



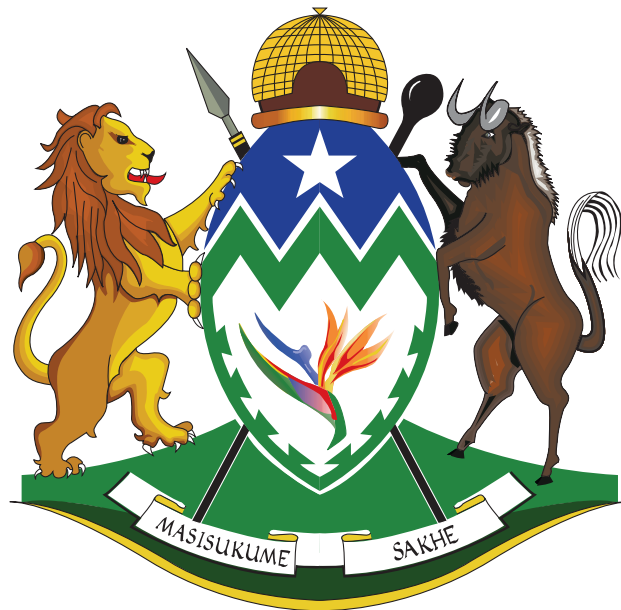
Annual REPORT 2019-20



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



**GROWING
KWAZULU-NATAL
TOGETHER**



**PROVINCE OF KWAZULU-NATAL
VOTE 01**

OFFICE OF THE PREMIER

ANNUAL REPORT
2019/2020 FINANCIAL YEAR

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PART A:

GENERAL INFORMATION



1. DEPARTMENT GENERAL INFORMATION



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2. LIST OF ABBREVIATIONS/ACRONYMS

AGSA	Auditor General of South Africa
AO	Accounting Officer
BBBEE	Broad Based Black Economic Empowerment
CFO	Chief Financial Officer
MEC	Member of Executive Council
HOD	Head of Department
PFMA	Public Finance Management Act
TR	Treasury Regulations
MTEF	Medium Term Expenditure Framework
SMME	Small Medium and Micro Enterprises
SCM	Supply Chain Management
EU	European Union
SITA	State Information Technology Agency
SDIP	Service Delivery Improvement Plan





3. FOREWORD BY THE PREMIER

MR S ZIKALALA

**PREMIER
KWAZULU-NATAL PROVINCE**

The Office of the Premier is mandated to coordinate government in the province of KwaZulu Natal and to implement the National Development Plan and the Provincial Growth and Development Plan 2030.

The Annual Report details progress on Strategic objectives, performance indicators, planned targets and actual achievements over the 2019/20 financial year subject to the audit process.

This annual report records an improved audit outcome from the one received in the previous financial year. The Office of the Premier has moved from a qualified to an unqualified audit opinion. This commitment is in line with our commitment to the public that we will work very hard to normalise the department and ensure that it sets the correct leadership example in the province. We are on this journey and simultaneously as we ensure clean fiscal prudence in our finances we want to see improved levels of service delivery.

The Office of the Premier has adopted the Medium-Term Strategic Framework (MTSF) for 2019-2024 as the basis of its planning, monitoring and evaluation of provincial government. This emanates from the Priorities of the ruling party the ANC following the May 2019 national elections with a view to building a KwaZulu Natal that is united, non-racial, non-sexist and prosperous.

As the department responsible for Performance Monitoring in the province we work with the Department of Monitoring and Evaluation to ensure that provincial plans are aligned to national Priorities reflected in the NDP 2030. This includes facilitating planning and budget allocation to NDP priorities across provincial government including the adoption of the District Development Model.

Our Constitution provides for the separation of powers between the Judiciary, the Executive and the Legislature which is charged with providing oversight over government including the Office of the Premier. For this reason the Annual Report details issues raised by the Portfolio Committee on the Office of the Premier and the Standing Committee on Public Accounts and how these have been addressed.

In summary, a number of programmes were coordinated during 2019/20, which included administrative support to the Premier, Executive Council and the Department. Further to internal administration, the Office of the Premier coordinated provincial programmes and provided oversight to statutory Councils and Forums. Priority programmes including RASET, Operation Vula, the Poverty Eradication Master Plan (PEMP), the coordination report on HIV and AIDS and Izimbizos.

KwaZulu Natal faces the triple burden of unemployment, poverty and inequality. In this regard the Office of The Premier runs the KZN Youth Empowerment Fund ("Youth Fund") in an effort to create an enabling policy environment for youth development, empowerment, economic emancipation and job-creation. The Office of the Premier committed R50 million towards the capitalization of this fund during the 2018/19 financial year and this is repeated in the subsequent financial years.

The tourism sector has historically been the province's largest revenue earner and depends to a large extent on our culture and heritage. AMAFA aKwaZulu-Natali is responsible for the conservation, protection and administration of heritage resources of the Province for the benefit of present and future generations.

The Office of the Premier is also responsible for the Royal Household Trust, a juristic person established through the Royal Household Trust Act (Act 2 of 2007) which facilitates services to His Majesty the King and the Royal household.

The draft Stakeholder Strategy was consulted with regard to climate change the Annual Report includes coordination reports on Climate Change and Sustainable Development, the Rapid Response programme and the re-launch of the Provincial Climate Change and Sustainable Development Council.

Consultations were held with the Premier Coordinating Forum (PCF), Climate Change and Rapid Response Councils to advance the strategic responsibility of the Office of the Premier to ensure alignment on all the strategic areas under our management. Among the achievements over the period is the Provincial Human Resource Management Turnaround Strategy Draft Document which will drive the much-needed skills and human resource development in the province.

The strategy now awaits approval by the Provincial Executive Council, having incorporated input from all provincial departments and being subject to annual strategy implementation reports.

For implemented indicators, the Department achieved more than 65% of targets set for 2019/20. Challenges were observed in the finalization of key governance strategies in areas of ICT, Communication, IGR, Consequence Management and Human Resource Development. These challenges emanated from delayed review processes at national level. All these key strategies were however consulted in 2019/20 and will be rolled out during 2020/21.

Performance reviews were conducted at MANCO and EXCO in a bid to improve organizational performance. In 2020/21 the Department devised an intensive review of reported information at all levels. This includes accountability at employee, unit and Branch level based on Weekly, Monthly and Quarterly Plans that feed into annual performance. An improvement Plan will be monitored for areas of under-achievement.

Among the most important functions assigned to the Office of the Premier is the Public Finance Management Act, 1999 which regulates the efficient, effective use of public funds. The Office of the Premier implements risk management by putting in place a fraud prevention plan and fighting corruption. This report provides progress on the outcome of investigations, the consequence management and the effectiveness of steps taken to prevent recurrence of irregular expenditure. This includes disciplinary measures taken against identified officials and the strengthening of financial controls.

During the 2018/19 financial year the department obtained a qualified audit opinion. The basis for the qualified opinion was that the Office of the Premier did not fully record irregular expenditure in the notes to the financial statements, as required by section 40(3) (i) of the PFMA. This was due to expenditure incurred in contravention of the supply chain management legislation not being detected, recorded and appropriately disclosed in the financial statements.

The Department remains committed to maintaining the highest standards of governance in the management of public financial resources. In this regard we have approved numerous governance structures such as EXCO, MANCO and the Risk Committee which monitor service delivery and the best value for money. Furthermore, independent oversight structures such the Cluster Audit and Risk Committee are in place to review the Department's systems of financial and risk management and internal control. The Provincial Anti-fraud and Corruption Strategy has been reviewed and now awaits finalisation of the National Strategy on Anti-fraud and Corruption.

In spite of these processes, SCOPA has flagged a number of issues including irregular expenditure submitted to the National Treasury for condonation, progress on outstanding investigations, consequence management and steps taken to prevent recurrence. One of these is the non-utilisation of SITA to procure mandatory goods and services of the Provincial Nerve Centre Server Migration and Maintenance with SIGMA IT without evidence that SITA could not provide the service. The current contract for the Nerve Centre ends on 31 July 2020 and we are proposing to move the function to the OTP IT unit. In order to curb similar deviations abuse, officials are expected to provide detailed motivation for all services requested. The requests that are in violation of the cost-cutting circular are reviewed by Provincial Treasury.

With regard to entities under our control, further issues flagged include the rationalisation of KZN Trade and Investment, the KZN Tourism Authority and KZN Film Commission, the Board of KZN Gaming and Betting, and the KZN Liquor Authority. These matters will be finalised in the new financial year.

To conclude, over the unfolding financial year we are committed to constantly improving the overall performance of the Office of the Premier with regard to all indicators that drive towards a better KwaZulu Natal for all. Importantly, we expect the highest ethical standards of behaviour from all public servants, and we will employ serious consequence management to institutionalise efficient and effective management of state resources and to improve audit outcomes.

I hereby present the Annual Report of the Office of the Premier for 2019/2020.



.....
MR S ZIKALALA
PREMIER
 KWAZULU-NATAL PROVINCE
 DATE: 30 October 2020





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 2019/20 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 2019/20 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 94.2% of the appropriated budget of R714,972 million. The expenditure amounted to R673,600 million, resulting in a total underspending of R41,372 million at the financial year end. The table below reflects the appropriation of funds and spending against each Programme.

Programme	Budget 2019/20	Expenditure as at 31 March 2020	Variance	% Spent
	R'000	R'000	R'000	%
Programme 1: Administration	138,392	131,886	6,506	95.3%
Programme 2: Institutional Development	341,326	311,512	29,814	91.3%
Programme 3: Policy and Governance	235,254	230,202	5,052	97.9%
Total	714,972	673,600	41,372	94.2%

Programme 1: Administration

The expenditure for Programme 1: Administration amounted to R131,886 million and this amount is represented as 95.3% spent against a budget of R138,392 million. The total underspending for Programme 1 amounted to R6,506 million and was mainly due to the following reasons:

- Compensation of Employees was underspent by R2,744 million as a result of finance posts such as the Director: Internal Control, Deputy Director: Internal Control, Deputy Director: Logistics, Contract and Asset Management, 3 x Assistant Directors: Financial Accounting and 2 x Supply Chain Management practitioners that were not filled. These posts had to be re-advertised as suitable candidates could not be obtained, or, candidates that were found suitable, had already obtained other promotional offers.

- Goods and Services were underspent by R2,562 million, mainly due to the Covid-19 lockdown in various countries that resulted in reduced foreign travel expenses. In addition, the nationwide lockdown imposed during March 2020, resulted in activities such as The Premier's Co-ordinating Forum (PCF) and the Provincial Prayer Day not taking place. Financial management software tools for asset management and voucher tracking were not implemented due to approvals awaited from National Treasury, to ensure that there was no software duplication that they were planning to implement. There were also reduced minor asset purchases for office furniture and equipment less than R5,000 due to the non-finalization of the additional office accommodation.
- Payments for Capital Assets were underspent by R1,2 million due to reduced purchases of office furniture and equipment as a result of the additional office accommodation not being finalized as well as due to the abovementioned posts not being filled by the financial year end.

Programme 2: Institutional Development

The expenditure for Programme 2: Institutional Development amounted to R311,512 million and this amount is represented as 91.3% spent against a budget of R341,326 million. The total underspending for Programme 2 amounted to R29,814 million and was mainly due to the following reasons:

- Compensation of Employees was underspent by R1,420 million as a result of posts such as the Director: Office of the Status of Women, Deputy Director: Communication Services and the Senior Vetting Officer that were not filled by the financial year end. A further contributing factor to the underspending, was the secondment of officials such as the Deputy Director-General: Corporate Management, Deputy Director-General: Institutional Development and Integrity and the Director: Human Resources Policies and Practices.
- Goods and Services were underspent by R23,3 million mainly due to communication related activities that were not undertaken due to challenges with utilising a single source provider, particularly in respect of local radio stations in certain communities where there were no competitors. In addition, events such as the Human Rights Day could not be held due to the Covid-19 lockdown that commenced in March 2020. Training and development programmes and training material were not undertaken due to the reduction of nominations from various Departments for training programmes as a result of cost containment measures and spending pressures experienced by other Departments. The Integrity Management Summit was cancelled, and funds were reprioritised towards Social Cohesion and Moral Regeneration initiatives. A further contributing factor to the underspending, were cost containment measures, that were imposed on various administrative expenses such as travelling and stationery supplies.
- Transfers and Subsidies was underspent by a nominal amount of R1 thousand.
- Payments for Capital Assets were underspent by R5,093 million as a result of reduced purchases, for office furniture and equipment, due to the additional office accommodation not yet being finalised. In addition, as a result of the Covid-19 lockdowns imposed by overseas countries, suppliers were unable to deliver in terms of orders made for computer equipment. A rollover of funds was therefore requested in respect of orders amounting to R1,8 million that were already made and were not delivered. An amount of R6,932 million, that was originally allocated in the budget for the roof repairs at the Moses Mabhida Building, was transferred back to Provincial Treasury during the Adjustments Estimate for re-allocation to the Department in the 2020/21 financial year, based on the project timeframes provided by Department of Works.

Programme 3: Policy and Governance

The expenditure for Programme 3: Policy and Governance amounted to R230,202 million and this amount is represented as 97.9% spent against a budget of R235,254 million. The total underspending for Programme 3 amounted to R5,052 million and was mainly due to the following reasons:

- Compensation of Employees had minimal underspending of R66 thousand, after a final virement of R5,5 million was implemented to offset contractual appointments in respect of the Poverty Eradication and Master Plan (PEMP).
- Goods and Services had minimal underspending of R60 thousand, after a final virement of R8,9 million was implemented to cover spending pressures in respect of Social Cohesion and Moral Regeneration initiatives in respect of campaigns against social ills as well as campaigns for religious sector mobilizations. Unanticipated expenses were also incurred such as the Presidential Imbizo, and the unveiling of tombstones for the struggle veterans – Zinto Cele, Sihle Mbongwa and Portia Phila Ndwadwe as well as special funerals that were designated as official funerals. In addition, there were spending pressures in respect of His Majesty The King's events emanating from his overseas trip to Wales.
- Payments for Capital Assets were underspent by R4,926 million as a result of an amount of R4 million that was received in the 2019/20 Adjustments Estimate as a suspension of funds from Department of Cooperative Governance and Traditional Affairs (COGTA) for the construction of a palace for His Majesty The King. There was a change of scope that was supposed to be performed at the palace and these funds will be returned to COGTA during 2020/21 through Provincial Treasury. In addition, there were also reduced purchases for furniture and equipment due to the additional office accommodation not yet being finalized.

Virement of Funds:

Programme	Adjusted Budget 2019/20	Final Virement	Final Budget 2019/20
	R'000	R'000	R'000
Programme 1: Administration	144,426	(6,034)	138,392
Programme 2: Institutional Development	350,562	(9,236)	341,326
Programme 3: Policy and Governance	219,984	15,270	235,254
Total	714,972	0	714,972

Programme 1: Administration

Savings of R6,034 million were identified against Programme 1 due to the following reasons:

- An amount of R2,567 million was identified as savings against Compensation of Employees as a result of Finance posts such as the Director: Internal Control, Deputy Director: Internal Control, Deputy Director: Logistics, Contract and Asset Management, 3 x Assistant Directors: Financial Accounting and 2 x Supply Chain Management practitioners that were not filled. These posts had to be re-advertised as either suitable candidates could not be obtained, or, candidates that were found suitable, had already obtained other promotional offers.
- An amount of R3,612 million was identified against Goods and Services mainly due to the Covid-19 lockdown in various countries that resulted in reduced foreign travel expenses. In addition, the nationwide lockdown imposed during March 2020, resulted in activities such as The Premier's Co-ordinating Forum (PCF) and the Provincial Prayer Day not taking place.

Financial management software tools for asset management and voucher tracking were not implemented due to approvals awaited from National Treasury, to ensure that there was no software duplication that they were planning to implement. There were also reduced minor asset purchases for office furniture and equipment less than R5,000 due to the non-finalization of the additional office accommodation.

- Offsetting the above savings, was an amount of R145 thousand that was moved within Programme 1 to Transfers and Subsidies: Households to address leave gratuity pay-outs in respect of staff exits.

The total savings of R6,034 million was transferred to Programme 3 to address the spending pressures as mentioned in further detail under Programme 3: Policy and Governance.

Programme 2: Institutional Development

Savings of R9,236 million were identified against Programme 2 due to the following reasons:

- An amount of R3,988 million was identified as savings against Compensation of Employees as a result of posts such as the Director: Office of the Status of Women, Deputy Director: Communication Services and the Senior Vetting Officer that were not filled by the financial year end. A further contributing factor to the underspending, were the secondment of officials such as the Deputy Director-General: Corporate Management, Deputy Director-General: Institutional Development and Integrity and the Director: Human Resources Policies and Practices.
- An amount of R5,413 million was identified against Goods and Services mainly due to training and development programmes and training material that was not undertaken due to the reduction of nominations from various Departments for training programmes as a result of cost containment measures and spending pressures experienced by other Departments. The Integrity Management Summit was also postponed to 2020/21 and funds were reprioritized towards Social Cohesion and Moral Regeneration initiatives. In addition, events such as the Human Rights Day could not be held due to the Covid-19 lockdown that commenced in March 2020.
- Spending was also reduced due to cost containment measures imposed on various administrative expenses such as travelling and stationery supplies.
- Offsetting the above savings, were the following movements within

Programme 2:

- An amount of R128 thousand was moved to Transfers and Subsidies: Provinces and municipalities for vehicle licenses (R17 thousand) and to Transfers and Subsidies: Households to address leave gratuity pay-outs (R111 thousand) in respect of staff exits.
- An amount of R37 thousand was moved to Payments for Financial Assets for debts that were written off once all debt management procedures had been undertaken.

The total savings of R9,236 million was transferred to Programme 3 to address the spending pressures as mentioned in further detail under Programme 3: Policy and Governance.

Programme 3: Policy and Governance

An amount of R15,270 million was transferred from Programme 1 and Programme 2 to mainly address the following spending pressures:

- An amount of R5,577 million was allocated to Compensation of Employees to address Compensation costs in respect of the extension of contractual appointments for the Poverty Eradication and Master Plan (PEMP).
- An amount of R8,962 million was allocated to Goods and Services to address the following spending pressures:
 - Social Cohesion and Moral Regeneration initiatives in respect of campaigns against social ills as well as campaigns for religious sector mobilizations.
 - Unanticipated expenses were also incurred such as the Presidential Imbizo, the unveiling of tombstones for the struggle veterans – Zinto Cele, Sihle Mbongwa and Portia Phila Ndwadwe as well as special funerals that were designated as official funerals.
 - Special events undertaken by His Majesty The King such as his overseas trip to Wales.
 - Compensation costs for the Poverty Eradication and Master Plan (PEMP) contractual appointments.
- An amount of R9 thousand was allocated to Transfers and Subsidies: Provinces and municipalities in respect of vehicle licences for His Majesty The King; and an amount of R722 thousand was allocated to Transfers and Subsidies: Households for leave gratuity pay-outs in respect of staff exits.

The above virement of funds are all in line with Section 43 of the PFMA, as well as Section 6.3.1 of the Treasury Regulations.

Revenue:

The Office of the Premier collected R4,881 million, represented as 415.1% of the revenue budget of R1,176 million, resulting in a total over-collection of R4,880 million. The table below reflects the revenue budget and revenue collection against each revenue category.

Revenue Category	Revenue Budget 2019/20	Actual Revenue as at 31 March 2020	Variance (Over)/ Under	% Collected
	R'000	R'000	R'000	
Sales of goods and Services	288	193	95	67.0%
Interest, dividends & rent on land	1	22	(21)	2 200.0%
Sale of Capital Assets	840	0	840	0%
Transactions in financial assets and liabilities	47	4,666	(4,619)	9.928%
Total	1,176	4,881	(4,880)	415.1%

Sales of Goods and Services:

An under-collection of R95 thousand is primarily due to the lower than anticipated commission on insurance premiums and garnishees, as well as an under-collection on tender fees.

Interest, dividends & rent on land:

The over-collection of R21 thousand is in respect of staff debts.

Sales of Capital Assets:

A budget was allocated for a planned auction sale of redundant departmental vehicles however, no auction sale took place as the Department of Transport did not identify any vehicles that needed replacing, thereby resulting in the under-collection.

Transactions in Financial Assets and Liabilities:

The over-collection of R4,619 million represents recoveries for staff debts, cell phones as well as recoveries relating to prior financial years. The bulk of this over-collection relates to a refund to the department, amounting to R4,400 million, that was made from the eThekweni Metro, for funding transferred in a previous financial year for the erection of a monument to the indentured Indian labourers. The project was not implemented by eThekweni Metro and OTP recalled the funding and paid over to the Provincial Revenue Fund.

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 2020, transfer payments were made as tabulated below:

NAME OF INSTITUTION	AMOUNT TRANSFERRED	EXPENDITURE
The Royal Household Trust	R19,086 million	R19,086 million

The Royal Household Trust

The Royal Household Trust was established in 2009 as an entity in terms of the KZN Royal Household Trust Act, 2007 and will be governed by the KZN Royal Household Trust Bill, 2015 once enacted. The Royal Household Trust is responsible for operational costs in respect of the Royal Household.

Transfer payments totalling R19,086 million was made to the Royal Household Trust during the financial year.

UNAUTHORISED EXPENDITURE:

The Office of the Premier did not incur any unauthorised expenditure in the 2019/20 financial year.

IRREGULAR EXPENDITURE:

The Irregular Expenditure identified in the 2019/20 financial year is R 93,351 million which was mainly due to non-compliance with prevailing government prescripts, more especially on Supply Chain Management.

FRUITLESS AND WASTEFUL EXPENDITURE:

The Office of the Premier incurred Fruitless and Wasteful Expenditure to the value of R51.03 in the 2019/20 financial year. A concerted effort is made by the department to prevent and reduce fruitless and Wasteful Expenditure to result in the minimum value reported herein.

