responsibilities have been focused, amongst other things, on the quarterly review of the Department's risk register and monitoring progress against the risk management operational plan.



As at the end of the 2021/22 financial year, the Department's risk register status was as follows:

| | Risk Grouping | | | | | Total |
|-----------------------------------|---------------|-------|----------|-------|---------------|-------|
| | Critical | Major | Moderate | Minor | Insignificant | |
| Number of Identified Risks | 0 | 8 | 35 | 51 | 0 | 94 |
| Number of Identified Action Plans | 0 | 29 | 116 | 50 | 0 | 195 |
| Number of Completed Action Plans. | N/A | 09 | 80 | 34 | N/A | 123 |
| Completed Action Plans in % | N/A | 31% | 69% | 68% | N/A | 63% |

The Committee notes the progress made by the Department in implementing 63% of its risk mitigation plans. The Department is advised to: 1) implement the remaining risk mitigation plans, particularly for risks classified as major and moderate and to re-rate all risks that have completed action plans; and 2) implement the approved Provincial Risk Management and Combined Assurance Frameworks.

5. Quality of in year management and monthly/quarterly reports

Due to the Committee not being constituted for the full financial year, the Committee did not review all reports in respect to in year management and quarterly performance prepared and issued by the Accounting Officer during the year under review in terms of the PFMA and the Division of Revenue Act. The newly appointed Committee will in the 2022/23 financial year ensure that all its responsibilities are met. The Committee noted the material underspending of the budget by R56.04 million and urged the Department enhance its planning for expenditure to ensure that the budget is adequately spent.

6. Evaluation of Financial Statements

The Committee has:

- Reviewed and discussed the Annual Financial Statements, including the audit report, with the Accounting Officer, Auditor General and PIAS;
- Reviewed the Auditor General's Management Report;
- Reviewed the Department's processes for compliance with legal and regulatory provisions,
- Reviewed the conclusion on the usefulness and reliability of performance information resulting from the external audit of the Department and noted the material adjustments made to the reported performance information of programme 2 – institutional development.

Based on the reports of the PIAS and the Auditor General, the Committee commended the Department for submitting the Annual Financial Statements that were free from material misstatements.

7. Forensic Investigations

The Committee draws attention to paragraphs 28-29 in the audit report relating to investigations. The department and Forensic Investigation Services at the Office of the Premier are urged to promptly finalise the outstanding investigations and implement recommendations in the finalised investigations.

8. Auditor-General's Report

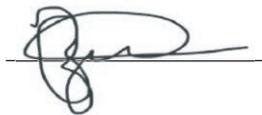
The Committee has met with the Auditor General of South Africa to discuss and evaluate the issues that emanated from the current regulatory audit.

The Committee will ensure that corrective actions in respect of the detailed findings emanating from the current regulatory audit continue to be monitored on a quarterly basis through the CARC processes.

The Committee concurs with and accepts the conclusion of the Auditor General's opinion on the Annual Financial Statements of an unqualified audit opinion with no findings, and is of the opinion that the Audited Annual Financial Statements be accepted and read together with the report of the Auditor General.

9. Appreciation

The Committee wishes to express its appreciation to the Management of the Department, the Auditor General of South Africa, and the Provincial Internal Audit Services for the co-operation and support they have provided to enable us to compile this report.



MR Z ZULU
CHAIRPERSON: PROVINCIAL AUDIT AND RISK COMMITTEE
 KWAZULU-NATAL PROVINCIAL GOVERNMENT
 15 AUGUST 2022



12. BBB-EE-COMPLIANCE

As per section 13G(1) of the Broad Based Black Economic Empowerment Act 53 of 2003, “All spheres of government, public entities and organs of state must report on their compliance with broad-based black economic empowerment in their audited annual financial statements and annual reports required under the Public Finance Management Act of 1999.”

Further more regulation 12(2) of the Broad Based Black Economic Empowerment Regulations indicates that, “The sphere of government, public entity or an organ of state must file the audited financial statements and annual report complied in terms of section 13G (1), with the Commission, in the prescribed FORM B-BBEE within thirty (30) days of the approval of such annual financial statements and annual report.

The Department obtained level 08 BBB-EE compliance in 2020/2021 measurement period. It is further confirmed that KZN office of the Premier complied with the submission of B-BBEE form 1 to the B-BBEE Commission in line with section 13G(1) of the Broad Based Black Economic Empowerment Act 53 of 2003. The submission was not within 30 days as this was due to the delay in the appointment of the verification agency.

PART D

Human Resources





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

2.1 The status of human resources in the Office of the Premier (OTP).

The OTP vacancy rate as at 31 March 2022 was 6.5%. The target for filling critical posts was met in terms of the Operational Plan.

2.2 Listed below are the Human resource priorities for the year under review and the impact of these:

(a) Effective and efficient Internal Human Resource Planning.

Impact: Compliance reports were submitted on time; HR planning meetings were held as scheduled; and policies were developed/reviewed as per targets in the Operational Plan. This resulted in the Department meeting its service delivery goals thus improving on its coordinating role.

(b) Effective and efficient Human Resource Administration services.

Impact: The target for the filling of critical posts was achieved; Workshops and audits on leave were conducted as per targets in the Operational Plan. Abuse of the leave system was minimised thus the challenge of absenteeism was addressed.

(c) Employment Equity, Affirmative Action and Diversity Management.

Impact: The Office of the Premier did not achieve the national employment equity targets in terms of 50% females at SMS. The percentage of females at SMS level was 48% as at 31 March 2022.

(d) Human Resource Information System.

Impact: The Department is still using manual methods with regards to leave management and recruitment. The Department needs to strengthen this area going forward.

2.3 Workforce planning and key strategies to attract and recruit a skilled and capable workforce.

(a) Human Resource compliance reports were submitted.

(b) Analysis of exit interviews reports was conducted and submitted to top management for decision-making.

(c) The performance management system was applied objectively.

2.4 Employee performance management

- (a) Approved Workplace Skills Plan was compiled as a basis for training interventions.
- (b) Performance agreements were captured on Persal by the due date.
- (c) The performance assessment process was finalised and performance incentives paid by the due dates.

2.5 Employee wellness programmes

- (a) Implementation of Employee Health and Wellness programmes to boost morale and encourage healthy lifestyle.
- (b) Health Risk Management strategy (inclusive of HIV, AIDS and TB) was developed.

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

- (a) Effective and efficient Internal Human Resource Planning
- (b) Effective and efficient Human Resource Administration services

3. HUMAN RESOURCES OVERSIGHT STATISTICS

The department must provide the following key information on its human resources. All the financial amounts must agree with the amounts disclosed in the annual financial statements. Provide reasons for any variances.

Please note that it is very important to follow the format and standards prescribed, to enable collation and comparison of information. If sub headings/tables are not applicable to the department, it should be stated that there is nothing to report on. Numbering of tables must not be changed and should be maintained as in the guidelines.

Include any other tables for HR if considered necessary by the department and required by any specific government oversight body. These additional tables must be included at the end of the standardised HR information.



3.1. Personal Related Experience

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

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

Table 3.1.1 Personnel expenditure by programme for the period 1 April 2021 and 31 March 2022

| Programme | Total Expenditure (R'000) | Personnel Expenditure (R'000) | Training expenditure (R'000) | Personnel expenditure as a % of total expenditure (R'000) | Average personnel cost per employee (R'000) | Average personnel cost per employee (R'000) |
|---------------------------|---------------------------|-------------------------------|------------------------------|---|---|---|
| ADMINISTRATION | 187 250,00 | 93 213,00 | 0,00 | 0,00 | 49,80 | 871,00 |
| INSTITUTIONAL DEVELOPMENT | 404 610,00 | 145 701,00 | 0,00 | 0,00 | 36,00 | 542,00 |
| POLICY & GOVERNANCE | 162 339,00 | 82 513,00 | 0,00 | 0,00 | 50,80 | 477,00 |
| Total | 754 199,00 | 321 427,00 | 0,00 | 0,00 | 42,60 | 585,00 |

Table 3.1.2 Personnel costs by salary band for the period 1 April 2021 and 31 March 2022.

| 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) | 3 872,00 | 1,20 | 0,00 | 0,00 |
| Skilled (Levels 3-5) | 31 434,00 | 9,40 | 133,00 | 236 346,00 |
| Highly skilled production (Levels 6-8) | 63 124,00 | 18,90 | 137,00 | 460 759,00 |
| Highly skilled supervision (Levels 9-12) | 117 984,00 | 35,30 | 142,00 | 830 873,00 |
| Senior management (Levels >= 13) | 71 869,00 | 21,50 | 54,00 | 1 330 907,00 |
| Contract (Levels 3-5) | 971,00 | 0,30 | 3,00 | 323 667,00 |
| Contract (Levels 6-8) | 5 933,00 | 1,80 | 12,00 | 494 417,00 |
| Contract (Levels 9-12) | 6 382,00 | 1,90 | 9,00 | 709 111,00 |
| Contract (Levels >= 13) | 19 654,00 | 5,90 | 14,00 | 1 403 857,00 |
| Contract Other | 2 786,00 | 0,80 | 37,00 | 75 297,00 |
| Periodical Remuneration | 1 904,00 | 0,60 | 8,00 | 238 000,00 |
| TOTAL | 325 912,00 | 97,60 | 549,00 | 593 647,00 |

Table 3.1.3 Salaries, Overtime, Home Owners Allowance and Medical Aid by programme for the period 1 April 2021 and 31 March 2022.

| 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 |
| ADMINIS-TRATION | 58 525,00 | 83,70 | 527,00 | 0,80 | 1 505,00 | 2,20 | 2 388,00 | 3,40 |
| INSTITUTIONAL DEVELOPMENT | 134 656,00 | 82,10 | 1 110,00 | 0,70 | 3 131,00 | 1,90 | 6 255,00 | 3,80 |
| POLICY & GOVERNANCE | 81 729,00 | 81,70 | 219,00 | 0,20 | 2 334,00 | 2,30 | 3 484,00 | 3,50 |
| Total | 274 909,00 | 82,30 | 1 856,00 | 0,60 | 6 970,00 | 2,10 | 12 127,00 | 3,60 |

Table 3.1.4 Salaries, Overtime, Homeowners Allowance and Medical Aid by salary band for the period 1 April 2021 and 31 March 2022

| 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) | 2 999,00 | 77,50 | 0,00 | 0,00 | 254,00 | 6,60 | 268,00 | 6,90 |
| Skilled (Levels 3-5) | 23 410,00 | 74,30 | 324,00 | 1,00 | 1 746,00 | 5,50 | 2 722,00 | 8,60 |
| Highly skilled production (Levels 6-8) | 48 949,00 | 76,90 | 664,00 | 1,00 | 2 296,00 | 3,60 | 4 547,00 | 7,10 |
| Highly skilled supervision (Levels 9-12) | 100 886,00 | 83,80 | 341,00 | 0,30 | 1 665,00 | 1,40 | 3 580,00 | 3,00 |
| Senior management (Levels >= 13) | 62 720,00 | 83,40 | 0,00 | 0,00 | 839,00 | 1,10 | 868,00 | 1,20 |



| | | | | | | | | |
|--|-----------------------------|--------------|-----------------|-------------|-----------------|-------------|----------------------------|-------------|
| Highly skilled supervision (Levels 9-12) | 100 886,00 | 83,80 | 341,00 | 0,30 | 1 665,00 | 1,40 | 3 580,00 | 3,00 |
| Senior management (Levels >= 13) | 62 720,00 | 83,40 | 0,00 | 0,00 | 839,00 | 1,10 | 868,00 | 1,20 |
| Contract (Levels 3-5) | 970,00 | 99,90 | 0,00 | 0,00 | 0,00 | 0,00 | 0,00 | 0,00 |
| Contract (Levels 6-8) | 5 585,00 | 92,90 | 241,00 | 4,00 | 0,00 | 0,00 | 0,00 | 0,00 |
| Contract (Levels 9-12) | 5 576,00 | 84,70 | 271,00 | 4,10 | 151,00 | 2,30 | 143,00 | 2,20 |
| Contract (Levels >= 13) | 19 515,00 | 93,00 | 0,00 | 0,00 | 19,00 | 0,10 | 0,00 | 0,00 |
| Contract Other | 2 771,00 | 96,90 | 14,00 | 0,50 | 0,00 | 0,00 | 0,00 | 0,00 |
| Periodical Remuneration | 1 527,00 | 80,00 | 0,00 | 0,00 | 0,00 | 0,00 | 0,00 | 0,00 |
| TOTAL | 274 909,00 | 82,30 | 1 856,00 | 0,60 | 6 970,00 | 2,10 | 12 127,00 | 3,60 |

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 2022

| Programme | Number of posts on approved establishment | Number of posts filled | Vacancy Rate | Number of employees additional to the establishment |
|--------------------------------------|---|------------------------|--------------|---|
| Administration, Permanent | 100 | 92,00 | 8,00 | 9,00 |
| Institutional development, Permanent | 289 | 269,00 | 6,90 | 42,00 |
| Policy & Governance, Permanent | 193 | 180,00 | 6,70 | 3,00 |
| Total | 582 | 541,00 | 7,00 | 54,00 |

Table 3.2.2 Employment and vacancies by salary band as on 31 March 2022

| Salary band | Number of posts on approved establishment | Number of posts filled | Vacancy Rate | Number of employees additional to the establishment |
|---|---|------------------------|--------------|---|
| Skilled (Levels 3-5), Permanent | 136,00 | 133,00 | 2,20 | 1,00 |
| Highly Skilled Production (Levels 6-8), Permanent | 142,00 | 137,00 | 3,50 | 2,00 |
| Highly Skilled Supervision (Levels 9-12), Permanent | 162,00 | 142,00 | 12,30 | 2,00 |
| Senior Management (Levels >= 13), Permanent | 67,00 | 54,00 | 19,40 | 2,00 |
| Other, Permanent | 37,00 | 37,00 | 0,00 | 37,00 |
| Contract (Levels 3-5), Permanent | 3,00 | 3,00 | 0,00 | 1,00 |
| Contract (Levels 6-8), Permanent | 12,00 | 12,00 | 0,00 | 1,00 |
| Contract (Levels 9-12), Permanent | 9,00 | 9,00 | 0,00 | 6,00 |
| Contract (Levels >= 13), Permanent | 14,00 | 14,00 | 0,00 | 2,00 |
| TOTAL | 582,00 | 541,00 | 7,00 | 54,00 |





Table 3.2.3 Employment and vacancies by critical occupations as on 31 March 2022

| Critical occupation | Number of posts on approved establishment | Number of posts filled | Vacancy Rate | No. of employees additional to the establishment |
|--|---|------------------------|--------------|--|
| Administrative related, permanent | 226 | 211 | 6,60 | 8 |
| Advocates, permanent | 3 | 3 | 0,00 | 0 |
| Agriculture related, permanent | 1 | 1 | 0,00 | 0 |
| Bus and heavy vehicle drivers, permanent | 2 | 2 | 0,00 | 0 |
| Cleaners in offices workshops hospitals etc., permanent | 52 | 52 | 0,00 | 0 |
| Client inform clerks (switchboard reception inform clerks), permanent | 9 | 9 | 0,00 | 0 |
| Communication and information related, permanent | 7 | 6 | 14,30 | 0 |
| Community development workers, permanent | 3 | 3 | 0,00 | 0 |
| Finance and economics related, permanent | 22 | 22 | 0,00 | 0 |
| Financial and related professionals, permanent | 1 | 0 | 100,00 | 0 |
| Financial clerks and credit controllers, permanent | 20 | 17 | 15,00 | 0 |
| General legal administration & rel. Professionals, permanent | 2 | 2 | 0,00 | 0 |
| Housekeepers laundry and related workers, permanent | 1 | 1 | 0,00 | 0 |
| Human resources & organisational development & related prof, permanent | 4 | 3 | 25,00 | 0 |
| Human resources clerks, permanent | 15 | 14 | 6,70 | 2 |
| Human resources related, permanent | 13 | 13 | 0,00 | 0 |
| Language practitioners interpreters & other commun, permanent | 1 | 1 | 0,00 | 0 |
| Legal related, permanent | 1 | 1 | 0,00 | 0 |
| Light vehicle drivers, permanent | 1 | 1 | 0,00 | 0 |
| Logistical support personnel, permanent | | 5 | 28,60 | 0 |
| Material-recording and transport clerks, permanent | | 3 | 0,00 | 0 |
| Messengers porters and deliverers, permanent | 4 | 4 | 0,00 | 0 |
| Motor vehicle drivers, permanent | 1 | 1 | 0,00 | 0 |
| Other administration & related clerks and organisers, permanent | 54 | 52 | 3,70 | 36 |
| Other administrative policy and related officers, permanent | 16 | 16 | 0,00 | 1 |
| Other occupations, permanent | 1 | 1 | 0,00 | 0 |
| Risk management and security services, permanent | 1 | 1 | 0,00 | 0 |
| Secretaries & other keyboard operating clerks, permanent | 4 | 40 | 7,00 | 2 |
| Security guards, permanent | 1 | 1 | 0,00 | 1 |
| Senior managers, permanent | 67 | 55 | 17,90 | 4 |
| Total | 582 | 541 | 7,00 | 54 |

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 2022

| SMS Level | Total number of funded SMS posts | Total number of SMS posts filled | % of SMS posts filled | Total number of SMS posts vacant | % of SMS posts vacant |
|--------------------------------------|----------------------------------|----------------------------------|-----------------------|----------------------------------|-----------------------|
| Director-General/ Head of Department | 1.00 | 1.00 | 100.00 | 0.00 | 0.00 |
| Salary Level 16 | 2.00 | 2.00 | 100.00 | 0.00 | 0.00 |
| Salary Level 15 | 6.00 | 6.00 | 100.00 | 0.00 | 0.00 |
| Salary Level 14 | 17.00 | 13.00 | 76.47 | 4.00 | 23.53 |
| Salary Level 13 | 52.00 | 44.00 | 84.62 | 8.00 | 15.38 |
| Total | 78.00 | 66.00 | 84.62 | 12.00 | 15.38 |

Table 3.3.2 SMS post information as on 30 September 2021

| SMS Level | Total number of funded SMS posts | Total number of SMS posts filled | % of SMS posts filled | Total number of SMS posts vacant | % of SMS posts vacant |
|--------------------------------------|----------------------------------|----------------------------------|-----------------------|----------------------------------|-----------------------|
| Director-General/ Head of Department | 1.00 | 1.00 | 100.00 | 0.00 | 0.00 |
| Salary Level 16 | 2.00 | 2.00 | 100.00 | 0.00 | 0.00 |
| Salary Level 15 | 6.00 | 6.00 | 100.00 | 0.00 | 0.00 |
| Salary Level 14 | 18.00 | 15.00 | 83.33 | 3.00 | 16.66 |
| Salary Level 13 | 51.00 | 45.00 | 88.24 | 6.00 | 11.76 |
| Total | 78.00 | 69.00 | 88.46 | 9.00 | 11.54 |

Table 3.3.3 Advertising and filling of SMS posts for the period 1 April 2021 and 31 March 2022.

| SMS Level | Total number of funded SMS posts | Total number of SMS posts filled | % of SMS posts filled | Total number of SMS posts vacant | % of SMS posts vacant |
|--------------------------------------|----------------------------------|----------------------------------|-----------------------|----------------------------------|-----------------------|
| Director-General/ Head of Department | 1.00 | 1.00 | 100.00 | 0.00 | 0.00 |
| Salary Level 16 | 2.00 | 2.00 | 100.00 | 0.00 | 0.00 |
| Salary Level 15 | 6.00 | 6.00 | 100.00 | 0.00 | 0.00 |
| Salary Level 14 | 17.00 | 13.00 | 76.47 | 4.00 | 23.53 |
| Salary Level 13 | 52.00 | 44.00 | 84.62 | 8.00 | 15.38 |
| Total | 78.00 | 66.00 | 84.62 | 12.00 | 15.38 |



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 2021 and 31 March 2022.

| Reasons for vacancies not advertised within six months |
|---|
| Cost containment measures led to posts being unfunded. Processes followed to fill vacancies involved prioritization of critical vacancies and approval by the Premier in consultation with the MEC for Finance. |
| The above process often leads to delays in filling of posts in record time. |

| Reasons for vacancies not filled within six months |
|---|
| Cost containment measures led to posts being unfunded. Processes followed to fill vacancies involved prioritization of critical vacancies and approval by the Premier in consultation with the MEC for Finance. |
| The above process often leads to delays in filling of posts in record time. |

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 2021 and 31 March 2022.

| Reasons for vacancies not advertised within six months |
|--|
| None |

| Reasons for vacancies not filled within six months |
|--|
| None |



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 2021 and 31 March 2022.

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.

| Salary band | Number of posts on approved establishment | Number of Jobs Evaluated | % of posts evaluated by salary bands | Posts Upgraded Number | Posts downgraded | | |
|--|---|--------------------------|--------------------------------------|-----------------------|----------------------|-------------|----------------------|
| | | | | | % of posts evaluated | Number | % of posts evaluated |
| Skilled (Levels 3-5) | 136,00 | 0,00 | 0,00 | 17,00 | 100,00 | 0,00 | 0,00 |
| Highly Skilled Production (Levels 6-8) | 142,00 | 0,00 | 0,00 | 0,00 | 0,00 | 0,00 | 0,00 |
| Highly Skilled Supervision (Levels 9-12) | 162,00 | 0,00 | 0,00 | 0,00 | 0,00 | 0,00 | 0,00 |
| Senior Management Service Band A | 46,00 | 0,00 | 0,00 | 0,00 | 0,00 | 0,00 | 0,00 |
| Senior Management Service Band B | 14,00 | 0,00 | 0,00 | 0,00 | 0,00 | 0,00 | 0,00 |
| Senior Management Service Band C | 5,00 | 0,00 | 0,00 | 0,00 | 0,00 | 0,00 | 0,00 |
| Senior Management Service Band D | 2,00 | 0,00 | 0,00 | 0,00 | 0,00 | 0,00 | 0,00 |
| Other | 37,00 | 0,00 | 0,00 | 0,00 | 0,00 | 0,00 | 0,00 |
| Contract (Levels 3-5) | 3,00 | 0,00 | 0,00 | 1,00 | 100,00 | 0,00 | 0,00 |
| Contract (Levels 6-8) | 12,00 | 0,00 | 0,00 | 0,00 | 0,00 | 0,00 | 0,00 |
| Contract (Levels 9-12) | 9,00 | 0,00 | 0,00 | 0,00 | 0,00 | 0,00 | 0,00 |
| Contract Band A | 8,00 | 0,00 | 0,00 | 0,00 | 0,00 | 0,00 | 0,00 |
| Contract Band B | 2,00 | 0,00 | 0,00 | 0,00 | 0,00 | 0,00 | 0,00 |
| Contract Band C | 1,00 | 0,00 | 0,00 | 0,00 | 0,00 | 0,00 | 0,00 |
| Contract Band D | 3,00 | 0,00 | 0,00 | 0,00 | 0,00 | 0,00 | 0,00 |
| TOTAL | 582,00 | 0,00 | 0,00 | 18,00 | 100,00 | 0,00 | 0,00 |



Table 3.4.2 Profile of employees whose positions were upgraded due to their posts being upgraded for the period 1 April 2021 and 31 March 2022.

| Gender | African | Asian | Coloured | White | Total |
|--------------|-------------|-------------|-------------|-------------|-------------|
| Female | 0,00 | 0,00 | 0,00 | 0,00 | 0,00 |
| Male | 0,00 | 0,00 | 0,00 | 0,00 | 0,00 |
| Total | 0,00 | 0,00 | 0,00 | 0,00 | 0,00 |

| | |
|-----------------------------|---|
| Employees with a disability | 0 |
|-----------------------------|---|

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 2021 and 31 March 2022

| Occupation | Number of employees | Job evaluation level | Remuneration level | Reason for deviation |
|--|---------------------|----------------------|--------------------|----------------------|
| None | 0 | 0 | 0 | 0 |
| Total number of employees whose salaries exceeded the level determined by job evaluation | | | | 0 |
| Percentage of total employed | | | | 0 |

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 2021 and 31 March 2022

| | |
|--|---|
| Total number of Employees whose salaries exceeded the grades determine by job evaluation | 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 2021 and 31 March 2022.