PUBLIC PRIVATE PARTNERSHIPS:

The department has not entered into Public private Partnerships during the 2019/20 financial year.

DISCONTINUED ACTIVITIES / ACTIVITIES TO BE DISCONTINUED:

Two functions were discontinued from the beginning of the 2019/20 Financial Year. The Gaming and Betting function was transferred to the Department of Economic Development Tourism and Environmental Affairs, and The Heritage Function was transferred to the Department of Arts and Culture.

CORPORATE GOVERNANCE ARRANGEMENTS**Policy Decisions**

The 2019/20 was a transitional year from the 5th to the 6th Administration. It was also the final year of the 2015-2020 planning cycle and as such the Department remained committed to the Goals set in the 2015-2020 strategic plan which are centred around: (i) Good and cooperative governance; (ii) stakeholders fully engaged and well informed on KZN Vision 2030; a coordinated, (iii) equitable and integrated service delivery system; and (iv) improved performance and accountability.

Greater emphasis continued on accelerating implementation and deepening monitoring and evaluation. This was also evident in the closing out of the 2014 to 2019 Medium Terms Strategic Framework and its 14 Outcomes and adoption of the 2019 to 2024 Medium Terms Strategic Framework.

In terms of the transitional arrangements, the focus on National Priorities continued in the first part of the year and beyond as the National Development Plan (NDP) and the Provincial Growth and Development Strategy and Plan (PGDS/P) remain the guiding frameworks for delivery in the province. The provisions of these 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.

These Sustainable Development Goals and African Union agenda and Government's priority areas and outcomes have been incorporated in the National Development Plan 2030; the Medium-Term Strategic Framework; and the Provincial Growth and Development Plan. It also includes the 5 Key Government Priorities, namely:

- Creation of more jobs, decent work and sustainable livelihoods for inclusive growth.
- Rural development, land reform and food security.
- Education.
- Health; and
- Fighting crime and corruption.

In addition to these the following national matters have also been highlighted, namely the need to:

- Expand access to housing and basic services.
- Expand our democracy and build a developmental state.
- Promote social cohesion and nation building; as well as to
- Contribute to a better Africa and a just world.

Government has also adopted the Nine Point Growth Plan to deal with large scale constraints that has affected growth and investment confidence. It focusses on:

- Resolving the energy challenge.
- Revitalising the Agriculture and agro-processing value chain.
- More effective implementation of higher-impact industrial policy action plans.
- Crowding in and encouraging private sector investment.
- Moderating workplace conflict.
- Unlocking micro-, small- and medium enterprises (SMME's), cooperatives, township and rural enterprises potential.
- State reform, including boosting the role of the state-owned companies, broadband, water, sanitation and transport infrastructure; and
- Growing the ocean economy and tourism

Within the context of the Key National Priorities, KZN still has specific challenges it has to focus on, such as

- HIV/AIDS.
- Poverty eradication; and
- Support of vulnerable groups such as women, children, youth and the disabled.
- Drought relief to support communities and agriculture.
- Inclusive Economic Growth.
- Combatting fraud and corruption; and
- Social cohesion and moral regeneration.

The above are also covered in the NDP, 14 MTSF Outcomes and annually updated PGDP, and the Office of the Premier had aligned its plans to these initiatives.

The transition to the priorities of the 6th Administration was facilitated through the long-term vision of the National Development Plan (NDP) and the Provincial Growth and Development Strategy and Plan (PGDS/P). These plans remained the guiding frameworks for delivery in the province and found further expression in the National 5-Year Implementation Plan and Outcome based Monitoring Framework of the 2019-2024 Medium Terms Strategic Framework (MTSF).

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

At Provincial level, priorities have 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
- 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

Government has renewed focus on integrated planning and service delivery as an approach through the adoption of the District Development Model. This model, also known as *Khawuleza* was launched in KZN on 18 October 2019. Ethekwini is a pilot Metro, and the programme is expected to be rolled out across all districts in KZN and the Office of the Premier is required to provide oversight, coordinate through the Premiers Coordinating Forums and to receive and coordinate monitoring and evaluation reports. The District Development Model is a practical Intergovernmental Relations (IGR) mechanism for all three spheres of government including its State-Owned Entities to work jointly and to plan and act in unison. The model consists of a process by which joint collaborative planning and implementation is undertaken at district and metropolitan level together by all three spheres of government resulting in a single strategically focused District Development Model. The Model is very firmly based on analysis of previous and current initiatives to improve developmental Local Government and IGR wherein developmental change is shaped and owned at district level in partnership with communities, citizens and social partners. The model will be implemented along the lines of Operation Sukuma Sakhe (OSS) and District Shared Services.

The role of the Office of the Premier is as follows:

- Monitor the effective implementation of District Development Model within the province.
- Oversee provincial policy and provincial sector planning and budgeting coherence according to national priorities and towards district/metro developmental impact.
- Ensure provincial sector alignment in district/metro Intergovernmental Working sessions and approving and adopting District Development Model, capacity building plans and shared resourcing initiatives.
- Facilitate the stakeholder sector organisation and representation in the District Technical Hub and clusters.
- Convene Premier's Coordinating Forum (PCF) Council and provide feedback and strategic guidance to municipalities.
- Receive and engage on-going reports via COGTA and PCF from the District/Metro Coordination Hubs packaged per district/metro.
- Receive and engage with impact monitoring report; and
- Facilitate the attendance of National Minister at PCF.

The Provincial Administration focus is embedded in all priorities. 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. This also includes the work coordinated through PGDP Action Workgroup 7 and the Human Resource Development Council and Youth Chief Directorate in preparing our youth with skills aligned to the economic growth needs of the province, and Action Workgroup 13 which drives the ICT and Broadband in KZN. Our Operation Sukuma Sakhe remains key to improving the social wage and health.

Following the January 8 Statement, The National Department has adopted key focus areas within the MTSF Priorities for implementation in 2020-21. Similarly, the KZN Medium Term Strategic Framework Implementation Plan guides all clusters and departments in the alignment and implementation against the 7 National and 8 Provincial Priorities. This is derived from the National MTSF Implementation Plan 2020-2021 and incorporates the annual areas of emphasis derived from the State of the Nation- and Province Addresses. The Plan identifies key areas that need to be incorporated into the provincial plans as the programme of action. Office of the Premier coordinates and monitors the plan.

The repositioning and strengthening of Operation Sukuma Sakhe will continue moving forward as it integrates with the new District Delivery Model. The District Development 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 COVID-19 pandemic has changed the face of our everyday lives and has forced us to revolutionise the manner in which we think and address issues. The pandemic has further highlighted strengths, weaknesses, opportunities and threats, captured in a risk adjusted strategy and recovery plans that will inform the way government responds to the plight of its citizens. A capable, ethical and developmental state remains a key priority for the centre of government to lead, coordinate, and promote people centred development.

It includes embracing technology to allow remote interaction and delivery; forging partnerships with stakeholders to assist in the fight against the pandemic, and creating a space to consider more flexible approaches in policies, plans and resource utilization, whilst also monitoring compliance and promoting a safe and healthy workforce and workspace. It also requires a renewed focus on harvesting of all existing capacities and capabilities across all government spheres and organs of state.

Fraud and corruption remain a serious challenge and hence interventions relating to combatting and preventing fraud and corruption will be intensified. This will include measures seeking to expedite concluding forensic investigations and application of consequence management and instilling a culture of accountability at all levels. Whilst Service Delivery agreements have been concluded with all MEC's in February 2018, new agreements have been prepared, aligned to the National and Provincial Priorities and encouraging a culture of accountability across government. The new DPSA directives for Performance Agreements for the public have also been implemented and vetted to ensure measures are included to address risk, fraud and corruption and to facilitate improved audit outcomes. The departmental outcome of a professional & ethical provincial administration will include the development and management of a Provincial Hotline which will allow citizens of the province a platform to access provincial government.

Policy and planning alignment, as well as government wide monitoring and evaluation remain critical areas in terms of the mandate of the Office of the Premier, but also to support improved service delivery and innovation. Moving forward, policy and planning coordination will be strengthened to supporting strategic alignment with the NDP, MTSF and PGDP, assessment of quarterly performance of provincial departments, and strengthening the monitoring of service delivery, including Batho Pele principles compliance, as well as repositioning of the Nerve Centre for improved planning and monitoring systems, as well as improving the spatial dimension of service delivery in the Province.

Coordination and progress reports have been identified as critical tools to facilitate monitoring and to identify crucial interventions where needed. Moving forward, the Department will review its Evaluation Plan, and coordinate the Review of the Provincial Evaluation Plan to strengthen evidence informed policy making and to inform service delivery processes.

The functionality and support of the PGDS/P Action workgroups, being the key strategic and operational interface of the Provincial Growth and Development Plan to ensure optimal implementation of the NDP through the PGDS/P, remains of paramount importance and monitoring these institutional arrangements will be intensified to promote accountability and support integrated planning, policy and development.

Improved coordination, integration and efficiency in our provincial government will be achieved through the implementation of a Provincial ICT Strategy which supports the fourth industrial revolution and we need to intensify programmatic interventions in the mainstreaming of a culture of human rights through integrated plans for vulnerable groups. Inclusive stakeholder engagement & improved partnerships will be enhanced through spearheading the District Development Model and endorsing the One-District, One-Plan, One-Budget philosophy.

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

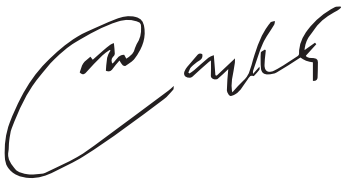
Whilst economic and resource constraints remain a challenge facing government, the Department will continue to build strategic partnerships with all stakeholders, including the private sector, to increase delivery capacity in the Province. These partnerships are critical in ensuring that the strategic intent, vision and developmental path of the Province is achieved. Efforts will continue to streamline processes and to reduce duplication.

Inclusive growth requires a more assertive approach in addressing our vulnerable groups and fight against Gender based violence. The Department will continue to monitoring 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.

The Department will also lead the development of a Public Sector Development Chapter in the Provincial Human Resource Development Strategy to facilitate delivery against National Priority 1- A Capable, Ethical and Developmental State. This will include the repositioning of the Provincial Public Sector Training Academy to delivery programmes that will strengthen the public sector in key areas requiring attention on an ongoing basis.

The Office of the Premier remains committed to ensure that Provincial Government is coordinated, aligned and integrated and is providing sound governance and leadership with a firm focus on a capable, ethical and developmental state 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 and provide support in building our social fibre, and to ensure that social cohesion and moral regeneration is revived, in partnership with its citizens and His Majesty.

Yours faithfully



DR NONHLANHLA O MKHIZE
DIRECTOR – GENERAL

KWAZULU-NATAL PROVINCIAL GOVERNMENT
DATE: 30 October 2020

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

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

All information and amounts disclosed throughout the Annual Report are consistent.

The annual report is complete, accurate and is free from any omissions.

The annual report has been prepared in accordance with the guidelines on the annual report as issued by National Treasury.

The Annual Financial Statements (Part E) have been prepared in accordance with the modified cash standard and the relevant frameworks and guidelines issued by the National Treasury.

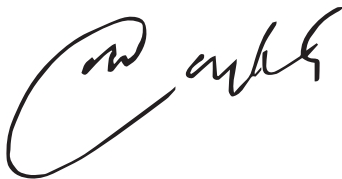
The Accounting Officer is responsible for the preparation of the annual financial statements and for the judgements made in this information.

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 2020.

Yours faithfully



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DR NONHLANHLA O MKHIZE
DIRECTOR - GENERAL
KWAZULU-NATAL PROVINCIAL GOVERNMENT
DATE: 30 October 2020

6. STRATEGIC OVERVIEW

6.1 Vision

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

6.2 Mission

The mission of the department is to support the Premier in carrying out his constitutional mandate through:

- Promoting an integrated service delivery model;
- Enhancing cooperative governance within the Province;
- Effective stakeholder management and communication; and
- Enhancing performance management and accountability through monitoring and evaluation.

6.3 Values

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

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



7. 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:

7.1 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.

7.2 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.

7.3 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.

7.4 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.

7.5 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.

7.5.1 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.

7.5.2 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.

7.5.3 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.

7.5.4 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.

7.5.5 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.

7.5.6 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.

7.5.7 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.

7.5.8 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.

7.5.9 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.

7.5.10 State Information Technology Agency Act, 1999

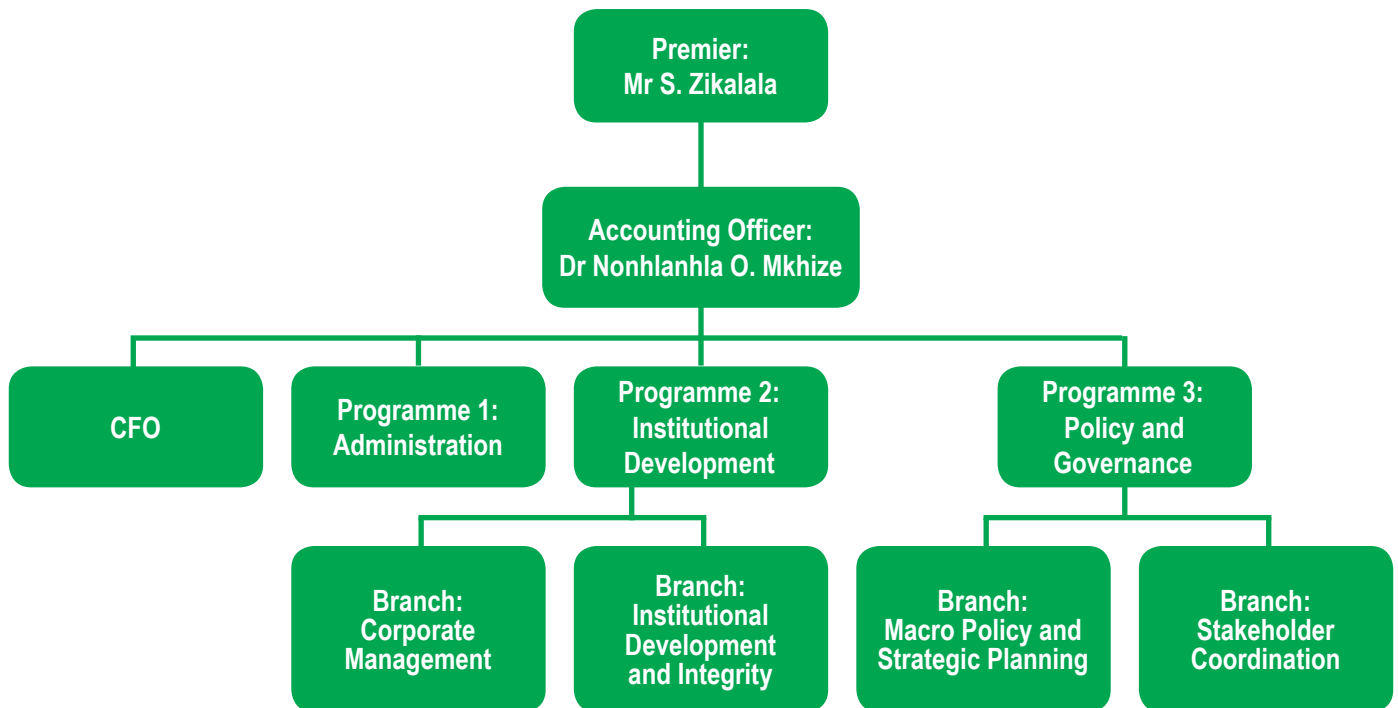
This law regulates the provision and procurement of goods and services relating to information technology in the Public Service.

7.5.11 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).

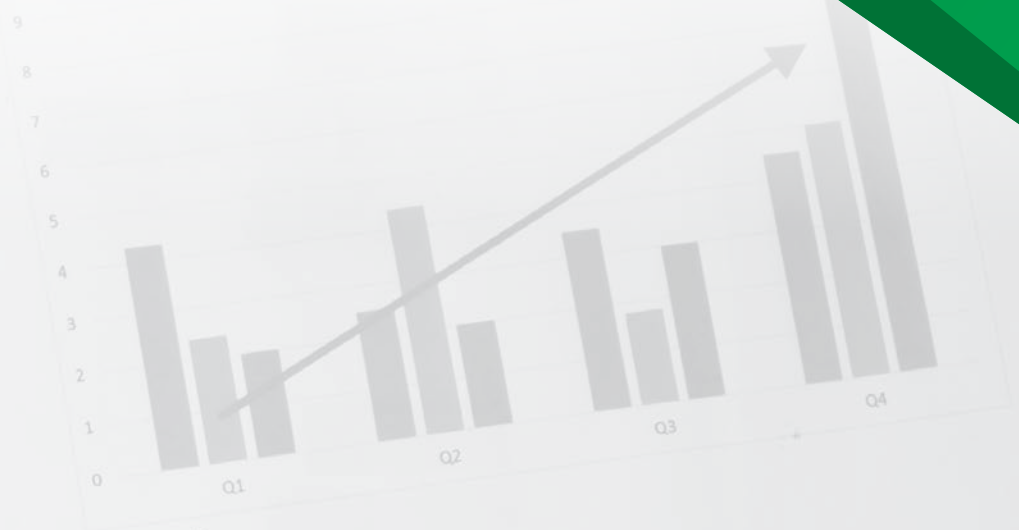


8. ORGANISATIONAL STRUCTURE



PART B:

PERFORMANCE INFORMATION



1. PERFORMANCE INFORMATION BY PROGRAMME

1. PERFORMANCE INFORMATION BY PROGRAMME

1.1 Programme 1: Administration

Purpose:

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

Strategic objective indicators, performance indicators, planned targets and actual achievements

The 2019/20 performance information is preliminary and is subject to the audit process.

Strategic objective indicators:

Programme Name: Administration								
Strategic Objective	Strategic Objective Indicators	Actual Achievement 2016/2017	Actual Achievement 2017/2018	Actual Achievement 2018/2019	Planned Target 2019/2020	Actual Achievement 2019/2020	Deviation from planned target to Actual Achievement for 2019/2020	Comment on deviations
Effective and efficient support to the Premier in Executive Council	Number of Executive Council meetings supported (Executive Council and Makgotla)	22	21	22	22	23	1	Additional meeting was convened by the Executive Council.
Strategic Leadership in governance and accountability to ensure economic, effective, and efficient resource Management	Annual audit findings	Unqualified Audit	Unqualified Audit	Unqualified Audit	Unqualified Audit	Qualified	Pending finalization of AG audit.	2019/20 audit process is in progress. Update will be made in due course.

Programme Name: Inter-Governmental Relations

Strategic Objective	Strategic Objective Indicators	Actual Achievement 2016/2017	Actual Achievement 2017/2018	Actual Achievement 2018/2019	Planned Target 2019/2020	Actual Achievement 2019/2020	Deviation from planned target to Actual Achievement for 2019/2020	Comment on deviations
Promote and strengthen inter-governmental relations and coordination in the province.	Number of PCF decision matrices	Not applicable	5	3	4	5	1	Two engagements took place in Q1 to address additional matters that could not be addressed in a single meeting.
		Not applicable	5	3	4	5	1	Two engagements took place in Q1 to address additional matters that could not be addressed in a single meeting.



Performance indicators**Programme / Sub-programme: Executive Council Support**

Performance Indicator	Actual Achievement 2016/2017	Actual Achievement 2017/2018	Actual Achievement 2018/2019	Planned Target 2019/2020	Actual Achievement 2019/2020	Deviation from planned target to Actual Achievement 2019/2020	Comment on deviations
Number of Executive Council meeting decision matrices circulated within 10 working days of meeting.	18	19	22	20	21	1	Additional meeting took place to address matters which required urgent attention.
Number of Executive Council decision matrix implementation progress reports submitted to the Executive Council.	13	19	20	20	21	1	Additional meeting took place to address matters which required urgent attention.
Number of Executive Council Makgotla decision matrices within 10 working days of meeting.	1	2	2	2	2	0	No deviation from set target.

Programme / Sub-programme: Financial Management

Performance Indicator	Actual Achievement 2016/2017	Actual Achievement 2017/2018	Actual Achievement 2018/2019	Planned Target 2019/2020	Actual Achievement 2019/2020	Deviation from planned target to Actual Achievement 2019/2020	Comment on deviations
Percentage of Risk interventions as per the risk register completed	Not applicable	Not applicable	41%	100%	91%	-9%	Delays in finalization of the complaints management system, development and approval of a Provincial Complaints Management Policy and finalization of the skills audit.

Programme / Sub-programme: Financial Management

Performance Indicator	Actual Achievement 2016/2017	Actual Achievement 2017/2018	Actual Achievement 2018/2019	Planned Target 2019/2020	Actual Achievement 2019/2020	Deviation from planned target to Actual Achievement 2019/2020	Comment on deviations
Percentage of internal audit recommendations implemented.	Not applicable	Not applicable	83%	100%	82%	-18%	The Department manages transversal functions that require consultations and approvals across different constituencies and structures such as Youth Development Strategies, Gender, Children, People with Disabilities, Senior Citizens and the delays were due to consultations with inputs that needed more work to be done in terms of finalising the strategies
Percentage of external audit recommendations implemented.	Not applicable	Not applicable	91%	100%	95%	-5%	Delays in finalising the investigations of Irregular Expenditure, the implementation of disciplinary action and the Consequence Management Policy.