| Salary band | Number of employees at beginning of period-1 April 2022 | Appointments and transfers into the department | Terminations and transfers out of the department | Turnover rate |
|--|---|--|--|---------------|
| Lower skilled (Levels 1-2) Permanent | 32,00 | 0,00 | 2,00 | 6,30 |
| Skilled (Levels 3-5) Permanent | 110,00 | 0,00 | 7,00 | 6,40 |
| Highly skilled production (Levels 6-8) Permanent | 146,00 | 4,00 | 9,00 | 6,20 |
| Highly skilled supervision (Levels 9-12) Permanent | 149,00 | 2,00 | 8,00 | 5,40 |
| Senior Management Service Bands A Permanent | 37,00 | 3,00 | 4,00 | 10,80 |
| Senior Management Service Bands B Permanent | 13,00 | 0,00 | 3,00 | 23,10 |
| Senior Management Service Bands C Permanent | 5,00 | 0,00 | 0,00 | 0,00 |
| Senior Management Service Bands D Permanent | 1,00 | 0,00 | 0,00 | 0,00 |
| Other Permanent | 37,00 | 39,00 | 2,00 | 5,40 |
| Contract (Levels 3-5) Permanent | 4,00 | 0,00 | 1,00 | 25,00 |
| Contract (Levels 6-8) Permanent | 11,00 | 5,00 | 5,00 | 45,50 |
| Contract (Levels 9-12) Permanent | 8,00 | 1,00 | 0,00 | 0,00 |
| Contract Band A Permanent | 7,00 | 1,00 | 0,00 | 0,00 |
| Contract Band B Permanent | 3,00 | 0,00 | 1,00 | 33,30 |
| Contract Band C Permanent | 1,00 | 0,00 | 0,00 | 0,00 |
| Contract Band D Permanent | 3,00 | 0,00 | 0,00 | 0,00 |
| Total | 567,00 | 55,00 | 42,00 | 7,40 |



Table 3.5.2 Annual turnover rates by critical occupation for the period 1 April 2021 and 31 March 2022.

| Critical occupation | Number of employees at beginning of period-April 20YY | Appointments and transfers into the department | Terminations and transfers out of the department | Turnover rate |
|---|---|--|--|---------------|
| Administrative related permanent | 177,00 | 3,00 | 13,00 | 7,30 |
| Advocates permanent | 3,00 | 0,00 | 0,00 | 0,00 |
| Agriculture related permanent | 1,00 | 0,00 | 0,00 | 0,00 |
| Bus and heavy vehicle drivers permanent | 4,00 | 0,00 | 0,00 | 0,00 |
| Cleaners in offices workshops hospitals etc. Permanent | 63,00 | 0,00 | 7,00 | 11,10 |
| Client inform clerks(switchb receipt inform clerks) permanent | 9,00 | 0,00 | 0,00 | 0,00 |
| Communication and information related permanent | 3,00 | 3,00 | 0,00 | 0,00 |
| Community development workers permanent | 3,00 | 1,00 | 1,00 | 33,30 |
| Computer system designers and analysts. Permanent | 1,00 | 0,00 | 0,00 | 0,00 |
| Finance and economics related permanent | 21,00 | 0,00 | 0,00 | 0,00 |
| Financial clerks and credit controllers permanent | 18,00 | 1,00 | 1,00 | 5,60 |
| Food services aids and waiters permanent | 2,00 | 0,00 | 0,00 | 0,00 |
| General legal administration & rel. Professionals permanent | 2,00 | 0,00 | 0,00 | 0,00 |
| Household and laundry workers permanent | 1,00 | 0,00 | 0,00 | 0,00 |
| Housekeepers laundry and related workers permanent | 2,00 | 0,00 | 0,00 | 0,00 |
| Human resources & organisat developm & relate prof permanent | 3,00 | 0,00 | 0,00 | 0,00 |
| Human resources clerks permanent | 17,00 | 7,00 | 1,00 | 5,90 |
| Human resources related permanent | 12,00 | 0,00 | 0,00 | 0,00 |
| Language practitioners interpreters & other commun permanent | 1,00 | 0,00 | 0,00 | 0,00 |
| Legal related permanent | 1,00 | 0,00 | 0,00 | 0,00 |
| Light vehicle drivers permanent | 1,00 | 0,00 | 0,00 | 0,00 |
| Logistical support personnel permanent | 5,00 | 0,00 | 0,00 | 0,00 |
| Material-recording and transport clerks permanent | 3,00 | 0,00 | 0,00 | 0,00 |
| Messengers porters and deliverers permanent | 14,00 | 0,00 | 0,00 | 0,00 |
| Motor vehicle drivers permanent | 1,00 | 0,00 | 0,00 | 0,00 |
| Other administrat & related clerks and organisers permanent | 53,00 | 35,00 | 6,00 | 11,30 |
| Other administrative policy and related officers permanent | 18,00 | 0,00 | 2,00 | 11,10 |
| Other occupations permanent | 1,00 | 0,00 | 0,00 | 0,00 |
| Risk management and security services permanent | 1,00 | 0,00 | 0,00 | 0,00 |
| Secretaries & other keyboard operating clerks permanent | 47,00 | 1,00 | 3,00 | 6,40 |
| Security guards permanent | 21,00 | 1,00 | 1,00 | 4,80 |
| Senior managers permanent | 58,00 | 3,00 | 7,00 | 12,10 |
| Total | 567,00 | 55,00 | 42,00 | 7,40 |

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 2021 and 31 March 2022.

| Termination Type | Number | % of Total Resignations |
|---|-----------|-------------------------|
| Death Permanent | 5.00 | 11.90 |
| Resignation Permanent | 19.00 | 45.20 |
| Expiry of contract Permanent | 4.00 | 9.50 |
| Dismissal – operational changes | 0.00 | 0.00 |
| Dismissal – misconduct | 1.00 | 2.40 |
| Dismissal – inefficiency | 0.00 | 0.00 |
| Discharged due to ill-health | 0.00 | 0.00 |
| Retirement | 13.00 | 31.00 |
| Transfer to other Public Service Departments | - | - |
| Other | - | - |
| Total | 42 | 100 |
| Total number of employees who left as a % of total employment | 42.00 | 100.00 |

Table 3.5.4 Promotions by critical occupation for the period 1 April 2021 and 31 March 2022.

| Occupation | Employees 1 April 2021 | 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 | 177 | 1 | 0,6 | 195 | 110,20 |
| Advocates | 3 | 0 | 0 | 3 | 100,00 |
| Agriculture Related | 1 | 0 | 0 | 1 | 100,00 |
| Bus And Heavy Vehicle Drivers | 4 | 0 | 0 | 2 | 50,00 |
| Cleaners In Offices Workshops Hospitals Etc. | 63 | 0 | 0 | 56 | 88,90 |
| Client Inform Clerks(Switchb Recept Inform Clerks) | 9 | 0 | 0 | 9 | 100,00 |
| Communication And Information Related | 3 | 0 | 0 | 6 | 200,00 |
| Community Development Workers | 3 | 0 | 0 | 3 | 100,00 |
| Computer System Designers And Analysts. | 1 | 0 | 0 | 1 | 100,00 |
| Finance And Economics Related | 21 | 0 | 0 | 22 | 104,80 |
| Financial Clerks And Credit Controllers | 18 | 0 | 0 | 17 | 94,40 |
| Food Services Aids And Waiters | 2 | 0 | 0 | 0 | 0,00 |
| General Legal Administration & Rel. Professionals | 2 | 0 | 0 | 2 | 100,00 |
| Household And Laundry Workers | 1 | 0 | 0 | 0 | 0,00 |
| Housekeepers Laundry And Related Workers | 2 | 0 | 0 | 2 | 100,00 |
| Human Resources & Organisat Developm & Relate Prof | 3 | 0 | 0 | 3 | 100,00 |
| Human Resources Clerks | 17 | 0 | 0 | 13 | 76,50 |



| | | | | | |
|--|------------|----------|------------|------------|--------------|
| Human Resources Related | 12 | 0 | 0 | 13 | 108,30 |
| Language Practitioners Interpreters & Other Commun | 1 | 0 | 0 | 1 | 100,00 |
| Legal Related | 1 | 0 | 0 | 1 | 100,00 |
| Light Vehicle Drivers | 1 | 0 | 0 | 1 | 100,00 |
| Logistical Support Personnel | 5 | 0 | 0 | 5 | 100,00 |
| Material-Recording And Transport Clerks | 3 | 0 | 0 | 3 | 100,00 |
| Messengers Porters And Deliverers | 14 | 0 | 0 | 4 | 28,60 |
| Motor Vehicle Drivers | 1 | 0 | 0 | 1 | 100,00 |
| Other Administrat & Related Clerks And Organisers | 53 | 0 | 0 | 15 | 28,30 |
| Other Administrative Policy And Related Officers | 18 | 0 | 0 | 18 | 100,00 |
| Other Occupations | 1 | 0 | 0 | 0 | 0,00 |
| Risk Management And Security Services | 1 | 0 | 0 | 1 | 100,00 |
| Secretaries & Other Keyboard Operating Clerks | 47 | 0 | 0 | 41 | 87,20 |
| Security Guards | 21 | 0 | 0 | 20 | 95,20 |
| Senior Managers | 58 | 1 | 1,7 | 55 | 94,80 |
| Total: | 567 | 2 | 0,4 | 514 | 90,70 |

Table 3.5.5 Promotions by salary band for the period 1 April 2021 and 31 March 2022.

| Salary Band | Employees 1 April 2021 | 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) | 32 | 0 | 0 | 26 | 81,30 |
| Skilled (Levels3-5) | 110 | 0 | 0 | 108 | 98,20 |
| Highly skilled production (Levels 6-8) | 146 | 0 | 0 | 136 | 93,20 |
| Highly skilled supervision (Levels 9-12) | 149 | 0 | 0 | 152 | 102,00 |
| Senior Management (Level 13-16) | 56 | 2 | 3,6 | 54 | 96,40 |
| Contracts | 74 | 0 | 0 | 38 | 82,8 |
| Total | 567 | 2 | 0,4 | 514 | 90,70 |

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 2021

| Occupational category | Male | | | | Female | | | | Total |
|--|---------------|-------------|--------------|-------------|---------------|-------------|--------------|-------------|---------------|
| | African | Coloured | Indian | White | African | Coloured | Indian | White | |
| Senior Officials And Managers | 25,00 | 0,00 | 2,00 | 1,00 | 21,00 | 0,00 | 6,00 | 1,00 | 56,00 |
| Professionals | 14,00 | 0,00 | 5,00 | 3,00 | 21,00 | 1,00 | 8,00 | 3,00 | 55,00 |
| Technicians And Associate Professionals | 93,00 | 1,00 | 6,00 | 0,00 | 113,00 | 5,00 | 10,00 | 4,00 | 232,00 |
| Clerks | 36,00 | 1,00 | 0,00 | 0,00 | 92,00 | 2,00 | 3,00 | 1,00 | 135,00 |
| Service Shop And Market Sales Workers | 3,00 | 0,00 | 0,00 | 0,00 | 0,00 | 0,00 | 0,00 | 0,00 | 3,00 |
| Plant And Machine Operators And Assemblers | 4,00 | 0,00 | 0,00 | 0,00 | 0,00 | 0,00 | 0,00 | 0,00 | 4,00 |
| Labourers And Related Workers | 35,00 | 0,00 | 0,00 | 0,00 | 21,00 | 0,00 | 0,00 | 0,00 | 56,00 |
| Total | 210,00 | 2,00 | 13,00 | 4,00 | 268,00 | 8,00 | 27,00 | 9,00 | 541,00 |
| Employees with disabilities | 5,00 | 0,00 | 1,00 | 0,00 | 4,00 | 2,00 | 0,00 | 1,00 | 13,00 |

Table 3.6.2 Total number of employees (including employees with disabilities) in each of the following occupational bands as on 31 March 2021

| Occupational Band | Male | | | | Female | | | | Total |
|--|---------|----------|--------|-------|---------|----------|--------|-------|--------|
| | African | Coloured | Indian | White | African | Coloured | Indian | White | |
| Top Management, Permanent | 5,00 | 0,00 | 0,00 | 0,00 | 1,00 | 0,00 | 0,00 | 0,00 | 6,00 |
| Senior Management, Permanent | 18,00 | 0,00 | 2,00 | 1,00 | 20,00 | 0,00 | 6,00 | 1,00 | 48,00 |
| Professionally Qualified And Experienced Specialists And Mid-Management, Permanent | 48,00 | 0,00 | 7,00 | 3,00 | 62,00 | 4,00 | 13,00 | 5,00 | 142,00 |



| | | | | | | | | | |
|--|---------------|-------------|--------------|-------------|---------------|-------------|--------------|-------------|---------------|
| Skilled Technical And Academically Qualified Workers, Junior Management, Supervisors, Foremen, Permanent | 41,00 | 0,00 | 3,00 | 0,00 | 80,00 | 4,00 | 6,00 | 3,00 | 137,00 |
| Semi- Skilled And Discretionary Decision Making, Permanent | 67,00 | 2,00 | 0,00 | 0,00 | 64,00 | 0,00 | 0,00 | 0,00 | 133,00 |
| Not Available, Permanent | 10,00 | 0,00 | 0,00 | 0,00 | 25,00 | 0,00 | 2,00 | 0,00 | 37,00 |
| Contract (Top Management), Permanent | 2,00 | 0,00 | 0,00 | 0,00 | 2,00 | 0,00 | 0,00 | 0,00 | 4,00 |
| Contract (Senior Management), Permanent | 7,00 | 0,00 | 1,00 | 0,00 | 2,00 | 0,00 | 0,00 | 0,00 | 10,00 |
| Contract (Professionally Qualified), Permanent | 7,00 | 0,00 | 0,00 | 0,00 | 2,00 | 0,00 | 0,00 | 0,00 | 9,00 |
| Contract (Skilled Technical), Permanent | 5,00 | 0,00 | 0,00 | 0,00 | 7,00 | 0,00 | 0,00 | 0,00 | 12,00 |
| Contract (Semi-Skilled), Permanent | 0,00 | 0,00 | 0,00 | 0,00 | 3,00 | 0,00 | 0,00 | 0,00 | 3,00 |
| Total | 210,00 | 2,00 | 13,00 | 4,00 | 268,00 | 8,00 | 27,00 | 9,00 | 541,00 |

Table 3.6.3 Recruitment for the period 1 April 2021 and 31 March 2022.

| 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 | 2 | 0 | 0 | 0 | 1 | 0 | 0 | 0 | 3 |
| Professionally qualified and experienced specialists and mid-management | 1 | 0 | 0 | 0 | 1 | 0 | 0 | 0 | 2 |

| | | | | | | | | | |
|---|-----------|----------|----------|----------|-----------|----------|----------|----------|-----------|
| Skilled technical and academically qualified workers, junior management, supervisors, foreman and superintendents | 1 | 0 | 0 | 0 | 3 | 0 | 0 | 0 | 4 |
| Semi-skilled and discretionary decision making | 10 | 0 | 0 | 0 | 27 | 0 | 2 | 0 | 39 |
| Unskilled and defined decision making | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Contract (Senior Management), Permanent | 0 | 0 | 1 | 0 | 0 | 0 | 0 | 0 | 1 |
| Contract (Professionally qualified), Permanent | 1 | 0 | 0 | 0 | 1 | 0 | 0 | 0 | 2 |
| Contract (Skilled technical), Permanent | 4 | 0 | 0 | 0 | 1 | 0 | 0 | 0 | 5 |
| Total | 19 | 0 | 1 | 0 | 33 | 0 | 2 | 0 | 55 |
| Employees with disabilities | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |

Table 3.6.4 Promotions for the period 1 April 2021 and 31 March 2022.

| Occupational band | Male | | | | Female | | | | Total |
|---|---------|----------|--------|-------|---------|----------|--------|-------|-------|
| | African | Coloured | Indian | White | African | Coloured | Indian | White | |
| Top Management | 4 | 0 | 0 | 0 | 1 | 0 | 0 | 0 | 5 |
| Senior Management | 20 | 0 | 2 | 1 | 21 | 0 | 6 | 1 | 51 |
| Professionally qualified and experienced specialists and mid-management | 51 | 0 | 7 | 5 | 65 | 6 | 13 | 5 | 152 |
| Skilled technical and academically qualified workers, junior management, supervisors, foreman and superintendents | 41 | 0 | 3 | 0 | 79 | 4 | 6 | 3 | 136 |



| | | | | | | | | | |
|---|------------|----------|-----------|----------|------------|-----------|-----------|----------|------------|
| Semi-skilled and discretionary decision making | 48 | 2 | 0 | 0 | 58 | 0 | 0 | 0 | 108 |
| Unskilled and defined decision making | 19 | 0 | 0 | 0 | 7 | 0 | 0 | 0 | 26 |
| 08 Contract (Top Management), Permanent | 2 | 0 | 0 | 0 | 3 | 0 | 0 | 0 | 5 |
| 09 Contract (Senior Management), Permanent | 6 | 0 | 1 | 0 | 2 | 0 | 0 | 0 | 9 |
| 10 Contract (Professionally qualified), Permanent | 6 | 0 | 0 | 0 | 2 | 0 | 0 | 0 | 8 |
| 11 Contract (Skilled technical), Permanent | 5 | 0 | 0 | 0 | 7 | 0 | 0 | 0 | 12 |
| 12 Contract (Semi-skilled), Permanent | 0 | 0 | 0 | 0 | 4 | 0 | 0 | 0 | 4 |
| Total | 202 | 2 | 13 | 6 | 249 | 10 | 25 | 9 | 516 |
| Employees with disabilities | 5 | 0 | 1 | 0 | 4 | 3 | 0 | 1 | 14 |

Table 3.6.5 Terminations for the period 1 April 2021 and 31 March 2022.

| Occupational band | Male | | | | Female | | | | Total |
|--|---------|----------|--------|-------|---------|----------|--------|-------|-------|
| | African | Coloured | Indian | White | African | Coloured | Indian | White | |
| Senior Management, Permanent | 4,00 | 0,00 | 0,00 | 1,00 | 1,00 | 0,00 | 1,00 | 0,00 | 7,00 |
| Professionally qualified and experienced specialists and mid-management, Permanent | 6,00 | 0,00 | 0,00 | 1,00 | 1,00 | 0,00 | 0,00 | 0,00 | 8,00 |
| Skilled technical and academically qualified workers, junior management, supervisors, foremen, Permanent | 2,00 | 0,00 | 0,00 | 0,00 | 7,00 | 0,00 | 0,00 | 0,00 | 9,00 |
| Semi-skilled and discretionary decision making, Permanent | 3,00 | 0,00 | 0,00 | 0,00 | 4,00 | 0,00 | 0,00 | 0,00 | 7,00 |
| Unskilled and defined decision making, Permanent | 1,00 | 0,00 | 0,00 | 0,00 | 1,00 | 0,00 | 0,00 | 0,00 | 2,00 |
| Not Available, Permanent | 0,00 | 0,00 | 0,00 | 0,00 | 2,00 | 0,00 | 0,00 | 0,00 | 2,00 |

| | | | | | | | | | |
|---|--------------|-------------|-------------|-------------|--------------|-------------|-------------|-------------|--------------|
| Contract (Senior Management), Permanent | 1,00 | 0,00 | 0,00 | 0,00 | 0,00 | 0,00 | 0,00 | 0,00 | 1,00 |
| Contract (Skilled technical), Permanent | 4,00 | 0,00 | 0,00 | 0,00 | 1,00 | 0,00 | 0,00 | 0,00 | 5,00 |
| Contract (Semi-skilled), Permanent | 0,00 | 0,00 | 0,00 | 0,00 | 1,00 | 0,00 | 0,00 | 0,00 | 1,00 |
| TOTAL | 21,00 | 0,00 | 0,00 | 2,00 | 18,00 | 0,00 | 1,00 | 0,00 | 42,00 |

Table 3.6.6 Disciplinary action for the period 1 April 2021 and 31 March 2022.

| Disciplinary action | Male | | | | Female | | | | Total |
|---------------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| | African | Coloured | Indian | White | African | Coloured | Indian | White | |
| Dismissal | 1.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 1.00 |
| Total | 1.00 | 0.00 | 1.00 |

Table 3.6.7 Skills development for the period 1 April 2021 and 31 March 2022.

| Occupational category | Male | | | | Female | | | | Total |
|--|-----------|----------|----------|----------|------------|----------|-----------|----------|------------|
| | African | Coloured | Indian | White | African | Coloured | Indian | White | |
| Legislators, senior officials and managers | 3 | 0 | 1 | 0 | 18 | 0 | 4 | | 25 |
| Professionals | 6 | 0 | 0 | 0 | 7 | 0 | 3 | 1 | 17 |
| Technicians and associate professionals | 17 | | 1 | | 27 | 1 | 4 | 1 | 51 |
| Clerks | 21 | 0 | 0 | 0 | 52 | 0 | 2 | | 75 |
| 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 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Total | 47 | 0 | 1 | 0 | 104 | 1 | 13 | 2 | 159 |
| Employees with disabilities | | | | | | | | | 0 |



3.7. Signing of Performance Agreements by SMS Members

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

Table 3.7.1 Signing of Performance Agreements by SMS members as on 31 May 2022.

| SMS Level | Total number of funded SMS posts | Total number of SMS members | Total number of signed performance agreements | Signed performance agreements as % of total number of SMS members |
|--------------------------------------|----------------------------------|-----------------------------|---|---|
| Director-General/ Head of Department | | | | |
| Salary Level 16 | 1 | 1 | 1 | 100% |
| Salary Level 15 | 5 | 5 | 5 | 100% |
| Salary Level 14 | 13 | 13 | 13 | 100% |
| Salary Level 13 | 64 | 65 | 64 | 98% |

Table 3.7.2 Reasons for not having concluded Performance agreements for all SMS members as on 31 March 2022.

| Reasons |
|----------------------------------|
| Prolonged Leave and Suspensions. |

Table 3.7.3 Disciplinary steps taken against SMS members for not having concluded Performance agreements as on 31 March 2022.

| Reasons |
|---|
| Matters are referred to labour relations for disciplinary action. Employee health and wellness oversees employees who are on prolonged incapacity leave to provide support and guidance on all work related including compliance matters. |

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 2021 and 31 March 2022.

| Race and Gender | Beneficiary Profile | | | Cost | |
|-----------------------------|-------------------------|---------------------|-------------------------|-----------------|---------------------------|
| | Number of beneficiaries | Number of employees | % of total within group | Cost (R'000) | Average cost per employee |
| African | | | | | |
| Male | 37,00 | 205,00 | 18,00 | 359,48 | 9 716,00 |
| Female | 59,00 | 264,00 | 22,30 | 680,70 | 11 537,00 |
| Asian | | | | | |
| Male | 2,00 | 12,00 | 16,70 | 37,38 | 18 688,00 |
| Female | 15,00 | 27,00 | 55,60 | 349,43 | 23 296,00 |
| Coloured | | | | | |
| Male | 0,00 | 2,00 | 0,00 | 0,00 | 0,00 |
| Female | 3,00 | 6,00 | 50,00 | 32,96 | 10 988,00 |
| White | | | | | |
| Male | 1,00 | 4,00 | 25,00 | 37,65 | 37 646,00 |
| Female | 3,00 | 8,00 | 37,50 | 58,32 | 19 441,00 |
| Employees with a disability | 4,00 | 13,00 | 30,80 | 84,93 | 21 233,00 |
| Total | 124,00 | 541,00 | 22,90 | 1 640,86 | 13 233,00 |

Table 3.8.2 Performance Rewards by salary band for personnel below Senior Management Service for the period 1 April 2021 and 31 March 2022.

| 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) | 0 | 0 | 0 | 0 | 0 | 0 |
| Skilled (level 3-5) | 29,00 | 133,00 | 21,80 | 148,37 | 5 116,00 | 0.05 |
| Highly skilled production (level 6-8) | 37,00 | 137,00 | 27,00 | 278,83 | 7 536,00 | 0.09 |
| Highly skilled supervision (level 9-12) | 42,00 | 142,00 | 29,60 | 758,76 | 18 066,00 | 0.23 |
| Other | 0,00 | 37,00 | 0,00 | 0,00 | 0,00 | 0.00 |
| Contract (Levels 3-5) | 0,00 | 3,00 | 0,00 | 0,00 | 0,00 | 0.00 |
| Contract (Levels 6-8) | 0,00 | 12,00 | 0,00 | 0,00 | 0,00 | 0.00 |
| Contract (Levels 9-12) | 0,00 | 9,00 | 0,00 | 0,00 | 0,00 | 0.00 |
| Total | 108,00 | 473,00 | 22,80 | 1 185,96 | 10 981,00 | 0.37 |



Table 3.8.3 Performance Rewards by critical occupation for the period 1 April 2021 and 31 March 2022.