Programme / Sub-programme: Financial Management

Performance Indicator	Actual Achievement 2016/2017	Actual Achievement 2017/2018	Actual Achievement 2018/2019	Planned Target 2019/2020	Actual Achievement 2019/2020	Deviation from planned target to Actual Achievement 2019/2020	Comment on deviations
Percentage of invoices paid within 30 days.	Not applicable	Not applicable	86%	90%	92.7%	7.3%	The target was exceeded because of improved effort by Department to ensure payment of invoices within 30 days.
Percentage compliance to e-disclosure of financial interest.	Not applicable	Not applicable	Not applicable	100%	91%	-9%	The MMS did not meet 100% target as 16 officials did not submit disclosures.
Percentage reduction of irregular expenditure.	Not applicable	Not applicable	Not applicable	50%	44% (pre-audited)	Not applicable	The previous year's irregular expenditure was understated and subsequently restated from R54m to R149 138m. Pre audited irregular expenditure for 19/20 financial year is R83 617m. The Department's percentage reduction in irregular expenditure is 44%.
Percentage reduction of wasteful and fruitless expenditure.	Not applicable	Not applicable	Not applicable	50%	99%	Not applicable	The previous year's Fruitless and Wasteful expenditure was R4171.25, and the current year pre audited is R51.03. The Department's percentage reduction in Fruitless & Wasteful Expenditure is 99%. The Department put in great efforts in improving management oversight and changing the method of obtaining invoices from Telkom.

Programme / Sub-programme: Financial Management

Performance Indicator	Actual Achievement 2016/2017	Actual Achievement 2017/2018	Actual Achievement 2018/2019	Planned Target 2019/2020	Actual Achievement 2019/2020	Deviation from planned target to Actual Achievement 2019/2020	Comment on deviations
Number of quarterly reports on the monitoring of provincial audit improvement plans.	Not applicable	Not applicable	Not applicable	3	2	-1	The reports were submitted from Q3 as the Departments were developing and approving their audit plans in Q2.
Number of capacity building sessions conducted on Supply Chain Management and Financial Management in OTP	Not applicable	Not applicable	Not applicable	8	8	0	No deviation from set target.
Number of Premier's Technical Coordination forum decision matrixes.	2	4	3	4	5	Not applicable	Two engagements took place in Q1 to accommodate agenda items previously deferred.
Number of COHOD decision matrixes.	7	10	10	12	13	1	An additional meeting was held in Q4 due to urgent matters that required the attention of COHOD.



Programme / Sub-programme: Financial Management

Performance Indicator	Actual Achievement 2016/2017	Actual Achievement 2017/2018	Actual Achievement 2018/2019	Planned Target 2019/2020	Actual Achievement 2019/2020	Deviation from planned target to Actual Achievement 2019/2020	Comment on deviations
Number of IGR Provincial Forum decision matrixes.	6	3	3	4	5	1	Two IGR forum meetings were held in the 1 st quarter of 2019/20 to accommodate a meeting deferred in the last quarter of the preceding year.
Number of Twinning Agreement Implementation reports.	3	3	2	2	0	-2	Reports were not approved at unit level as they did not fulfil implementation deliverables which required TORs to be developed.
Number of Twinning Agreements reviewed in line with the South African foreign policy.	Not applicable	Not applicable	Not applicable	20	18	2	The target of reviewing 18 agreements was achieved for 2019/20. However, the target was stated inaccurately as 20. Since 1994 there have been 18 agreements, not 20.



Strategy to overcome areas of under performance

The Department will enforce compliance to set standards, especially in the areas of risk management and internal control.

Changes to planned targets

Some Financial Administration targets may be reviewed in the 2020/21 Annual Performance Plan to accommodate changes in government administrative priorities as may be necessary.

Budget is linked to performance

Sub-programme expenditure

Sub- Programme Name	2019/2020			2018/19		
	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	33 955	33 411	544	27 971	27 589	382
Executive Council Support	15 655	14 722	883	8 596	8 478	118
Director-General	17 662	17 116	546	21 019	20 870	149
Financial Management	36 478	32 507	3 971	37 444	36 195	1 249
Intergovernmental Relations	34 642	34 080	562	64 780	64 760	20
Total	138 392	131 886	6 506	159 810	157 892	1 918



1.2 Programme 2: Institutional Development

To coordinate the transformation of the public service and provide institutional development and support to the KwaZulu-Natal Provincial Government.

It comprises of the following sub-programmes:

CORPORATE SERVICES

- Strategic Human resources
- Information Technology
- Communication Services

INSTITUTIONAL DEVELOPMENT AND INTEGRITY MANAGEMENT

- Legal Services
- Special Programmes

Strategic objective indicators, performance indicators, planned targets and actual achievements

The 2019/20 Performance Information is preliminary and is subject to the audit process.

Strategic objective indicators:

Programme Name: Institutional Development								
Strategic Objective	Strategic Objective Indicators	Actual Achievement 2016/2017	Actual Achievement 2017/2018	Actual Achievement 2018/2019	Planned Target 2019/2020	Actual Achievement 2019/2020	Deviation from planned target to Actual Achievement for 2019/2020	Comment on deviations
Improved resource management support services.	Average MPAT Score for HR (KPA3) OTP	Not applicable	2.8	2.5	Not applicable	Not applicable	Not applicable	n/a
	Provincial HRM Turn-around Strategy	Draft Document available	The strategy document is 99% complete.	The Strategy document is 99% complete. The input from all Provincial Departments has been incorporated into the draft KZN Provincial HR Turn-around Strategy document.	Annual strategy implementation and monitoring reports.	The draft KZN Provincial HRM Turn-around Strategy has gone through various structures in terms of protocols and is due for tabling at the Governance, State Capacity and Institutional Development (GS-CID) Political Cluster, which would lead to approval.	Strategy not implemented.	The strategy was drafted and consulted for inputs and adoption. However, in accommodating new MTSF in order to align with priorities of the 6 th Administration, the strategy was subjected to further review and refinement.

Programme Name: Institutional Development

Strategic Objective	Strategic Objective Indicators	Actual Achievement 2016/2017	Actual Achievement 2017/2018	Actual Achievement 2018/2019	Planned Target 2019/2020	Actual Achievement 2019/2020	Deviation from planned target to Actual Achievement for 2019/2020	Comment on deviations
								Recommendations of the Committee of Heads of Department (CO-HOD) on 3 December 2019 and subsequent adoption processes were not finalized by 31 March 2020.
	KZN Integrated Public Service HRD strategy	Not applicable	Integrated Public Service HRD Strategy draft has been finalised. Relevant Stakeholders have been consulted but approval has not taken place.	Strategy Completed and consulted.	Implementation and monitoring	KZN Integrated Public Service HRD strategy is at a draft stage. Strategy is due for tabling at GSCID Cluster. The revised national HRD strategy is being consulted with the national GSCID. KZN will adapt to the national updates.	Strategy not implemented.	The strategy was not finalized. Revisions into the provincial strategy, in line with national updates, were not completed by 31 March 2020.

Programme Name: Institutional Development

Strategic Objective	Strategic Objective Indicators	Actual Achievement 2016/2017	Actual Achievement 2017/2018	Actual Achievement 2018/2019	Planned Target 2019/2020	Actual Achievement 2019/2020	Deviation from planned target to Actual Achievement for 2019/2020	Comment on deviations
	Number of HRD Fora engagements	Not applicable	11	11	11	2		Evidence for additional Fora engagements was provided after the reporting period and was therefore not included in the output. Even with all the reported engagement the target of 11 was not met.
	Performance rating in AG dashboard measure of drivers relating to Leadership: Information Technology Compliance with Corporate Governance of Information Technology Policy.	Not applicable	In compliance with CGIT policies	No regression in compliance with CGIT policies	No regression in compliance with CGIT policies.	No regression in compliance with CGIT policies.	0	No deviation from set target

Programme Name: Institutional Development								
Strategic Objective	Strategic Objective Indicators	Actual Achievement 2016/2017	Actual Achievement 2017/2018	Actual Achievement 2018/2019	Planned Target 2019/2020	Actual Achievement 2019/2020	Deviation from planned target to Actual Achievement for 2019/2020	Comment on deviations
Ethical Public Service with reduced incidents of fraud and corruption.	Provincial anti-fraud and corruption strategy reviewed	Not applicable	Not applicable	Not applicable	Draft strategy reviewed	Strategy was drafted and presented to COHOD and GSCID Cluster. Resolution was taken halt approval of Provincial strategy to allow National Strategy on Anti-fraud and Corruption to be finalized. A further resolution was taken to develop a Provincial Anti-fraud and Corruption Implementation Plan, based on the draft National anti-corruption strategy. The Plan is prioritized for 2020/21.		A resolution was taken by COHOD and GSCID to halt approval of Provincial strategy to allow National Strategy on Anti-fraud and Corruption to be finalized. The Provincial Anti-fraud and Corruption Implementation Plan is prioritized for 2020/21, while the national review process is finalized.
Ethical Public Service with reduced incidents of fraud and corruption.	Number of annual security risk monitoring co-ordination reports	1	1	1	1	0	1	The security unit management was off-sick frequently, hence none led the implementation of the APP at a strategic level.

Programme Name: Institutional Development								
Strategic Objective	Strategic Objective Indicators	Actual Achievement 2016/2017	Actual Achievement 2017/2018	Actual Achievement 2018/2019	Planned Target 2019/2020	Actual Achievement 2019/2020	Deviation from planned target to Actual Achievement for 2019/2020	Comment on deviations
Effective and efficient communication engagement.	Updated Provincial Communication Strategy		Annual strategy implementation and monitoring reports	The Department does not have an annual communication strategy	Annual strategy implementation and monitoring reports	Strategy was drafted and consulted at various	Strategy not implemented	The final Communication Strategy and Plan had to be in line with priorities of the 6 th administration and MTSF 2019-2024. Final consultation at Executive Council level took place at the Lekgotla in February 2020, where a resolution was taken to submit the document for approval by the Executive Council. This process was not finalized by 31 March 2020.
Appropriate and constitutionally compliant Provincial Legislation.	No order of constitutional inconsistency or invalidity is made by the courts i.r.o any Provincial Law.	0	0	0	0	0	0	No deviation from set target

Programme Name: Institutional Development

Strategic Objective	Strategic Objective Indicators	Actual Achievement 2016/2017	Actual Achievement 2017/2018	Actual Achievement 2018/2019	Planned Target 2019/2020	Actual Achievement 2019/2020	Deviation from planned target to Actual Achievement for 2019/2020	Comment on deviations
Main-streaming a culture of human rights focusing on vulnerable groups.	Number of updated 5-year strategic plans for each target group: 1 x gender 1 x disability, 1 x children; and 1 x senior citizens	Not applicable	1 per group, 4 total	1 per group, 4 total	1 per group, 4 total	0	Plans not finalized.	The draft documents were produced and consulted upon. The documents could not be finalised from inputs as more work needed to be done to improve the quality. Strategic Plans were therefore not finalised by 31 March 2020.
	Number of updated annual business plans on youth development programmes.	0	0	1	1	0	-1	Inputs were requested to develop the annual business plan from provincial Departments. Lack of adequate feedback led to inability to achieve target.
	Number of annual review and impact reports of youth development and empowerment programmes.	0	0	1	1	0	-1	The review was not undertaken as there was no plan on which to base the review and impact report

Programme Name: Institutional Development

Strategic Objective	Strategic Objective Indicators	Actual Achievement 2016/2017	Actual Achievement 2017/2018	Actual Achievement 2018/2019	Planned Target 2019/2020	Actual Achievement 2019/2020	Deviation from planned target to Actual Achievement for 2019/2020	Comment on deviations
Ombudspersons Coordination.	Annual Provincial Ombudsperson Intervention Coordination and Monitoring reports	Not applicable	1	0	1	0	-1	There was capacity constraint in the unit which resulted in poor understanding of role and responsibility. As a result, report was not developed.

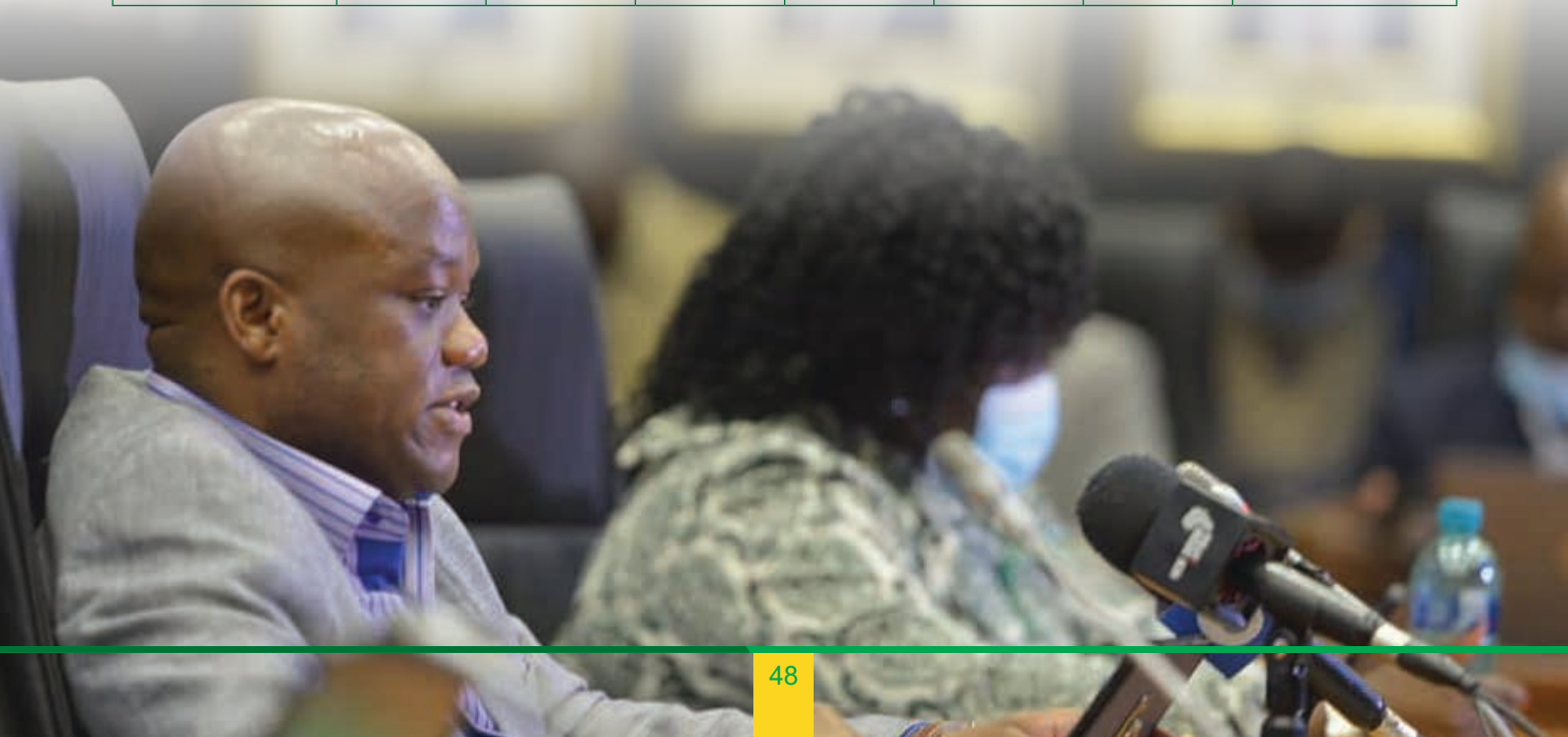
Performance indicators

Programme / Sub-programme 1: Strategic Human Resource; 2: Information Technology

Performance Indicator	Actual Achievement 2016/2017	Actual Achievement 2017/2018	Actual Achievement 2018/2019	Planned Target 2019/2020	Actual Achievement 2019/2020	Deviation from planned target to Actual Achievement 2019/2020	Comment on deviations
Number of KZN Provincial Integrated Strategic Human Resources Management forum meetings held.	22	4	4	4	1	-3	Pre-election APP Indicator, Applicable to Q1.
Number of PHRDF forum meetings.	3	4	4	4	1	-3	Pre-election APP Indicator, Applicable to Q1.
Number of PSDF forum meetings	3	4	4	4	1	-3	Pre-election APP indicator, Applicable to Q1
Number of Human Resource compliance reports.	21	15	15	15	15	0	No deviation from set target
Number of KZN HRD Council meetings.	3	3	3	3	0	-3	Pre-election APP Indicator.

Programme / Sub-programme 1: Strategic Human Resource; 2: Information Technology

Performance Indicator	Actual Achievement 2016/2017	Actual Achievement 2017/2018	Actual Achievement 2018/2019	Planned Target 2019/2020	Actual Achievement 2019/2020	Deviation from planned target to Actual Achievement 2019/2020	Comment on deviations
Number of training sessions.	40	217	138	100	88	-12	Fewer sessions were conducted than targeted. Incidents of COVID-19 in March 2020 resulted in deferment of intended training.
Number of quarterly reports on labour and disciplinary cases submitted to the Executive Council.	Not applicable	Not applicable	Not applicable	3	1	-2	One report was submitted to the Executive Council. Attempts to table other reports were not achieved within timeframes set in the TID.
Number of reports on the implementation of the HRD Council resolutions.	Not applicable	Not applicable	Not applicable	3	1	-2	Evidence submitted for the reported achievement (Q3 and Q4) did not fully meet the requirements as the HRD Council term expired in August 2019. Processes to appoint the Council were not finalized by March 2020.



Programme / Sub-programme 1: Strategic Human Resource; 2: Information Technology

Performance Indicator	Actual Achievement 2016/2017	Actual Achievement 2017/2018	Actual Achievement 2018/2019	Planned Target 2019/2020	Actual Achievement 2019/2020	Deviation from planned target to Actual Achievement 2019/2020	Comment on deviations
Number of structured partnerships established with institutions of higher learning.	Not applicable	Not applicable	Not applicable	5	1	-4	One Institution partnership with an agreement was finalized. Agreements were not concluded for other institutions with whom engagements had been in progress. These Are UNISA, UniZulu, UKZN and MUT).
Percentage of disciplinary cases concluded within 90 days.	Not applicable	Not applicable	Not applicable	100%	21%	79.72%	The report indicates that there were challenges in finalising the cases within 90 days. The following challenges were cited: Postponements and unavailability of Chairperson. No prescribed venues and tools of trade for sexually related misconduct cases.
Number of reports on Technical HR support services on KZN HR policy matters.	Not applicable	Not applicable	Not applicable	4	4	0	No deviation from set target.
Number of 6 monthly Broadband strategy progress coordination reports.	2	2	2	2	2	0	No deviation from set target.

Programme / Sub-programme 1: Strategic Human Resource; 2: Information Technology

Performance Indicator	Actual Achievement 2016/2017	Actual Achievement 2017/2018	Actual Achievement 2018/2019	Planned Target 2019/2020	Actual Achievement 2019/2020	Deviation from planned target to Actual Achievement 2019/2020	Comment on deviations
Number of quarterly reports on the implementation of the ICT strategy.	Not applicable	Not applicable	Not applicable	3	1	-2	The target was not achieved in Q2 and Q3 due to capacity constraints. The appointment was made in Q4.
Number of annual provincial departments IT governance assessment coordination reports.	Not applicable	Not applicable	Not applicable	1	1	0	No deviation from set target.
Number of Provincial ICT strategies reviewed	Not applicable	Not applicable	Not applicable	1	1	0	No deviation from set target.

Programme / Sub-programme 4: Communication Services

Performance Indicator	Actual Achievement 2016/2017	Actual Achievement 2017/2018	Actual Achievement 2018/2019	Planned Target 2019/2020	Actual Achievement 2019/2020	Deviation from planned target to Actual Achievement 2019/2020	Comment on deviations
Annual Communication Plan approved by Exco by 30 April	0	0	0	1	0	-1	Pre-election APP Indicator and target set for Q1.
Number of internal electronic newsletters to OTP staff on developments in the department	0	2	5	2	4	2	2 more newsletters were produced as a result of critical issues worthy of communication to staff.

Programme / Sub-programme 4: Communication Services

Performance Indicator	Actual Achievement 2016/2017	Actual Achievement 2017/2018	Actual Achievement 2018/2019	Planned Target 2019/2020	Actual Achievement 2019/2020	Deviation from planned target to Actual Achievement 2019/2020	Comment on deviations
Number of Provincial Communication plans reviewed.	Not applicable	Not applicable	Not applicable	1	0	-1	Final consultation for the Communication Strategy and Plan at Executive Council level took place in February 2020. Processes for finalization could not be concluded before the end of March 2020 (Q4).
Number of monitoring reports on implementation of the Provincial Communication Plan.	Not applicable	Not applicable	Not applicable	3	0	-3	Quarterly monitoring reports were based on the implementation of the unapproved plan.
Number of structured partnerships with community radio stations.	Not applicable	Not applicable	Not applicable	1	0	-1	Partnerships were not formalized through agreements. Broadcasts were made on an ad hoc basis.
Number of Premier's in-studio interviews on television and radio.	Not applicable	Not applicable	Not applicable	6	10	4	More interviews were conducted based on critical government issues discussed at the time (current affairs).
Number of articles on the PGDP published in the print media targeting external audiences	1	3	13	8	25	17	More articles were published in print media as a result of more PGDP related issues being discussed/ services delivered.

Programme / Sub-programme 4: Communication Services

Performance Indicator	Actual Achievement 2016/2017	Actual Achievement 2017/2018	Actual Achievement 2018/2019	Planned Target 2019/2020	Actual Achievement 2019/2020	Deviation from planned target to Actual Achievement 2019/2020	Comment on deviations
Number of structured partnerships established with the public broadcaster (SABC).	Not applicable	Not applicable	Not applicable	1	0	-1	The partnership agreement between OTP and the SABC expired in July 2019 and was not extended or new partnership entered into.

Programme / Sub-programme 3: Legal services

Performance Indicator	Actual Achievement 2016/2017	Actual Achievement 2017/2018	Actual Achievement 2018/2019	Planned Target 2019/2020	Actual Achievement 2019/2020	Deviation from planned target to Actual Achievement 2019/2020	Comment on deviations
Number of Quarterly Reports on Provincial Legislative Programme submitted within 10 days of end of each quarter.	4	4	4	4	4	0	No deviation from set target.

Programme / Sub-programme 5: Special Programmes

Performance Indicator	Actual Achievement 2016/2017	Actual Achievement 2017/2018	Actual Achievement 2018/2019	Planned Target 2019/2020	Actual Achievement 2019/2020	Deviation from planned target to Actual Achievement 2019/2020	Comment on deviations
Integrity Leadership Conference (nil for 2017/18)	0	0	0	1	0	-1	Pre-election APP Indicator where target was set for Q4.

Programme / Sub-programme 5: Special Programmes

Performance Indicator	Actual Achievement 2016/2017	Actual Achievement 2017/2018	Actual Achievement 2018/2019	Planned Target 2019/2020	Actual Achievement 2019/2020	Deviation from planned target to Actual Achievement 2019/2020	Comment on deviations
Number of annual performance business plan for human rights target group: 1X gender, 1X disability; 1 X children and 1X senior citizens.	15	4	4	4	0	-4	Pre-election APP Indicator and target set for Q2.
Number of awareness campaigns on human rights coordinated	12	10	16	10	2	-8	Pre-election APP Indicator and Q1 target achieved
Number of quarterly intervention reports on resolution of service delivery complaints.	4	4	4	4	3	-1	The target of 3 reports was achieved for the year. The post-election APP reflected a target of 4 instead of 3.
Number of quarterly progress reports (National Anti-Corruption Hotline cases).	4	4	4	4	4	0	No deviation from set target.
Number of ethics workshops.	4	4	4	4	4	0	No deviation from set target.

Programme / Sub-programme 5: Special Programmes

Performance Indicator	Actual Achievement 2016/2017	Actual Achievement 2017/2018	Actual Achievement 2018/2019	Planned Target 2019/2020	Actual Achievement 2019/2020	Deviation from planned target to Actual Achievement 2019/2020	Comment on deviations
Number of community empowerment workshops on anti-corruption held.	Not applicable	Not applicable	Not applicable	6	1	-5	1 workshop was done in eThekweni. The unit had engagements with other stakeholders (Treasury, COGTA, SIU, Hawks, AFU and NPA) for collaboration in conducting workshop. The unit was requested to improve the content by developing a concept for these engagements. Therefore, without a concept they were not able to conduct improved workshops by end of March 2020.
Number of consolidated reports on the roll-out of the "I do right even when nobody is watching campaign"	4	4	4	4	1	-3	Pre-election APP Indicator and Q1 target achieved.
Percentage of case resolution of cases from the National Anti-Corruption hotline.	Not applicable	Not applicable	Not applicable	80%	94%	14%	More cases were finalized than targeted. Some cases are less complex in nature and are faster to finalize.

Programme / Sub-programme 5: Special Programmes

Performance Indicator	Actual Achievement 2016/2017	Actual Achievement 2017/2018	Actual Achievement 2018/2019	Planned Target 2019/2020	Actual Achievement 2019/2020	Deviation from planned target to Actual Achievement 2019/2020	Comment on deviations
Number of anti-fraud and anti-corruption workshops for provincial departments throughout the province.	Not applicable	Not applicable	Not applicable	6	2	-4	Workshops were targeted for public servants. The indicator title makes specific reference to "provincial departments". Workshops were extended to public servants in municipalities. The TID condition of "provincial Departments" was contravened.
Number of Fraud and Corruption reports.	3	4	4	4	4	0	No deviation from set target.
Number of capacity building sessions conducted for security managers in Provincial Departments	Not applicable	Not applicable	Not applicable	3	1	-2	There was no capacity in the unit to conduct capacity building sessions due to ill health.
Number of quarterly Minimum Physical Security Standards (MPSS) monitoring coordination reports.	4	4	4	4	4	0	No deviation from set target.
Number of quarterly service delivery complaints resolution report	Not applicable	Not applicable	Not applicable	4	1	-3	Pre-election APP Indicator and Q1 target achieved

Programme / Sub-programme 5: Special Programmes

Performance Indicator	Actual Achievement 2016/2017	Actual Achievement 2017/2018	Actual Achievement 2018/2019	Planned Target 2019/2020	Actual Achievement 2019/2020	Deviation from planned target to Actual Achievement 2019/2020	Comment on deviations
Number of threat and risk assessment (TRA) verification monitoring coordination reports.	4	4	4	4	1	-3	Pre-election APP Indicator and Q1 target achieved
Number of plans developed to address 365 days visible campaigns against GBV.	Not applicable	Not applicable	Not applicable	1	1	0	No deviation from set target.
Number of coordination reports on the protection and promotion of rights of designated groups (Women, Senior Citizens, Children and People with Disabilities).	Not applicable	Not applicable	Not applicable	12	12	0	No deviation from set target.
Number of coordination reports on empowerment of designated groups (Women, Senior Citizens, Children and People with Disabilities).	Not applicable	Not applicable	Not applicable	12	12	0	No deviation from set target.
Number of consolidated human rights monitoring reports.	2	2	2	4	4	0	No deviation from set target.

Programme / Sub-programme 5: Special Programmes

Performance Indicator	Actual Achievement 2016/2017	Actual Achievement 2017/2018	Actual Achievement 2018/2019	Planned Target 2019/2020	Actual Achievement 2019/2020	Deviation from planned target to Actual Achievement 2019/2020	Comment on deviations
Number of coordination reports on the Provincial Youth Development Plan.	Not applicable	Not applicable	Not applicable	3	0	-3	The draft report was compiled and submitted to M&E but was not informed by any plan or strategy. There was no basis for monitoring progress.
Number of progress reports on the rollout of the Youth Empowerment Fund.	Not applicable	Not applicable	Not applicable	4	1	-3	Reports were submitted on quarterly basis and were presented to Clusters. However, reports for Q2 and Q3 did not meet reporting requirements as there was no proof of tabling at Social Cluster and Executive Council as required.
Number of Provincial Youth Development plans developed.	Not applicable	Not applicable	Not applicable	1	0	-1	The Provincial Youth Development Strategy and Plan was drafted and consulted through OTP MANCO, Executive Council Lekgotla and GSCID Cluster. The inputs were collated but not submitted nor adopted by the Executive Council by 31 March 2020.
Number of quarterly monitoring reports on youth forums.	0	4	4	4	1	-3	Pre-election APP Indicator and Q1 target achieved

Programme / Sub-programme 5: Special Programmes

Performance Indicator	Actual Achievement 2016/2017	Actual Achievement 2017/2018	Actual Achievement 2018/2019	Planned Target 2019/2020	Actual Achievement 2019/2020	Deviation from planned target to Actual Achievement 2019/2020	Comment on deviations
Number of Coordination report on projects for Youth.	2	4	4	4	1	-3	Pre-election APP Indicator and Q1 target achieved
Number of OTP Ombudsperson reports.	2	2	2	2	2	0	No deviation from set target.

Strategy to overcome areas of under performance

The Annual Performance Plan for 20/21 will reflect accurate and achievable performance indicators and targets.

Changes to planned targets

Changes to targets and indicators will be made as necessary, taking to account the priorities of the 6th administration.

Budget is linked to performance**Sub-programme expenditure**

Sub- Programme Name	2019/2020			2018/2019		
	Final Appropriation	Actual Expenditure	(Over)/ Under Expenditure	Final Appropriation	Actual Expenditure	(Over)/ Under Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
Strategic Human Resources	78 675	72 415	6 260	73 066	72 188	878
Information Communication Technology	86 580	82 852	3 728	75 059	69 283	5 776
Legal Services	12 439	12 209	230	13 789	13 568	221
Communication Services	68 040	51 551	16 489	56 269	56 127	142
Special Programmes	95 592	92 485	3 107	149 340	148 465	875
Gaming and Betting	0	0	0	47 130	46 933	197
Total	341 326	311 512	29 814	414 653	406 564	8 089

1.3 Programme 3: Policy and Governance

To improve and facilitate the coordination and alignment of the transversal policies, strategies, long to improve and facilitate the coordination and alignment of the transversal policies, strategies, long term plans and programmes for the Provincial Government.

It comprises of the following sub-programmes:

MACRO POLICY AND STRATEGIC MANAGEMENT

- Provincial Policy Management

STAKEHOLDER COORDINATION

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

Strategic objective indicators, performance indicators, planned targets and actual achievements

The 2019/20 performance information is preliminary and is subject to the audit process.

Strategic objective indicators:

Programme Name: Policy and Governance								
Strategic Objective	Strategic Objective Indicators	Actual Achievement 2016/2017	Actual Achievement 2017/2018	Actual Achievement 2018/2019	Planned Target 2019/2020	Actual Achievement 2019/2020	Deviation from planned target to Actual Achievement for 2019/2020	Comment on deviations
Enhanced strategic management in KZN Provincial Government	Updated Provincial Growth and Development Plan by December each year.	1	1	1 Annual updated PGDP.	1 Annual updated PGDP	1 Annual updated PGDP	0	No deviation from set target.
Effective and efficient stakeholder engagement and empowerment	Number of consolidated annual review and impact reports of stakeholder engagements.	0	4	4	4	0	-4	The challenge of not having an approved stakeholder co-ordination strategy resulted in the inability to consolidate annual review on the stakeholder engagements.
Priority Programmes Coordination	Number of consolidated annual priority programmes coordination.	0	1	1	1	1	0	No deviation from set target.

Programme Name: Policy and Governance

Strategic Objective	Strategic Objective Indicators	Actual Achievement 2016/2017	Actual Achievement 2017/2018	Actual Achievement 2018/2019	Planned Target 2019/2020	Actual Achievement 2019/2020	Deviation from planned target to Actual Achievement for 2019/2020	Comment on deviations
	Progress reports in the implementation of all 4 phases of the Poverty Eradication Master Plan (PEMP).	0	1	Progress report on PEMP implementation of phases 1 to 3, and progress towards implementation of Phase 4.	Not applicable	Not applicable	Not applicable	n/a
	Number of consolidated annual review and impact reports of stakeholder engagements.	0	4	4	Not applicable	Not applicable	Not applicable	n/a
Effective and efficient support to His Majesty and the Royal Household	Annual plan on support services to the Zulu Monarch.	0	1	1	1	1	0	The Plan was not developed by the unit as required due to poor understanding of the strategic objective.
Effective and efficient support to His Majesty and the Royal Household	Annual monitoring reports on the Royal Household Trust.	Not applicable	1	1	1	1	0	Annual Report submitted as evidence to demonstrate implementation of indicator was submitted after the deadline for reporting.

Performance indicators

Programme / Sub-programme: Provincial Policy Management							
Performance Indicator	Actual Achievement 2016/2017	Actual Achievement 2017/2018	Actual Achievement 2018/2019	Planned Target 2019/2020	Actual Achievement 2019/2020	Deviation from planned target to Actual Achievement 2019/2020	Comment on deviations
Number of policy audit reports	2	2	2	2	2	0	No deviation from set target.
Citizen satisfaction survey report.	1	0	1	1	1	0	No deviation from set target.
Assessment report on the functionality of the Provincial Planning Commission.	n/a	4	4	3	3	0	No deviation from set target.
Number of quarterly monitoring reports on status of the Nerve centre	4	4	4	4	0	-4	The reports that were submitted did not meet the requirement as per the TID therefore the quality of reports not approved during verification.
Number of consolidated PGDP AWG reports.	2	4	4	4	4	0	No deviation from set target.
Number of Front-Line Service Delivery reports (FLSD).	2	2	2	4	3	0	A target of 3 reports was achieved for 2019/20. A target was set for Q1 in the post-election APP.
Assessment reports on the functionality of PGDP Action Workgroups.	2	2	2	1	1	0	No deviation from set target.
Consolidated Provincial strategic planning alignment reports.	1	1	1	1	1	0	No deviation from set target.
Number of QPR Assessment reports.	1	4	4	4	4	0	No deviation from set target.

Programme / Sub-programme: Provincial Policy Management

Performance Indicator	Actual Achievement 2016/2017	Actual Achievement 2017/2018	Actual Achievement 2018/2019	Planned Target 2019/2020	Actual Achievement 2019/2020	Deviation from planned target to Actual Achievement 2019/2020	Comment on deviations
Number of six-monthly Service Delivery Improvement Plans (SDIP) implementation reports.	4	4	2	4	2	0	The target of 2 reports was achieved in 2019/20. The target was inaccurately stated as 4. Indicator required reports on 6 monthly basis.
Number of consolidated MPAT Improvement reports tabled at the Governance & Administrative Cluster.	2	2	2	2	1	-1	MPAT was discontinued by DPME.
Number of six monthly reports on level of compliance with Batho Pele principles	4	4	2	2	2	0	No deviation from set target.
Number of reports on the Provincial Evaluation Plan (PEP).	Not applicable	Not applicable	Not applicable	2	2	0	No deviation from set target.
Number of MTSF Outcomes progress report.	0	1	1	1	1	0	No deviation from set target.



Programme / Sub-programme: Premier's Priority Programmes

Performance Indicator	Actual Achievement 2016/2017	Actual Achievement 2017/2018	Actual Achievement 2018/2019	Planned Target 2019/2020	Actual Achievement 2019/2020	Deviation from planned target to Actual Achievement 2019/2020	Comment on deviations
Number of strategic partnership forum meetings with each sector for each sector: 1 x NGO; 1 x Business; 1 x Traditional Authority; 1 x Religious sector.	4	4	3	4 meetings, 1 per sector per year	1	0	Pre-election APP Indicator and Q1 target achieved.
No of workshops of Stakeholders on PGDS/P Vision 2035.	4	4	3	4	1	0	Pre-election APP Indicator and Q1 target achieved.
Number of quarterly reports of strategic partnership programmes for each sector in line with Stakeholder Management Strategy: 1 x NGO; 1 x Business; 1 x Traditional Authority; 1 x Religious sector.	Not applicable	Not applicable	Not applicable	16	12	0	Post-election indicator with revised targets. Q1 target should have been excluded and annual target should have been 12, not 16.
Number of reports on strategic engagements held with farm workers and farm dwellers.	Not applicable	Not applicable	Not applicable	3	2	-1	The one report was submitted late, beyond the timeframe outlined in the Technical Indicator Descriptor.
Consolidated multi-sectorial intervention monitoring and coordination report on HIV and AIDS	4	4	4	4	4	0	No deviation from set target.

Programme / Sub-programme: Premier's Priority Programmes

Performance Indicator	Actual Achievement 2016/2017	Actual Achievement 2017/2018	Actual Achievement 2018/2019	Planned Target 2019/2020	Actual Achievement 2019/2020	Deviation from planned target to Actual Achievement 2019/2020	Comment on deviations
Consolidated multi-sectorial intervention monitoring and coordination report on HIV and AIDS	1	1	1	1	1	0	No deviation from set target.
Number of MRM coordination reports.	4	4	4	4	4	0	No deviation from set target.
Number of Izimbizo, sector and stakeholder engagement co-ordination reports.	Not applicable	3	3	4	3	-1	The Q3 report was submitted late, beyond the timeframe outlined in the Technical Indicator Descriptor.
Number of Veteran support services coordination reports.	4	4	4	4	0	-4	The unit submitted reports which lacked content or information on support service or skills development, as per the TID.
Number of quarterly coordination reports on priority projects.	Not applicable	Not applicable	Not applicable	4	4	0	No deviation from set target.
Number of quarterly coordination reports on progress with PEMP implementation	1	4	4	4	1	0	Pre-election APP Indicator and Q1 target achieved.
Number of OSS Provincial coordination and monitoring reports.	4	4	4	4	4	0	No deviation from set target.

Programme / Sub-programme: Premier's Priority Programmes							
Performance Indicator	Actual Achievement 2016/2017	Actual Achievement 2017/2018	Actual Achievement 2018/2019	Planned Target 2019/2020	Actual Achievement 2019/2020	Deviation from planned target to Actual Achievement 2019/2020	Comment on deviations
Number of implementation reports on progress with PEMP implementation by Departments in line with RASET and Operation Vula	Not applicable	Not applicable	Not applicable	4	4	0	No deviation from set target.
Number of Rapid Response (RR) programme's coordinated.	Not applicable	Not applicable	Not applicable	1	1	0	No deviation from set target.
Number of Stakeholders strategy's developed	Not applicable	Not applicable	Not applicable	1	0	-1	The draft strategy was consulted through governance structures and inputs solicited, for integration into the strategy. As a result of this extensive input and the quality that needed to be improved the strategy was not finalised by March 2020.
Number of coordination reports on Climate Change and Sustainable Development.	Not applicable	Not applicable	Not applicable	2	2	0	No deviation from set target.
Number of reports on the interventions of the Rapid Response programme.	Not applicable	Not applicable	Not applicable	2	2	0	No deviation from set target.

Programme / Sub-programme: Premier's Priority Programmes

Performance Indicator	Actual Achievement 2016/2017	Actual Achievement 2017/2018	Actual Achievement 2018/2019	Planned Target 2019/2020	Actual Achievement 2019/2020	Deviation from planned target to Actual Achievement 2019/2020	Comment on deviations
Provincial Climate Change and Sustainable Development Council re-launched.	Not applicable	Not applicable	Not applicable	1	0	-1	The Council did not meet as scheduled for March 2020. The processes were not finalised and COVID-19 also contributed to that.

Programme / Sub-programme: Royal Household

Performance Indicator	Actual Achievement 2016/2017	Actual Achievement 2017/2018	Actual Achievement 2018/2019	Planned Target 2019/2020	Actual Achievement 2019/2020	Deviation from planned target to Actual Achievement 2019/2020	Comment on deviations
Quarterly reports on support services provided to His Majesty and Royal Household.	4	4	4	4	4	0	No deviation from set target.
Number of RHHT quarterly monitoring reports.	1	4	4	4	4	0	No deviation from set target.
RHHT Annual Performance Plan assessment report.	0	1	1	1	1	0	No deviation from set target.

Strategy to overcome areas of under performance

Targets for 2020/21 will be revised in line with the available budget.

Changes to planned targets

Changes to targets and indicators will be made as necessary taking to account the priorities of the 6th administration.

Budget is linked to performance**Sub-programme expenditure**

Sub- Programme Name	2019/2020			2018/2019		
	Final Appropriation	Actual Expenditure	(Over)/ Under Expenditure	Final Appropriation	Actual Expenditure	(Over)/ Under Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
Provincial Policy Management	48 615	48 073	542	39 946	39 026	920
Premier's Priority Programmes	107 199	106 689	510	117 028	115 633	1 395
Royal Households	79 440	75 440	4 000	69 433	68 874	559
Heritage	0	0	0	53 422	51 026	2 396
Total	235 254	230 202	5 052	279 829	274 559	5 270



2. TRANSFER PAYMENTS

2.1 Transfer payments to public entities

Name of Public Entity	Service rendered by the Public Entity	Amount transferred to the Public Entity	Amount spent by the Public Entity
The Royal Household Trust	To provided support to His Majesty the King	R 19 086	R 19 086



3.DONOR FUNDING

3.1 Donor Funds Received

Donor Fund : National Skills Fund (NSF)

Name of donor	National Skills Fund
Full amount of the funding	R1 687
Period of the commitment	2010/11 to 2018/19
Purpose of the funding	To fund the following learning programmes <ul style="list-style-type: none"> • Learning in the construction sector • Automotive apprenticeship • Manufacturing and engineering apprenticeship and learnership • National Youth Service (NYS) skills programme implemented by the DOPW
Amount spent by the department (R'000)	R1 332
Reasons for the funds unspent	The funds were received in 2017 but could not be spent because service providers did not submit the required evidence

Donor Fund : MERSETA

Name of donor	MERSETA
Full amount of the funding	R4 110
Period of the commitment	2012/13 to 2018/19
Purpose of the funding	Artisan development project in the manufacturing and engineering sector
Amount received in current period (R'000)	R 1 115
Amount spent by the department (R'000)	R 3 206
Reasons for the funds unspent	The contracts with the service providers expired and there were delays in getting the necessary approvals to process payments



4. CAPITAL INVESTMENT

Capital investment, maintenance and asset management plan

Infrastructure projects	2019/2020			2018/2019		
	Final Appropriation R'000	Actual Expenditure R'000	(Over)/Under Expenditure R'000	Final Appropriation R'000	Actual Expenditure R'000	(Over)/Under Expenditure R'000
New and replacement assets	4 000		4 000			
Existing infrastructure assets	7 589	8 033	-444	9 632	5 465	4 167
- Upgrades and additions	3 725	3 155	570	3 557	2 104	1 453
- Rehabilitation, renovations and refurbishments	503	2 517	-2 014	3 758	2 310	1 448
- Maintenance and repairs	3 361	2 361	1 000	2 317	1 051	1 226
Infrastructure Leases	12 169	14 215	-2 046	12 456	8 033	4 423
Total	23 758	22 248		20 088	13 498	8 590



PART C:

GOVERNANCE



1. INTRODUCTION

The Department remains committed to maintaining the highest standards of governance in the management of public finances and resources. Numerous governance structures such as EXCO, MANCO and the Risk Committee are in place to monitor and ensure that taxpayers and communities receive efficient and effective service delivery at the best value for money. Furthermore, independent oversight structures such as the Cluster Audit and Risk Committee are in place to review the Department's systems of financial and risk management and internal control.