| Critical occupation | Beneficiary Profile | | | Cost | |
|---|-------------------------|---------------------|------------------------------|--------------------|---------------------------|
| | Number of beneficiaries | Number of employees | % of total within occupation | Total Cost (R'000) | Average cost per employee |
| Financial Clerks And Credit Controllers | 2,00 | 17,00 | 11,80 | 20,51 | 10 256,00 |
| Human Resources Clerks | 4,00 | 14,00 | 28,60 | 20,83 | 5 207,00 |
| Human Resources & Organisat Developm & Relate Prof | 2,00 | 3,00 | 66,70 | 22,84 | 11 422,00 |
| Messengers Porters And Deliverers | 0,00 | 4,00 | 0,00 | 0,00 | 0,00 |
| Risk Management And Security Services | 0,00 | 1,00 | 0,00 | 0,00 | 0,00 |
| Finance And Economics Related | 4,00 | 22,00 | 18,20 | 62,65 | 15 663,00 |
| Logistical Support Personnel | 0,00 | 5,00 | 0,00 | 0,00 | 0,00 |
| Other Administrat & Related Clerks And Organisers | 4,00 | 52,00 | 7,70 | 89,83 | 22 458,00 |
| Housekeepers Laundry And Related Workers | 1,00 | 1,00 | 100,00 | 8,90 | 8 896,00 |
| Other Occupations | 0,00 | 1,00 | 0,00 | 0,00 | 0,00 |
| Legal Related | 1,00 | 1,00 | 100,00 | 9,39 | 9 394,00 |
| Administrative Related | 51,00 | 211,00 | 24,20 | 686,36 | 13 458,00 |
| Communication And Information Related | 0,00 | 6,00 | 0,00 | 0,00 | 0,00 |
| Secretaries & Other Keyboard Operating Clerks | 16,00 | 40,00 | 40,00 | 135,30 | 8 456,00 |
| Cleaners In Offices Workshops Hospitals Etc. | 15,00 | 52,00 | 28,80 | 78,85 | 5 257,00 |
| Human Resources Related | 6,00 | 13,00 | 46,20 | 55,53 | 9 255,00 |
| Language Practitioners Interpreters & Other Commun | 0,00 | 1,00 | 0,00 | 0,00 | 0,00 |
| General Legal Administration & Rel. Professionals | 1,00 | 2,00 | 50,00 | 50,97 | 50 973,00 |
| Material-Recording And Transport Clerks | 0,00 | 3,00 | 0,00 | 0,00 | 0,00 |
| Other Administrative Policy And Related Officers | 1,00 | 16,00 | 6,30 | 7,29 | 7 286,00 |
| Bus And Heavy Vehicle Drivers | 0,00 | 2,00 | 0,00 | 0,00 | 0,00 |
| Senior Managers | 14,00 | 55,00 | 25,50 | 385,44 | 27 531,00 |
| Advocates | 0,00 | 3,00 | 0,00 | 0,00 | 0,00 |
| Client Inform Clerks(Switchb Receipt Inform Clerks) | 0,00 | 9,00 | 0,00 | 0,00 | 0,00 |
| Light Vehicle Drivers | 1,00 | 1,00 | 100,00 | 2,82 | 2 824,00 |
| Motor Vehicle Drivers | 1,00 | 1,00 | 100,00 | 3,34 | 3 341,00 |
| Security Guards | 0,00 | 1,00 | 0,00 | 0,00 | 0,00 |
| Community Development Workers | 0,00 | 3,00 | 0,00 | 0,00 | 0,00 |
| Agriculture Related | 0,00 | 1,00 | 0,00 | 0,00 | 0,00 |
| Total | 124,00 | 541,00 | 22,90 | 1 640,86 | 13 233,00 |

Table 3.8.4 Performance related rewards (cash bonus), by salary band for Senior Management Service for the period 1 April 2021 and 31 March 2022.

| 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 | 14,00 | 46,00 | 30,40 | 411,14 | 29 367,50 | 0,70 |
| Band B | 2,00 | 12,00 | 16,70 | 43,76 | 21 878,80 | 0,20 |
| Band C | 0,00 | 6,00 | 0,00 | 0,00 | 0,00 | 0,00 |
| Band D | 0,00 | 4,00 | 0,00 | 0,00 | 0,00 | 0,00 |
| Total | 16,00 | 68,00 | 23,50 | 454,90 | 28 431,40 | 0,50 |





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 2021 and 31 March 2022.

| Salary band | 01 April 20YY | | 31 March 20ZZ | | Change | |
|--|---------------|-------------|---------------|-------------|-------------|-------------|
| | Number | % of total | Number | % of total | Number | % Change |
| Lower skilled | 0,00 | 0,00 | 0,00 | 0,00 | 0,00 | 0,00 |
| Highly skilled production (Lev. 6-8) | 0,00 | 0,00 | 0,00 | 0,00 | 0,00 | 0,00 |
| Highly skilled supervision (Lev. 9-12) | 0,00 | 0,00 | 0,00 | 0,00 | 0,00 | 0,00 |
| Contract (level 9-12) | 0,00 | 0,00 | 0,00 | 0,00 | 0,00 | 0,00 |
| Contract (level 13-16) | 0,00 | 0,00 | 0,00 | 0,00 | 0,00 | 0,00 |
| Total | 0,00 | 0,00 | 0,00 | 0,00 | 0,00 | 0,00 |

Table 3.9.2 Foreign workers by major occupation for the period 1 April 2021 and 31 March 2022.

| Major occupation | 01 April 2021 | | 31 March 2022 | | Change | |
|------------------|---------------|-------------|---------------|-------------|-------------|-------------|
| | Number | % of total | Number | % of total | Number | % Change |
| None | 0,00 | 0,00 | 0,00 | 0,00 | 0,00 | 0,00 |
| Total | 0,00 | 0,00 | 0,00 | 0,00 | 0,00 | 0,00 |

3.10. Leave Utilisation

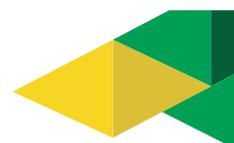
The Public Service Commission identified the need for careful monitoring of sick leave within the public service. The following tables provide an indication of the use of sick leave and disability leave. In both cases, the estimated cost of the leave is also provided.

Table 3.10.1 Sick leave for the period 1 January 2021 to 31 December 2021

| Salary band | Total days | % Days with Medical certification | Number of Employees using sick leave | % of total employees using sick leave | Average days per employee | Estimated Cost (R'000) |
|--|----------------|-----------------------------------|--------------------------------------|---------------------------------------|---------------------------|------------------------|
| Lower Skills (Level 1-2) | 97.00 | 96.90 | 8.00 | 3.40 | 12.00 | 57.00 |
| Skilled (levels 3-5) | 222.00 | 81.10 | 33.00 | 13.90 | 7.00 | 193.00 |
| Highly skilled production (levels 6-8) | 553.00 | 72.20 | 60.00 | 25.20 | 9.00 | 872.00 |
| Contract (levels 6-8) | 22.00 | 72.70 | 6.00 | 2.50 | 4.00 | 17.00 |
| Highly skilled supervision (levels 9-12) | 582.00 | 64.40 | 88.00 | 37.00 | 7.00 | 1663.00 |
| Contract (levels 9-12) | 12.00 | 91.70 | 2.00 | 0.80 | 6.00 | 39.00 |
| Senior management (levels 13-16) | 162.00 | 67.30 | 26.00 | 10.90 | 6.00 | 754.00 |
| Contracts (levels 13-16) | 9.00 | 100.00 | 1.00 | 0.40 | 9.00 | 36.00 |
| Contract other | 28.00 | 21.40 | 14.00 | 5.90 | 2.00 | 8.00 |
| Total | 1687.00 | 71.10 | 238.00 | 100.00 | 7.00 | 3640.00 |

Table 3.10.2 Disability leave (temporary and permanent) for the period 1 January 2021 to 31 December 2021.

| Salary band | Total days | % Days with Medical certification | Number of Employees using disability leave | % of total employees using disability leave | Average days per employee | Estimated Cost (R'000) |
|--|---------------|-----------------------------------|--|---|---------------------------|------------------------|
| Lower skilled (Levels 1-2) | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Skilled (Levels 3-5) | 76.00 | 100.00 | 1.00 | 12.50 | 76.00 | 50.00 |
| Highly skilled production (Levels 6-8) | 67.00 | 100.00 | 4.00 | 50.00 | 17.00 | 113.00 |
| Highly skilled supervision (Levels 9-12) | 50.00 | 100.00 | 2.00 | 25.00 | 25.00 | 153.00 |
| Senior management (Levels 13-16) | 17.00 | 100.00 | 1.00 | 12.50 | 17.00 | 69.00 |
| Total | 210.00 | 100.00 | 8.00 | 100.00 | 26.00 | 385.00 |



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 2021 to 31 December 2021.

| Salary band | Total days taken | Number of Employees using annual leave | Average per employee |
|--|------------------|--|----------------------|
| Lower skilled (Levels 1-2) | 317.00 | 13.00 | 24.00 |
| Skilled Levels 3-5) | 1583.25 | 80.00 | 20.00 |
| Contract (levels 3-5) | 31.00 | 3.00 | 10.00 |
| Highly skilled production (Levels 6-8) | 2953.25 | 135.00 | 22.00 |
| Contracts (levels 6-8) | 257.00 | 23.00 | 11.00 |
| Highly skilled supervision (Levels 9-12) | 2920.00 | 134.00 | 22.00 |
| Contracts (levels 9-12) | 100.00 | 5.00 | 20.00 |
| Senior management (Levels 13-16) | 779.00 | 46.00 | 17.00 |
| Contract (levels 13-16) | 116.00 | 9.00 | 13.00 |
| Contract other | 133.00 | 22.00 | 6.00 |
| Total | 9189.50 | 470.00 | 20.00 |

Table 3.10.4 Capped leave for the period 1 April 2021 and 31 March 2022.

| 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 2022 |
|--|----------------------------------|--|---|---|
| Lower skilled (Levels 1-2) | 0.00 | 0.00 | 0.00 | 0.00 |
| Skilled Levels 3-5) | 0.00 | 0.00 | 0.00 | 74.00 |
| Contract (levels 3-5) | 0.00 | 0.00 | 0.00 | 0.00 |
| Highly skilled production (Levels 6-8) | 0.00 | 0.00 | 0.00 | 69.00 |
| Contract (levels 6-8) | 0.00 | 0.00 | 0.00 | 0.00 |
| Highly skilled supervision (Levels 9-12) | 0.00 | 0.00 | 0.00 | 49.00 |
| Contract (levels 9-12) | 0.00 | 0.00 | 0.00 | 0.00 |
| Senior management (Levels 13-16) | 0.00 | 0.00 | 0.00 | 83.00 |
| Contracts (levels 13-16) | 0.00 | 0.00 | 0.00 | 0.00 |
| Contract other | 0.00 | 0.00 | 0.00 | 0.00 |
| Total | 0.00 | 0.00 | 0.00 | 67.00 |

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 2021 and 31 March 2022.

| Reason | Total amount (R'000) | Number of employees | Average per employee (R'000) |
|---|----------------------|---------------------|------------------------------|
| Annual - discounting with resignation (work days) | 738,00 | 31,00 | 23 806,00 |
| Annual - discounting: contract expiry (work days) | 6,00 | 1,00 | 6 000,00 |
| Annual - gratuity: death/retirement/medical retirement(work days) | 162,00 | 1,00 | 162 000,00 |
| Annual - discounting: unused vacation credits (work days) | 1 081,00 | 26,00 | 41 577,00 |
| Capped - gratuity: death/retirement/medical retirement(work days) | 2 188,00 | 20,00 | 109 400,00 |
| Total | 4 176,00 | 79,00 | 552 783 |

3.11. HIV/AIDS & Health Promotion Programmes

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 3.11.1 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 |
|--|------------------------------------|
| No categories of employees are deemed at risks | 0 |

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

| Question | Yes | No | Details, if yes |
|--|-----|----|--|
| 1. Has the department designated a member of the SMS to implement the provisions contained in Part VI E of Chapter 1 of the Public Service Regulations, 2001? If so, provide her/his name and position. | Yes | | Mr JM Gumede Director: Provincial Employee Health |
| 2. Does the department have a dedicated unit or has it designated specific staff members to promote the health and well-being of your employees? If so, indicate the number of employees who are involved in this task and the annual budget that is available for this purpose. | Yes | | Ms BB Mthembu Deputy Director: EHW Dr S Badul Deputy Director: PEHW Ms NW Ginah Assistant Director: SHERQ Ms CN Ndlovu Practitioner EHW Ms LB Zondi Administrator |



| Question | Yes | No | Details, if yes |
|---|-----|----|--|
| 3. Has the department introduced an Employee Assistance or Health Promotion Programme for your employees? If so, indicate the key elements/services of this Programme. | Yes | | <p>Covid-19 workplace management strategies</p> <p>Promoting physical activities</p> <p>Promoting behaviour change</p> <p>Approved Policies and implementation</p> <p>On-site Voluntary HIV and AIDS Counselling</p> <p>Advice and guidance on financial management</p> <p>Awareness sessions and advocacy</p> <p>Provision of psychological support</p> <p>Appointment of a Designated EH&W Service provider</p> <p>Management of COVID-19 in the workplace</p> |
| 4. Has the department established (a) committee(s) as contemplated in Part VI E.5 (e) of Chapter 1 of the Public Service Regulations, 2001? If so, please provide the names of the members of the committee and the stakeholder(s) that they represent. | Yes | | <p>Mr F Safla – Chief Director</p> <p>Ms S Myeza - Finance</p> <p>Mr JM Gumede</p> <p>Provincial employee Health</p> <p>Mr O Msweli</p> <p>Labour Relations</p> <p>Ms B Cindi</p> <p>HR Policies and Support</p> <p>Mr Mkhize</p> <p>Security services</p> <p>Mr D Pillay</p> <p>Office support Auxiliary</p> <p>Ms T Zulu – HR Support</p> |
| 5. Has the department reviewed its employment policies and practices to ensure that these do not unfairly discriminate against employees on the basis of their HIV status? If so, list the employment policies/practices so reviewed. | Yes | | <p>Relevant policies reviewed. No reports of discrimination on the basis of HIV/Aids were reported during the said period.</p> |
| 6. Has the department introduced measures to protect HIV-positive employees or those perceived to be HIV-positive from discrimination? If so, list the key elements of these measures. | Yes | | <p>The approved policy HIV, AIDS and TB ensures that no employee or potential employee will be discriminated against due to their HIV status or perceived status. The policy induces that recourse in the form of grievance and or disciplinary action can be instituted.</p> |
| 7. Does the department encourage its employees to undergo Voluntary Counselling and Testing? If so, list the results that you have you achieved. | Yes | | <p>In addition the employee can seek psychosocial support from the Employee Wellness Programme.</p> <p>The Employee Wellness programme ensures that the highest degree of confidentiality is maintained and no breach in confidentiality occurs thus resulting in discrimination.</p> <p>Condom distribution is encouraged.</p> <p>Employees are offer on-site testing for HIV during the regular Health Screening Sessions.</p> |

| Question | Yes | No | Details, if yes |
|---|-----|----|--|
| 8. Has the department developed measures/ indicators to monitor & evaluate the impact of its health promotion programme? If so, list these measures/indicators. | Yes | | <p>Reports are analysed quarterly and measures to alleviate the impact are discussed and implemented.</p> <p>Targeted information sessions have been conducted to address the key health trends identified.</p> <p>Employee satisfaction survey was conducted.</p> <p>Employees were also encouraged to provide feedback through the various on line sessions.</p> <p>The feedback was used to adapt and improve programmes rendered.</p> <p>Sessions on current events impacting on the employees wellbeing were conducted.</p> |

3.12. Labour Relations

Table 3.12.1 Collective agreements for the period 1 April 2021 and 31 March 2022.

| | |
|---------------------------------------|------|
| 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 2021 and 31 March 2022.

| Outcomes of disciplinary hearings | Number | % of total |
|-----------------------------------|-----------|------------|
| Correctional counselling | 00 | 00 |
| Verbal warning | 00 | 00 |
| Written warning | 03 | 30% |
| Final written warning | 00 | 00 |
| Suspended without pay | 01 | 90% |
| Fine | 00 | 00 |
| Demotion | 00 | 00 |
| Dismissal | 01 | 10% |
| Not guilty | 01 | 10% |
| Case withdrawn | 00 | 00 |
| Total | 07 | 30% |

| | |
|---|----|
| Total number of Disciplinary hearings finalised | 03 |
|---|----|

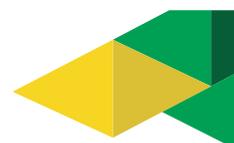


Table 3.12.3 Types of misconduct addressed at disciplinary hearings for the period 1 April 2021 and 31 March 2022.

| Type of misconduct | Number | % of total |
|------------------------------------|-----------|------------|
| FALSIFIES RECORDS OR ANY DOCUMENTS | 06 | 80% |
| Total | 06 | 60% |

Table 3.12.4 Grievances logged for the period 1 April 2021 and 31 March 2022.

| Grievances | Number | % of Total |
|--|-----------|------------|
| Number of grievances resolved | 06 | 50% |
| Number of grievances not resolved | 06 | 50% |
| Total number of grievances lodged | 12 | 12 |

Table 3.12.5 Disputes logged with Councils for the period 1 April 2021 and 31 March 2022.

| Disputes | Number | % of Total |
|--|-----------|------------|
| Number of disputes upheld | 06 | 03 |
| Number of disputes dismissed | 03 | 03 |
| Number of disputes pending | 03 | 03 |
| Total number of disputes lodged | 09 | 09 |

Table 3.12.6 Strike actions for the period 1 April 2021 and 31 March 2022.

| | |
|--|-----|
| 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 2021 and 31 March 2022.

| | |
|--|------------|
| Number of people suspended | 06 |
| Number of people who's suspension exceeded 30 days | 06 |
| Cost of suspension(R'000) | R6 946 926 |

3.13. Skills Development

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

Table 3.13.1 Training needs identified for the period 1 April 2021 and 31 March 2022.

| Occupational category | Gender | Number of employees as at 1 April 20YY | 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 | 32 | 0 | 22 | 0 | 22 |
| | Male | 35 | 0 | 5 | 0 | 5 |
| Professionals | Female | 43 | 0 | 11 | 0 | 11 |
| | Male | 33 | 0 | 6 | 0 | 6 |
| Technicians and associate professionals | Female | 81 | 0 | 32 | 0 | 32 |
| | Male | 48 | - | 18 | - | 18 |
| Clerks | Female | 129 | 0 | 53 | 0 | 53 |
| | Male | 102 | 0 | 20 | 0 | 20 |
| 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 | - | - | - |
| Elementary occupations | Female | 27 | 0 | 0 | - | 0 |
| | Male | 10 | 0 | 0 | - | 0 |
| Sub Total | Female | 312 | 0 | 112 | - | 112 |
| | Male | 228 | 0 | 48 | - | 48 |
| Total | | 540 | 0 | 160 | - | 160 |



Table 3.13.2 Training provided for the period 1 April 2021 and 31 March 2022.

| Occupational category | Gender | Number of employees as at 1 April 20YY | Training provided within the reporting period | | | |
|--|--------|--|---|---|-------------------------|-------|
| | | | Learnerships | Skills Programmes & other short courses | Other forms of training | Total |
| Legislators, senior officials and managers | Female | 32 | - | 22 | - | 22 |
| | Male | 35 | - | 5 | - | 5 |
| Professionals | Female | 43 | - | 11 | - | 11 |
| | Male | 33 | - | 6 | - | 6 |
| Technicians and associate professionals | Female | 81 | - | 32 | - | 32 |
| | Male | 48 | - | 18 | - | 18 |
| Clerks | Female | 129 | - | 53 | - | 53 |
| | Male | 102 | - | 20 | - | 20 |
| Service and sales workers | Female | - | - | - | - | - |
| | Male | - | - | - | - | - |
| Skilled agriculture and fishery workers | Female | - | - | - | - | - |
| | Male | - | - | - | - | - |
| Craft and related trades workers | Female | - | - | - | - | - |
| | Male | - | - | - | - | - |
| Plant and machine operators and assemblers | Female | - | - | - | - | - |
| | Male | - | - | - | - | - |
| Elementary occupations | Female | 27 | - | 0 | - | 0 |
| | Male | 10 | - | 0 | - | 0 |
| Sub Total | Female | 312 | - | 112 | - | 112 |
| | Male | 228 | - | 48 | - | 48 |

3.14. Injury on Duty

The following tables provide basic information on injury on duty.

Table 3.14.1 Injury on duty for the period 1 April 2021 and 31 March 2022.

| Nature of injury on duty | Number | % of total |
|---------------------------------------|----------|-------------|
| Required basic medical attention only | 5 | 0,9% |
| Temporary Total Disablement | 0 | 0 |
| Permanent Disablement | 0 | 0 |
| Fatal | 0 | 0 |
| Total | 0 | 0,9% |

3.15. Utilisation of Consultants

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

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

Table 3.15.1 Report on consultant appointments using appropriated funds for the period 1 April 2021 and 31 March 2022.

| Project title | Total number of consultants that worked on project | Duration (work days) | Contract value in Rand |
|---------------|--|----------------------|------------------------|
| None | | | |

| Total number of projects | Total individual consultants | Total duration Work days | Total contract value in Rand |
|--------------------------|------------------------------|--------------------------|------------------------------|
| None | | | |

Table 3.15.2 Analysis of consultant appointments using appropriated funds, in terms of Historically Disadvantaged Individuals (HDIs) for the period 1 April 2021 and 31 March 2022.

| Project title | Percentage ownership by HDI groups | Percentage management by HDI groups | Number of consultants from HDI groups that work on the project |
|---------------|------------------------------------|-------------------------------------|--|
| None | | | |

Table 3.15.3 Report on consultant appointments using Donor funds for the period 1 April 2021 and 31 March 2022.

| Project title | Total Number of consultants that worked on project | Duration (Work days) | Donor and contract value in Rand |
|---------------|--|----------------------|----------------------------------|
| None | | | |

| Project title | Total Number of consultants that worked on project | Duration (Work days) | Donor and contract value in Rand |
|---------------|--|----------------------|----------------------------------|
| None | | | |

Table 3.15.4 Analysis of consultant appointments using Donor funds, in terms of Historically Disadvantaged Individuals (HDIs) for the period 1 April 2021 and 31 March 2022.

| Project title | Percentage ownership by HDI groups | Percentage management by HDI groups | Number of consultants from HDI groups that work on the project |
|---------------|------------------------------------|-------------------------------------|--|
| None | | | |



3.16. Severance Packages

Table 3.16.1 Granting of employee initiated severance packages for the period 1 April 2021 and 31 March 2022.

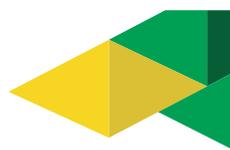
| Salary band | Number of applications received | Number of applications referred to the MPSA | Number of applications supported by MPSA | Number of packages approved by department |
|---|---------------------------------|---|--|---|
| Lower skilled (Levels 1-2) | 0.00 | 0.00 | 0.00 | 0.00 |
| Skilled Levels 3-5) | 0.00 | 0.00 | 0.00 | 0.00 |
| Highly skilled production (Levels 6-8) | 0.00 | 0.00 | 0.00 | 0.00 |
| Highly skilled supervision(Levels 9-12) | 0.00 | 0.00 | 0.00 | 0.00 |
| Senior management (Levels 13-16) | 0.00 | 0.00 | 0.00 | 0.00 |
| Total | 0.00 | 0.00 | 0.00 | 0.00 |





PART E
FINANCIAL INFORMATION

| | |
|-----------------------|-----------------|
| Gold | \$1,833,400.00% |
| Euro | \$1.20-0.21 |
| YEN | ¥105.08+0.05 |
| OIL | \$56.13+2.50% |
| ELECTRONIC TECHNOLOGY | +24.46% |
| COMMERCIAL SERVICES | +23.63% |
| FINANCE | +12.82% |



AUDITOR-GENERAL OF SOUTH AFRICA

OFFICE OF THE PREMIER

AUDIT REPORT FOR THE YEAR ENDING
31 MARCH 2022

Report of the auditor-general to the KwaZulu-Natal Provincial Legislature on vote No. 1: Office of the Premier

Report on the audit of the financial statements

Opinion

1. I have audited the financial statements of the Office of the Premier as set out on pages 151 to 215, which comprise the appropriation statement, statement of financial position as at 31 March 2022, the statement of financial performance, statement of changes in net assets and cash flow statement for the year then ended, as well as notes to the financial statements, including a summary of significant accounting policies.
2. In my opinion, the financial statements present fairly, in all material respects, the financial position of the Office of the Premier as at 31 March 2022, and its financial performance and cash flows for the year that ended in accordance with the Modified Cash Standard (MCS) prescribed by the National Treasury and the requirements of the Public Finance Management Act of South Africa, 1999 (Act No. 1 of 1999) (PFMA).