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 plan;
- 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 Cluster 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. SCOPA RESOLUTIONS

Resolution No.	Subject	Details	Response by the department
01/2020	<p>Noting that:</p> <p>The Office of the Premier has identified 554 cases of irregular expenditure to the value of R85.458 million in the 2017/18 financial year and R173.322 million in the 2018/19 financial year. A total of 364 cases to the value of R30.594 million have been finalised and these have been submitted to Provincial Treasury for condonation.</p>	<p>The Committee resolves:-</p> <p>The Accounting Officer provide a progress report to the Committee by 30 April 2020 on the outcome of the outstanding investigations, consequence management applied in the completed cases, the outcome of the submission for condonation and the effectiveness of the steps taken to prevent a recurrence.</p>	<ul style="list-style-type: none"> • Due to capacity constraints, a service provider was appointed to assist with the identification and investigation of irregular expenditure for prior financial years. The investigations have been finalized and the department is implementing consequence measures as per report recommendations. • It is anticipated that the disciplinary measures of identified officials will be finalized by the 30 April 2020. Financial management controls have been strengthened to prevent/ minimize irregular expenditure. • Training programme is being implemented on SCM procedures and contract management. Auxiliary Services Directorate has been relocated to the Financial Management Chief Directorate as additional capacity to deal with contract management amongst other functions. • In order for the department to improve on disclosure of irregular expenditure and ensure the completeness thereof, OTP is undertaking the following: <ul style="list-style-type: none"> • Completeness of 2018/2019 irregular Expenditure • Identification of irregular expenditure for 2019/2020 • Investigations of all identified irregular expenditure • Improved financial controls to prevent irregular expenditure • Internal human resources being utilized in the identification process • A dedicated team from each branch appointed to execute the exercise • Integrated IT system (Team) is being utilized to facilitate coordination and integration of the identification process • Two days training undertaken on the IT system and irregular expenditure identification process • Audit Coordinators reviewing all transactions
			<ul style="list-style-type: none"> • To date over 95% of payment vouchers in respect of the 19/2020 financial year. Ninety Five (95) irregular transactions that have been submitted to Provincial Treasury thus for condonement as at 31 March 2020, amounting to R44,570 million, and the balance is currently being investigated and assessed for possible irregular expenditure.

Resolution No.	Subject	Details	Response by the department
			CONSEQUENCE MANAGEMENT <ul style="list-style-type: none"> A legal opinion was obtained to determine the action that is to be taken against officials for the failure to comply with SCM processes. The opinion stated that pursuing disciplinary action for transgressions in respect of periods prior to 31 March 2019 would be procedurally unfair. It was recommended that counselling letters be written to officials who had transgressed SCM procedures for any period prior to 31 March 2019 and that these officials also undergo training that reinforces their knowledge on the procedures that must be followed. Matters relating to the period from 1 April 2019 onwards will be evaluated by Branch Managers to determine if formal or informal disciplinary processes must be initiated. It was recommended that informal disciplinary processes must be finalised within 30 days of being initiated. Formal disciplinary processes would require the appointment of presiding officers and initiators to conduct a disciplinary hearing, where after the chairperson would make a finding on the guilt or innocence of the employee, if found guilty the chairperson will determine appropriate sanction.
02/2020:	Noting that: The transfer payment of R50 million to the KZN Growth Fund in 2018 was treated as an advance payment, which resulted in the budget reflecting as unspent and the amount having been returned to Provincial Treasury in 2019. Discussions are currently underway with Provincial Treasury for these funds to be re-allocated to the Office of the Premier.	The Committee resolves:- The Accounting Officer report to the Committee by 30 April 2020 on the outcome of the discussions with Provincial Treasury to re-allocate the R50 million to the Office of the Premier and to provide a business plan on how the budget will be spent.	<ul style="list-style-type: none"> Provincial Treasury met with the Auditor-General's Technical Team and resolved that the R50 million payment that was made to the KZN Growth Fund was treated in error as an advance payment and therefore should have reflected against the Departmental 2018/19 budget as being spent, thereby reducing the underspending for 2018/19 to 8,11 million. It was therefore recommended that the Department correct the prior year amounts in the 2019/20 Annual Financial Statements to reflect the R50 million as being spent. Furthermore, Provincial Treasury needs to reimburse the Department with R50 million through the Provincial Revenue Fund in order to rectify the accounting treatment of the advance payment. This will not have an impact on the Department's current year budget and will be handled through the Revenue Fund.

Resolution No.	Subject	Details	Response by the department
			<ul style="list-style-type: none"> The KZN Youth Empowerment Fund ("Youth Fund") is part of an intervention and concerted effort by the Provincial Government to create an enabling policy environment for youth development; empowerment and economic emancipation and job creation. The Office of the Premier committed R50 million towards the capitalization of this fund during the 2018/19 financial for possible funding of fifty (50) youth owned businesses in the province. Youth to be funded with a grant funding of an amount that is between R50 thousand to R2 million for start-up, growth or expansion in variety of sectors. There are priority sectors as per the PGDP that youth is encouraged to venture into. The KZN Growth Fund and Trust (KGFT) was appointed as the Fund Manager. <p>The Business Plan</p> <ul style="list-style-type: none"> The Youth Chief Directorate conducts roadshows together with other government departments for advocacy on products and services that are offered by government to the youth. During these roadshows, Departments present detail of their programmes and provide guidance as well. This is done in preparation for the year ahead. The Fund advertisement is then issued in different media modes, including social media which assist to raise awareness and create a hype around the Fund, inviting interested youth of the province to make formal applications. Since the Fund is targeting the entire youth of the province, applications are available through different platforms such as website, Local and Provincial Government offices. Completed applications are returned to the District Offices through Local Municipality offices for easy accessibility by youth. District municipality ensures that all applications reach the OTP by transporting or OTP collects them. All applicants that respond to the invitation are vigorously screened based on minimum requirements and the set criteria. They are then subjected to various committees for segregation of duty purposes. Shortlisted applications move to a next stage which is desktop assessment of business viability. This process is linked to a due diligence which includes site visits to applicants' business for physical assessment, interview and business knowledge. The due diligent is limited to businesses with potential and has prospect of viability. More information about the business is solicited during this stage which includes but not limited to, skills to operate the business, experience and off take agreements if applicable. This is done to ascertain that the investment (grant) would be safe and there will be return on investment.

Resolution No.	Subject	Details	Response by the department
			<ul style="list-style-type: none"> SWOT analysis on both the applicant and the business is conducted by the investment team which works under the supervision of the KGFT. The Investment Committee presents a deal that qualifies for the next stage to the Grant Evaluation Committee which consists of a minimum of three (3) and a maximum of seven (7) members. This committee provides technical support and secretariat to the Fund. Furthermore, they make recommendations to the Approval Committee. <p>This is a final committee in the process. This committee consists of the Director- General as the chairperson, Deputy Directors-General and HOD's of relevant Departments, including the KGFT CEO. This committee is responsible for policies and guidelines. They make final determination or approval on applications presented by the Grant Evaluation Committee. Successful businesses enter into a contract and adhere to terms and conditions as entailed in the terms of reference of the Fund. Disbursement is done directly to suppliers and entrepreneurs collect their equipment.</p> <ul style="list-style-type: none"> Monitoring and evaluation of businesses is conducted for a period of three years after the disbursement of funds. Businesses are visited on a quarterly basis to check whether they still exist and in business, whether they still use the equipment for the purpose it was intended for. If the business ceases to exist within the first three years due to lack of interest by the entrepreneur, the equipment may be transferred to the next youth entrepreneur.
03/2020	<p>Noting that:</p> <p>A detailed Audit Improvement Plan was submitted to Provincial Treasury which includes specific action plans to address the audit findings on procurement and contract management and on other matters.</p>	<p>The Committee resolves:-</p> <p>The Accounting Officer submit a copy of the Audit Improvement Plan to the Committee by 30 April 2020, together with a progress report on the implementation of the action plans.</p>	<ul style="list-style-type: none"> There is an improvement of resolved actions to 90%, the disciplinary process is underway for the finalized investigations on the irregular expenditure, and further analysis is being undertaken and supported by a service provider. Consequence Management Policy is being developed and is currently on the consultation stage with Provincial Treasury. Measures have been put in place to monitor and ensure that outstanding action plans are resolved within reasonable timeframes
05/2020	<p>Noting that:</p> <p>One internal investigation relating to irregularities in the Public Service Training Academy was still in progress. The Integrity Management Unit had finalised six investigations and two were still in progress.</p>	<p>The Committee resolves:</p> <p>The Accounting Officer report to the committee by 30 April 2020 on:</p> <p>(a) progress made in all internal investigations, as well as the anticipated time frames for completion;</p>	<ul style="list-style-type: none"> The investigation at the Public Service Training Academy has been completed. The draft investigation report is now due for review. The completion of the review of the report is expected to be 31 May 2020. The recommendations to all allegations have been included in the draft report. Recommendations have not been implemented yet since the report is yet to be reviewed and forwarded to the DG for approval.

Resolution No.	Subject	Details	Response by the department
		<p>(b) the outcome and recommendations for investigations completed, as well as steps taken to implement the recommendations; and</p> <p>(c) the reasons for the delays in completing the investigations and steps taken to redress the delays.</p>	<ul style="list-style-type: none"> Initially the delay was caused by unavailability of the Director: SCM for the interview. The Integrity Management Unit managed to secure the interview with the Acting Director: SCM. The investigation was then concluded and the draft report ready for review after obtaining responses of the Acting Director: SCM
06/2020	<p>Noting that:</p> <p>The Office of the Premier has implemented 77% of its risk mitigation plans in 2019/20 and that critical and major risks are being prioritised.</p>	<p>The Committee resolves:</p> <p>The Accounting Officer submit the risk register and a progress report on the implementation of all outstanding risk mitigation plans to the Committee by <u>30 April 2020.</u></p>	<ul style="list-style-type: none"> The percentage of implementation has improved from 77% to 89%. Outstanding areas that still require approvals through multi-sectoral structures like the IGR and International Relations implementation plans and the complaints management system which will be finalized in Q1 2020/21. The leave system is being looked at from a transversal point of view for the Province. The Office of the Premier will await that process. All the vacant posts that have been approved in terms of the circular on austerity measures are being filled. The deadline for filling of these posts is 31 March 2020. Where actions plans have not yet been implemented, supplementary measures have been initiated to facilitate uninterrupted service delivery. The supplementary measures have been implemented without compromising compliance and segregation of duties. Furthermore, the department has put measures in place to closely monitor the implementation of the risk register action plans.
07/2020	<p>Noting that:</p> <p>The Department of Economic Development, Tourism and Environmental Affairs has submitted proposals on the rationalisation of provincial public entities to the executive council.</p>	<p>The Committee resolves:</p> <p>The Accounting Officer report to the Committee by <u>30 April 2020</u> on progress made in the implementation of the proposals adopted by the executive council regarding the rationalisation of provincial public entities.</p>	<ul style="list-style-type: none"> The matter of rationalisation of KZN Trade and Investment, the KZN Tourism Authority and KZN Film Commission, as well as the matter of proposed rationalisation of the Board of KZN Gaming and Betting and the KZN Liquor Authority was presented to the Technical Subcommittee on 19 February

Resolution No.	Subject	Details	Response by the department
	The review of the composition of the public entity Boards and the investigation into uniform Board Members' remuneration is currently underway. The outcome is dependent on the outcome of the rationalisation project.		<ul style="list-style-type: none"> The Ministerial Subcommittee was scheduled to meet in March 2020 to consider the recommendation of the Technical Committee but the meeting could not take place due to the National Lockdown. The meeting will be held in May 2020.
81/2020	Noting that: <ul style="list-style-type: none"> [1] The inter-departmental claims balances owing by Provincial Departments to Public Works as at 31 December 2019 amounted to R293.109 million. [2] R79.9 million of that amount was 120 days or more overdue, R9.265 million was 90 days or older, R77.111 million was 60 days or older and R26.414 million was 30 days or older. 	The Committee resolves:- The Accounting Officer of each Department report to the Committee by 30 April 2020 on: <ul style="list-style-type: none"> a) the amount owing to Public Works as at 31 March 2020, together with an age analysis; b) the reasons for the delays and defaults in the settlement of claims payable to Public Works; and 	<ul style="list-style-type: none"> The Office of the Premier settled all invoices received from Public Works by 31 March 2020. The Office of the Premier would only not pay invoices if there was a query with Public Works. The Office of the Premier would contact Public Works and resolve the issue. The Office of the Premier always endeavours to pay invoices within 30 days and has put in place measures such as the 30 day letter wherein units have to provide reasons for non-payment of invoices within 30 days. This letter has to be approved by the Chief Financial Officer and Accounting Officer before the payment can be processed.
	<ul style="list-style-type: none"> [3] The delays in settlement of claims by client departments has resulted in an adverse audit finding against Public Works on material impairment of claims recoverable. 	c) Measures implemented to ensure that payment of invoices will be made to Public Works within 30 days as required by Treasury Regulation 8.2.3.	

4. PRIOR MODIFICATIONS TO AUDIT REPORTS

During the 2018/19 financial year the department obtained a qualified audit opinion. The basis for the qualified opinion was that the department did not fully record irregular expenditure in the notes to the financial statements, as required by section 40(3)(i) of the PFMA. This was due to expenditure incurred in contravention of the supply chain management legislation not being detected, recorded and appropriately disclosed in the financial statements.

In order to address identified shortcomings, the Accounting Officer developed and approved an audit improvement plan which has been monitored by various structures such as MANCO, EXCO, the departmental Risk Committee and the Cluster Audit and Risk Committee to ensure progress and accountability. The table below depicts some of the shortcomings identified and measures that have been implemented to address them:

Ref	AG Finding	Improvement measure	Progress Report
1	Completeness of Irregular expenditure – No processes to identify and record irregular expenditure.	RMs/Branch Heads to provide detailed motivation for services requested at short notice and in violation of the cost-cutting Circular.	RMs/Branch Heads are providing detailed motivation for services requested at short notice and in violation of the cost-cutting Circular. These submissions are scrutinised by the CFO.
		CFO to appoint a dedicated team that will review a register of payments on a monthly basis and identify irregular expenditure	Due to capacity constraints, Provincial Treasury seconded a resource to review a register of payments and identify irregular expenditure.
		SCM Manager to detect/declare deviations not in compliance with prescripts as irregular	A register of deviations is updated by SCM.
2	Three quotations not obtained – - Reasons were recorded, it was found to be unreasonable - Furthermore, none of the recorded reasons were approved by a delegated official in terms of the supply chain management delegations	Reasons for not obtaining three, (3) quotations to be documented in detail and must be justifiable	Reasons for not obtaining three quotations are now drafted in detail and included in the payment package.
		The SCM Manager to ensure that the recorded reasons are approved by a delegated official in terms of the SCM delegation.	All recorded reasons for not obtaining three quotes are now approved by a delegated official in line with the SCM Policy.
3	Deviations on awards greater than R 500 000 - No evidence that one supplier possesses the unique and singularly available capacity to meet the requirements of the institution. - Motivations for the use of sole suppliers came directly from the user department with no evidence of the SCM unit's involvement - Motivations were detailed on the need for the procurement rather than the reasons for the supplier being classified as a sole supplier.	Branches to make requests for deviations if necessary through SCM	No orders are placed by SCM for any deviations done outside SCM or not approved by the AO
		Deviation above R500 000 to be recommended by the BAC.	SCM is ensuring that the SCM processes are being followed for bids above R500 000 instead of resorting to a deviation. The recent cases include Security Contracts and Cleaning Services Bids.

Ref	AG Finding	Improvement measure	Progress Report
4	Tax non-compliant suppliers used – (Maintain proof of CSD compliance report as evidence)	SCM Manager to ensure that the supplier's tax status is verified on CSD before awards and also before issuing an order.	A compliance check is in place and SCM verifies the supplier's tax status before awarding. Copies of the CSD reports are maintained for audit purposes.
		CSD compliance report to be printed and included in the SCM file as evidence	Copies of the CSD reports are maintained for audit purposes.
5	Contract modified or extended without approval of the accounting officer or delegated official	RMs/Branch Heads to submit requests for extension of contract(s) through SCM at least three months before the expiration of contract.	Contracts Management Unit is assisting Branches with compliance. There are still some cases of non-compliance especially with leased machines but have been identified and recorded as irregular.
		SCM to ensure that the value of the contract extension to be approved by the AO is not above 15% of the original contract amount or else seek the AO's recommendation and Treasury approval.	SCM is ensuring compliance with this requirement.
6	Non-compliance with local content requirements	Bid quotation documentation for procurement of commodities designated for local content and production, to be reviewed and ensure that they stipulate the minimum threshold for local production and content as required by the 2017 preferential procurement regulation (PPR) 8(2).	Bid quotation documents have been updated.
7	Material misstatements identified in the financial statements - material adjustments have been made by management to the annual financial statements since submitted on 31 May 2019.	A detailed action plan for the preparation of the AFS with critical deadlines and responsibilities to be developed and circulated to all relevant officials before the end of the financial year.	A project plan is in place
		The CFO to ensure adherence to the set deadlines by the responsible officials	The CFO monitors adherence thereto.
8	Payments not made within 30 days	RMs and Branch Heads to review their commitment reports on a monthly basis and adhere to the set time-frames as per Circular No: CFO 01/08/19	The BAS Commitment Report is Circulated to all Branches for clearing. There is still a challenge as some branches are still not adhering to the deadlines for clearing of commitments but the Office of the CFO is handling the matter and providing guidance to the Branches.

Ref	AG Finding	Improvement measure	Progress Report
9	<p>Prepayments made not required by contractual arrangements</p> <ul style="list-style-type: none"> - Contracts did not make provision for prepayments 	<p>RMs/Branch Heads to ensure that the submissions requesting the procurement of services motivate the reasons for an advance payment and ensure that they do not exceed 25% of the contract amount.</p>	<p>Branches have been advised that there will be no advance payments if there is no provision in the contract. Most of the partnership contracts that were flagged by AG have expired according to the contract register. Those that remain active are currently being reviewed and end users have been advised to initiate cancellation procedures. All expenditure incurred has been declared in the irregular expenditure register.</p>
		<p>Legal services to ensure that there is a necessary clause in the contract clearly indicating the advance payment if necessary and the payment terms thereof.</p>	<p>Addenda to the specific contracts were drafted by SLAS providing for advance payments. The addenda were specifically drafted for contracts with Diakonia Council of Churches, KZN Church Leaders Council, Amanguni and Intshukumo Latter Days Prophetic Movement. The addenda were signed by all parties.</p>
10	<p>Disciplinary on officials - Irregular and fruitless and wasteful expenditure (No investigations)</p>	<p>Irregular expenditure to be investigated and recommendations to be made to the AO for implementation.</p>	<p>A submission and letters addressed to Branch Heads setting out the approach to be taken has been approved by the Director-General on 21 August 2020.</p> <p>Branch Heads must complete the consequence management process by 30 September 2020.</p>
		<p>RMs/Branch Heads to cooperate and provide the necessary information required by Irregular Expenditure investigating team.</p>	<p>Full cooperation received from RMs/Branch Heads.</p>

Ref	AG Finding	Improvement measure	Progress Report
11	Employees doing business with state institutions - no written permission or disclosure of this interest provided	The matter will be investigated and recommendations made on applicable sanctions	Enquiries, collection of documents and analysis was done by Integrity Management Unit (IMU). The documents for all 8 employees were received and recommendations were made to the Accounting Officer for appropriate sanctions.
		Screening of potential service providers against Persal to be conducted before awards	Service providers are screened through Central Suppliers Database (SCD) on the nomination stage to check if are directors are not employees of the state.
		Fraud and ethics awareness campaigns to be conducted in all Branches regarding external remunerative work policy, public service regulations, policy on conducting business with the state and conflict of interest policy.	Completed in July and August 2019 for all Branches
		Circular to be sent to all officials on regular basis reminding them to cease from doing business with the state. Where such matters exist the investigation will be undertaken and consequence management shall apply	Completed by circulating via General Distribution List answers to FAQs which was more educating. Further articles will be circulated quarterly.
12	Suppliers in service of the state	The matter will be investigated and recommendations made on applicable sanctions	The letters were drafted and signed by the DG to the Heads of Departments and Municipal Managers informing them of the employees who did work with our department and to take action.
		Screening of service providers to be conducted before awards.	Service providers are screened through Central Suppliers Database (SCD) on the nomination stage to check if are directors are not employees of the state. .
		OTP to engage CIPC on screening all officials' identity numbers for companies held;	Engagements with National Treasury and CIPC are ongoing.
		Fraud and ethics awareness campaigns to be conducted in all Branches regarding officials doing business with the state.	Completed in July and August 2019 for all Branches
		Circular to be sent to all officials on regular basis reminding them to cease from doing business with the state. Where such matters exist the investigation will be undertaken and consequence management shall apply	Completed by circulating via General Distribution List answers to FAQs which was more educating. Further articles will be circulated quarterly.

Ref	AG Finding	Improvement measure	Progress Report
13	Employee doing business with the department	The matter will be investigated and recommendations made on applicable sanctions	The official is the Commissioner of the Provincial Planning Commission and is not prohibited to conduct business with the organ of state.
		Screening of service providers to be conducted before awards.	Service providers are screened through Central Suppliers Database (SCD) on the nomination stage to check if are directors are not employees of the state. .
		Fraud and ethics awareness campaigns to be conducted in all Branches regarding officials doing business with the state.	Completed in July and August 2019 for all Branches
		Circular to be sent to all officials on regular basis reminding them to cease from doing business with the state. Where such matters exist the investigation will be undertaken and consequence management shall apply	Completed by circulating via General Distribution List answers to FAQs which was more educating. Further articles will be circulated quarterly.
14	SITA not utilised to procure mandatory goods and services – (Provincial nerve centre, Server Migration and maintenance and SIGMA IT) No evidence that SITA cannot provide this service.	<p>The current contract of the Service Provider for the Nerve Centre ends on 31 July 2020.</p> <p>In the future, were valid reasons exist not to utilise SITA, approval will be sort form SITA</p> <p>The process to capacitate internally as well as engaging the services of SITA is being pursued and will be implemented.</p>	<p>As part of the exit strategy (contract ends on 31 July 2019) meetings have been held with OD and HR to build internal capacity and meeting with OTP IT to pursue the option of entering into agreement with SITA to provide services. In terms of department reorganisation the Nerve Centre is proposed to move to OTP IT.</p> <p>Going forward, where services are to be procured outside of SITA, proof will be required from SITA that they are unable to provide this service.</p>
15	Awards made outside of transversal contracts	<p>SCM to ensure compliance with the provisions of the existing Transversal contracts and deviations to be recorded and approved by the AO or delegated official.</p> <p>Where valid reasons exist to procure outside Transversal Contracts, approval will be sort for the AO and Provincial Treasury.</p>	SCM ensures that no awards are made outside the transversal contracts.
16	B-BBEE original certificates or certified certificates not obtained	SCM to obtain original or certified copies of BEE certificates or affidavits when sourcing quotations or bids.	Bid documents are received with original certified copies where the certified copies are not attached, the bidder is not allocated BEE points.