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 my report.
4. I am independent of the department in accordance with the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)* (IESBA code) as well as other ethical requirements that are relevant to my audit in South Africa. I have fulfilled my other ethical responsibilities in accordance with these requirements and the IESBA code.
5. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Emphasis of matter

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

Underspending of the budget

7. The department materially underspent the budget by R56,04 million. The majority of underspending related to compensation of employees and goods and services for the reasons disclosed in the notes to the appropriation statement.



Responsibilities of the accounting officer for the financial statements

8. 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 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.
9. 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

10. 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.
11. 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

12. 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 the selected programme presented in the annual performance report. I performed procedures to identify material findings but not to gather evidence to express assurance.
13. My procedures address the usefulness and reliability of the reported performance information, which must be based on the department's approved performance planning documents. 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 do not extend to any disclosures or assertions relating to the extent of achievements in the current year or 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.

14. 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 programme 2: institutional development presented on pages 46 to 55 of the annual performance report of the department for the year ended 31 March 2022.
15. 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.
16. I did not identify any material findings on the usefulness and reliability of the reported performance information for the selected programme.

Other matters

17. I draw attention to the matters below.

Achievement of planned targets

18. The annual performance report on pages 42 to 64 includes information on the achievement of planned targets for the year and management explanations are also provided for the under and overachievement of targets.

Adjustment of material misstatements

19. I identified material misstatements in the annual performance report submitted for auditing. These material misstatements were on the reported performance information of programme 2 - institutional development. 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

20. 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.
21. 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

22. The accounting officer is responsible for the other information, which 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 on in the auditor's report.
23. My opinion on the financial statements and findings on the reported performance information and compliance with legislation do not cover the other information and I do not express an audit opinion or any form of assurance conclusion on it.
24. In connection with my audit, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements and the selected programme presented in the annual performance report, or my knowledge obtained in the audit, or otherwise appears to be materially misstated.
25. I did not receive the other information prior to the date of this auditor's report. When I do receive and read this information, if I conclude that there is a material misstatement therein, I am required to communicate the matter to those charged with governance and request that the other information be corrected. If it is not corrected, I may have to retract this auditor's report and re-issue an amended report as appropriate. However, if it is corrected this will not be necessary.

Internal control deficiencies

26. 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.

Other reports

27. I draw attention to the following engagements conducted, which had, or could have, an impact on the matters reported in the department's financial statements, reported performance information, compliance with applicable legislation and other related matters. These reports did not form part of my opinion on the financial statements or my findings on the reported performance information or compliance with legislation.

Investigations

28. Twelve investigations were conducted by the department's internal forensics unit covering the period April 2012 to March 2020. These investigations related to procurement irregularities and alleged fraud and corruption. Four investigations were still in progress at year-end. The remaining eight investigations were completed, of which recommendations from six of them were finalised while two of them are in the process of implementation. One completed investigation resulted in

internal disciplinary hearings and criminal proceedings against four employees, which were in progress at the date of this report.

29. One investigation was conducted by the department's integrity management unit covering the period January 2017 to February 2017. This investigation related to alleged misappropriation of assets. This investigation was still in progress at the date of this report.

Auditor-General

Pietermaritzburg
29 July 2022



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 the selected programme 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 Office of the Premier 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 provide the accounting officer with a statement that I have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on my independence and, where applicable, actions taken to eliminate threats or safeguards applied.



ANNUAL FINANCIAL STATEMENTS

KZN OFFICE OF THE PREMIER

FOR THE YEAR ENDED 31 MARCH 2022

CONTENTS

ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2022

| | |
|---|-----|
| Appropriation Statement..... | 151 |
| Notes to the Appropriation Statement..... | 160 |
| Statement of Financial Performance..... | 166 |
| Statement of Financial Position..... | 168 |
| Statement of Changes in Net Assets..... | 170 |
| Cash Flow Statement..... | 171 |
| Notes to the Annual Financial Statements (including Accounting policies)..... | 172 |
| Unaudited Annexures..... | 216 |

**APPROPRIATION STATEMENT
for the year ended 31 March 2022**

| Appropriation per programme | | | | | | | | | |
|------------------------------|------------------------|-------------------|----------|---------------------|--------------------|---------------|---|---------------------|--------------------|
| | 2021/22 | | | | | | | 2020/21 | |
| | Adjusted Appropriation | Shifting of Funds | Virement | Final Appropriation | Actual Expenditure | Variance | Expenditure as % of Final Appropriation | Final Appropriation | Actual Expenditure |
| | R'000 | R'000 | R'000 | R'000 | R'000 | R'000 | % | R'000 | R'000 |
| Programme | | | | | | | | | |
| 1. ADMINISTRATION | 214 236 | - | (8 902) | 205 334 | 187 248 | 18 086 | 91,2% | 110 394 | 105 932 |
| 2. INSTITUTIONAL DEVELOPMENT | 424 622 | - | (4 210) | 420 412 | 404 610 | 15 802 | 96,2% | 380 279 | 332 630 |
| 3. POLICY AND GOVERNANCE | 171 382 | - | 13 112 | 184 494 | 162 339 | 22 155 | 88,0% | 143 421 | 140 138 |
| Subtotal | 810 240 | - | | 810 240 | 754 197 | 56 043 | 93,1% | 634 094 | 578 700 |
| TOTAL | 810 240 | - | | 810 240 | 754 197 | 56 043 | 93,1% | 634 094 | 578 700 |

| | 2021/22 | | 2020/21 | |
|--|---------------------|--------------------|---------------------|--------------------|
| | Final Appropriation | Actual Expenditure | Final Appropriation | Actual Expenditure |
| TOTAL (brought forward) | | | | |
| Reconciliation with statement of financial performance | | | | |
| ADD | | | | |
| Departmental receipts | 1 144 | | 508 | |
| NRF Receipts | - | | - | |
| Aid assistance | - | | 14 093 | |
| Actual amounts per statement of financial performance (total revenue) | 811 384 | | 648 695 | |
| ADD | | | | |
| Aid assistance | | 13 089 | | 520 |
| Prior year unauthorised expenditure approved without funding | | - | | - |
| Actual amounts per statement of financial performance (total expenditure) | | 767 286 | | 579 220 |

**APPROPRIATION STATEMENT
for the year ended 31 March 2022**

| Appropriation per economic classification | | | | | | | | | |
|---|------------------------|-------------------|-----------------|---------------------|--------------------|---------------|---|---------------------|--------------------|
| | 2021/22 | | | | | | | 2020/21 | |
| | 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 | 671 334 | (1 794) | (27 897) | 641 643 | 586 929 | 54 714 | 91,5% | 507 006 | 496 034 |
| Compensation of employees | 357 491 | - | (16 950) | 340 541 | 321 427 | 19 114 | 94,4% | 306 767 | 305 603 |
| Goods and services | 313 843 | (1 794) | (10 947) | 301 102 | 265 502 | 35 600 | 88,2% | 200 239 | 190 431 |
| Interest and rent on land | - | | | | | | | | |
| Transfers and subsidies | 99 965 | - | 22 415 | 122 380 | 121 106 | 1 274 | 99,0% | 54 496 | 52 569 |
| Provinces and municipalities | 70 | - | 142 | 212 | 212 | - | 100,0% | 148 | 148 |
| Departmental agencies and accounts | 23 748 | - | 22 415 | 46 163 | 46 163 | - | 100,0% | 30 654 | 30 654 |
| Higher education institutions | - | - | - | - | - | - | - | - | - |
| Foreign governments and international organisations | - | - | - | - | - | - | - | - | - |
| Public corporations and private enterprises | - | - | - | - | - | - | - | - | - |
| Non-profit institutions | 50 000 | - | - | 50 000 | 50 000 | - | 100,0% | - | - |
| Households | 26 147 | - | (142) | 26 005 | 24 731 | 1 274 | 95,1% | 23 694 | 21 767 |
| Payments for capital assets | 38 941 | 1 794 | 5 482 | 46 217 | 46 162 | 55 | 99,9% | 68 035 | 25 540 |
| Buildings and other fixed structures | 13 617 | - | 4 230 | 17 847 | 17 847 | - | 100,0% | 5 365 | 5 365 |
| Machinery and equipment | 25 324 | 1 794 | 1 252 | 28 370 | 28 315 | 55 | 99,8% | 27 870 | 20 175 |
| Heritage assets | - | - | - | - | - | - | - | - | - |
| Specialised military assets | - | - | - | - | - | - | - | - | - |
| Biological assets | - | - | - | - | - | - | - | - | - |
| Land and subsoil assets | - | - | - | - | - | - | - | - | - |
| Intangible assets | - | - | - | - | - | - | - | 34 800 | - |

APPROPRIATION STATEMENT for the year ended 31 March 2022

| Appropriation per economic classification | | | | | | | | | |
|---|------------------------|-------------------|----------|---------------------|--------------------|---------------|---|---------------------|--------------------|
| 2021/22 | | | | | | | | 2020/21 | |
| | Adjusted Appropriation | Shifting of Funds | Virement | Final Appropriation | Actual Expenditure | Variance | Expenditure as % of final appropriation | Final Appropriation | Actual expenditure |
| | R'000 | R'000 | R'000 | R'000 | R'000 | R'000 | % | R'000 | R'000 |
| Payments for financial assets | - | - | - | - | - | - | - | 4 557 | 4 557 |
| Total | 810 240 | - | - | 810 240 | 754 197 | 56 043 | 93,1% | 634 094 | 578 700 |

**APPROPRIATION STATEMENT
for the year ended 31 March 2022**

| Programme 1: ADMINISTRATION | | | | | | | | | |
|---|------------------------|-------------------|----------------|---------------------|--------------------|---------------|---|---------------------|--------------------|
| 2021/22 | | | | | | | | 2020/21 | |
| | 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 | |
| Sub programme | | | | | | | | | |
| 1. PREMIER SUPPORT | 29 880 | - | (825) | 29 055 | 26 456 | 2 599 | 91,1% | 26 244 | 24 568 |
| 2. EXECUTIVE COUNCIL SUPPORT | 10 674 | 75 | 825 | 11 574 | 11 574 | - | 100,0% | 12 216 | 11 484 |
| 3. DIRECTOR-GENERAL SUPPORT | 22 046 | 161 | 630 | 22 837 | 22 723 | 114 | 99,5% | 18 910 | 18 037 |
| 4. FINANCIAL MANAGEMENT | 127 954 | (614) | (8 901) | 118 439 | 104 964 | 13 475 | 88,6% | 35 605 | 35 482 |
| 5. INTERGOVERNMENTAL RELATIONS | 23 682 | 378 | (631) | 23 429 | 21 531 | 1 898 | 91,9% | 17 419 | 16 361 |
| Total for sub programmes | 214 236 | - | (8 902) | 205 334 | 187 248 | 18 086 | 91,2% | 110 394 | 105 932 |
| Economic classification | | | | | | | | | |
| Current payments | 186 971 | - | (11 857) | 175 114 | 157 112 | 18 002 | 89,7% | 106 467 | 103 139 |
| Compensation of employees | 110 509 | - | (7 000) | 103 509 | 93 213 | 10 296 | 90,1% | 78 242 | 78 233 |
| Goods and services | 76 462 | - | (4 857) | 71 605 | 63 899 | 7 706 | 89,2% | 28 225 | 24 906 |
| Interest and rent on land | - | - | - | - | - | - | - | - | - |
| Transfers and subsidies | 1 950 | - | - | 1 950 | 1 871 | 79 | 95,9% | 1 338 | 1 334 |
| Provinces and municipalities | 70 | - | 142 | 212 | 212 | - | 100,0% | - | - |
| Departmental agencies and accounts | - | - | - | - | - | - | - | - | - |
| Higher education institutions | - | - | - | - | - | - | - | - | - |
| Foreign governments and international organisations | - | - | - | - | - | - | - | - | - |
| Public corporations and private enterprises | - | - | - | - | - | - | - | - | - |
| Non-profit institutions | - | - | - | - | - | - | - | - | - |
| Households | 1 880 | - | (142) | 1 738 | 1 659 | 79 | 95,5% | 1 338 | 1 334 |

**APPROPRIATION STATEMENT
for the year ended 31 March 2022**

| Programme 1: ADMINISTRATION | | | | | | | | | |
|--------------------------------------|------------------------|-------------------|----------------|---------------------|--------------------|---------------|---|---------------------|--------------------|
| | 2021/22 | | | | | | | 2020/21 | |
| | 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 | |
| Payments for capital assets | 25 315 | - | 2 955 | 28 270 | 28 265 | 5 | 100,0% | 2 582 | 1 452 |
| Buildings and other fixed structures | 13 617 | - | 4 230 | 17 847 | 17 847 | - | 100,0% | - | - |
| Machinery and equipment | 11 698 | - | (1 275) | 10 423 | 10 418 | 5 | 100,0% | 2 582 | 1 452 |
| Heritage assets | - | - | - | - | - | - | - | - | - |
| Specialised military assets | - | - | - | - | - | - | - | - | - |
| Biological assets | - | - | - | - | - | - | - | - | - |
| Land and subsoil assets | - | - | - | - | - | - | - | - | - |
| Intangible assets | - | - | - | - | - | - | - | - | - |
| Payments for financial assets | - | - | - | - | - | - | - | 7 | 7 |
| Total | 214 236 | - | (8 902) | 205 334 | 187 248 | 18 086 | 91,2% | 110 394 | 105 932 |

**APPROPRIATION STATEMENT
for the year ended 31 March 2022**

| Programme 2: INSTITUTIONAL DEVELOPMENT | | | | | | | | | |
|---|------------------------|-------------------|----------------|-------------------|--------------------|---------------|---|---------------------|--------------------|
| 2021/22 | | | | | | | | 2020/21 | |
| | Adjusted Appropriation | Shifting of Funds | Virement | Final Expenditure | 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. STRATEGIC HUMAN RESOURCES | 85 382 | - | (4 789) | 80 593 | 76 108 | 4 485 | 94,4% | 72 344 | 71 564 |
| 2. INFORMATION COMM. TECHNOLOGY (ICT) | 104 855 | (57) | 19 661 | 124 459 | 123 065 | 1 394 | 98,9% | 160 679 | 120 501 |
| 3. LEGAL SERVICES | 12 274 | 413 | 160 | 12 847 | 12 847 | - | 100,0% | 12 311 | 11 936 |
| 4. COMMUNICATION SERVICES | 57 083 | 57 | (4 965) | 52 175 | 51 533 | 642 | 98,8% | 53 342 | 51 380 |
| 5. SPECIAL PROGRAMMES | 122 341 | (413) | (4 304) | 117 624 | 110 724 | 6 900 | 94,1% | 57 205 | 53 520 |
| 6. FORENSIC INVESTIGATIONS AND INTEGRITY MANAGEMENT | 42 687 | - | (9 973) | 32 714 | 30 333 | 2 381 | 92,7% | 24 398 | 23 729 |
| Total for sub programmes | 424 622 | - | (4 210) | 420 412 | 404 610 | 15 802 | 96,2% | 380 279 | 332 630 |
| Economic classification | | | | | | | | | |
| Current payments | 339 562 | (1 794) | (5 704) | 332 064 | 317 470 | 14 594 | 95,6% | 293 833 | 289 138 |
| Compensation of employees | 158 653 | - | (5 250) | 153 403 | 145 701 | 7 702 | 95,0% | 144 573 | 143 585 |
| Goods and services | 180 909 | (1 794) | (454) | 178 661 | 171 769 | 6 892 | 96,1% | 149 260 | 145 553 |
| Interest and rent on land | - | - | - | - | - | - | - | - | - |
| Transfers and subsidies | 73 474 | - | (862) | 72 612 | 71 417 | 1 195 | 98,4% | 21 104 | 19 414 |
| Provinces and municipalities | - | - | - | - | - | - | - | 148 | 148 |
| Departmental agencies and accounts | - | - | - | - | - | - | - | - | - |
| Public corporations and private enterprises | - | - | - | - | - | - | - | - | - |
| Non-profit institutions | 50 000 | - | - | 50 000 | 50 000 | - | 100,0% | - | - |
| Households | 23 474 | - | (862) | 22 612 | 21 417 | 1 195 | 94,7% | 20 956 | 19 266 |

**APPROPRIATION STATEMENT
for the year ended 31 March 2022**

| Programme 2: INSTITUTIONAL DEVELOPMENT | | | | | | | | | |
|--|------------------------|-------------------|----------------|-------------------|--------------------|---------------|---|---------------------|--------------------|
| 2021/22 | | | | | | | | 2020/21 | |
| | Adjusted Appropriation | Shifting of Funds | Virement | Final Expenditure | 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 | |
| Payments for capital assets | 11 586 | 1 794 | 2 356 | 15 736 | 15 723 | 13 | 99,9% | 65 249 | 23 985 |
| Buildings and other fixed structures | - | - | - | - | - | - | - | 5 365 | 5 365 |
| Machinery and equipment | 11 586 | 1 794 | 2 356 | 15 736 | 15 723 | 13 | 99,9% | 25 084 | 18 620 |
| Heritage assets | - | - | - | - | - | - | - | - | - |
| Specialised military assets | - | - | - | - | - | - | - | - | - |
| Biological assets | - | - | - | - | - | - | - | - | - |
| Land and subsoil assets | - | - | - | - | - | - | - | - | - |
| Intangible assets | - | - | - | - | - | - | - | 34 800 | - |
| Payments for financial assets | - | - | - | - | - | - | - | 93 | 93 |
| Total | 424 622 | - | (4 210) | 420 412 | 404 610 | 15 802 | 96,2% | 380 279 | 332 630 |

**APPROPRIATION STATEMENT
for the year ended 31 March 2022**

| Programme 3: POLICY AND GOVERNANCE | | | | | | | | | |
|---|------------------------|-------------------|---------------|---------------------|--------------------|---------------|---|---------------------|--------------------|
| | 2021/22 | | | | | | 2020/21 | | |
| | 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. PROVINCIAL POLICY MANAGEMENT | 33 443 | (4 569) | (3 000) | 25 874 | 24 515 | 1 359 | 94,7% | 37 366 | 35 517 |
| 2. PREMIER'S PRIORITY PROGRAMMES | 66 930 | - | (1 532) | 65 398 | 51 397 | 14 001 | 78,6% | 32 303 | 31 201 |
| 3. ROYAL HOUSEHOLD | 71 009 | 4 569 | 17 644 | 93 222 | 86 427 | 6 795 | 92,7% | 73 752 | 73 420 |
| Total for sub programmes | 171 382 | - | 13 112 | 184 494 | 162 339 | 22 155 | 88,0% | 143 421 | 140 138 |
| Economic classification | | | | | | | | | |
| Current payments | 144 801 | - | (10 336) | 134 465 | 112 347 | 22 118 | 83,6% | 106 706 | 103 757 |
| Compensation of employees | 88 329 | - | (4 700) | 83 629 | 82 513 | 1 116 | 98,7% | 83 952 | 83 785 |
| Goods and services | 56 472 | - | (5 636) | 50 836 | 29 834 | 21 002 | 58,7% | 22 754 | 19 972 |
| Interest and rent on land | - | - | - | - | - | - | - | - | - |
| Transfers and subsidies | 24 541 | - | 23 277 | 47 818 | 47 818 | - | 100,0% | 32 054 | 31 821 |
| Provinces and municipalities | - | - | - | - | - | - | - | - | - |
| Departmental agencies and accounts | 23 748 | - | 22 415 | 46 163 | 46 163 | - | 100,0% | 30 654 | 30 654 |
| Higher education institutions | - | - | - | - | - | - | - | - | - |
| Foreign governments and international organisations | - | - | - | - | - | - | - | - | - |
| Public corporations and private enterprises | - | - | - | - | - | - | - | - | - |
| Non-profit institutions | - | - | - | - | - | - | - | - | - |
| Households | 793 | - | 862 | 1 655 | 1 655 | - | 100,0% | 1 400 | 1 167 |

**APPROPRIATION STATEMENT
for the year ended 31 March 2022**

| Programme 3: POLICY AND GOVERNANCE | | | | | | | | | |
|--------------------------------------|------------------------|-------------------|---------------|---------------------|--------------------|---------------|---|---------------------|--------------------|
| 2021/22 | | | | | | | 2020/21 | | |
| | 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 | | | | | | | | | |
| Payments for capital assets | 2 040 | - | 171 | 2 211 | 2 174 | 37 | 98,3% | 204 | 103 |
| Buildings and other fixed structures | - | - | - | - | - | - | - | - | - |
| Machinery and equipment | 2 040 | - | 171 | 2 211 | 2 174 | 37 | 98,3% | 204 | 103 |
| Heritage assets | - | - | - | - | - | - | - | - | - |
| Specialised military assets | - | - | - | - | - | - | - | - | - |
| Biological assets | - | - | - | - | - | - | - | - | - |
| Land and subsoil assets | - | - | - | - | - | - | - | - | - |
| Intangible assets | - | - | - | - | - | - | - | - | - |
| Payments for financial assets | - | - | - | - | - | - | - | 4 457 | 4 457 |
| Total | 171 382 | | 13 112 | 184 494 | 162 339 | 22 155 | 88,0% | 143 421 | 140 138 |



**NOTES TO THE APPROPRIATION STATEMENT
for the year ended 31 March 2022**

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

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

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

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

3. Detail on payments for financial assets

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

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

| 4.1 Per programme | Final Appropriation | Actual Expenditure | Variance R'000 | Variance as a % of Final Appropriation |
|--|------------------------|-----------------------|-------------------|--|
| Programme 1: Administration | 205 334 | 187 248 | 18 086 | 8,8% |

Programme 1 was underspent by R18,086 million mainly due to the following reasons:

- a) Compensation of Employees was underspent by R10,296 million mainly as a result of an amount of R8 million that was allocated as additional funding to the Department for the wage increments. These funds were not utilized as the wage increments were covered from savings derived from early retirements as well as due to posts that were filled later than originally anticipated. In respect of the six posts that were approved for filling, three posts were filled during the year, two posts are awaiting DPSS concurrence and one post was re-advertised.
- b) Goods and Services was underspent by R7,706 million primarily due to travel expenses, catering for meetings as well as other administrative expenses that had been greatly reduced due to more virtual meetings taking place as a result of the COVID-19 pandemic and the national lockdown regulations. The underspending was also attributed to IDA accounts in respect of building leases that were not received from the Department of Public Works.

**NOTES TO THE APPROPRIATION STATEMENT
for the year ended 31 March 2022**

- c) Transfers and Subsidies was underspent by R79 thousand primarily due to a reduction in PARMED claims for retired parliamentarians as a result of natural attrition.
- d) Payments for Capital Assets was underspent by a minimal amount of R5 thousand.

| | Final Appropriation | Actual Expenditure | Variance R'000 | Variance as a % of Final Appropriation |
|---|--------------------------------|-------------------------------|---------------------------|---|
| Programme 2: Institutional Development | 420 412 | 404 610 | 15 802 | 3,8% |

Programme 2 was underspent by R15,802 million mainly due to the following reasons:

- a) Compensation of Employees was underspent by R7,702 million mainly as a result of early retirements as well as due to posts that were either filled later than originally anticipated or were still undergoing recruitment processes by the financial year end. In respect of the fourteen posts that were approved for filling, eight posts were filled during the year, four posts are awaiting DPSA concurrence and two Information Technology Director posts were advertised during March 2022. In addition, the Undergraduate Programme was finalized late in March 2022 due to the programme being redesigned to cater for a wider field of graduates.
- b) Goods and Services was underspent by R6,892 million primarily due to the outsourcing of Forensic Investigations that could not be finalized due to challenges experienced with obtaining suitable service providers. In addition, the Youth Day event was hosted by National therefore minimal costs were incurred by the Department. Events such as the Human Rights Day and the International Day for People with Disabilities, amongst other human rights campaigns and outreach programmes were scaled down due to the national lockdown regulations.
- c) Transfers and Subsidies was underspent by R1,195 million mainly due to the lower intake of students in respect of external bursaries.
- d) Payments for Capital Assets was underspent by a minimal amount of R13 thousand.