Ref	AG Finding	Improvement measure	Progress Report
17	SBD 4 not provided (Dube Trade port Corporation – Nerve Centre Migration)	SCM to ensure that bidders submit completed SBD 4 forms and other SBDs in compliance with the prevailing SCM prescripts before any award is made. This will also be applicable to Service Providers appointed through deviations.	SCM requests and receives all SBDs forms including SBD 4 form.
18	BBBEE compliance certificate not submitted to the BBBEE Commission	Corporate Management Services to lead the process of obtaining the certificate and provide the required information to the verification agency appointed by EDTEA. The bulk of the information required for BBBEE verification need to be sourced from HR or PERSAL Records.	<p>OTP contacted EDTEA on 29 July 2020 and was advised that the BBBEE certificate that was issued on 30 August 2019 was due to expire on 30 August 2020. This certificate was supposed to have been submitted to the BBBEE Commission within 30 days from date of issue therefore it is too late to submit it now.</p> <p>EDTEA is in the process of appointing a new service provider to deal with the current BBBEE verification process.</p> <p>EDTEA agreed to meet with relevant OTP employees to advise and prepare the OTP for the upcoming verification process on 3 August 2020. Meeting took place on 3 August 2020. EDTEA advised that they will be in contact with the Department to assist with facilitating the new application for BBBEE certification</p>

5. INTERNAL CONTROL UNIT

The Department now has a dedicated Internal Control Unit. The posts of Director: Internal Control and Deputy Director: Internal Control have both been filled. The Deputy Director assumed duties on 17 August 2020 and the Director assumed duty on 15 September 2020.



6.REPORT OF THE AUDIT & RISK COMMITTEE

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

The Committee reports that it has complied with its responsibilities arising from the Public Finance Management Act, No.1 of 1999 (PFMA), Treasury Regulations 3.1, including all other related prescripts, and is pleased to present its report for the financial year ended 31 March 2020.

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 Committee has adopted appropriate formal terms of reference contained in its Audit and Risk Committee Charter and has regulated its affairs in compliance with this charter, and reports that it has discharged all of its responsibilities as contained therein.

6.1 Audit Committee Members and Attendance

The PARC and GSCID CARC consists of the members listed hereunder who have met as reflected below, in line with the approved terms of reference.

#	Name of Member	PARC Meetings Attended	GSCID CARC Meetings Attended
1.	Mr S Simelane (Acting Chairman of PARC and Economic CARC)	10 of 10	4 of 4
2	Mr V Ramphal	10 of 10	4 of 4
3.	Mr P Christianson	9 of 10	N/A*
4.	Ms T Njozela	9 of 10	N/A*
5.	Mr D O'Connor	10 of 10	N/A*
6.	Ms N Sithole (Resigned in July 2019)	3 of 10	N/A*
7.	Mr M Tarr	10 of 10	4 of 4

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

6.2 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 noted with concern, the weaknesses in controls in the following areas:

- Supply Chain Management
- Procurement and Contract Management

- Budget and Expenditure Management
- Asset Management
- Bursaries
- Failure to prevent irregular expenditure

The Committee considered the appropriateness of the planned interventions to improve the overall control environment and advised management to implement these timeously, to avoid the recurrence of audit findings.

6.3 Effectiveness of Internal Audit

PIAS activities were reviewed by the Committee during the 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 conduct eighteen (18) audit assignments for the period under review, of which two (2) were cancelled for the current financial year at the request of the department and a formal approval was obtained from the Provincial Audit and Risk Committee. Control weaknesses reported through these audits are akin to AG findings.

The Committee is satisfied that PIAS performed effectively during the period under review. During the 2020/21 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.

6.4 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 19/20 financial year, the Department's risk register status was as follows:

	Risk Grouping					Total
	Critical	Major	Moderate	Minor	Insignificant	
Number of Identified Risks	1	13	19	11	2	46
Number of Identified Action Plans	6	38	43	7	0	94
Number of Completed Action Plans.	5	19	32	2	0	58
Completed Action Plans in %	83%	50%	74%	29%	N/A	62%

The Committee 1) notes progress made by the Department on the implementation of its risk mitigation plans with 62% completion rate.

The Department is urged to implement the outstanding risk mitigation plans, particularly for risks classified as critical and major; and to update its risk register with strategic risks which should be identified and assessed as part of the Department's 2020/25 strategic plan and 2020/21 annual performance plan.

With regard to risk-related improvement plans, the Department is urged to complete 11% and 16% outstanding action plans for the Fraud Prevention and Occupational Health and Safety improvement plans, respectively. The current focus is on compliance with the OHS Act due to the COVID 19 pandemic, and the Department is strongly advised to extend its OHS and COVID 19 control measures to all its offices and activities. The Department is also urged to improve its business continuity management practices through, among other things, ensuring the functionality of the Business Continuity Steering Committee, which is currently not convened on a regular quarterly basis.

6.5 Quality of in year management and monthly/quarterly reports

The Committee was satisfied with the content and quality of quarterly reports in respect of in year management and quarterly performance, prepared and issued by the Accounting Officer of the Department during the year under review in terms of the PFMA and the Division of Revenue Act.

However, the Committee notes with concern the inaccuracies of the reported performance information for programme 2 which resulted in the material misstatements identified in the Annual Performance Report and which were however subsequently corrected by management, and material irregular expenditure incurred by the Department as a result of not complying with the SCM prescripts. The Committee requested management to urgently implement appropriate improvement strategies in order to address the identified shortcomings with immediate effect

6.6 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, where concerns have been noted around procurement management, failure to prevent irregular expenditure as a result of non-compliance with supply chain management prescripts and failure to pay invoices within 30 days.
- Reviewed the conclusion on the usefulness and reliability of performance information resulting from the external audit of the Department.

6.7 Forensics Investigations

During the period under review, the Committee noted that there were eleven (11) forensic investigations from 1 April 2019 to 31 March 2020, all relating to alleged supply chain management, procurement irregularities and payment irregularities, conflicts of interests, mismanagement of funds, motor licensing irregularities and nepotism which the department has referred to the PIAS for investigation.

Nine (9) of these investigations were completed and two (2) investigations are in-progress. The Committee noted the status of nine (9) completed forensic investigations as follows:

- Two (2) investigations were closed during this period as the recommendations in the report were implemented and in two (2) investigations, the recommendations are currently being implemented by the department.
- Six (6) of the completed investigations had disciplinary actions recommended of which two disciplinary proceedings were finalised during this period. In respect of the remaining four (4) matters PIAS is awaiting the legal opinion from the Senior Counsel before a decision is made on whether or not to implement consequence management.
- The committee further noted that in seven (7) of the completed matters, criminal proceedings were also recommended, of which one (1) criminal matter is in progress. In respect of the six (6) remaining matters, criminal cases are yet to be registered. These matters were also referred by PIAS for a legal opinion by from Senior Counsel on the practicality of implementing the recommendations in the reports.
- The Department and PIAS are promptly urged to promptly finalise the outstanding in-progress investigations and should work together to implement the recommendations made in the finalised investigations.

6.8 Auditor-General's Report

The Committee has monitored the implementation of corrective action plans to address the audit issues raised by the Auditor General in the prior year. The Committee has met with the Auditor General of South Africa to discuss and evaluate the major 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 accepts the Auditor General's Unqualified audit opinion on the Annual Financial Statements, and is of the opinion that the Audited Annual Financial Statements be accepted and read together with the report of the Auditor General.

6.9 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.



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Mr SP Simelane

Chairman: Provincial Audit and Risk Committee

06 October 2020

PART D:

HUMAN RESOURCE MANAGEMENT



1. INTRODUCTION

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

2. OVERVIEW OF HUMAN RESOURCES

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

The OTP vacancy rate as at 31 March 2020 was 8%. 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 females at SMS was 39% as at 31 March 2020.

(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

3.1. Personnel related expenditure

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

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

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

Programme	Total expenditure (R'000)	Personnel expenditure (R'000)	Training expenditure (R'000)	Professional and special services expenditure (R'000)	Personnel expenditure as a % of total expenditure	Average personnel cost per employee (R'000)
Administration	130 928.00	75 302.00	0.00	0.00	57.50	761.00
Institutional Development	309 764.00	131 987.00	0.00	0.00	42.60	547.00
Policy & Governance	232 869.00	88 592.00	0.00	0.00	38.00	411.00
Total	673 561.00	295 882.00	0.00	0.00	43.90	532.00

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

Salary band	Personnel expenditure (R'000)	% of total personnel cost	No. of employees	Average personnel cost per employee (R'000)
Lower skilled (Levels 1-2)	5 324.00	1.70	34.00	156 588.00
Skilled (Levels 3-5)	32 812.00	10.50	125.00	262 496.00
Highly skilled production (Levels 6-8)	59 360.00	18.90	141.00	420 993.00
Highly skilled supervision (Levels 9-12)	99 983.00	31.90	121.00	826 306.00
Senior management (Levels >= 13)	71 165.00	22.70	52.00	1 368 558.00
Contract (Levels 3-5)	3 366.00	1.10	13.00	258 923.00
Contract (Levels 6-8)	5 373.00	1.70	36.00	149 250.00
Contract (Levels 9-12)	4 369.00	1.40	7.00	624 143.00
Contract (Levels >= 13)	19 473.00	6.20	13.00	1 497 923.00
Contract Other	489.00	0.20	0.00	0.00
Periodical Remuneration	1 342.00	0.40	13.00	103 231.00
Abnormal Appointment	1 177.00	0.40	1.00	1 177 000.00
Total	304 233.00	97.00	556.00	547 182.00

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

Programme	Salaries		Overtime		Home Owners Allowance		Medical Aid	
	Amount (R'000)	Salaries as a % of personnel costs	Amount (R'000)	Overtime as a % of personnel costs	Amount (R'000)	HOA as a % of personnel costs	Amount (R'000)	Medical aid as a % of personnel costs
Administration	55 996.00	80.90	379.00	0.50	1 257.00	1.80	1 770.00	2.60
Institutional Development	110 667.00	81.90	445.00	0.30	2 985.00	2.20	5 169.00	3.80
Policy & Governance	90 340.00	82.60	310.00	0.30	2 566.00	2.30	3 279.00	3.00
Total	257 003.00	81.90	1 133.00	0.40	6 808.00	2.20	10 218.00	3.30

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

Salary band	Salaries		Overtime		Home Owners Allowance		Medical Aid	
	Amount (R'000)	Salaries as a % of personnel costs	Amount (R'000)	Overtime as a % of personnel costs	Amount (R'000)	HOA as a % of personnel costs	Amount (R'000)	Medical aid as a % of personnel costs
Lower skilled (Levels 1-2)	4 177.00	78.40	0.00	0.00	323.00	6.10	289.00	5.40
Skilled (Levels 3-5)	24 101.00	73.00	277.00	0.80	1 905.00	5.80	2 350.00	7.10
Highly skilled production (Levels 6-8)	47 167.00	78.40	263.00	0.40	2 085.00	3.50	4 028.00	6.70
Highly skilled supervision (Levels 9-12)	86 478.00	83.30	373.00	0.40	1 170.00	1.10	2 573.00	2.50
Senior management (Levels >= 13)	60 735.00	81.60	0.00	0.00	1 218.00	1.60	883.00	1.20
Contract (Levels 3-5)	3 334.00	99.00	14.00	0.40	0.00	0.00	0.00	0.00
Contract (Levels 6-8)	5 310.00	97.80	25.00	0.50	0.00	0.00	0.00	0.00
Contract (Levels 9-12)	3 922.00	85.60	179.00	3.90	108.00	2.40	74.00	1.60
Contract (Levels >= 13)	19 115.00	92.90	0.00	0.00	0.00	0.00	22.00	0.10
Contract Other	487.00	97.60	3.00	0.60	0.00	0.00	0.00	0.00
Periodical Remuneration	1 002.00	70.80	0.00	0.00	0.00	0.00	0.00	0.00
Abnormal Appointment	1 177.00	100.00	0.00	0.00	0.00	0.00	0.00	0.00
TOTAL	257 003.00	81.90	1 133.00	0.40	6 808.00	2.20	10 218.00	3.30

3.2. Employment and Vacancies

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

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

This information is presented in terms of three key variables:

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

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

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

Programme	Number of posts on approved establishment	Number of posts filled	Vacancy Rate	Number of employees additional to the establishment
Administration, Permanent	111.00	84.00	24.30	8.00
Institutional Development, Permanent	269.00	241.00	10.40	28.00
Policy & Governance, Permanent	226.00	217.00	4.00	11.00
Total	606.00	542.00	10.60	47.00

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

Salary band	Number of posts on approved establishment	Number of posts filled	Vacancy Rate	Number of employees additional to the establishment
Lower Skilled (Levels 1-2), Permanent	34.00	34.00	0.00	0.00
Skilled (Levels 3-5), Permanent	142.00	125.00	12.00	0.00
Highly Skilled Production (Levels 6-8), Permanent	153.00	141.00	7.80	1.00
Highly Skilled Supervision (Levels 9-12), Permanent	146.00	121.00	17.10	2.00
Senior Management (Levels >= 13), Permanent	62.00	52.00	16.10	0.00
Contract (Levels 3-5), Permanent	13.00	13.00	0.00	9.00
Contract (Levels 6-8), Permanent	36.00	36.00	0.00	28.00
Contract (Levels 9-12), Permanent	7.00	7.00	0.00	4.00
Contract (Levels >= 13), Permanent	13.00	13.00	0.00	3.00
TOTAL	606.00	542.00	10.60	47.00

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

Critical occupation	Number of posts on approved establishment	Number of posts filled	Vacancy Rate	Number of employees additional to the establishment
Administrative Related, Permanent	186.00	172.00	7.50	6.00
Advocates, Permanent	3.00	3.00	0.00	0.00
Agriculture Related, Permanent	1.00	1.00	0.00	0.00
Bus And Heavy Vehicle Drivers, Permanent	5.00	5.00	0.00	0.00
Cleaners In Offices Workshops Hospitals Etc., Permanent	69.00	69.00	0.00	0.00
Client Inform Clerks(Switchb Receipt Inform Clerks), Permanent	9.00	9.00	0.00	0.00
Communication And Information Related, Permanent	1.00	1.00	0.00	0.00
Community Development Workers, Permanent	3.00	3.00	0.00	0.00
Computer System Designers And Analysts., Permanent	1.00	1.00	0.00	0.00
Finance And Economics Related, Permanent	24.00	13.00	45.80	0.00

Critical occupation	Number of posts on approved establishment	Number of posts filled	Vacancy Rate	Number of employees additional to the establishment
Financial and Related Professionals, Permanent	1.00	1.00	0.00	0.00
Financial Clerks and Credit Controllers, Permanent	23.00	20.00	13.00	0.00
Food Services Aids and Waiters, Permanent	2.00	2.00	0.00	0.00
General Legal Administration & Rel. Professionals, Permanent	2.00	2.00	0.00	0.00
Household and Laundry Workers, Permanent	1.00	1.00	0.00	0.00
Housekeepers, Laundry and Related Workers, Permanent	2.00	2.00	0.00	0.00
Human Resources & Organisat Development & Relate Prof, Permanent	6.00	4.00	33.30	0.00
Human Resources Clerks, Permanent	13.00	12.00	7.70	0.00
Human Resources Related, Permanent	14.00	11.00	21.40	0.00
Language Practitioners Interpreters & Other Commun, Permanent	1.00	1.00	0.00	0.00
Legal Related, Permanent	1.00	1.00	0.00	0.00
Light Vehicle Drivers, Permanent	8.00	8.00	0.00	7.00
Logistical Support Personnel, Permanent	5.00	4.00	20.00	0.00
Material-Recording and Transport Clerks, Permanent	3.00	3.00	0.00	0.00
Messengers Porters and Deliverers, Permanent	19.00	19.00	0.00	1.00
Motor Vehicle Drivers, Permanent	2.00	2.00	0.00	1.00
Other Administrat & Related Clerks and Organisers, Permanent	59.00	47.00	20.30	30.00
Other Administrative Policy and Related Officers, Permanent	2.00	2.00	0.00	0.00
Other Occupations, Permanent	1.00	1.00	0.00	0.00
Risk Management And Security Services, Permanent	1.00	1.00	0.00	0.00
Secretaries & Other Keyboard Operating Clerks, Permanent	51.00	45.00	11.80	0.00
Security Guards, Permanent	23.00	22.00	4.30	0.00
Security Officers, Permanent	1.00	0.00	100.00	0.00
Senior Managers, Permanent	63.00	54.00	14.30	2.00
Total	606.00	542.00	10.60	47.00

Table 3.3.1 SMS post information as on 31 March 2020

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	0.00	0.00	0.00	0.00	0.00
Salary Level 15	4.00	3.00	75.00	1.00	25.00
Salary Level 14	15.00	14.00	93.00	1.00	7.00
Salary Level 13	43.00	42.00	98.00	1.00	2.00
Total	62.00	60.00	97.00	18.00	29.00

Table 3.3.2 SMS post information as on 30 September 2019

SMS Level	Total number of funded SMS posts	Total number of SMS posts filled	% of SMS posts filled	Total number of SMS posts vacant	% of SMS posts vacant
Director-General/ Head of Department	1.00	1.00	100.00	0.00	0.00
Salary Level 16	0.00	0.00	0.00	0.00	0.00
Salary Level 15	6.00	4.00	67.00	1.00	17.00
Salary Level 14	16.00	15.00	94.00	2.00	13.00
Salary Level 13	47.00	44.00	93.61	12.00	25.50
Total	70.00	64.00	91.00	15.00	21.00

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

SMS Level	Advertising	Filling of Posts	
	Number of vacancies per level advertised in 6 months of becoming vacant	Number of vacancies per level filled in 6 months of becoming vacant	Number of vacancies per level not filled in 6 months but filled in 12 months
Director-General/ Head of Department	0.00	0.00	0.00
Salary Level 16	0.00	0.00	0.00
Salary Level 15	1.00	0.00	1.00
Salary Level 14	0.00	0.00	0.00
Salary Level 13	3.00	0.00	0.00
Total	4.00	0.00	5.00

Table 3.3.4 Reasons for not having complied with the filling of funded vacant SMS - Advertised within 6 months and filled within 12 months after becoming vacant for the period 1 April 2018 and 31 March 2019

Reasons for vacancies not advertised within six months

This is due to the unavailability of funds to fill posts vacated through attrition due to the cost-cutting measures. Confirmation of the budget is required by Provincial Treasury to fill such posts and these posts may still be decline by Provincial Treasury if the posts are not viewed as critical vacancies, even if the posts were funded in the MTEF.

Reasons for vacancies not filled within twelve months

This is due to the unavailability of funds to fill posts vacated through attrition due to the cost-cutting measures. Confirmation of the budget is required by Provincial Treasury to fill such posts and these posts may still be decline by Provincial Treasury if the posts are not viewed as critical vacancies, even if the posts were funded in the MTEF.

Table 3.3.5 Disciplinary steps taken for not complying with the prescribed timeframes for filling SMS posts within 12 months for the period 1 April 2019 and 31 March 2020

Reasons for vacancies not advertised within six months

Disciplinary steps were not considered, as the delay was not on the part of the Department

Reasons for vacancies not filled within six months

Disciplinary steps were not considered, as the delay was not on the part of the Department

3.3. Job Evaluation

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

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

Salary band	Number of posts on approved establishment	Number of Jobs Evaluated	% of posts evaluated by salary bands	Posts Upgraded		Posts downgraded	
				Number	% of posts evaluated	Number	% of posts evaluated
Lower Skilled (Levels 1-2)	34.00	0.00	0.00	0.00	0.00	0.00	0.00
Skilled (Levels 3-5)	142.00	0.00	0.00	0.00	0.00	0.00	0.00
Highly Skilled Production (Levels 6-8)	153.00	0.00	0.00	1.00	0.00	0.00	0.00
Highly Skilled Supervision (Levels 9-12)	146.00	0.00	0.00	0.00	0.00	0.00	0.00
Senior Management Service Band A	40.00	0.00	0.00	0.00	0.00	0.00	0.00
Senior Management Service Band B	13.00	0.00	0.00	0.00	0.00	0.00	0.00
Senior Management Service Band C	6.00	0.00	0.00	0.00	0.00	0.00	0.00
Senior Management Service Band D	3.00	0.00	0.00	0.00	0.00	0.00	0.00
Contract (Levels 3-5)	13.00	0.00	0.00	0.00	0.00	0.00	0.00
Contract (Levels 6-8)	36.00	0.00	0.00	0.00	0.00	0.00	0.00
Contract (Levels 9-12)	7.00	0.00	0.00	0.00	0.00	0.00	0.00
Contract Band A	6.00	0.00	0.00	0.00	0.00	0.00	0.00
Contract Band B	3.00	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	606.00	0.00	0.00	1.00	0.00	0.00	0.00

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

Table 3.4.2 Profile of employees whose positions were upgraded due to their posts being upgraded for the period 1 April 2019 and 31 March 2020

Gender	African	Asian	Coloured	White	Total
Female	0	0	0	0	0
Male	0	0	0	0	0
Total	0	0	0	0	0

Employees with a disability	0
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The following table summarises the number of cases where remuneration bands exceeded the grade determined by job evaluation. Reasons for the deviation are provided in each case.

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

Occupation	Number of employees	Job evaluation level	Remuneration level	Reason for deviation
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 2019 and 31 March 2020

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

3.4. 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.

Table 3.5.1 Annual turnover rates by salary band for the period 1 April 2019 and 31 March 2020

Salary band	Number of employees at beginning of period - 1 April 2019	Appointments and transfers into the department	Terminations and transfers out of the department	Turnover rate
Lower Skilled (Levels 1-2) Permanent	35.00	0.00	1.00	2.90
Skilled (Levels 3-5) Permanent	144.00	1.00	14.00	9.70
Highly Skilled Production (Levels 6-8) Permanent	141.00	2.00	3.00	2.10
Highly Skilled Supervision (Levels 9-12) Permanent	126.00	2.00	7.00	5.60
Highly Skilled Supervision (Levels 9-12) Temporary	1.00	0.00	0.00	0.00
Senior Management Service Band A Permanent	36.00	2.00	1.00	2.80
Senior Management Service Band B Permanent	13.00	0.00	1.00	7.70
Senior Management Service Band C Permanent	4.00	0.00	1.00	25.00
Senior Management Service Band D Permanent	1.00	0.00	1.00	100.00
Other Permanent	13.00	11.00	0.00	0.00
Contract (Levels 3-5) Permanent	14.00	6.00	7.00	50.00

Salary band	Number of employees at beginning of period - 1 April 2019	Appointments and transfers into the department	Terminations and transfers out of the department	Turnover rate
Contract (Levels 6-8) Permanent	28.00	27.00	13.00	46.40
Contract (Levels 9-12) Permanent	3.00	6.00	0.00	0.00
Contract Band A Permanent	4.00	3.00	4.00	100.00
Contract Band B Permanent	2.00	2.00	1.00	50.00
Contract Band C Permanent	1.00	1.00	0.00	0.00
Contract Band D Permanent	3.00	1.00	2.00	66.70
TOTAL	569.00	64.00	56.00	9.80

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

Critical occupation	Number of employees at beginning of period – April 2019	Appointments and transfers into the department	Terminations and transfers out of the department	Turnover rate
Administrative Related Permanent	185.00	13.00	21.00	11.40
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	6.00	0.00	1.00	16.70
Cleaners In Offices, Workshops, Hospitals, Etc. Permanent	78.00	0.00	9.00	11.50
Client Inform Clerks(Switchb Receipt Inform Clerks) Permanent	9.00	0.00	0.00	0.00
Communication and Information Related Permanent	1.00	0.00	0.00	0.00
Community Development Workers Permanent	3.00	0.00	0.00	0.00
Finance and Economics Related Permanent	10.00	3.00	0.00	0.00
Financial and Related Professionals Permanent	1.00	0.00	0.00	0.00
Financial Clerks and Credit Controllers Permanent	21.00	1.00	1.00	4.80
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	7.00	0.00	0.00	0.00
Human Resources Clerks Permanent	25.00	13.00	0.00	0.00
Human Resources Related Permanent	9.00	1.00	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	6.00	4.00	2.00	33.30
Logistical Support Personnel Permanent	5.00	0.00	1.00	20.00
Material-Recording and Transport Clerks Permanent	3.00	0.00	0.00	0.00
Messengers Porters and Deliverers Permanent	22.00	0.00	3.00	13.60

Critical occupation	Number of employees at beginning of period – April 2019	Appointments and transfers into the department	Terminations and transfers out of the department	Turnover rate
Motor Vehicle Drivers Permanent	2.00	0.00	1.00	50.00
Other Administrative & Related Clerks and Organisers Permanent	36.00	19.00	3.00	8.30
Other Administrative & Related Clerks and Organisers Temporary	1.00	0.00	0.00	0.00
Other Administrative Policy and Related Officers Permanent	2.00	0.00	0.00	0.00
Other Occupations Permanent	1.00	0.00	1.00	100.00
Risk Management and Security Services Permanent	1.00	0.00	0.00	0.00
Secretaries & Other Keyboard Operating Clerks Permanent	45.00	1.00	1.00	2.20
Security Guards Permanent	24.00	0.00	2.00	8.30
Senior Managers Permanent	53.00	9.00	10.00	18.90
Total	569.00	64.00	56.00	9.80

Table 3.5.3 Reasons why staff left the department for the period 1 April 2019 and 31 March 2020

Termination Type	Number	% of Total Resignations
Death, Permanent	4.00	7.10
Resignation, Permanent	20.00	35.70
Expiry of contract, Permanent	20.00	35.70
Retirement, Permanent	12.00	21.40
TOTAL	56.00	100.00

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

Occupation	Employees 1 April 2018	Promotions to another salary level	Salary level promotions as a % of employees by occupation	Progressions to another notch within a salary level	Notch progression as a % of employees by occupation
Administrative Related	185.00	6.00	3.20	127.00	68.60
Advocates	3.00	0.00	0.00	1.00	33.30
Agriculture Related	1.00	0.00	0.00	1.00	100.00
Bus And Heavy Vehicle Drivers	6.00	0.00	0.00	3.00	50.00
Cleaners In Offices, Workshops, Hospitals Etc.	78.00	0.00	0.00	49.00	62.80
Client Inform Clerks (Switchboard Recept Inform Clerks)	9.00	0.00	0.00	1.00	11.10
Communication And Information Related	1.00	0.00	0.00	1.00	100.00
Community Development Workers	3.00	0.00	0.00	0.00	0.00
Finance And Economics Related	10.00	1.00	10.00	2.00	20.00
Financial And Related Professionals	1.00	0.00	0.00	1.00	100.00
Financial Clerks And Credit Controllers	21.00	0.00	0.00	16.00	76.20
Food Services Aids And Waiters	2.00	0.00	0.00	1.00	50.00

Occupation	Employees 1 April 2018	Promotions to another salary level	Salary level promotions as a % of employees by occupation	Progressions to another notch within a salary level	Notch progression as a % of employees by occupation
General Legal Administration & Rel. Professionals	2.00	0.00	0.00	1.00	50.00
Household And Laundry Workers	1.00	0.00	0.00	0.00	0.00
Housekeepers Laundry And Related Workers	2.00	0.00	0.00	2.00	100.00
Human Resources & Organisat Developm & Relate Prof	7.00	0.00	0.00	5.00	71.40
Human Resources Clerks	25.00	0.00	0.00	9.00	36.00
Human Resources Related	9.00	1.00	11.10	9.00	100.00
Language Practitioners, Interpreters & Other Commun	1.00	0.00	0.00	0.00	0.00
Legal Related	1.00	0.00	0.00	1.00	100.00
Light Vehicle Drivers	6.00	0.00	0.00	1.00	16.70
Logistical Support Personnel	5.00	0.00	0.00	5.00	100.00
Material-Recording And Transport Clerks	3.00	0.00	0.00	3.00	100.00
Messengers Porters And Deliverers	22.00	0.00	0.00	14.00	63.60
Motor Vehicle Drivers	2.00	0.00	0.00	1.00	50.00
Other Administrat & Related Clerks And Organisers	37.00	1.00	2.70	8.00	21.60
Other Administrative Policy And Related Officers	2.00	0.00	0.00	2.00	100.00
Other Occupations	1.00	1.00	100.00	0.00	0.00
Risk Management And Security Services	1.00	0.00	0.00	0.00	0.00
Secretaries & Other Keyboard Operating Clerks	45.00	3.00	6.70	30.00	66.70
Security Guards	24.00	0.00	0.00	20.00	83.30
Senior Managers	53.00	1.00	1.90	26.00	49.10
Unknown	0.00	1.00	0.00	0.00	0.00
Total	569.00	15.00	2.60	340.00	59.80

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

Salary Band	Employees 1 April 2019	Promotions to another salary level	Salary bands promotions as a % of employees by salary level	Progressions to another notch within a salary level	Notch progression as a % of employees by salary bands
Lower Skilled (Levels 1-2), Permanent	35.00	0.00	0.00	32.00	91.40
Skilled (Levels 3-5), Permanent	144.00	0.00	0.00	78.00	54.20
Highly Skilled Production (Levels 6-8), Permanent	141.00	6.00	4.30	97.00	68.80
Highly Skilled Supervision (Levels 9-12), Permanent	126.00	6.00	4.80	88.00	69.80
Highly Skilled Supervision (Levels 9-12), Temporary	1.00	0.00	0.00	0.00	0.00

Salary Band	Employees 1 April 2019	Promotions to another salary level	Salary bands promotions as a % of employees by salary level	Progressions to another notch within a salary level	Notch progression as a % of employees by salary bands
Senior Management (Levels >= 13), Permanent	54.00	2.00	3.70	24.00	44.40
Other, Permanent	13.00	0.00	0.00	0.00	0.00
Contract (Levels 3-5), Permanent	14.00	0.00	0.00	4.00	28.60
Contract (Levels 6-8), Permanent	28.00	0.00	0.00	4.00	14.30
Contract (Levels 9-12), Permanent	3.00	0.00	0.00	8.00	266.70
Contract (Levels >= 13), Permanent	10.00	1.00	10.00	5.00	50.00
TOTAL	569.00	15.00	2.60	340.00	59.80

3.6. Employment Equity

Table 3.6.1 Total number of employees (including employees with disabilities) in each of the following occupational categories as on 31 March 2020

Occupational category	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Senior Officials And Managers	27.00	0.00	2.00	2.00	18.00	0.00	5.00	1.00	55.00
Professionals	8.00	0.00	6.00	3.00	13.00	1.00	8.00	3.00	42.00
Technicians And Associate Professionals	70.00	1.00	3.00	1.00	84.00	5.00	10.00	4.00	178.00
Clerks	36.00	1.00	0.00	0.00	95.00	2.00	1.00	1.00	136.00
Service Shop And Market Sales Workers	13.00	0.00	0.00	0.00	12.00	0.00	0.00	0.00	25.00
Plant And Machine Operators And Assemblers	13.00	0.00	0.00	0.00	2.00	0.00	0.00	0.00	15.00
Labourers And Related Workers	52.00	0.00	0.00	0.00	39.00	0.00	0.00	0.00	91.00
TOTAL	219.00	2.00	11.00	6.00	263.00	8.00	24.00	9.00	542.00
Employees with disabilities	4.00	0.00	0.00	0.00	4.00	2.00	0.00	1.00	11.00

Table 3.6.2 Total number of employees (including employees with disabilities) in each of the following occupational bands as on 31 March 2020

Occupational band	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top Management, Permanent	4.00	0.00	0.00	0.00	1.00	0.00	0.00	0.00	5.00
Senior Management, Permanent	21.00	0.00	2.00	2.00	16.00	0.00	5.00	1.00	47.00
Professionally qualified and experienced specialists and mid-management, Permanent	37.00	0.00	5.00	4.00	53.00	4.00	13.00	5.00	121.00
Skilled technical and academically qualified workers, junior management, supervisors, foremen, Permanent	41.00	0.00	4.00	0.00	83.00	4.00	6.00	3.00	141.00

Occupational band	Male				Female				Total
Semi-skilled and discretionary decision making, Permanent	57.00	2.00	0.00	0.00	66.00	0.00	0.00	0.00	125.00
Unskilled and defined decision making, Permanent	23.00	0.00	0.00	0.00	11.00	0.00	0.00	0.00	34.00
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	0.00	0.00	2.00	0.00	0.00	0.00	9.00
Contract (Professionally Qualified), Permanent	6.00	0.00	0.00	0.00	1.00	0.00	0.00	0.00	7.00
Contract (Skilled Technical), Permanent	11.00	0.00	0.00	0.00	25.00	0.00	0.00	0.00	36.00
Contract (Semi-Skilled), Permanent	10.00	0.00	0.00	0.00	3.00	0.00	0.00	0.00	13.00
TOTAL	219.00	2.00	11.00	6.00	263.00	8.00	24.00	9.00	542.00

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

Occupational band	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Senior Management, Permanent	1.00	0.00	0.00	0.00	1.00	0.00	0.00	0.00	2.00
Professionally qualified and experienced specialists and mid-management, Permanent	1.00	0.00	0.00	0.00	1.00	0.00	0.00	0.00	2.00
Skilled technical and academically qualified workers, junior management, supervisors, foremen, Permanent	0.00	0.00	0.00	0.00	2.00	0.00	0.00	0.00	2.00
Semi-skilled and discretionary decision making, Permanent	0.00	0.00	0.00	0.00	1.00	0.00	0.00	0.00	1.00
Not Available, Permanent	4.00	0.00	0.00	0.00	7.00	0.00	0.00	0.00	11.00
Contract (Top Management), Permanent	1.00	0.00	0.00	0.00	1.00	0.00	0.00	0.00	2.00
Contract (Senior Management), Permanent	4.00	0.00	0.00	0.00	1.00	0.00	0.00	0.00	5.00
Contract (Professionally qualified), Permanent	5.00	0.00	0.00	0.00	1.00	0.00	0.00	0.00	6.00
Contract (Skilled technical), Permanent	5.00	0.00	0.00	0.00	22.00	0.00	0.00	0.00	27.00
Contract (Semi-skilled), Permanent	3.00	0.00	0.00	0.00	3.00	0.00	0.00	0.00	6.00
TOTAL	24.00	0.00	0.00	0.00	40.00	0.00	0.00	0.00	64.00
Employees with disabilities	1.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1.00

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

Occupational band	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top Management, Permanent	3.00	0.00	0.00	0.00	1.00	0.00	0.00	0.00	4.00
Senior Management, Permanent	8.00	0.00	2.00	1.00	7.00	0.00	3.00	1.00	22.00
Professionally qualified and experienced specialists and mid-management, Permanent	31.00	0.00	3.00	1.00	44.00	3.00	7.00	5.00	94.00
Skilled technical and academically qualified workers, junior management, supervisors, foremen, Permanent	28.00	0.00	1.00	0.00	66.00	2.00	3.00	3.00	103.00
Semi-skilled and discretionary decision making, Permanent	36.00	1.00	0.00	0.00	41.00	0.00	0.00	0.00	78.00
Unskilled and defined decision making, Permanent	21.00	0.00	0.00	0.00	11.00	0.00	0.00	0.00	32.00
Contract (Top Management), Permanent	2.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	2.00
Contract (Senior Management), Permanent	2.00	0.00	0.00	0.00	2.00	0.00	0.00	0.00	4.00
Contract (Professionally qualified), Permanent	7.00	0.00	0.00	0.00	1.00	0.00	0.00	0.00	8.00
Contract (Skilled technical), Permanent	3.00	0.00	0.00	0.00	1.00	0.00	0.00	0.00	4.00
Contract (Semi-skilled), Permanent	4.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	4.00
TOTAL	145.00	1.00	6.00	2.00	174.00	5.00	13.00	9.00	355.00
Employees with disabilities	3.00	0.00	0.00	0.00	1.00	1.00	0.00	1.00	6.00



Table 3.6.5 Terminations for the period 1 April 2019 to 31 March 2020

Occupational band	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top Management, Permanent	2.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	2.00
Senior Management, Permanent	1.00	0.00	0.00	0.00	1.00	0.00	0.00	0.00	2.00
Professionally qualified and experienced specialists and mid-management, Permanent	2.00	0.00	0.00	0.00	5.00	0.00	0.00	0.00	7.00
Skilled technical and academically qualified workers, junior management, supervisors, foremen, Permanent	1.00	0.00	0.00	0.00	1.00	1.00	0.00	0.00	3.00
Semi-skilled and discretionary decision making, Permanent	6.00	0.00	0.00	0.00	8.00	0.00	0.00	0.00	14.00
Unskilled and defined decision making, Permanent	1.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1.00
Contract (Top Management), Permanent	0.00	0.00	0.00	1.00	1.00	0.00	0.00	0.00	2.00
Contract (Senior Management), Permanent	3.00	0.00	0.00	0.00	2.00	0.00	0.00	0.00	5.00
Contract (Skilled technical), Permanent	2.00	0.00	0.00	0.00	11.00	0.00	0.00	0.00	13.00
Contract (Semi-skilled), Permanent	4.00	0.00	0.00	0.00	3.00	0.00	0.00	0.00	7.00
TOTAL	22.00	0.00	0.00	1.00	32.00	1.00	0.00	0.00	56.00
Employees with Disabilities	0.00	0.00	0.00	0.00	1.00	1.00	0.00	0.00	2.00

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

Disciplinary action	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Absenteeism and Theft	0.00	0.00	0.00	0.00	0.00	1.00	0.00	0.00	1.00
Absenteeism	0.00	0.00	0.00	0.00	0.00	1.00	0.00	0.00	1.00
Abuse of State Vehicle, Falsification of documents and Insubordination	1.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1.00
Failure to comply with SCM Prescripts	1.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1.00
Alleged SCM Irregularities	1.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1.00
Alleged SCM Irregularities	1.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1.00
Alleged SCM Irregularities	0.00	0.00	0.00	0.00	0.00	1.00	0.00	0.00	1.00
Alleged SCM Irregularities	0.00	0.00	0.00	0.00	0.00	1.00	0.00	0.00	1.00
Totals	4.00	0.00	0.00	0.00	0.00	4.00	0.00	0.00	0.00

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

Occupational category	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Legislators, senior officials and managers	3.00	0.00	0.00	0.00	5.00	0.00	1.00	0.00	9.00
Professionals	13.00	0.00	2.00	1.00	21.00	0.00	5.00	0.00	42.00
Technicians and associate professionals	6.00	0.00	0.00	0.00	15.00	1.00	0.00	0.00	22.00
Clerks	37.00	0.00	2.00	0.00	65.00	0.00	0.00	0.00	104.00
Service and sales workers	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Skilled agriculture and fishery workers	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Craft and related trades workers	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Plant and machine operators and assemblers	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Elementary occupations	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total	59.00	0.00	4.00	1.00	106.00	1.00	6.00	0.00	177.00
Employees with disabilities	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00

3.7. Signing of Performance Agreements by SMS Members

Table 3.7.1 Signing of Performance Agreements by SMS members as on 31 May 2019

SMS Level	Total number of funded SMS posts	Total number of SMS members	Total number of signed performance agreements	Signed performance agreements as % of total number of SMS members
Director-General/ Head of Department	1.00	1.00	1.00	100%
Salary Level 16	0.00	0.00	0.00	0.00
Salary Level 15	6.00	5.00	4.00	80%
Salary Level 14	16.00	14.00	12.00	80%
Salary Level 13	47.00	44.00	37.00	84%
Total	70.00	64.00	54.00	84%

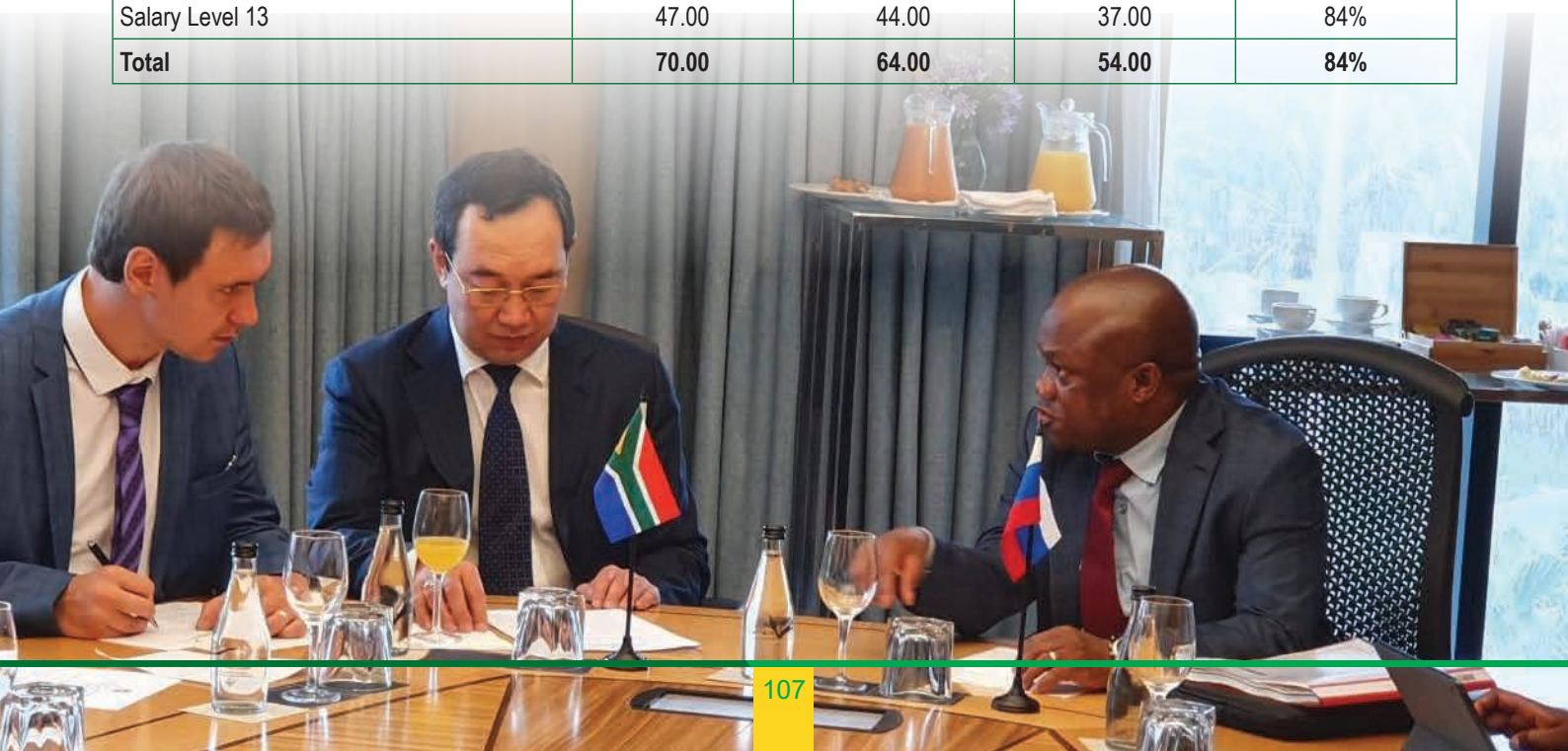


Table 3.7.2 Reasons for not having concluded Performance agreements for all SMS members as on 31 March 2020