**NOTES TO THE APPROPRIATION STATEMENT
for the year ended 31 March 2022**

| | Final Appropriation | Actual Expenditure | Variance R'000 | Variance as a % of Final Appropriation |
|---|------------------------|-----------------------|-------------------|--|
| Programme 3: Policy and Governance | 184 494 | 162 339 | 22 155 | 12,0% |

Programme 3 was underspent by R22,155 million mainly due to the following reasons:

- a) Compensation of Employees was underspent by R1,116 million mainly as a result of early retirements as well as due to posts that were filled later than originally anticipated. In respect of the six posts that were approved for filling, three posts were filled during the year, two posts are awaiting DPSA concurrence and one post, namely the Chief Director: Monitoring and Evaluation post is undergoing recruitment processes.
- b) Goods and Services was underspent by R21,002 million mainly due to stakeholder engagements that were scaled down as a result of the national lockdown regulations. In addition, the Royal Household events were put on hold due to the challenges encountered with the succession of the new King following the passing away of the former, His Majesty the King. The underspending was also attributed to the late conclusion of the integrated monitoring and evaluation system that was aimed at providing credible data and an evidence base against indicators and targets in a single plan. The bulk of the furniture for the OSS War rooms were delivered and paid for during 2021/22, however, some furniture could not be delivered as a result of stock shortages.
- c) Payments for Capital Assets was underspent by a minimal amount of R37 thousand.

**NOTES TO THE APPROPRIATION STATEMENT
for the year ended 31 March 2022**

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 | 340 541 | 321 427 | 19 114 | 5,6% |
| Goods and services | 301 102 | 265 504 | 35 598 | 11,8% |
| Transfers and subsidies | | | | |
| Provinces and municipalities | 212 | 212 | 0 | 0% |
| Departmental agencies and accounts | 46 163 | 46 163 | 0 | 0% |
| Non-profit institutions | 50 000 | 50 000 | 0 | 0% |
| Households | 26 005 | 24 731 | 1 274 | 4,9% |
| Payments for capital assets | | | | |
| Buildings and other fixed structures | 17 847 | 17 847 | 0 | 0% |
| Machinery and equipment | 28 370 | 28 315 | 55 | 0,2% |
| Payments for financial assets | 0 | 0 | | 0% |

Compensation of Employees:

The underspending of R19,114 million is mainly due to an amount of R8 million that was allocated as additional funding to the Department for wage increments. These funds were not utilized as the wage increments were covered from savings derived from early retirements as well as from posts being filled later than originally anticipated. As mentioned against each Programme, a total of twenty six post were approved for filling, of which, fourteen posts were filled during the financial year, whilst twelve posts were still undergoing the recruitment processes or were awaiting DPSA concurrence by the financial year end. In addition, the Undergraduate Programme was finalized late in March 2022 due to the programme being redesigned to cater for a wider field of graduates.

Goods and Services:

Goods and Services was underspent by R35,600 million mainly due to the following reasons:

- a) Programme 1 was underspent by R7,706 million mainly attributed to reduced travel expenses, catering for meetings as well as other administrative expenses due to more virtual meetings taking place as a result of the COVID-19 pandemic and the national lockdown regulations. The underspending was also attributed to IDA accounts in respect of building leases that were not received from the Department of Public Works.



NOTES TO THE APPROPRIATION STATEMENT for the year ended 31 March 2022

- b) Programme 2 was underspent by R6,892 million primarily due to the outsourcing of Forensic Investigations that could not be finalized due to challenges experienced with obtaining suitable service providers. In addition, the Youth Day event was hosted by National therefore minimal costs were incurred by the Department. Events such as the Human Rights Day and the International Day for People with Disabilities, amongst other human rights campaigns and outreach programmes were scaled down due to the national lockdown regulations.
- c) Programme 3 was underspent by R21,002 million mainly due to stakeholder engagements that were scaled down as a result of the national lockdown regulations. In addition, the Royal Household events were put on hold due to the challenges encountered with the succession of the new King following the passing away of the former, His Majesty the King. The underspending was also attributed to the late conclusion of the integrated monitoring and evaluation system that was aimed at providing credible data and an evidence base against indicators and targets in a single plan. The bulk of the furniture for the OSS War rooms were delivered and paid for during 2021/22, however, some furniture could not be delivered as a result of stock shortages.

Provinces and Municipalities:

An amount of R212 thousand was spent on vehicle licences.

Departmental Agencies and Accounts:

Transfer payments amounting to R46,163 million were made to The Zulu Royal Household Trust (ZRHT). Treasury approval was obtained to increase the transfer payment to the ZRHT by R5,465 million for operational expenses and an amount of R16,950 million for the repair of fencing at the Royal Palaces.

Non-Profit Institutions:

The amount of R50 million is in respect of the KZN Youth Empowerment Fund.

Households:

Households was underspent by R1,274 million mainly due to the lower intake of students in respect of external bursaries. In addition, there were reduced claims for ex-parliamentarians in respect of PARMED.

The expenditure of R24,731 million was in respect of the following transfer payments:

- a) Staff exit costs in respect of leave gratuity pay-outs as well as early retirements amounted to R5,705 million.
- b) PARMED: Medical aid claims for ex-parliamentarians amounted to R1,150 million.
- c) Claims against the State in respect of a vehicle accident claim amounted to R29 thousand.
- d) External Bursaries amounted to R17,847 million

**NOTES TO THE APPROPRIATION STATEMENT
for the year ended 31 March 2022****Buildings and Other Fixed Structures:**

An amount of R17,847 million was spent against Buildings and Other Fixed Structures in respect of the leaking roof repairs at the Moses Mabhida building, as well as for the security upgrade repairs at Parkside Residence.

Machinery and Equipment:

Machinery and Equipment was underspent by a nominal amount of R55 thousand. The expenditure of R28,315 million was mainly for the replacement of departmental vehicles, office furniture and computer equipment. Included in this expenditure was also computer equipment that was required for the OSS War rooms.

Payments for Financial Assets:

No debts were written off for the 2021/22 financial year.



STATEMENT OF FINANCIAL PERFORMANCE
for the year ended 31 March 2022

| | <i>Note</i> | 2021/22 R'000 | 2020/21 R'000 |
|---|-------------|--------------------------------|--------------------------------|
| REVENUE | | | |
| Annual appropriation | 1 | 810 240 | 634 094 |
| Statutory appropriation | | - | - |
| Departmental revenue | 2 | 1 144 | 508 |
| NRF Receipts | | - | - |
| Aid assistance | | - | 14 093 |
| TOTAL REVENUE | | 811 384 | 648 695 |
| EXPENDITURE | | | |
| Current expenditure | | | |
| Compensation of employees | 4 | 321 428 | 305 602 |
| Goods and services | 5 | 265 502 | 189 496 |
| Interest and rent on land | | - | - |
| Aid assistance | | - | - |
| Total current expenditure | | 586 930 | 495 098 |
| Transfers and subsidies | | | |
| Transfers and subsidies | 7 | 121 106 | 52 569 |
| Aid assistance | 3.3 | 13 089 | 520 |
| | | - | - |
| Total transfers and subsidies | | 134 195 | 53 089 |
| Expenditure for capital assets | | | |
| Tangible assets | 8 | 46 161 | 26 476 |
| Intangible assets | | - | - |
| | | - | - |
| Total expenditure for capital assets | | 46 161 | 26 476 |
| Unauthorised expenditure approved without funding | | - | - |
| Payments for financial assets | 6 | - | 4 557 |
| TOTAL EXPENDITURE | | 767 286 | 579 220 |
| SURPLUS/(DEFICIT) FOR THE YEAR | | 44 098 | 69 475 |

STATEMENT OF FINANCIAL PERFORMANCE
for the year ended 31 March 2022

Reconciliation of Net Surplus/(Deficit) for the year

| Voted funds | | 56 043 | 55 394 |
|---------------------------------------|----|---------------|---------------|
| Annual appropriation | | 56 043 | 55 394 |
| Statutory appropriation | | - | - |
| Conditional grants | | - | - |
| Departmental revenue and NRF Receipts | 13 | 1 144 | 508 |
| Aid assistance | 3 | -13 089 | 13 573 |
| SURPLUS/(DEFICIT) FOR THE YEAR | | 44 098 | 69 475 |



STATEMENT OF FINANCIAL POSITION
for the year ended 31 March 2022

| | Note | 2021/22 R'000 | 2020/21 R'000 |
|---|------|------------------|------------------|
| ASSETS | | | |
| Current assets | | 70 242 | 65 473 |
| Unauthorised expenditure | | - | - |
| Cash and cash equivalents | 9 | 65 952 | 61 301 |
| Other financial assets | | - | - |
| Prepayments and advances | | - | - |
| Receivables | 11 | 4 290 | 4 172 |
| Loans | | - | - |
| Aid assistance prepayments | | - | - |
| Aid assistance receivable | | - | - |
| Non-current assets | | 439 | 439 |
| Investments | | - | - |
| Receivables | 11 | 439 | 439 |
| Loans | | - | - |
| Other financial assets | | - | - |
| TOTAL ASSETS | | 70 681 | 65 912 |
| LIABILITIES | | | |
| Current liabilities | | 68 948 | 64 087 |
| Voted funds to be surrendered to the Revenue Fund | 12 | 64 670 | 47 089 |
| Departmental revenue and NRF Receipts to be surrendered to the Revenue Fund | 13 | 412 | -266 |
| Bank overdraft | | - | - |
| Payables | 14 | 790 | 1 099 |
| Aid assistance repayable | | - | - |
| Aid assistance unutilised | 3 | 3 076 | 16 165 |
| Non-current liabilities | | | |
| Payables | 15.1 | - | 183 |
| TOTAL LIABILITIES | | 68 948 | 64 270 |
| NET ASSETS | | 1 733 | 1 642 |

STATEMENT OF FINANCIAL POSITION
for the year ended 31 March 2022

| | <i>Note</i> | 2021/22 R'000 | 2020/21 R'000 |
|------------------------|-------------|--------------------------------|--------------------------------|
| Represented by: | | | |
| Capitalisation reserve | | - | - |
| Recoverable revenue | | 1 733 | 1 642 |
| Retained funds | | - | - |
| Revaluation reserves | | - | - |
| TOTAL | | 1 733 | 1 642 |



STATEMENT OF CHANGES IN NET ASSETS
for the year ended 31 March 2022

| | <i>Note</i> | 2021/22 R'000 | 2020/21 R'000 |
|---|-------------|--------------------------------|--------------------------------|
| Capitalisation Reserves | | | |
| Opening balance | | - | - |
| Transfers: | | - | - |
| Movement in Equity | | - | - |
| Movement in Operational Funds | | - | - |
| Other movements | | - | - |
| Closing balance | | - | - |
| Recoverable revenue | | | |
| Opening balance | | 1 642 | 2 332 |
| Transfers: | | 91 | -690 |
| Irrecoverable amounts written off | 6.1 | - | 4 557 |
| Debts revised | | 98 | -460 |
| Debts recovered (included in departmental receipts) | | -7 | -4 807 |
| Debts raised | | - | 20 |
| Closing balance | | 1 733 | 1 642 |
| Retained funds | | | |
| Opening balance | | - | - |
| Transfer from voted funds to be surrendered (Parliament/Legislatures ONLY) | | - | - |
| Utilised during the year | | - | - |
| Other transfers | | - | - |
| Closing balance | | - | - |
| Revaluation Reserve | | | |
| Opening balance | | - | - |
| Revaluation adjustment (Housing departments) | | - | - |
| Transfers | | - | - |
| Other | | - | - |
| Closing balance | | - | - |
| TOTAL | | 1 733 | 1 642 |

CASHFLOW STATEMENT
for the year ended 31 March 2022

| | <i>Note</i> | 2021/22 R'000 | 2020/21 R'000 |
|--|-------------|--------------------------------|--------------------------------|
| CASH FLOWS FROM OPERATING ACTIVITIES | | | |
| Receipts | | 811 384 | 648 695 |
| Annual appropriated funds received | 1.1 | 810 240 | 634 094 |
| Statutory appropriated funds received | | - | - |
| Departmental revenue received | 2 | 1 139 | 462 |
| Interest received | 2.3 | 5 | 46 |
| NRF Receipts | | - | - |
| Aid assistance received | 3 | - | 14 093 |
| Net (increase)/decrease in working capital | | -427 | 5 282 |
| Surrendered to Revenue Fund | | -38 928 | -467 |
| Surrendered to RDP Fund/Donor | | - | - |
| Current payments | | -586 930 | -495 098 |
| Interest paid | | - | - |
| Payments for financial assets | | - | -4 557 |
| Transfers and subsidies paid | | -134 195 | -53 089 |
| Net cash flow available from operating activities | 17 | 50 904 | 100 766 |
| CASH FLOWS FROM INVESTING ACTIVITIES | | | |
| Distribution/dividend received | | | |
| Payments for capital assets | 8 | -46 161 | -26 476 |
| Proceeds from sale of capital assets | | - | - |
| (Increase)/decrease in loans | | - | - |
| (Increase)/decrease in investments | | - | - |
| (Increase)/decrease in other financial assets | | - | - |
| (Increase)/decrease in non-current receivables | | - | - |
| Net cash flows from investing activities | | -46 161 | -26 476 |
| CASH FLOWS FROM FINANCING ACTIVITIES | | | |
| Increase/(decrease) in net assets | | 91 | -690 |
| Increase/(decrease) in non-current payables | | -183 | - |
| Net cash flows from financing activities | | -92 | -690 |
| Net increase/(decrease) in cash and cash equivalents | | 4 651 | 73 600 |
| Cash and cash equivalents at beginning of period | | 61 301 | -12 299 |
| Unrealised gains and losses within cash and cash equivalents | | - | - |
| Cash and cash equivalents at end of period | 17 | 65 952 | 61 301 |



NOTES TO THE ANNUAL FINANCIAL STATEMENTS for the year ended 31 March 2022

| Summary of significant accounting policies | |
|--|---|
| <p>The financial statements have been prepared in accordance with the following policies, which have been applied consistently in all material aspects, unless otherwise indicated. Management has concluded that the financial statements present fairly the department's primary and secondary information.</p> | |
| <p>The historical cost convention has been used, except where otherwise indicated. Management has used assessments and estimates in preparing the annual financial statements. These are based on the best information available at the time of preparation.</p> | |
| <p>Where appropriate and meaningful, additional information has been disclosed to enhance the usefulness of the financial statements and to comply with the statutory requirements of the Public Finance Management Act (PFMA), Act 1 of 1999 (as amended by Act 29 of 1999), and the Treasury Regulations issued in terms of the PFMA and the annual Division of Revenue Act.</p> | |
| 1. | <p>Basis of preparation The financial statements have been prepared in accordance with the Modified Cash Standard.</p> |
| 2 | <p>Going concern The financial statements have been prepared on a going concern basis.</p> |
| 3 | <p>Presentation currency Amounts have been presented in the currency of the South African Rand (R) which is also the functional currency of the department.</p> |
| 4 | <p>Rounding Unless otherwise stated financial figures have been rounded to the nearest one thousand Rand (R'000).</p> |
| 5 | <p>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.</p> |
| 6 | <p>Comparative information</p> |
| 6.1 | <p>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.</p> |
| 6.2 | <p>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.</p> |
| 7 | <p>Revenue</p> |
| 7.1 | <p>Appropriated funds Appropriated funds comprises of departmental allocations as well as direct charges against the revenue fund (i.e. statutory appropriation). Appropriated funds are recognised in the statement of financial performance on the date the appropriation becomes effective. Adjustments made in terms of the adjustments budget process are recognised in the statement of financial performance on the date the adjustments become effective. The net amount of any appropriated funds due to / from the relevant revenue fund at the reporting date is recognised as a payable / receivable in the statement of financial position.</p> |

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2022

| | |
|--------------|--|
| 7.2 | <p>Departmental revenue</p> <p>Departmental revenue is recognised in the statement of financial performance when received and is subsequently paid into the relevant revenue fund, unless stated otherwise. Any amount owing to the relevant revenue fund at the reporting date is recognised as a payable in the statement of financial position.</p> |
| 7.3 | <p>Accrued departmental revenue</p> <p>Accruals in respect of departmental revenue (excluding tax revenue) are recorded in the notes to the financial statements when: 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. The accrued revenue is measured at the fair value of the consideration receivable. Accrued tax revenue (and related interest and / penalties) is measured at amounts receivable from collecting agents. Write-offs are made according to the department's debt write-off policy.</p> |
| 8 | <p>Expenditure</p> |
| 8.1 | <p>Compensation of employees</p> |
| 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. Social contributions made by the department in respect of ex-employees are classified as transfers to households in the statement of financial performance on the date of payment.</p> |
| 8.2 | <p>Other expenditure</p> <p>Other expenditure (such as goods and services, transfers and subsidies and payments for capital assets) is recognised in the statement of financial performance on the date of payment. The expense is classified as a capital expense if the total consideration paid is more than the capitalisation threshold.</p> |
| 8.3 | <p>Accruals and payables not recognised</p> <p>Accruals and payables not recognised are recorded in the notes to the financial statements at cost at the reporting date.</p> |
| 8.4 | <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. Operating lease payments received are recognised as departmental revenue. 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. Finance lease payments received are recognised as departmental revenue. The finance lease commitments are recorded in the notes to the financial statements and are not apportioned between the capital and interest portions.</p> |



NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2022

| | |
|-------------|--|
| | <p>Finance lease assets acquired at the end of the lease term are recorded and measured at the lower of:</p> <ul style="list-style-type: none"> • cost, being the fair value of the asset; or • the sum of the minimum lease payments made, including any payments made to acquire ownership at the end of the lease term, excluding interest. |
| 9 | Aid Assistance |
| 9.1 | <p>Aid assistance received</p> <p>Aid assistance received in cash is recognised in the statement of financial performance when received. In-kind aid assistance is recorded in the notes to the financial statements on the date of receipt and is measured at fair value. 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. Bank overdrafts are shown separately on the face of the statement of financial position as a current liability. For the purposes of the cash flow statement, cash and cash equivalents comprise cash on hand, deposits held, other short-term highly liquid investments and bank overdrafts.</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. Prepayments and advances are initially and subsequently measured at cost. The department may elect to immediately expense the payment in accordance with the Chapter on Expenditure. This is usually the case when the recognition in the statement of Financial Position will have a negative impact on the Appropriation Statement and actual cash flows of the Department.</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 | Financial assets |
| 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. 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> |

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2022

| | |
|-------------|--|
| 15 | Payables Payables recognised in the statement of financial position are recognised at cost. |
| 16 | Capital Assets |
| 16.1 | Immovable capital assets Immovable assets reflected in the asset register of the department are recorded in the notes to the financial statements at cost or fair value where the cost cannot be determined reliably. Immovable assets acquired in a non-exchange transaction are recorded at fair value at the date of acquisition. Immovable assets are subsequently carried in the asset register at cost and are not currently subject to depreciation or impairment. Subsequent expenditure of a capital nature forms part of the cost of the existing asset when ready for use. Additional information on immovable assets not reflected in the assets register is provided in the notes to financial statements. |
| 16.2 | Movable capital assets Movable capital assets are initially recorded in the notes to the financial statements at cost. Movable capital assets acquired through a non-exchange transaction is measured at fair value as at the date of acquisition. Where the cost of movable capital assets cannot be determined reliably, the movable capital assets are measured at fair value and where fair value cannot be determined; the movable assets are measured at R1. All assets acquired prior to 1 April 2002 (or a later date as approved by the OAG) may be recorded at R1. Movable capital assets are subsequently carried at cost and are not subject to depreciation or impairment. Subsequent expenditure that is of a capital nature forms part of the cost of the existing asset when ready for use. |
| 16.3 | Intangible assets 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. Internally generated intangible assets are recorded in the notes to the financial statements when the department commences the development phase of the project. 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. All assets acquired prior to 1 April 2002 (or a later date as approved by the OAG) may be recorded at R1. Intangible assets are subsequently carried at cost and are not subject to depreciation or impairment. Subsequent expenditure of a capital nature forms part of the cost of the existing asset when ready for use. |
| 16.4 | Project Costs: Work-in-progress Expenditure of a capital nature is initially recognised in the statement of financial performance at cost when paid. 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. Where the department is not the custodian of the completed project asset, the asset is transferred to the custodian subsequent to completion. |



NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2022

| | |
|-------------|---|
| 17 | Provisions and Contingents |
| 17.1 | <p>Provisions</p> <p>Provisions are recorded in the notes to the financial statements when there is a present legal or constructive obligation to forfeit economic benefits as a result of events in the past and it is probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation and a reliable estimate of the obligation can be made. The provision is measured as the best estimate of the funds required to settle the present obligation at the reporting date.</p> |
| 17.2 | <p>Contingent liabilities</p> <p>Contingent liabilities are recorded in the notes to the financial statements when there is a possible obligation that arises from past events, and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not within the control of the department or when there is a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation or the amount of the obligation cannot be measured reliably.</p> |
| 17.3 | <p>Contingent assets</p> <p>Contingent assets are recorded in the notes to the financial statements when a possible asset arises from past events, and whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events not within the control of the department.</p> |
| 17.4 | <p>Capital commitments</p> <p>Commitments (other than for transfers and subsidies) are recorded at cost in the notes to the financial statements when there is a contractual arrangement or an approval by management in a manner that raises a valid expectation that the department will discharge its responsibilities thereby incurring future expenditure that will result in the outflow of cash..</p> |
| 18 | <p>Unauthorised expenditure</p> <p>Unauthorised expenditure is recognised in the statement of financial position until such time as the expenditure is either: 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. 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. Fruitless and wasteful expenditure is removed from the notes to the financial statements when it is resolved or transferred to receivables or written off. 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> |

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2022

| | |
|-----------|---|
| 20 | <p>Irregular expenditure</p> <p>Irregular expenditure is recorded in the notes to the financial statements when confirmed after its assessment. 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. Irregular expenditure is reduced from the note when it is either condoned by the relevant authority, transferred to receivables for recovery, not condoned and removed or written-off. Irregular expenditure receivables are measured at the amount that is expected to be recoverable and are de-recognised when settled or subsequently written-off as irrecoverable.</p> |
| 21 | <p>Changes in accounting policies, accounting estimates and errors</p> <p>Changes in accounting policies that are affected by management have been applied retrospectively in accordance with MCS requirements, except to the extent that it is impracticable to determine the period-specific effects or the cumulative effect of the change in policy. In such instances the department shall restate the opening balances of assets, liabilities and net assets for the earliest period for which retrospective restatement is practicable. Changes in accounting estimates are applied prospectively in accordance with MCS requirements. 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 not party to principal-agent arrangements..</p> |
| 24 | <p>Recoverable revenue</p> <p>Amounts are recognised as recoverable revenue when a payment made in a previous financial year becomes recoverable from a debtor in the current financial year. Amounts are either transferred to the National/Provincial Revenue Fund when recovered or are transferred to the statement of financial performance when written-off.</p> |
| 25 | <p>Related party transactions</p> <p>A related party transaction is a transfer of resources, services or obligations between the reporting entity and a related party. Related party transactions within the Minister/MEC's portfolio are recorded in the notes to the financial statements when the transaction is not at arm's length.</p> <p>Key management personnel are those persons having the authority and responsibility for planning, directing and controlling the activities of the department. The number of individuals and their full compensation is recorded in the notes to the financial statements.</p> |



NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2022

| | |
|-----------|--|
| 26 | <p>Inventories</p> <p>At the date of acquisition, inventories are recognised at cost in the statement of financial performance. 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. The cost of inventories is assigned by using the weighted average cost basis.</p> |
| 27 | <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> |
| 28 | <p>Transfer of functions</p> <p>Transfer 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. Transfer 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> |

NOTES TO THE ANNUAL FINANCIAL STATEMENTS for the year ended 31 March 2022

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:

| | 2021/22 | | | 2020/21 | | |
|---------------------------|--------------------------------------|--------------------------------------|--|--------------------------------------|---|--|
| | Final Approp- riation R'000 | Actual Funds Received R'000 | Funds not requested/ not received R'000 | Final Approp- riation R'000 | Approp- riation received R'000 | Funds not requested/ not received R'000 |
| ADMINISTRATION | 214 236 | 214 236 | - | 110 155 | 110 155 | - |
| INSTITUTIONAL DEVELOPMENT | 424 622 | 424 622 | - | 375 838 | 375 838 | - |
| POLICY AND GOVERNANCE | 171 382 | 171 382 | - | 148 101 | 148 101 | - |
| Total | 810 240 | 810 240 | - | 634 094 | 634 094 | - |

2. Departmental revenue

| | Note | 2021/22 R'000 | 2020/21 R'000 |
|---|------|------------------|------------------|
| Sales of goods and services other than capital assets | 2.1 | 165 | 178 |
| Interest, dividends and rent on land | 2.2 | 5 | 46 |
| Transactions in financial assets and liabilities | 2.3 | 974 | 284 |
| Transfer received | | - | - |
| Total revenue collected | | 1 144 | 508 |
| Less: Own revenue included in appropriation | | - | - |
| Departmental revenue collected | | 1 144 | 508 |

2.1 Sales of goods and services other than capital assets

| | Note | 2021/22 R'000 | 2020/21 R'000 |
|---|------|------------------|------------------|
| Sales of goods and services produced by the department | 2 | 165 | 175 |
| Sales by market establishment | | 3 | 12 |
| Other sales | | 162 | 163 |
| Sales of scrap, waste and other used current goods | | - | 3 |
| Total | | 165 | 178 |

2.2 Interest, dividends and rent on land

| | Note | 2021/22 R'000 | 2020/21 R'000 |
|--------------|------|------------------|------------------|
| Interest | | 5 | 46 |
| Total | 2 | 5 | 46 |



NOTES TO THE ANNUAL FINANCIAL STATEMENTS for the year ended 31 March 2022

2.3 Transactions in financial assets and liabilities

| | <i>Note</i> | 2021/22 | 2020/21 |
|--|-------------|----------------|----------------|
| | | R'000 | R'000 |
| Other Receipts including Recoverable Revenue | | 974 | 284 |
| Total | 2 | 974 | 284 |

3. Aid assistance

| | <i>Note</i> | 2021/22 | 2020/21 |
|---|-------------|----------------|----------------|
| | | R'000 | R'000 |
| Opening Balance | | 16 165 | 2 592 |
| Prior period error | | - | - |
| As restated | | 16 165 | 2 592 |
| Transferred from statement of financial performance | | -13 089 | 13 573 |
| Transfers to or from retained funds | | - | - |
| Paid during the year | | - | - |
| Closing Balance | | 3 076 | 16 165 |

Aids assistance is relating to MERSETA, National Skills Fund (NSF) & PESETA . Expenditure was incurred against the revenue brought forward. Revenue was not received during the 2021/22

3.1 Analysis of balance by source

| | <i>Note</i> | 2021/22 | 2020/21 |
|-----------------------------------|-------------|----------------|----------------|
| | | R'000 | R'000 |
| Aid assistance from RDP | | - | - |
| Aid assistance from other sources | | 3 076 | 16 165 |
| CARA | | - | - |
| Closing balance | 3 | 3 076 | 16 165 |

3.2 Analysis of balance

| | <i>Note</i> | 2021/22 | 2020/21 |
|---|-------------|----------------|----------------|
| | | R'000 | R'000 |
| Aid assistance receivable | | - | - |
| Aid assistance prepayments (not expensed) | | - | - |
| Aid assistance unutilised | | 3 076 | 16 165 |
| Aid assistance repayable | | - | - |
| Closing balance | 3 | 3 076 | 16 165 |
| Aid assistance not requested/not received | | - | - |

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2022

3.3 Aid assistance expenditure per economic classification

| | <i>Note</i> | 2021/22 | 2020/21 |
|---|-------------|----------------|----------------|
| | | R'000 | R'000 |
| Current | | - | - |
| Capital | | - | - |
| Transfers and subsidies | | 13 089 | 520 |
| Total aid assistance expenditure | 3 | 13 089 | 520 |

The R13 089 expenditure is relating to MERSETA projects during the 2021/22 financial year.

3.4 Donations received in-kind (not included in the main note)

| | <i>Note</i> | 2021/22 | 2020/21 |
|---|-------------|----------------|----------------|
| | | R'000 | R'000 |
| PPE donated by GEMS | | - | 18 |
| Sanlam donated PPE | | 27 | - |
| UNISA donated various items for the Early Childhood Development Indaba | | 23 | - |
| DUT donated various items for Early Childhood Development Indaba | | 429 | - |
| Microsoft SA donated various items for Take a Girl Child to Work initiative | | 3 | - |
| Total | | 482 | 18 |

4. Compensation of employees

4.1 Salaries and Wages

| | <i>Note</i> | 2021/22 | 2020/21 |
|----------------------------------|-------------|----------------|----------------|
| | | R'000 | R'000 |
| Basic salary | | 215 113 | 209 619 |
| Performance award | | 1 660 | 2 565 |
| Service Based | | 586 | 263 |
| Compensative/circumstantial | | 5 212 | 4 330 |
| Periodic payments | | 1 527 | 1 855 |
| Other non-pensionable allowances | | 59 780 | 50 654 |
| Total | | 283 878 | 269 286 |



NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2022

The service-based amount relate to leave discounting & other service based, Compensative/Circumstantial amount relate to R1 943 Overtime & R3 269 Compensative/Circm, The Other non-pensionable allowances amount is made up of R38 856 non pensionable plus R6 968 Housing allowance plus R13 956 Service bonus

4.2 Social contributions

| | <i>Note</i> | 2021/22 | 2020/21 |
|--|-------------|----------------|----------------|
| | | R'000 | R'000 |
| Employer contributions | | | |
| Pension | | 25 228 | 24 461 |
| Medical | | 12 265 | 11 800 |
| UIF | | - | - |
| Bargaining council | | 57 | 55 |
| Official unions and associations | | - | - |
| Insurance | | - | - |
| Total | | 37 550 | 36 316 |
| Total compensation of employees | | 321 428 | 305 602 |
| Average number of employees | | 549 | 555 |

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2022

5. Goods and services

| | <i>Note</i> | 2021/22 | 2020/21 |
|---|-------------|----------------|----------------|
| | | R'000 | R'000 |
| Administrative fees | | 1 879 | 771 |
| Advertising | | 32 382 | 41 255 |
| Minor assets | 5.1 | 3 052 | 1 089 |
| Bursaries (employees) | | 246 | 117 |
| Catering | | 7 834 | 2 470 |
| Communication | | 14 616 | 11 709 |
| Computer services | 5.2 | 96 444 | 50 039 |
| Consultants: Business and advisory services | | 5 681 | 1 369 |
| Legal services | | 2 159 | 1 081 |
| Contractors | | 8 007 | 2 389 |
| Agency and support / outsourced services | | 1 358 | 5 413 |
| Audit cost – external | 5.3 | 6 740 | 4 646 |
| Fleet services | | 7 881 | 6 313 |
| Inventory | 5.4 | 9 | - |
| Consumables | 5.5 | 13 876 | 14 771 |
| Housing | | - | - |
| Operating leases | | 9 706 | 10 991 |
| Property payments | 5.6 | 18 704 | 18 228 |
| Rental and hiring | | - | - |
| Transport provided as part of the departmental activities | | 4 672 | 495 |
| Travel and subsistence | 5.7 | 21 621 | 11 244 |
| Venues and facilities | | 6 548 | 1 255 |
| Training and development | | 1 344 | 1 466 |
| Other operating expenditure | 5.8 | 743 | 2 385 |
| Total | | 265 502 | 189 496 |

5.1 Minor assets

| | <i>Note</i> | 2021/22 | 2020/21 |
|-------------------------|-------------|----------------|----------------|
| | | R'000 | R'000 |
| Tangible assets | | 3 052 | 1 089 |
| Machinery and equipment | | 3 052 | 1 089 |
| Total | 5 | 3 052 | 1 089 |



NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2022

5.2 Computer services

| | <i>Note</i> | 2021/22 | 2020/21 |
|-------------------------------------|-------------|----------------|----------------|
| | | R'000 | R'000 |
| SITA computer services | | 17 191 | 13 250 |
| External computer service providers | | 79 253 | 36 789 |
| Total | 5 | 96 444 | 50 039 |

5.3 Audit cost – External

| | <i>Note</i> | 2021/22 | 2020/21 |
|-------------------|-------------|----------------|----------------|
| | | R'000 | R'000 |
| Regularity audits | | 6 740 | 4 646 |
| Total | 5 | 6 740 | 4 646 |

5.4 Inventory

| | <i>Note</i> | 2021/22 | 2020/21 |
|-----------------------------------|-------------|----------------|----------------|
| | | R'000 | R'000 |
| Clothing material and accessories | 5 | 9 | - |
| Total | | 9 | - |

5.5 Consumables

| | <i>Note</i> | 2021/22 | 2020/21 |
|--|-------------|----------------|----------------|
| | | R'000 | R'000 |
| Consumable supplies | | 7 807 | 7 066 |
| Uniform and clothing | | 428 | 275 |
| Household supplies | | 6 646 | 5 289 |
| Building material and supplies | | 69 | 70 |
| Communication accessories | | 128 | 107 |
| IT consumables | | - | - |
| Other consumables | | 536 | 1 325 |
| Stationery, printing and office supplies | | 6 069 | 7 705 |
| Total | | 13 876 | 14 771 |

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2022

5.6 Property payments

| | <i>Note</i> | 2021/22 | 2020/21 |
|--------------------|-------------|----------------|----------------|
| | 5 | R'000 | R'000 |
| Municipal services | | 6 734 | 6 539 |
| Other | | 11 970 | 11 689 |
| Total | | 18 704 | 18 228 |

5.7 Travel and subsistence

| | <i>Note</i> | 2021/22 | 2020/21 |
|--------------|-------------|----------------|----------------|
| | 5 | R'000 | R'000 |
| Local | | 21 409 | 11 244 |
| Foreign | | 212 | - |
| Total | | 21 621 | 11 244 |

5.8 Other Operating Expenditure

| | <i>Note</i> | 2021/22 | 2020/21 |
|---|-------------|----------------|----------------|
| | | R'000 | R'000 |
| Professional bodies, membership and subscription fees | | 610 | - |
| Resettlement costs | | 133 | 1 472 |
| Other | | - | 913 |
| Total | 5 | 743 | 2 385 |

6. Payments for financial assets

| | <i>Note</i> | 2021/22 | 2020/21 |
|-------------------|-------------|----------------|----------------|
| | | R'000 | R'000 |
| Debts written off | 6.1 | - | 4 557 |
| Total | | - | 4 557 |

6.1 Debts written off

| | <i>Note</i> | 2021/22 | 2020/21 |
|------------------------------------|-------------|----------------|----------------|
| | | R'000 | R'000 |
| Nature of debts written off | | | |
| Staff & Supplier Debt written off | | - | 4 557 |
| Total debt written off | 6 | - | 4 557 |



NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2022

7. Transfers and subsidies

| | | 2021/22 | 2020/21 |
|------------------------------------|--------------------|----------------|---------------|
| | | R'000 | R'000 |
| | <i>Note</i> | | |
| Provinces and municipalities | | 212 | 148 |
| Departmental agencies and accounts | <i>Annexure 1B</i> | 46 163 | 30 654 |
| Non-profit institutions | <i>Annexure 1F</i> | 50 000 | - |
| Households | <i>Annexure 1G</i> | 24 731 | 21 767 |
| Total | | 121 106 | 52 569 |

8. Expenditure for capital assets

| | | 2021/22 | 2020/21 |
|--------------------------------------|-------------|---------------|---------------|
| | | R'000 | R'000 |
| | <i>Note</i> | | |
| Tangible assets | 8.1 | 46 161 | 26 476 |
| Buildings and other fixed structures | | 17 848 | 5 366 |
| Machinery and equipment | | 28 313 | 21 110 |
| Total | | 46 161 | 26 476 |

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2022

8.1 Analysis of funds utilised to acquire capital assets – 2021/22

| | Voted funds R'000 | Aid assistance R'000 | Total R'000 |
|--------------------------------------|----------------------|-------------------------|----------------|
| Tangible assets | 46 161 | - | 46 161 |
| Buildings and other fixed structures | 17 848 | - | 17 848 |
| Machinery and equipment | 28 313 | - | 28 313 |
| Total | 46 161 | - | 46 161 |

8.2 Analysis of funds utilised to acquire capital assets – 2020/21

| | Voted funds R'000 | Aid assistance R'000 | Total R'000 |
|--------------------------------------|----------------------|-------------------------|----------------|
| Tangible assets | 26 476 | - | 26 476 |
| Buildings and other fixed structures | 5 366 | - | 5 366 |
| Heritage assets | - | - | - |
| Machinery and equipment | 21 110 | - | 21 110 |
| Total | 26 476 | - | 26 476 |

8.3 Finance lease expenditure included in Expenditure for capital assets

| | <i>Note</i> | 2021/22 R'000 | 2020/21 R'000 |
|-------------------------|-------------|------------------|------------------|
| Tangible assets | | | |
| Machinery and equipment | | 1 794 | 934 |
| Total | | 1 794 | 934 |

9. Cash and cash equivalents

| | <i>Note</i> | 2021/22 R'000 | 2020/21 R'000 |
|--|-------------|------------------|------------------|
| Consolidated Paymaster General Account | | 65 950 | 61 299 |
| Cash on hand | | 2 | 2 |
| Total | | 65 952 | 61 301 |



NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2022

10. Prepayments and advances

| | <i>Note</i> | 2021/22 R'000 | 2020/21 R'000 |
|------------------------------|-------------|------------------|------------------|
| Staff advances | | - | - |
| Travel and subsistence | | - | - |
| Prepayments (Not expensed) | | - | - |
| Advances paid (Not expensed) | | - | - |
| SOCPEN advances | | - | - |
| Total | | - | - |

10.1 Advances paid (Not expensed)

| | <i>Note</i> | Balance as at 1 April 2021 R'000 | Less: Amount expensed in current year R'000 | Add or Less: Other R'000 | Add: Current Year advances R'000 | Balance as at 31 March 2022 R'000 |
|------------------------|-------------|---|---|-----------------------------------|---|--|
| National departments | 10 | - | - | - | - | - |
| Provincial departments | | - | - | - | - | - |
| Public entities | | - | - | - | - | - |
| Other entities | | - | - | - | - | - |
| Total | | - | - | - | - | - |

| | <i>Note</i> | Balance as at 1 April 2020 R'000 | Less: Amount expensed in current year R'000 | Add or Less: Other R'000 | Add: Current Year advances R'000 | Balance as at 31 March 2021 R'000 |
|------------------------|-------------|---|---|--------------------------------|---|---|
| National departments | 10 | - | - | - | - | - |
| Provincial departments | | - | - | - | - | - |
| Public entities | | - | - | - | - | - |
| Other entities | | - | - | - | - | - |
| Total | | - | - | - | - | - |

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2022

10.2 Prepayments (Not expensed)

| <i>Note</i> | Balance as at 1 April 2021 | Less: Amount expensed in current year | Add or Less: Other | Add: Current Year prepayments | Balance as at 31 March 2022 |
|---------------------------|-----------------------------------|--|---------------------------|--------------------------------------|------------------------------------|
| | R'000 | R'000 | R'000 | R'000 | R'000 |
| 10 | | | | | |
| Goods and services | - | - | - | - | - |
| Interest and rent on land | - | - | - | - | - |
| Transfers and subsidies | - | - | - | - | - |
| Capital assets | - | - | - | - | - |
| Other | - | - | - | - | - |
| Total | - | - | - | - | - |

| <i>Note</i> | Balance as at 1 April 2020 | Less: Amount expensed in current year | Add or Less: Other | Add: Current Year prepayments | Balance as at 31 March 2021 |
|---------------------------|-----------------------------------|--|---------------------------|--------------------------------------|------------------------------------|
| | R'000 | R'000 | R'000 | R'000 | R'000 |
| 10 | | | | | |
| Goods and services | - | - | - | - | - |
| Interest and rent on land | - | - | - | - | - |
| Transfers and subsidies | - | - | - | - | - |
| Capital assets | - | - | - | - | - |
| Other | - | - | - | - | - |
| Total | - | - | - | - | - |

10.3 Prepayments (Expensed)

| <i>Note</i> | Amount as at 1 April 2021 | Less: Received in the current year | Add or Less: Other | Add: Current Year prepayments | Amount as at 31 March 2022 |
|---------------------------|----------------------------------|---|---------------------------|--------------------------------------|-----------------------------------|
| | R'000 | R'000 | R'000 | R'000 | R'000 |
| | | | | | |
| Goods and services | - | - | - | 19 890 | 19 890 |
| Interest and rent on land | - | - | - | - | - |
| Transfers and subsidies | - | - | - | - | - |
| Capital assets | - | - | - | - | - |
| Other | - | - | - | - | - |
| Total | - | - | - | 19 890 | 19 890 |

OTP entered into enterprise licence agreement with ESRI South Africa (Pty) LTD for a period of 3 years. According to the enterprise agreement it is mandatory that payments be made upfront for all three years to allow for fixed pricing.



NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2022

Prepayments (Expensed)

| <i>Note</i> | Amount as at 1 April 2020 | Less: Received in the current year | Add or Less: Other | Add: Current Year prepayments | Amount as at 31 March 2021 |
|---------------------------|--|---|-----------------------------------|--|---|
| | R'000 | R'000 | R'000 | R'000 | R'000 |
| Goods and services | - | - | - | - | - |
| Interest and rent on land | - | - | - | - | - |
| Transfers and subsidies | - | - | - | - | - |
| Capital assets | - | - | - | - | - |
| Other | - | - | - | - | - |
| Total | - | - | - | - | - |

10.4 Advances paid (Expensed)

| <i>Note</i> | Amount as at 1 April 2021 | Less: Received in the current year | Add or Less: Other | Add: Current Year advances | Amount as at 31 March 2022 |
|------------------------|--|---|-------------------------------|---|---|
| | R'000 | R'000 | R'000 | R'000 | R'000 |
| National departments | - | - | - | - | - |
| Provincial departments | - | - | - | - | - |
| Public entities | - | - | - | 50 000 | 50 000 |
| Other entities | - | - | - | - | - |
| Total | | | | 50 000 | 50 000 |

Relates to the KZN Growth Fund - KZN Youth Empowerment Fund was established by the Office of the Premier following the pronouncement made by the Premier at the 2018 State of the Province Address, The fund was launched early in 2018. Office of the Premier appointed KZN Growth Fund Trust to facilitate the implementation of the KZN Youth Empowerment Fund. Funds received by Office of the Premier from KZN provincial Treasury are paid over to KZN Growth fund for distribution.

| <i>Note</i> | Amount as 1 April 2020 | Less: Received in the current year | Add or Less: Other | Add: Current Year advances | Amount as at 31 March 2021 |
|------------------------|-----------------------------------|---|-----------------------------------|---|---|
| | R'000 | R'000 | R'000 | R'000 | R'000 |
| National departments | - | - | - | - | - |
| Provincial departments | - | - | - | - | - |
| Public entities | 766 | - | -766 | - | - |
| Other entities | - | - | - | - | - |
| Total | 766 | | -766 | | - |

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2022

11. Receivables

| | Note | 2021/22 | | | 2020/21 | | |
|------------------------------------|-------|--------------|-------------|--------------|--------------|-------------|--------------|
| | | Current | Non-current | Total | Current | Non-current | Total |
| | | R'000 | R'000 | R'000 | R'000 | R'000 | R'000 |
| Claims recoverable | 11.1 | 32 | - | 32 | 42 | - | 42 |
| Trade receivables | | - | - | - | - | - | - |
| Recoverable expenditure | 11.2 | 529 | 439 | 968 | 422 | 439 | 861 |
| Staff debt | 11.3 | 542 | - | 542 | 613 | - | 613 |
| Fruitless and wasteful expenditure | | - | - | - | - | - | - |
| Other receivables | 11.44 | 3187 | | 3187 | 3 095 | | 3 095 |
| Total | | 4 290 | 439 | 4 729 | 4 172 | 439 | 4 611 |

11.1 Claims recoverable

| | Note | 2021/22 | 2020/21 |
|------------------------|------|-----------|-----------|
| | 11 | R'000 | R'000 |
| Provincial departments | | 32 | 42 |
| Total | | 32 | 42 |

11.2 Recoverable expenditure (disallowance accounts)

| | Note | 2021/22 | 2020/21 |
|---|------|------------|------------|
| | 11 | R'000 | R'000 |
| Disallowances Damages & Losses: CA | | 2 114 | 1 241 |
| Disallowances Damages & Losses Recovery | | -2 114 | -1 241 |
| Disallowance Payment Fraud | | 439 | 439 |
| Salary Reversal Control | | 311 | 278 |
| Tax Debt | | 99 | 86 |
| Salary Deduction Disallowance Account | | 13 | 13 |
| GEHS Refund Control Account | | - | 2 |
| Salary ACB Recall | | 44 | |
| Sal: Medical Aid | | 8 | 8 |
| Online Travel | | 54 | 35 |
| Total | | 968 | 861 |



NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2022

11.3 Staff debt

| | <i>Note</i> | 2021/22 | 2020/21 |
|------------------|-------------|----------------|----------------|
| | <i>11</i> | R'000 | R'000 |
| Employee Debt | | 67 | 81 |
| Ex-Employee Debt | | 415 | 463 |
| Bursary debt | | 60 | 69 |
| Total | | 542 | 613 |

11.4 Other receivables

| | <i>Note</i> | 2021/22 | 2020/21 |
|--------------------|-------------|----------------|----------------|
| | <i>11</i> | R'000 | R'000 |
| Supplier debt | | 3 144 | 3 052 |
| T & S Advance: Dom | | 43 | 43 |
| Total | | 3 187 | 3 095 |

11.5 Impairment of receivables

| | <i>Note</i> | 2021/22 | 2020/21 |
|---------------------------------------|-------------|----------------|----------------|
| | | R'000 | R'000 |
| Estimate of impairment of receivables | | 3 500 | 3 471 |
| Total | | 3 500 | 3 471 |

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2022

12. Voted funds to be surrendered to the Revenue Fund

| | <i>Note</i> | 2021/22 | 2020/21 |
|--|-------------|----------------|----------------|
| | | R'000 | R'000 |
| Opening balance | | 47 089 | -8 305 |
| Prior period error | | | |
| As restated | | 47 089 | -8 305 |
| Transfer from statement of financial performance (as restated) | | 56 043 | 55 394 |
| Add: Unauthorised expenditure for current year | | - | - |
| Voted funds not requested/not received | | - | - |
| Transferred to retained revenue to defray excess expenditure (PARLIAMENT/LEGISLATURES ONLY) | | - | - |
| Paid during the year | | -38 462 | - |
| Closing balance | | 64 670 | 47 089 |

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

| | <i>Note</i> | 2021/22 | 2020/21 |
|--|-------------|----------------|----------------|
| | | R'000 | R'000 |
| Opening balance | | -266 | -307 |
| Prior period error | | | |
| As restated | | -266 | -307 |
| Transfer from Statement of Financial Performance (as restated) | | 1 144 | 508 |
| Own revenue included in appropriation | | - | - |
| Transfer from aid assistance | | - | - |
| Transfer to voted funds to defray expenditure (Parliament/ Legislatures ONLY) | | - | - |
| Paid during the year | | -466 | -467 |
| Closing balance | | 412 | -266 |

14. Payables – current

| | <i>Note</i> | 2021/22 | 2020/21 |
|---------------------------------|-------------|----------------|----------------|
| | | R'000 | R'000 |
| Amounts owing to other entities | | - | - |
| Advances received | | - | - |
| Clearing accounts | 14.1 | 790 | 1 099 |
| Other payables | | - | - |
| Total | | 790 | 1 099 |



NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2022

14.1 Clearing accounts

| | <i>Note</i> | 2021/22 | 2020/21 |
|--------------------------|-------------|----------------|----------------|
| | 14 | R'000 | R'000 |
| Sal: Bargaining Councils | | 1 | 1 |
| Sal: Pension Fund | | 37 | 56 |
| Sal: Income Tax | | 752 | 764 |
| Sal: ACB Recall | | - | 155 |
| Sal: Pension Recoverable | | - | 123 |
| Total | | 790 | 1 099 |

15. Payables – non-current

| | <i>Note</i> | 2021/22 | | | Total | 2020/21 |
|---------------------------------|-------------|-----------------------------|-------------------------------|--------------------------------------|--------------|----------------|
| | | One to two years | Two to three years | More than three years | | Total |
| | 15.1 | R'000 | R'000 | R'000 | R'000 | R'000 |
| Amounts owing to other entities | | - | - | - | - | - |
| Advances received | | - | - | - | - | 183 |
| Other payables | | - | - | - | - | - |
| Total | | - | - | - | - | - |

15.1 Advances received

| | <i>Note</i> | 2021/22 | 2020/21 |
|-----------------|-------------|----------------|----------------|
| | 15 | R'000 | R'000 |
| Public entities | | | 183 |
| Total | | | 183 |

16. Net cash flow available from operating activities

| | <i>Note</i> | 2021/22 | 2020/21 |
|--|-------------|----------------|----------------|
| | | R'000 | R'000 |
| Net surplus/(deficit) as per Statement of Financial Performance | | 44 098 | 69 475 |
| Add back non cash/cash movements not deemed operating activities | | 6 806 | 31 291 |
| (Increase)/decrease in receivables | | -118 | 5 394 |
| (Increase)/decrease in prepayments and advances | | - | - |
| (Increase)/decrease in other current assets | | - | - |
| Increase/(decrease) in payables – current | | -309 | -112 |

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2022

| | <i>Note</i> | 2021/22 | 2020/21 |
|--|-------------|----------------|----------------|
| | | R'000 | R'000 |
| Proceeds from sale of capital assets | | | |
| Proceeds from sale of investments | | | |
| (Increase)/decrease in other financial assets | | | |
| Expenditure on capital assets | | 46 161 | 26 476 |
| Surrenders to Revenue Fund | | -38 928 | -467 |
| Surrenders to RDP Fund/Donor | | | |
| Voted funds not requested/not received | | | |
| Own revenue included in appropriation | | | |
| Other non-cash items | | | |
| Net cash flow generated by operating activities | | 50 904 | 100 766 |

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

| | <i>Note</i> | 2021/22 | 2020/21 |
|--|-------------|----------------|----------------|
| | | R'000 | R'000 |
| Consolidated Paymaster General account | | 65 950 | 61 299 |
| Cash on hand | | 2 | 2 |
| Total | | 65 952 | 61 301 |

18. Contingent liabilities and contingent assets

18.1 Contingent liabilities

| | <i>Note</i> | 2021/22 | 2020/21 |
|---|-----------------|----------------|----------------|
| | | R'000 | R'000 |
| Claims against the department | <i>Annex 3B</i> | 5 152 | 3 614 |
| Intergovernmental payables (unconfirmed balances) | | | |
| Total | | 5 152 | 3 614 |

The claims against the state are handed over to the State Attorney for them to be handled via the courts. It is uncertain as to the settlement amount or timing of any outflow until the cases are finalised.

19. Capital commitments

| | <i>Note</i> | 2021/22 | 2020/21 |
|--------------------------------------|-------------|----------------|----------------|
| | | R'000 | R'000 |
| Buildings and other fixed structures | | 5 756 | 9 943 |
| Machinery and equipment | | 2 771 | 7 224 |
| Total | | 8 527 | 17 167 |



NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2022

20. Accruals and payables not recognised

20.1 Accruals

| | | | 2021/22 | 2020/21 |
|--|----------------|-----------------|----------------|----------------|
| | | | R'000 | R'000 |
| Listed by economic classification | | | | |
| | 30 Days | 30+ Days | Total | Total |
| Goods and services | 5 258 | 1 873 | 7 131 | 5 517 |
| Interest and rent on land | - | - | - | - |
| Transfers and subsidies | - | - | - | - |
| Capital assets | 1 228 | - | 1 228 | 2 901 |
| Other | - | - | - | - |
| Total | 6 486 | 1 873 | 8 359 | 8 418 |
| | <i>Note</i> | | 2021/22 | 2020/21 |
| | | | R'000 | R'000 |
| Listed by programme level | | | | |
| ADMINISTRATION | | | 4 120 | 866 |
| INSTITUTIONAL DEVELOPMENT | | | 4 218 | 7 383 |
| POLICY AND GOVERNANCE | | | 21 | 169 |
| Total | | | 8 359 | 8 418 |

20.2 Payables not recognised

| | | | 2021/22 | 2020/21 |
|--|----------------|-----------------|----------------|--------------|
| | | | R'000 | R'000 |
| Listed by economic classification | | | | |
| | 30 Days | 30+ Days | Total | Total |
| Goods and services | 1 968 | 464 | 2 432 | 2 870 |
| Interest and rent on land | - | - | - | - |
| Transfers and subsidies | - | - | - | - |
| Capital assets | 40 | - | 40 | 111 |
| Other | - | - | - | - |
| Total | 2 008 | 464 | 2 472 | 2 981 |
| | <i>Note</i> | | 2021/22 | 2 008 |
| | | | R'000 | R'000 |
| Listed by programme level | | | | |
| ADMINISTRATION | | | 122 | 43 |
| INSTITUTIONAL DEVELOPMENT | | | 1 891 | 2 932 |
| POLICY AND GOVERNANCE | | | 459 | 6 |
| Total | | | 2 472 | 2 981 |

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2022

| | <i>Note</i> | 2021/22 | 2020/21 |
|--|----------------|--------------|----------|
| | | R'000 | R'000 |
| Included in the above totals are the following: | | | |
| Confirmed balances with other departments | <i>Annex 5</i> | 4 535 | - |
| Confirmed balances with other government entities | <i>Annex 5</i> | - | - |
| Total | | 4 535 | - |

21. Employee benefits

| | <i>Note</i> | 2021/22 | 2020/21 |
|--------------------|-------------|---------------|---------------|
| | | R'000 | R'000 |
| Leave entitlement | | 21 803 | 25 773 |
| Service bonus | | 6 910 | 6 954 |
| Performance awards | | 70 | 1 747 |
| Capped leave | | 10 153 | 11 913 |
| Other | | 312 | 146 |
| Total | | 39 248 | 46 533 |

22. Lease commitments

22.1 Operating leases

| 2021/22 | 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 | - | - | 9 525 | 1 174 | 10 699 |
| Later than 1 year and not later than 5 years | - | - | 4 643 | 459 | 5 102 |
| Later than five years | - | - | - | - | - |
| Total lease commitments | - | - | 14 168 | 1 633 | 15 801 |

| 2020/21 | 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 | - | - | 9 525 | 1 540 | 11 065 |
| Later than 1 year and not later than 5 years | - | - | 6 474 | 1 230 | 7 704 |
| Later than five years | - | - | - | - | - |
| Total lease commitments | - | - | 15 999 | 2 770 | 18 769 |

The operating leases relates to the leasing of officials accommodation and parkades as well as photocopier machines.



NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2022

22.2 Finance leases **

| 2021/22 | Specialised military equipment R'000 | Land R'000 | Buildings and other fixed structures R'000 | Machinery and equipment R'000 | Total R'000 |
|---|---|-----------------------|---|--|------------------------|
| Not later than 1 year | - | - | - | 5 841 | 5 841 |
| Later than 1 year and not later than 5 years | - | - | - | 1 333 | 1 333 |
| Later than five years | - | - | - | - | - |
| Total lease commitments | - | - | - | 7 174 | 7 174 |

| 2020/21 | Specialised military equipment R'000 | Land R'000 | Buildings and other fixed structures R'000 | Machinery and equipment R'000 | Total R'000 |
|---|---|-----------------------|---|--|------------------------|
| Not later than 1 year | - | - | - | 9 342 | 9 342 |
| Later than 1 year and not later than 5 years | - | - | - | 3 639 | 3 639 |
| Later than five years | - | - | - | - | - |
| Total lease commitments | - | - | - | 12 981 | 12 981 |

The Finance Leases relates to mobile communication contracts.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2022

23. Irregular expenditure**23.1 Reconciliation of irregular expenditure**

| | Note | 2021/22 R'000 | 2020/21 R'000 |
|---|------|-----------------------|-----------------------|
| Opening balance | | 287 342 | 351 644 |
| Prior period error | | - | -57 872 |
| As restated | | <u>287 342</u> | <u>293 772</u> |
| Add: Irregular expenditure – relating to prior year | | - | - |
| Add: Irregular expenditure – relating to current year | | 874 | 10 851 |
| Less: Prior year amounts condoned | | -30 484 | -17 081 |
| Less: Current year amounts condoned | | - | -200 |
| 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 | | <u>257 732</u> | <u>287 342</u> |
| Analysis of closing balance | | | |
| Current year | | 874 | 10 651 |
| Prior years | | 256 858 | 276 691 |
| Total | | <u>257 732</u> | <u>287 342</u> |

23.2 Details of current and prior year irregular expenditure – added current year (under determination and investigation)

| Incident | Disciplinary steps taken/criminal proceedings | 2021/22 R'000 |
|------------------|---|-------------------|
| Contract expired | | <u>874</u> |
| Total | | <u>874</u> |



NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2022

23.3 Details of irregular expenditure condoned

| Incident | Condoned by (relevant authority) | 2021/22 R'000 |
|--|----------------------------------|------------------|
| No verification of tax compliance status | | 6 135 |
| Contract expired | | 685 |
| Approval of single source not obtained | | 180 |
| No Treasury approval | | 1 130 |
| 3 quotes not obtained | | 1 018 |
| BBBEE not verified | | 62 |
| Local content not adhered to | | 1 201 |
| Deviation not approved | | 508 |
| SBD forms not completed | | 429 |
| Competitive bidding not followed | | 19 136 |
| Total | | 30 484 |

23.4 Prior period error

| | Note | 2021/22 R'000 |
|---|------|------------------|
| Nature of prior period error | | |
| Expenditure was incorrectly classified as Irregular in the previous years | | -57 872 |
| | | -57 872 |
| Relating to 2020/21 | | - |
| | | - |
| Total | | -57 872 |

24. Fruitless and wasteful expenditure

24.1 Reconciliation of fruitless and wasteful expenditure

| | Note | 2021/22 R'000 | 2020/21 R'000 |
|---|------|------------------|------------------|
| Opening balance | | 679 | 576 |
| Prior period error | | - | - |
| As restated | | 679 | 576 |
| Fruitless and wasteful expenditure – relating to prior year | | - | - |
| Fruitless and wasteful expenditure – relating to current year | | - | 103 |
| Less: Amounts recoverable | | - | - |
| Less: Amounts written off | | - | - |
| Closing balance | | 679 | 679 |

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2022

25. Key management personnel

| | No. of Individuals | 2021/22 R'000 | 2020/21 R'000 |
|---|-----------------------|------------------|------------------|
| Political office bearers (provide detail below) | 1 | 2 260 | 2 260 |
| Officials: | | | |
| Level 15 to 16 | 9 | 16 259 | 15 234 |
| Level 13&14 | 18 | 19 176 | 19 994 |
| Family members of key management personnel | 2 | 545 | 499 |
| Total | | 38 240 | 37 987 |

Key management personnel include personnel who are acting in the position of Chief Financial Officer & Chief Director: Stakeholder Management

26. Provisions

| | Note | 2021/22 R'000 | 2020/21 R'000 |
|---|------|------------------|------------------|
| Relates to Terry Street | | | 5 |
| Moses Mabhida – Roof leaks repairs | | 1 348 | 914 |
| M Parry vs MEC of Education settlement fees | | 133 | 133 |
| Total | | 1 481 | 1 052 |

26.1 Reconciliation of movement in provisions – 2021/22

| | Provision 1 R'000 | Provision 2 R'000 | Provision 3 R'000 | Total provisions R'000 |
|---|----------------------|----------------------|----------------------|------------------------------|
| Opening balance | 5 | 914 | 133 | 1 052 |
| Increase in provision | - | 434 | - | 434 |
| Settlement of provision | -5 | - | - | -5 |
| Unused amount reversed | - | - | - | - |
| Reimbursement expected from third party | - | - | - | - |
| Change in provision due to change in estimation of inputs | - | - | - | - |
| Closing balance | - | 1 348 | 133 | 1 481 |



NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2022

Reconciliation of movement in provisions – 2020/21

| | Provision 1 | Provision 2 | Provision 3 | Total provisions |
|---|-------------|-------------|-------------|------------------|
| | R'000 | R'000 | R'000 | R'000 |
| Opening balance | 5 | - | - | 5 |
| Increase in provision | - | 914 | 133 | 1 047 |
| Settlement of provision | - | - | - | - |
| Unused amount reversed | - | - | - | - |
| Reimbursement expected from third party | - | - | - | - |
| Change in provision due to change in estimation of inputs | - | - | - | - |
| Closing balance | 5 | 914 | 133 | 1 052 |

27. Movable Tangible Capital Assets

MOVEMENT IN MOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2022

| | Opening balance | Value adjustments | Additions | Disposals | Closing Balance |
|--|-----------------|-------------------|---------------|---------------|-----------------|
| | R'000 | R'000 | R'000 | R'000 | R'000 |
| HERITAGE ASSETS | 22 167 | - | - | 16 593 | 5 574 |
| Heritage assets | 22 167 | - | - | 16 593 | 5 574 |
| MACHINERY AND EQUIPMENT | 161 937 | - | 26 845 | 116 | 188 666 |
| Transport assets | 77 273 | - | 6 311 | - | 83 584 |
| Computer equipment | 40 888 | - | 9 022 | - | 49 910 |
| Furniture and office equipment | 20 475 | - | 5 016 | 116 | 25 375 |
| Other machinery and equipment | 23 301 | - | 6 496 | - | 29 797 |
| BIOLOGICAL ASSETS | 84 | - | - | - | 84 |
| Biological assets | 84 | - | - | - | 84 |
| TOTAL MOVABLE TANGIBLE CAPITAL ASSETS | 184 188 | - | 26 845 | 16 709 | 194 324 |

The heritage function has been transferred to the Department of Arts and Culture effective 1/04/2019. The negotiations relating to Heritage Assets have been going on from the date of transfer, The Hand-over certificate was finally signed by both the HOD of OTP and the Department of Arts & Culture and all the accepted assets were transferred to DAC as at 31 March 2022. In terms of the capital assets disposal the figure includes assets that were donated to the war rooms and the assets that were transferred to DAC.

Movable Tangible Capital Assets under investigation

| | Number | Value R'000 |
|--|--------|----------------|
| Included in the above total of the movable tangible capital assets per the asset register are assets that are under investigation: | - | - |
| Heritage assets | - | - |
| Machinery and equipment | - | - |
| Specialised military assets | - | - |
| Biological assets | - | - |

27.1 Movement for 2020/21

MOVEMENT IN TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2021

| | Opening balance R'000 | Prior period error R'000 | Additions R'000 | Disposals R'000 | Closing Balance R'000 |
|--|-----------------------------|-----------------------------------|--------------------|--------------------|-----------------------------|
| HERITAGE ASSETS | 22 167 | - | - | - | 22 167 |
| Heritage assets | 22 167 | - | - | - | 22 167 |
| MACHINERY AND EQUIPMENT | 140 700 | - | 21 354 | 117 | 161 937 |
| Transport assets | 64 366 | - | 12 907 | - | 77 273 |
| Computer equipment | 35 024 | - | 5 921 | 57 | 40 888 |
| Furniture and office equipment | 19 526 | - | 1 000 | 51 | 20 475 |
| Other machinery and equipment | 21 784 | - | 1 526 | 9 | 23 301 |
| SPECIALISED MILITARY ASSETS | - | - | - | - | - |
| Specialised military assets | - | - | - | - | - |
| BIOLOGICAL ASSETS | 84 | - | - | - | 84 |
| Biological assets | 84 | - | - | - | 84 |
| TOTAL MOVABLE TANGIBLE CAPITAL ASSETS | 162 951 | - | 21 354 | 117 | 184 188 |



NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2022

27.2 Minor assets

MOVEMENT IN MINOR ASSETS PER THE ASSET REGISTER FOR THE YEAR ENDED AS AT 31 MARCH 2022

| | Specialised military assets R'000 | Intangible assets R'000 | Heritage assets R'000 | Machinery and equipment R'000 | Biological assets R'000 | Total R'000 |
|---|--|-------------------------------|-----------------------------|--|-------------------------------|----------------|
| Opening balance | - | 75 | - | 18 546 | - | 18 621 |
| Value adjustments | - | - | - | - | - | - |
| Additions | - | - | - | 3 053 | - | 3 053 |
| Disposals | - | - | - | 163 | - | 163 |
| TOTAL MINOR ASSETS | - | 75 | - | 21 436 | - | 21 511 |
| | | | | | | |
| | Specialised military assets | Intangible assets | Heritage assets | Machinery and equipment | Biological assets | Total |
| Number of R1 minor assets | - | - | - | 6 652 | - | 6 652 |
| Number of minor assets at cost | - | - | - | 8 720 | - | 8 720 |
| TOTAL NUMBER OF MINOR ASSETS | - | - | - | 15 372 | - | 15 372 |

Minor Capital Assets under investigation

| | Number | Value R'000 |
|---|--------|----------------|
| Included in the above total of the minor capital assets per the asset register are assets that are under investigation: | | |
| Specialised military assets | - | - |
| Intangible assets | - | - |
| Heritage assets | - | - |
| Machinery and equipment | - | - |
| Biological assets | - | - |

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2022

MOVEMENT IN MINOR ASSETS PER THE ASSET REGISTER FOR THE YEAR ENDED AS AT 31 MARCH 2021

| | Specialised military assets R'000 | Intangible assets R'000 | Heritage assets R'000 | Machinery and equipment R'000 | Biological assets R'000 | Total R'000 |
|---------------------------|--|-------------------------------|-----------------------------|--|-------------------------------|----------------|
| Opening balance | - | 75 | - | 17 084 | - | 17 159 |
| Prior period error | - | - | - | - | - | - |
| Additions | - | - | - | 1 523 | - | 1 523 |
| Disposals | - | - | - | 61 | - | 61 |
| TOTAL MINOR ASSETS | - | 75 | - | 18 546 | - | 18 621 |

| | Specialised military assets | Intangible assets | Heritage assets | Machinery and equipment | Biological assets | Total |
|---|-----------------------------------|----------------------|--------------------|-------------------------------|----------------------|---------------|
| Number of R1 minor assets | - | - | - | 6 652 | - | 6 652 |
| Number of minor assets at cost | - | - | - | 7 923 | - | 7 923 |
| TOTAL NUMBER OF MINOR ASSETS | - | - | - | 14 575 | - | 14 575 |

28. Intangible Capital Assets

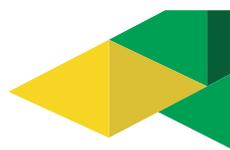
MOVEMENT IN INTANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2022

| | Opening balance R'000 | Additions R'000 | Disposals R'000 | Closing Balance R'000 |
|--|-----------------------------|--------------------|--------------------|-----------------------------|
| SOFTWARE | 227 | - | - | 227 |
| TOTAL INTANGIBLE CAPITAL ASSETS | 227 | - | - | 227 |

28.1 Movement for 2020/21

MOVEMENT IN INTANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2021

| | Opening balance R'000 | Prior period error R'000 | Additions R'000 | Disposals R'000 | Closing Balance R'000 |
|--|-----------------------------|--------------------------------|--------------------|--------------------|-----------------------------|
| SOFTWARE | 7 367 | - | - | 7 140 | 227 |
| TOTAL INTANGIBLE CAPITAL ASSETS | 7 367 | - | - | 7 140 | 227 |



NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2022

29. Immovable Tangible Capital Assets

MOVEMENT IN IMMOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2022

| | Opening balance R'000 | Additions R'000 | Disposals R'000 | Closing Balance R'000 |
|--|-----------------------------|--------------------|--------------------|-----------------------------|
| BUILDINGS AND OTHER FIXED -STRUCTURES | 23 760 | - | - | 23 766 |
| Dwellings | 19 529 | - | - | 19 529 |
| Non-residential buildings | 4 194 | 6 | - | 4 200 |
| Other fixed structures | 37 | - | - | 37 |
| TOTAL IMMOVABLE TANGIBLE CAPITAL ASSETS | 23 760 | 6 | - | 23 766 |

The addition relates to the finalised project for Terry Street. The final payment was processed, and the completion certificate was received.

29.1 Movement for 2020/21

MOVEMENT IN IMMOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2021

| | Opening balance R'000 | Prior period error R'000 | Additions R'000 | Disposals R'000 | Closing Balance R'000 |
|--|-----------------------------|--------------------------------|--------------------|--------------------|-----------------------------|
| BUILDINGS AND OTHER FIXED STRUCTURES | 19 581 | 4 142 | 37 | - | 23 760 |
| Dwellings | 19 529 | - | - | - | 19 529 |
| Non-residential buildings | 52 | 4 142 | - | - | 4 194 |
| Other fixed structures | - | - | 37 | - | 37 |
| TOTAL IMMOVABLE TANGIBLE CAPITAL ASSETS | 19 581 | 4 142 | 37 | - | 23 760 |

**NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2022**

29.1.1 Nature of prior period error

| | <i>Note</i> | 2020/21 |
|--|-------------|----------------|
| | | R'000 |
| Relating to 2018/19 [affecting the opening balance] | | 4 142 |
| Terry Street parking and fencing project ready for use | | 4 142 |
| Relating to 2020/21 | | - |
| Total | | 4 142 |

29.2 Capital Work-in-progress**CAPITAL WORK-IN-PROGRESS AS AT 31 MARCH 2022**

| | <i>Note</i> | Opening balance 1 April 2021 | Current Year WIP | Ready for use (Assets to the AR) / Contracts terminated | Closing balance 31 March 2022 |
|--------------------------------------|-----------------------|---|---------------------------------|--|--|
| | <i>Annexure 7</i> | R'000 | R'000 | R'000 | R'000 |
| Heritage assets | | 4 667 | - | 4 667 | - |
| Buildings and other fixed structures | | 8 223 | 15 778 | - | 24 001 |
| TOTAL | | 12 890 | 15 778 | 4 667 | 24 001 |

'The current year WIP of R15 778 relates to the leaky roof and interior renovations in Moses Mabhida Building as well as security building upgrades in Parkside. Total expenditure paid in 2021/22 is R17 848 which includes R2 895 which was the accrual amount at the end of 2020/21. This accrual was recognised in WIP during 2020/21. In terms of the Heritage assets, the King Shaka Statue was transferred with the assets that were transferred to DAC as at 31 March 2022

Payables not recognised relating to Capital WIP

| | <i>Note</i> | 2021/22 | 2020/21 |
|---|-------------|----------------|----------------|
| | | R'000 | R'000 |
| An accrual amount of R832 thousands was paid to the service provider by DPW, however, no invoice has been received yet for payment. | | 832 | 2 895 |
| Total | | 832 | 2 895 |



NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2022

CAPITAL WORK-IN-PROGRESS AS AT 31 MARCH 2021

| | <i>Note</i> | Opening balance 1 April 2020 | Prior period error | Current Year WIP | Ready for use (Assets to the AR)) / Contracts terminated | Closing balance 31 March 2021 |
|--------------------------------------|-------------------|------------------------------------|--------------------------|---------------------|---|---|
| | | R'000 | R'000 | R'000 | R'000 | R'000 |
| Heritage assets | <i>Annexure 7</i> | 4 667 | - | - | - | 4 667 |
| Buildings and other fixed structures | | 4 142 | -4 142 | 8 223 | - | 8 223 |
| TOTAL | | 8 809 | -4 142 | 8 223 | - | 12 890 |

30. Prior period errors

Correction of prior period errors

| | <i>Note</i> | Amount bef error correction | Prior period error | Restated Amount |
|---------------------|-------------|-----------------------------------|--------------------------|--------------------|
| | | 2020/21 R'000 | 2020/21 R'000 | 2020/21 R'000 |
| Expenditure: | | | | |
| Goods and services | 5 | 190 430 | -934 | 189 496 |
| Tangible assets | 8 | 25 542 | 934 | 26 476 |
| Net effect | | 215 972 | - | 215 972 |

In terms of the prior period error relating to Goods & Services and Tangible assets, the cell phone expenditure has been reclassified as capital expenditure

| | <i>Note</i> | Amount bef error correction | Prior period error | Restated Amount |
|--------------------------------------|-------------|-----------------------------------|--------------------------|--------------------|
| | | 2020/21 R'000 | 2020/21 R'000 | 2020/21 R'000 |
| Assets: | | | | |
| Immovable Capital assets – | | - | - | - |
| Buildings and other fixed structures | 29.1 | 19 618 | 4 142 | 23 760 |
| Immovable Capital assets – | | - | - | - |
| Work in progress | | 17 032 | -4 142 | 12 890 |
| Net effect | | 36 650 | - | 36 650 |

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2022

In terms of the prior period error relating to Building and Other Fixed Structure. Terry street parking project was completed in 2018/2019 financial year, the capital expenditure was not removed from WIP therefore it was removed and added Immovable Capital to meet requirements of MCS.

| | <i>Note</i> | Amount bef error correction | Prior period error | Restated Amount |
|--|-------------|--|-----------------------------------|----------------------------|
| | | 2020/21 R'000 | 2020/21 R'000 | 2020/21 R'000 |
| Other: | | | | |
| Irregular Expenditure | 23 | 351 644 | -57 872 | 293 772 |
| Capital Commitment | 19 | 51 869 | -34 702 | 17 167 |
| Operating lease commitments: Building | 22.1 | 30 817 | -12 048 | 18 769 |
| Net cashflow generated by operating activities | 17 | 99 832 | 934 | 100 766 |
| Net effect | | 534 162 | -103 688 | 430 474 |

1. Expenditure was incorrectly classified as Irregular in the previous years, 2. In terms of the Capital commitments, the commitment amount relating to Microsoft services was erroneously classified as Capital in the prior year. 3. In terms the Lease commitments the error was due to formula error on the excel schedule used to manage buildings lease commitments

NOTES TO THE ANNUAL FINANCIAL STATEMENTS for the year ended 31 March 2022

31. Transfer of functions and mergers

31.1 Transfer of functions

The Heritage Function has been transferred to the Department of Arts and Culture from 01/04/2019. Negotiations have been taking place between AMAFA and the Department of Arts & Culture from the date of transfer i.e 1/04/2019 regarding the responsibility for related Heritage assets, hence the delay in transfer of the assets. The Certificate of Handing Over has been finally signed by both the DG for the OTP and the HOD for the KwaZulu Natal Department of Arts & Culture as at 31 March 2022 after the Heritage Assets have been jointly verified by the assets teams from the Office of the Premier and the Department of Arts & Culture.

The other Heritage related Functions were transferred from OTP to DAC in the 2019/20 financial year.

The Heritage Assets transferred from OTP to DAC in the 2021/22 financial year are as follows:

1. WIP King Shaka statue - R4, 667million
 2. Heritage assets - R16 ,593 million
 3. Furniture & Office Equipment - R52thousands
- Total transferred: R21, 312 million

31.1.1 Statement of Financial Position

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2022

| <i>Note</i> | Balance before transfer date | Functions (transferred) / received Dept name (Specify) | Functions (transferred) / received Dept name (Specify) | Functions (transferred) / received Dept name (Specify) | Balance after transfer date |
|---|---|---|---|---|--|
| | R'000 | R'000 | R'000 | R'000 | R'000 |
| ASSETS | | | | | |
| Current Assets | - | - | - | - | - |
| Unauthorised expenditure | - | - | - | - | - |
| Cash and cash equivalents | - | - | - | - | - |
| Prepayments and advances | - | - | - | - | - |
| Receivables | - | - | - | - | - |
| Loans | - | - | - | - | - |
| Aid assistance prepayments | - | - | - | - | - |
| Aid assistance receivable | - | - | - | - | - |
| Non-Current Assets | - | - | - | - | - |
| Investments | - | - | - | - | - |
| Receivables | - | - | - | - | - |
| Loans | - | - | - | - | - |
| Other financial assets | - | - | - | - | - |
| TOTAL ASSETS | | | | | |
| LIABILITIES | | | | | |
| Current Liabilities | - | - | - | - | - |
| Voted funds to be surrendered to the Revenue Fund | - | - | - | - | - |

**NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2022**

| <i>Note</i> | Balance before transfer date | Functions (transferred) / received Dept name (Specify) R'000 | Functions (transferred) / received Dept name (Specify) R'000 | Functions (transferred) / received Dept name (Specify) R'000 | Balance after transfer date R'000 |
|---|---|---|---|---|--|
| LIABILITIES | | | | | |
| Current Liabilities | | | | | |
| Departmental revenue and NRF Receipts to be surrendered to the Revenue Fund | - | - | - | - | - |
| Bank Overdraft | - | - | - | - | - |
| Payables | - | - | - | - | - |
| Aid assistance repayable | - | - | - | - | - |
| Aid assistance unutilised | - | - | - | - | - |
| Non-Current Liabilities | | | | | |
| Payables | | - | - | - | - |
| TOTAL LIABILITIES | | - | - | - | - |
| NET ASSETS | | - | - | - | - |

**NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2022**

31.1.2 Notes

| | <i>Note</i> | Balance before transfer date | Functions transferred to Arts and Culture | Functions (transferred) / received | Functions (transferred) / received | Balance after transfer date |
|---|-------------|---|--|---|---|--|
| | | R'000 | R'000 | Dept name (Specify) R'000 | Dept name (Specify) R'000 | R'000 |
| Contingent liabilities | | - | - | - | - | - |
| Contingent assets | | - | - | - | - | - |
| Capital commitments | | - | - | - | - | - |
| Accruals | | - | - | - | - | - |
| Payables not recognised | | - | - | - | - | - |
| Employee benefits | | - | - | - | - | - |
| Lease commitments – Operating lease | | - | - | - | - | - |
| Lease commitments – Finance lease | | - | - | - | - | - |
| Lease commitments – Operating lease revenue | | - | - | - | - | - |
| Accrued departmental revenue | | - | - | - | - | - |
| Irregular expenditure | | - | - | - | - | - |
| Fruitless and wasteful expenditure | | - | - | - | - | - |
| Impairment | | - | - | - | - | - |
| Provisions | | - | - | - | - | - |
| Movable tangible capital assets | | 184 188 | -21 312 | - | - | 162 876 |
| Immovable tangible capital assets | | - | - | - | - | - |
| Intangible capital assets | | - | - | - | - | - |

**NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2022**

Proclamation No. 5 of 14 December 2018

Proclamation 5 of 2018 by the Premier of the province of KwaZulu Natal gave effect to the transfer of the Heritage Function to the department of Arts and Culture.

As per paragraph (b) of Proclamation 5 of 2018 (i) Transfer- The function “Provincial cultural matters, including Provincial Heritage matters (ii) The administration of all laws relating to that functional area, to the Member of the Executive Council of KwaZulu Natal responsible for Cultural matters (KZN Department of Arts & Culture - DAC).

The Provincial Heritage Resource authority, known as KwaZulu Natal Heritage resources authority (AMAFA) attends to the management, including the safeguarding of assets and for the management of the revenue, expenditure and the liabilities of the institution. After the abovementioned proclamation, this entity now falls under DAC.

Considering that the transfer was effective from 1 April 2019, all aspects of the Heritage function, besides the assets, have already been transferred to the Department of Arts & Culture. The roles and responsibilities for the transfer, and accountability arrangements were finalized in the 2019/20 financial year.

Due to delays relating to verification requirements and logistics within the Department of Arts & Culture, the transfer of the Heritage Assets as well as the office Assets were finalized in the 2021/22 financial year.

The transfer can only be complete after the verification of the existence and confirmation of the condition of the assets. It was discovered that 12 Statues of the ANC Presidency were not all on display, 2 of the statues were said to be at the artist studio. The transfer will be complete once the matter of the statues has been finalised.

**NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2022**

32. 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.

33. COVID 19 Response Expenditure

| | <i>Note</i> <i>Annexure 11</i> | 2021/22 R'000 | 2020/21 R'000 |
|--------------------------------|-----------------------------------|--------------------------------|--------------------------------|
| Compensation of employees | | | |
| Goods and services | | 469 | 17 189 |
| Transfers and subsidies | | - | - |
| Expenditure for capital assets | | - | 148 |
| Other | | - | - |
| Total | | 469 | 17 337 |

**ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2022**

ANNEXURE 1B

STATEMENT OF TRANSFERS TO DEPARTMENTAL AGENCIES AND ACCOUNTS

| DEPARTMENTAL AGENCY/ ACCOUNT | TRANSFER ALLOCATION | | | | TRANSFER | | 2020/21 |
|------------------------------------|------------------------|------------|---------------|-----------------|-----------------|----------------------------------|---------------------|
| | 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 |
| PROV DA: KZN ROYAL HOUSEHOLD TRUST | 23 748 | - | 22 415 | 46 163 | 46 163 | 100% | 30 654 |
| TOTAL | 23 748 | - | 22 415 | 46 163 | 46 163 | 100% | 30 654 |

ANNEXURE 1F

STATEMENT OF TRANSFERS TO NON-PROFIT INSTITUTIONS

| DEPARTMENTAL AGENCY/ ACCOUNT | TRANSFER ALLOCATION | | | | TRANSFER | | 2020/21 |
|------------------------------|------------------------|------------|-------------|-----------------|-----------------|----------------------------------|---------------------|
| | 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 |
| Transfers | | | | | | | |
| KZN GROWTH FUND TRUST | 50 000 | - | - | 50 000 | 50 000 | 100% | - |
| TOTAL | 50 000 | - | - | 50 000 | - | - | - |

**NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2022**

ANNEXURE 1G

STATEMENT OF TRANSFERS TO HOUSEHOLDS

| HOUSEHOLDS | TRANSFER ALLOCATION | | | | | EXPENDITURE | 2020/21 |
|------------------------------------|----------------------------|------------|-------------|-----------------|-----------------|----------------------------------|---------------------|
| | Adjusted Appropriation Act | 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 |
| Transfers | | | | | | | |
| H/H: Empl s/ben: Post ret benefits | - | - | - | - | 1 281 | - | 1 089 |
| H/H: Empl s/ben: Leave Gratuity | - | - | - | - | 4 001 | - | 2 346 |
| H/H: Empl s/ben:Er Pens Penalty | - | - | - | - | 1 572 | - | - |
| H/H:Bursaries(Non-Employee) | - | - | - | - | 17 848 | - | 18 332 |
| H/H: Claims Against State | - | - | - | - | 29 | - | - |
| | - | - | - | - | | - | |
| Subsidies | - | - | - | - | 24 731 | - | 21 767 |
| TOTAL | - | - | - | - | 24 731 | - | 21 767 |

**ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2022**

ANNEXURE 1H

STATEMENT OF GIFTS, DONATIONS AND SPONSORSHIPS RECEIVED

| NAME OF ORGANISATION | NATURE OF GIFT, DONATION OR SPONSORSHIP | 2021/22 | 2020/21 |
|---|--|------------|-----------|
| | | R'000 | R'000 |
| Received in cash | | - | - |
| Subtotal | | - | - |
| Received in kind | | | |
| Government Employees Medical Aid Scheme | 'PPE(500 Fabric Masks,500 Surgical Gloves,3 Sanitisers 5 litres,6 Temperature monitoring devices: Received by Employee Health & Wellness | - | 18 |
| SANLAM | Face masks and sanitisers donated by Sanlam, received by Employee Health & Wellness | 27 | |
| UNISA | Various items donated as gifts when the department hosted the Early Childhood Development Indaba, Received by PPSTA | 23 | |
| DUT | Various items donated as gifts when the department hosted the Early Childhood Development Indaba, Received by PPSTA | 429 | - |
| Microsoft South Africa | Various items donated as gifts for the take a girl child to work initiative | 3 | |
| Subtotal | | 482 | 18 |
| TOTAL | | 482 | 18 |

**ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2022**

ANNEXURE 1I

STATEMENT OF AID ASSISTANCE RECEIVED

| NAME OF DONOR | PURPOSE | OPENING BALANCE | REVENUE | EXPENDITURE | PAID BACK ON/BY 31 MARCH 22 | CLOSING BALANCE |
|-------------------------|------------------------------|--------------------|---------|---------------|-----------------------------------|--------------------|
| | | R'000 | R'000 | R'000 | R'000 | R'000 |
| Received in cash | | | | | | |
| MERSETA | Apprenticeships | (14 401) | | 13 089 | - | (1 312) |
| NATIONAL SKILLS FUND | KZN Literacy Project | (1 439) | | - | - | (1 439) |
| PESETA | Internship & work integrated | (324) | | - | - | (324) |
| Subtotal | | (16 165) | | 13 089 | - | (3 076) |
| Received in kind | | - | | - | - | - |
| TOTAL | | (16 165) | | 13 089 | - | (3 076) |

**ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2022**

ANNEXURE 1J

STATEMENT OF GIFTS, DONATIONS AND SPONSORSHIPS MADE

| NATURE OF GIFT, DONATION OR SPONSORSHIP | 2021/22 | 2020/21 |
|---|------------|------------|
| (Group major categories but list material items including name of organisation) | R'000 | R'000 |
| Made in kind | | |
| 'Supply Chain Management: Donation to purchasing catering equipment: Supplier Development | - | 100 |
| Financial Accounting: '2x Bereavement floral arrangement bouquet @ R300 each totalling 600 | 1 | 1 |
| IGR: Courtesy Gifts/Diplomatic International promotional items, made by the Premier of KwaZulu Natal | 96 | - |
| Forensic Invest&Integrity Mngt: Purchased trophies for the value of R191 400,00 for the Premiers service Awards the event has not yet taken place | 191 | - |
| Forensic Investigations & Integrity Mngt: Purchased trophy plaques, certificates and frames for PSEA | 58 | - |
| Forensic Investigations & Integrity Mngt: Purchased Gifts for the adjudicators PSEA | 52 | - |
| Office support & Auxiliary services on behalf of Assets disposal Committee: donated Office Furniture to the War rooms & Non profit organisation | 186 | - |
| TOTAL | 584 | 101 |



**ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2022**

ANNEXURE 3B

STATEMENT OF CONTINGENT LIABILITIES AS AT 31 MARCH 2022

| Nature of Liability | Opening Balance 1 April 2021 | Liabilities incurred during the year | Liabilities paid/cancelled/ reduced during the year | Liabilities recoverable (Provide details hereunder) | Closing Balance 31 March 2022 |
|---|------------------------------------|---|---|--|--|
| | R'000 | R'000 | R'000 | R'000 | R'000 |
| Claims against the department | | | | | |
| Emerald Fire Trading as De La Sol Coctail Bar vs OTP [2059/15] | 2 266 | - | - | - | 2 266 |
| Thandi Norman vs The Premier & Another | 216 | - | 216 | - | - |
| DE Wagner vs the Premier and the SAPS | 400 | - | - | - | 400 |
| Lindi April vs Premier [D1169/16] | 293 | - | 293 | - | - |
| Anesco CC Vs OTP and Charles Mkhize | 155 | - | - | - | 155 |
| Tactical security CC vs OTP | 284 | - | - | - | 284 |
| MG Sibisi vs Office of the Premier and the Premier | | 2 047 | - | - | 2 047 |
| Subtotal | 3 614 | 2 047 | 509 | - | 5 152 |
| TOTAL | 3 614 | 2 047 | 509 | - | 5 152 |

**ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2022**

**ANNEXURE 4
CLAIMS RECOVERABLE**

| Government Entity | Confirmed balance outstanding | | Unconfirmed balance outstanding | | Total | | Cash in transit at year end 2021/22 * | |
|---------------------------|-------------------------------|------------|---------------------------------|------------|------------|------------|--|--------|
| | 31/03/2022 | 31/03/2021 | 31/03/2022 | 31/03/2021 | 31/03/2022 | 31/03/2021 | Receipt date up to six (6) working days after year end | Amount |
| | R'000 | R'000 | R'000 | R'000 | R'000 | R'000 | | R'000 |
| Department | | | | | | | | |
| KZN PROV GOVT TRANSPORT | 22 | - | 9 | 34 | 32 | 34 | - | - |
| KZN PROV GOVT SOCIAL DEVE | - | 8 | - | - | - | 8 | - | - |
| | 22 | 8 | 9 | 34 | 32 | 42 | - | - |
| Other Government Entities | | | | | | | | |
| TOTAL | - | - | - | - | - | - | - | - |

**ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2022**

**ANNEXURE 5
INTER-GOVERNMENT PAYABLES**

| GOVERNMENT ENTITY | Confirmed balance outstanding | | Unconfirmed balance outstanding | | TOTAL | | Cash in transit at year end 2021/22 * | |
|----------------------------|-------------------------------|------------|---------------------------------|------------|--------------|------------|---|--------------|
| | 31/03/2022 | 31/03/2021 | 31/03/2022 | 31/03/2021 | 31/03/2022 | 31/03/2021 | 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 | | | - | - | | | - | |
| NATIONAL SAPS | | 86 | - | - | | 86 | | - |
| KZN PUBLIC WORKS | 3 835 | | - | - | 3 835 | | | - |
| KZN PROV GOVT- TRANSPORT | | - | - | - | | | 31/03/2022 | 3 827 |
| NATIONAL - DEPT OF JUSTICE | 700 | | - | - | 700 | | 31/03/2022 | 702 |
| Subtotal | 4 535 | 86 | | | 4 535 | 86 | | 4 529 |
| Non-current | | - | - | - | | | | |
| Subtotal | | - | - | - | | | | - |
| TOTAL | 4 535 | 86 | - | - | 4 535 | 86 | | 4 529 |



ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2022

MOVEMENT IN CAPITAL WORK IN PROGRESS FOR THE YEAR ENDED 31 MARCH 2022

| | Opening balance | Current Year Capital WIP | Ready for use (Asset register) / Contract terminated | Closing balance |
|--|--------------------|-----------------------------------|---|--------------------|
| | R'000 | R'000 | R'000 | R'000 |
| HERITAGE ASSETS | | | | |
| Heritage assets | 4 667 | - | 4 667 | - |
| MACHINERY AND EQUIPMENT | - | - | - | - |
| Transport assets | - | - | - | - |
| Computer equipment | - | - | - | - |
| Furniture and office equipment | - | - | - | - |
| Other machinery and equipment | - | - | - | - |
| SPECIALISED MILITARY ASSETS | - | - | - | - |
| Specialised military assets | - | - | - | - |
| BIOLOGICAL ASSETS | - | - | - | - |
| Biological assets | - | - | - | - |
| BUILDINGS AND OTHER FIXED STRUCTURES | 8 223 | 14 946 | - | 23 169 |
| Dwellings | - | 6 478 | - | 6 478 |
| Non-residential buildings | 8 223 | 8 468 | - | 16 691 |
| Other fixed structures | - | - | - | - |
| LAND AND SUBSOIL ASSETS | - | - | - | - |
| Land | - | - | - | - |
| Mineral and similar non-regenerative resources | - | - | - | - |
| SOFTWARE | - | - | - | - |
| Software | - | - | - | - |
| MASTHEADS AND PUBLISHING TITLES | - | - | - | - |
| Mastheads and publishing titles | - | - | - | - |
| PATENTS, LICENCES, COPYRIGHT, BRAND NAMES, TRADEMARKS | - | - | - | - |
| Patents, licences, copyright, brand names and trademarks | - | - | - | - |
| RECIPES, FORMULAE, PROTOTYPES, DESIGNS, MODELS | - | - | - | - |
| Recipes, formulae, prototypes, designs, models | - | - | - | - |

**ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2022**

MOVEMENT IN CAPITAL WORK IN PROGRESS FOR THE YEAR ENDED 31 MARCH 2022

| | Opening balance R'000 | Current Year Capital WIP R'000 | Ready for use (Asset register) / Contract terminated R'000 | Closing balance R'000 |
|--------------------------------------|---------------------------------|--|--|---------------------------------|
| SERVICES AND OPERATING RIGHTS | | | | |
| Services and operating rights | - | - | - | - |
| TOTAL | 12 890 | 14 946 | 4 667 | 23 169 |

The heritage function was transferred to the Department of Arts & Culture as at 01/04/2019

Moses Mabhida is the renovations and repairs to leaking roof project which started in 2020/21 financial year, R11 363 has been paid during the current financial year, included in the amount paid is R2 895 which was disclosed in the prior year as "received in the current financial year but not paid" as the DPW had already incurred the expenditure on behalf of OTP during 2020/21 financial year. The amount is subtracted from R11 363 - R2 895 = R8 468 since it had already been considered in 2020/21 financial year

Parkside residence is a new project - Urgent security upgrade, current year expenditure total = 6 478

With regards to Terry Street project has been completed, the final payment was made during the 2021/22 financial year

The Heritage assets have been transferred to Arts and Culture as at 31 March 2022 after both DG for OTP and HOD for Arts & Culture signed the certificate of handing over



**ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2022**

MOVEMENT IN CAPITAL WORK IN PROGRESS FOR THE YEAR ENDED 31 MARCH 2021

| | Opening balance | Prior period error | Current Year Capital WIP | Ready for use (Asset register) / Contract terminated | Closing balance |
|---|--------------------|--------------------------|-----------------------------------|--|--------------------|
| | R'000 | R'000 | R'000 | R'000 | R'000 |
| HERITAGE ASSETS | | - | - | - | |
| Heritage assets | 4 667 | | | | 4 667 |
| MACHINERY AND EQUIPMENT | - | - | - | - | - |
| Transport assets | - | - | - | - | - |
| Computer equipment | - | - | - | - | - |
| Furniture and office equipment | - | - | - | - | - |
| Other machinery and equipment | - | - | - | - | - |
| SPECIALISED MILITARY ASSETS | - | - | - | - | - |
| Specialised military assets | - | - | - | - | - |
| BIOLOGICAL ASSETS | | | | | |
| Biological assets | | | | | |
| BUILDINGS AND OTHER FIXED STRUCTURES | 4 142 | (4 142) | 8 223 | - | 8 223 |
| Dwellings | - | - | - | - | - |
| Non-residential buildings | 4 142 | (4 142) | 8 223 | - | 8 223 |
| Other fixed structures | - | - | - | - | - |
| LAND AND SUBSOIL ASSETS | - | - | - | - | - |
| Land | - | - | - | - | - |
| Mineral and similar non-regenerative resources | - | - | - | - | - |
| SOFTWARE | | | | | |
| Software | - | - | - | - | - |
| MASTHEADS AND PUBLISHING TITLES | | | | | |
| Mastheads and publishing titles | - | - | - | - | - |

**ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2022**

MOVEMENT IN CAPITAL WORK IN PROGRESS FOR THE YEAR ENDED 31 MARCH 2021

| | Opening balance | Prior period error | Current Year Capital WIP | Ready for use (Asset register) / Contract terminated | Closing balance |
|--|--------------------|--------------------------|-----------------------------------|--|--------------------|
| | R'000 | R'000 | R'000 | R'000 | R'000 |
| PATENTS, LICENCES, COPYRIGHT, BRAND NAMES, TRADEMARKS | | | | | |
| Patents, licences, copyright, brand names and trademarks | - | - | - | - | - |
| RECIPES, FORMULAE, PROTOTYPES, DESIGNS, MODELS | | | | | |
| Recipes, formulae, prototypes, designs, models | - | - | - | | |
| SERVICES AND OPERATING RIGHTS | | | | | |
| Services and operating rights | - | - | - | - | - |
| TOTAL | 8 809 | (4 142) | 8 223 | - | 12 890 |

The Heritage function was transferred to the Department of Arts and Culture from the end of the 2018/19 Financial year.

The terry street project has been completed but awaiting completion certificate, 2 New planned projects in the current financial year. The status of the projects are as follows.

Planned construction not started - Relates to Parkside Project

Planned construction started - Relates to repairs to the leaking roof in Moses Mabhida & Interior renovations

Prior period error relate to the Terry Street parking project was ready for use in 2018/19

**ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2022**

ANNEXURE 11

COVID 19 RESPONSE EXPENDITURE

Per quarter and in total

| Expenditure per economic classification | 2021/22 | | | | | 2020/21 |
|---|---------|-------|-------|-------|-------|---------|
| | Q1 | Q2 | Q3 | Q4 | Total | Total |
| | R'000 | R'000 | R'000 | R'000 | R'000 | R'000 |

Compensation of employees

Goods and services

Advert: Promotional

Advert: Marketing

Catering: Departmental Activities

L/PVT Firm: Legal Advice services

Contrctrs: Trnsprt/Relctn Contr

Contrctrs:Medical Supplies

Cons Supp: Medical Supplies

Cons Supp: Uni/Prot clth & clothes

Cons Hous Supp:Dis Paper/Plast

Cons Hous Supp:Wash/Clean dete

Cons:SP&OS:Stationery

Operating Lease:other mach&equip

F&O/EQP<R5000:Office Furniture

Train & Dev:Non Employees

Cons Hous Supp:Groceries

| | | | | | | |
|---|---|---|-----|---|-----|-------|
| - | - | - | - | - | - | 4 632 |
| - | - | - | - | - | - | 9 229 |
| - | - | - | - | - | - | 314 |
| - | - | - | - | - | - | 121 |
| - | - | - | - | - | - | 129 |
| - | - | - | - | - | - | 936 |
| - | - | - | - | - | - | 251 |
| - | - | - | - | - | - | 20 |
| - | - | - | - | - | - | 975 |
| - | - | - | - | - | - | 36 |
| - | - | - | - | - | - | 426 |
| - | - | - | - | - | - | 120 |
| - | - | - | 469 | - | 469 | - |

Transfers and subsidies

List all applicable SCOA level 4 items

| | | | | | | |
|---|---|---|---|---|---|---|
| - | - | - | - | - | - | - |
|---|---|---|---|---|---|---|

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2022

| Expenditure per economic classification | 2021/22 | | | | | 2020/21 |
|--|---------|-------|-------|------------|------------|---------------|
| | Q1 | Q2 | Q3 | Q4 | Total | Total |
| | R'000 | R'000 | R'000 | R'000 | R'000 | R'000 |
| Expenditure for capital assets | | | | | | 148 |
| Emergency/Rescue Equipment | - | - | - | - | - | 148 |
| | - | - | - | - | - | - |
| Other expenditure not listed above List all applicable SCOA level 4 items | - | - | - | - | - | - |
| TOTAL COVID 19 RESPONSE EXPENDITURE | - | - | - | 469 | 469 | 17 337 |



**GROWING
KWAZULU-NATAL
TOGETHER**

Provincial Government Communication

Private Bag X9037, PIETERMARITZBURG, 3200
Moses Mabhida Building, 300 Langalibalele Street, Pietermaritzburg, 3200
Tel: +27 (0) 33 341 3470 / Fax: +27 (0) 33 345 8490

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 KZN Provincial Government |  @kzngov |  kzngov |  www.youtube.com/kznonline |  Website: www.kznonline.gov.za