Reasons
The unsigned performance agreements are due to Prolonged Leave/ Suspension
Others had recently been appointed and their employment contracts were still within the period of three
Months into the signing of Performance Agreements as per the Regulations

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

Reasons
Not Applicable

3.8. Performance Rewards

Table 3.8.1 Performance Rewards by race, gender and disability for the period 1 April 2019 to 31 March 2020

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	83.00	259.00	32.00	1 744.02	21 012.00
Female	60.00	215.00	27.90	928.65	15 478.00
Asian					
Male	18.00	24.00	75.00	854.69	47 483.00
Female	7.00	11.00	63.60	330.02	47 146.00
Coloured					
Male	2.00	6.00	33.30	34.24	17 120.00
Female	1.00	2.00	50.00	9.51	9 514.00
White					
Male	3.00	8.00	37.50	248.12	82 707.00
Female	4.00	6.00	66.70	374.90	93 726.00
Employees with a disability	6.00	11.00	54.50	149.19	24 865.00
Total	184.00	542.00	33.90	4 673.36	25 399.00

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

Salary band	Beneficiary Profile			Cost		Total cost as a % of the total personnel expenditure
	Number of beneficiaries	Number of employees	% of total within salary bands	Total Cost (R'000)	Average cost per employee	
Lower Skilled (Levels 1-2)	14.00	34.00	41.20	89.64	6 403.00	0.03
Skilled (Levels 3-5)	36.00	125.00	28.80	314.10	8 725.00	0.10
Highly Skilled Production (Levels 6-8)	66.00	141.00	46.80	1 004.11	15 214.00	0.33
Highly Skilled Supervision (Levels 9-12)	54.00	121.00	44.60	1 618.44	29 971.00	0.53
Contract (Levels 3-5)	0.00	13.00	0.00	0.00	0.00	0.00
Contract (Levels 6-8)	2.00	36.00	5.60	33.35	16 674.00	0.01
Contract (Levels 9-12)	0.00	7.00	0.00	0.00	0.00	0.00
TOTAL	172.00	477.00	36.10	3 059.64	17 789.00	1.01

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

Critical occupation	Beneficiary Profile			Cost	
	Number of beneficiaries	Number of employees	% of total within occupation	Total Cost (R'000)	Average cost per employee
Financial Clerks And Credit Controllers	6.00	20.00	30.00	91.50	15 249.00
Human Resources Clerks	7.00	12.00	58.30	124.64	17 806.00
Household And Laundry Workers	1.00	1.00	100.00	11.01	11 014.00
Messengers Porters And Deliverers	5.00	19.00	26.30	43.42	8 684.00
Human Resources & Organisat Developm & Relate Prof	4.00	4.00	100.00	74.44	18 611.00
Risk Management And Security Services	0.00	1.00	0.00	0.00	0.00
Finance And Economics Related	6.00	13.00	46.20	148.92	24 819.00
Logistical Support Personnel	4.00	4.00	100.00	63.67	15 917.00
Other Administrat & Related Clerks And Organisers	4.00	47.00	8.50	116.32	29 079.00
Housekeepers, Laundry And Related Workers	1.00	2.00	50.00	9.35	9 350.00
Other Occupations	0.00	1.00	0.00	0.00	0.00
Legal Related	1.00	1.00	100.00	17.13	17 128.00
Financial And Related Professionals	0.00	1.00	0.00	0.00	0.00
Administrative Related	63.00	172.00	36.60	1 384.21	21 972.00
Communication And Information Related	0.00	1.00	0.00	0.00	0.00
Secretaries & Other Keyboard Operating Clerks	28.00	45.00	62.20	416.65	14 881.00
Cleaners In Offices Workshops Hospitals Etc.	20.00	69.00	29.00	137.66	6 883.00
Human Resources Related	5.00	11.00	45.50	123.47	24 694.00
Language Practitioners Interpreters & Other Commun	0.00	1.00	0.00	0.00	0.00
General Legal Administration & Rel. Professionals	2.00	2.00	100.00	140.83	70 413.00
Material-Recording And Transport Clerks	1.00	3.00	33.30	7.49	7 486.00
Other Administrative Policy And Related Officers	0.00	2.00	0.00	0.00	0.00

Critical occupation	Beneficiary Profile			Cost	
	Number of beneficiaries	Number of employees	% of total within occupation	Total Cost (R'000)	Average cost per employee
Bus And Heavy Vehicle Drivers	0.00	5.00	0.00	0.00	0.00
Senior Managers	12.00	54.00	22.20	1 613.72	134 477.00
Advocates	1.00	3.00	33.30	32.50	32 496.00
Client Inform Clerks(Switchb Recept Inform Clerks)	4.00	9.00	44.40	46.73	11 683.00
Computer System Designers And Analysts.	0.00	1.00	0.00	0.00	0.00
Light Vehicle Drivers	1.00	8.00	12.50	6.94	6 936.00
Motor Vehicle Drivers	2.00	2.00	100.00	27.55	13 777.00
Security Guards	5.00	22.00	22.70	29.09	5 818.00
Food Services Aids And Waiters	1.00	2.00	50.00	6.12	6 119.00
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	184.00	542.00	33.90	4 673.36	25 399.00

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

Salary band	Beneficiary Profile			Cost		Total cost as a % of the total personnel expenditure
	Number of beneficiaries	Number of employees	% of total within salary bands	Total Cost (R'000)	Average cost per employee	
Band A	7.00	42.00	16.70	902.11	128 872.70	1.70
Band B	4.00	14.00	28.60	526.10	131 524.50	2.40
Band C	1.00	5.00	20.00	185.51	185 511.90	2.00
Band D	0.00	4.00	0.00	0.00	0.00	0.00
Total	12.00	65.00	18.50	1 613.72	134 476.60	1.70

3.9. Foreign Workers

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

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

Salary band	01 April 2019		31 March 2020		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 2019 and 31 March 2020

Major occupation	01 April 2019		31 March 2020		Change	
	Number	% of total	Number	% of total	Number	% Change
NA	0.00	0.00	0.00	0.00	0.00	0.00
NA	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 2018 to 31 December 2019

Salary band	Total days	% Days with Medical certification	Number of Employees using sick leave	% of total employees using sick leave	Average days per employee	Estimated Cost (R'000)
Contract (Levels 13-16)	5.00	80.00	1.00	0.30	5.00	38.00
Contract (Levels 6-8)	23.00	65.20	8.00	2.60	3.00	22.00
Contract (Levels 9-12)	10.00	100.00	1.00	0.30	10.00	32.00
Contract Other	18.00	72.20	4.00	1.30	5.00	7.00
Highly skilled production (Levels 6-8)	814.00	81.40	96.00	30.70	8.00	1 236.00
Highly skilled supervision (Levels 9-12)	687.00	80.80	83.00	26.50	8.00	2 135.00
Lower skilled (Levels 1-2)	147.50	96.30	8.00	2.60	18.00	86.00
Senior management (Levels 13-16)	447.00	89.30	37.00	11.80	12.00	2 092.00
Skilled (Levels 3-5)	613.00	88.60	75.00	24.00	8.00	520.00
TOTAL	2 764.50	84.80	313.00	100.00	9.00	6 168.00

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

Salary band	Total days	% Days with Medical certification	Number of Employees using disability leave	% of total employees using disability leave	Average days per employee	Estimated Cost (R'000)
Highly skilled production (Levels 6-8)	13.00	100.00	2.00	66.70	7.00	18.00
Senior management (Levels 13-16)	135.00	100.00	1.00	33.30	135.00	564.00
TOTAL	148.00	100.00	3.00	100.00	49.00	582.00

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 2019 to 31 December 2019

Salary band	Total days taken	Number of Employees using annual leave	Average per employee
Contract (Levels 13-16)	77.00	7.00	11.00
Contract (Levels 3-5)	35.00	4.00	9.00
Contract (Levels 6-8)	217.00	23.00	9.00
Contract (Levels 9-12)	6.00	2.00	3.00
Contract Other	27.00	6.00	5.00
Highly skilled production (Levels 6-8)	2 974.84	139.00	21.00
Highly skilled supervision (Levels 9-12)	2 932.00	124.00	24.00
Lower skilled (Levels 1-2)	332.75	16.00	21.00
Senior management (Levels 13-16)	1 234.00	56.00	22.00
Skilled (Levels 3-5)	2 691.00	115.00	23.00
TOTAL	10 526.59	492.00	21.00

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

Salary band	Total days of capped leave taken	Number of Employees using capped leave	Average number of days taken per employee	Average capped leave per employee as on 31 March 2019
Contract (Levels 13-16)	0.00	0.00	0.00	0.00
Contract (Levels 3-5)	0.00	0.00	0.00	0.00
Contract (Levels 6-8)	0.00	0.00	0.00	0.00
Contract (Levels 9-12)	0.00	0.00	0.00	0.00
Contract Other	0.00	0.00	0.00	0.00
Highly skilled production (Levels 6-8)	2.00	1.00	2.00	72.00
Highly skilled supervision (Levels 9-12)	103.00	5.00	21.00	55.00
Lower skilled (Levels 1-2)	0.00	0.00	0.00	0.00
Senior management (Levels 13-16)	21.00	3.00	7.00	79.00
Skilled (Levels 3-5)	1.00	1.00	1.00	86.00
TOTAL	127.00	10.00	13.00	74.00

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 2019 and 31 March 2020

Reason	Total amount (R'000)	Number of employees	Average per employee (R'000)
Annual - Discounting With Resignation (Work Days)	700.00	10.00	70 000.00
Annual - Gratuity: Death/Retirement/Medical Retirement (Work)	297.00	15.00	19 800.00
Capped - Gratuity: Death/Retirement/Medical Retirement (Work)	942.00	11.00	85 636.00
TOTAL	939.00	36.00	175 436.00

3.11. HIV/AIDS & Health Promotion Programmes

Table 3.11.1 Steps taken to reduce the risk of occupational exposure

Units/categories of employees identified to be at high risk of contracting HIV & related diseases (if any)	Key steps taken to reduce the risk
There are no identified categories of employees at high risk.	None

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.	X		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.	X		Director: EHW Deputy Director: EHW Deputy Director: PEHW Assistant Director: SHERQ Practitioner EHW Total budget R6 600 000.00
3. Has the department introduced an Employee Assistance or Health Promotion Programme for your employees? If so, indicate the key elements/services of this Programme.	X		Promoting physical activities Promoting behaviour change Approved Policies and implementation On-site Voluntary HIV and AIDS Counselling Advice and guidance on financial management Awareness sessions and advocacy Provision of psychological support
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.	X		Chief Director: SHRM CFO Director: EHW Director: Labour Relations Director: HR Support Director: Security services Director: Office support Auxiliary
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.	X		Relevant policies reviewed. No discrimination found.
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.	X		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. Employees can receive counselling for HIV and AIDS. In addition the employee can seek psychosocial support from the Employee Wellness Programme. The Employee Wellness programme ensures that the highest degree of confidentiality is maintained and no breach in confidentiality occurs thus resulting in discrimination. Wellness Information days are held and issues surrounding male and female health issues are discussed. Condom distribution is encouraged.
7. Does the department encourage its employees to undergo Voluntary Counselling and Testing? If so, list the results that you have you achieved.	X		Females tested: 47 Males tested: 31 Positive females: 2

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.	X		Employee feedback analysed after each information session

3.12. Labour Relations

Table 3.12.1 Collective agreements for the period 1 April 2019 and 31 March 2020

Subject matter	Date
NA	NA

Notes

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

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

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

Outcomes of disciplinary hearings	Number	% of total
Correctional counselling	0	0
Verbal warning	0	0
Written warning	0	0
Final written warning	0	0
Suspended without pay	1	33.33%
Fine	0	0
Demotion	0	0
Dismissal	0	0
Not guilty	2	66.66%
Case withdrawn	0	0
Total	3	100%

Notes

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

Total number of Disciplinary hearings finalised	3
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Table 3.12.3 Types of misconduct addressed at disciplinary hearings for the period 1 April 2019 and 31 March 2020

Type of misconduct	Number	% of total
Absenteeism	2	16.67%
Theft	1	8.33%
Abuse of State vehicle	2	16.67%
Falsification of documents	1	8.33%
Insubordination	1	8.33%
Failure to comply with SCM Prescripts	1	8.33%
Alleged SCM Irregularities	4	33.33%
Total	12	100%

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

Grievances	Number	% of Total
Number of grievances resolved	11.00	92%
Number of grievances not resolved	1.00	8%
Total number of grievances lodged	12.00	100%

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

Disputes	Number	% of Total
Number of disputes upheld	1	20
Number of disputes dismissed	2	40
Total number of disputes lodged	5	100

Table 3.12.6 Strike actions for the period 1 April 2019 and 31 March 2020

Total number of persons working days lost	0
Total costs working days lost	0
Amount recovered as a result of no work no pay (R'000)	0

Table 3.12.7 Precautionary suspensions for the period 1 April 2019 and 31 March 2020

Number of people suspended	5
Number of people who's suspension exceeded 30 days	5
Average number of days suspended	61 days
Cost of suspension(R'000)	R1 093 194.00

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 2019 and 31 March 2020

Occupational category	Gender	Number of employees as at 1 April 2018	Training needs identified at start of the reporting period			
			Learnerships	Skills Programmes & other short courses	Other forms of training PIVOTAL	Total
Legislators, senior officials and managers	Female	24.00	0.00	8.00	2.00	10.00
	Male	34.00	0.00	6.00	2.00	8.00
Professionals	Female	49.00	0.00	38.00	4.00	42.00
	Male	36.00	0.00	16.00	1.00	17.00
Technicians and associate professionals	Female	27.00	0.00	34.00	6.00	40.00
	Male	10.00	0.00	6.00	1.00	7.00
Clerks	Female	195.00	0.00	24.00	18.00	42.00
	Male	82.00	0.00	15.00	4.00	19.00
Service and sales workers	Female	14.00	0.00	3.00	0.00	3.00
	Male	13.00	0.00	0.00	1.00	1.00
Skilled agriculture and fishery workers	Female	0.00	0.00	1.00	1.00	2.00
	Male	1.00	0.00	1.00	1.00	2.00
Craft and related trades workers	Female	0.00	0.00	0.00	0.00	0.00
	Male	0.00	0.00	0.00	0.00	0.00
Plant and machine operators and assemblers	Female	3.00	0.00	2.00	3.00	5.00
	Male	33.00	0.00	11.00	1.00	12.00
Elementary occupations	Female	36.00	0.00	0.00	0.00	0.00
	Male	44.00	0.00	0.00	0.00	0.00
Sub Total	Female	348.00	0.00	110.00	34.00	144.00
	Male	253.00	0.00	55.00	11.00	66.00
Total		601.00	0.00	165.00	45.00	210.00

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

Occupational category	Gender	Number of employees as at 1 April 2019	Training provided within the reporting period			
			Learnerships	Skills Programmes & other short courses	Other forms of training	Total
Legislators, senior officials and managers	Female	24.00	0.00	2.00	9.00	11.00
	Male	34.00	0.00	0.00	2.00	2.00
Professionals	Female	49.00	0.00	4.00	23.00	27.00
	Male	36.00	0.00	0.00	13.00	13.00
Technicians and associate professionals	Female	27.00	0.00	9.00	7.00	16.00
	Male	10.00	0.00	4.00	3.00	7.00

Occupational category	Gender	Number of employees as at 1 April 2019	Training provided within the reporting period			
			Learnerships	Skills Programmes & other short courses	Other forms of training	Total
Clerks	Female	195.00	0.00	42.00	23.00	65.00
	Male	82.00	0.00	30.00	9.00	39.00
Service and sales workers	Female	14.00	0.00	0.00	0.00	0.00
	Male	13.00	0.00	0.00	0.00	0.00
Skilled agriculture and fishery workers	Female	0.00	0.00	0.00	0.00	0.00
	Male	1.00	0.00	0.00	0.00	0.00
Craft and related trades workers	Female	0.00	0.00	0.00	0.00	0.00
	Male	0.00	0.00	0.00	0.00	0.00
Plant and machine operators and assemblers	Female	3.00	0.00	0.00	0.00	0.00
	Male	33.00	0.00	0.00	0.00	0.00
Elementary occupations	Female	36.00	0.00	0.00	0.00	0.00
	Male	44.00	0.00	0.00	0.00	0.00
Sub Total	Female	348.00	0.00	0.00	0.00	0.00
	Male	253.00	0.00	0.00	0.00	0.00
Total		601.00	0.00	91.00	89.00	180.00

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 2019 and 31 March 2020

Nature of injury on duty	Number	% of total
Required basic medical attention only	12.00	100.00
Temporary Total Disablement	0.00	0.00
Permanent Disablement	0.00	0.00
Fatal	0.00	0.00
Total	12.00	100.00

PART E:

FINANCIAL INFORMATION



AUDITOR-GENERAL OF SOUTH AFRICA

OFFICE OF THE PREMIER

**AUDIT REPORT FOR THE YEAR ENDING
31 MARCH 2020**

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 set out on pages 127 to 222, which comprise the appropriation statement, statement of financial position as at 31 March 2020, statement of financial performance, statement of changes in net assets, and cash flow statement for the year then ended, as well as the notes to the financial statements, including a summary of significant accounting policies.
2. In my opinion, the financial statements present fairly, in all material respects, the financial position of the Office of the Premier as at 31 March 2020, and its financial performance and cash flows for the year then ended in accordance with the Modified Cash Standard (MCS) 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 this auditor's report.
4. I am independent of the department in accordance with sections 290 and 291 of the *Code of Ethics for Professional Accountants* and parts 1 and 3 of the *International Code of Ethics for Professional Accountants (including International Independence Standards)* of the International Ethics Standards Board for Accountants (IESBA codes) as well as the ethical requirements that are relevant to my audit in South Africa. I have fulfilled my other ethical responsibilities in accordance with these requirements and the IESBA codes.
5. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Responsibilities of the accounting officer for the financial statements

6. 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.
7. 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

8. 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.

9. 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

10. 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.
11. My procedures address the usefulness and reliability of the reported performance information, which must be based on the approved performance planning documents of the department. I have not evaluated the completeness and appropriateness of the performance indicators included in the planning documents. My procedures do not examine whether the actions taken by the department enabled service delivery. My procedures also do not extend to any disclosures or assertions relating to planned performance strategies and information in respect of future periods that may be included as part of the reported performance information. Accordingly, my findings do not extend to these matters.
12. 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 41 to 58 of the annual performance report of the department for the year ended 31 March 2020.
13. 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.
14. I did not raise any material findings on the usefulness and reliability of the reported performance information for the selected programme.

Other matters

15. I draw attention to the matters below.

Achievement of planned targets

16. The annual performance report on pages 33 to 67 sets out information on the achievement of planned targets for the year and explanations provided for the under and over-achievement of a significant number of targets.

Adjustment of material misstatements

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

18. 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.
19. The material findings on compliance with specific matters in key legislation are as follows:

Procurement and contract management

20. Some of the goods and services with a transaction value below R500 000 were procured without obtaining the required price quotations, as required by treasury regulation 16A6.1. Similar non-compliance was also reported in the prior year.
21. Some of the goods and services with a transaction value above R500 000 were procured without inviting competitive bids and deviations were approved by the accounting officer even though it was practical to invite competitive bids, as required by treasury regulations 16A6.1 and 16A6.4. Similar non-compliance was also reported in the prior year.
22. Some of the contracts were awarded to suppliers whose tax matters had not been declared by the South African Revenue Services to be in order, as required by treasury regulation 16A9.1(d). Similar non-compliance was also reported in the prior year.
23. Some of the contracts were extended or modified without the approval of a properly delegated official, as required by section 44 of the PFMA and treasury regulations 8.1 and 8.2. Similar non-compliance was also reported in the prior year.
24. Bid documentation for procurement of commodities designated for local content and production, did not stipulate the minimum threshold for local production and content, as required by the 2017 preferential procurement regulation 8(2). Similar non-compliance was also reported in the prior year.

Expenditure management

25. Effective and appropriate steps were not taken to prevent irregular expenditure of R93,35 million disclosed in note 25 to the annual financial statements, as required by section 38(1)(c)(ii) of the PFMA and treasury regulation 9.1.1. The majority of the irregular expenditure was caused by non-compliance with supply chain management legislation.
26. Payments were not made within 30 days or an agreed period after receipt of an invoice, as required by treasury regulation 8.2.3.

Other information

27. The accounting officer is responsible for the other information. The other information comprises the information included in the annual report. The other information does not include the financial statements, the auditor's report and the selected programme presented in the annual performance report that have been specifically reported in this auditor's report.
28. My opinion on the financial statements and findings on the reported performance information and compliance with legislation do not cover the other information and I do not express an audit opinion or any form of assurance conclusion thereon.

29. 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.
30. I did not receive all 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 the other information 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

31. I considered internal control relevant to my audit of the financial statements, reported performance information and compliance with applicable legislation; however, my objective was not to express any form of assurance on it. The matters reported below are limited to the significant internal control deficiencies that resulted in the findings on compliance with legislation included in this report.
32. Management did not adequately review and monitor controls over the compliance with supply chain management legislation. The slow response in addressing non-compliance identified in the prior year resulted in repeat findings and irregular expenditure being reported.

Other reports

33. I draw attention to the following engagements conducted that had, or could have, an impact on the matters reported in the department's financial statements, reported performance information, compliance with applicable legislation and other related matters. These reports did not form part of my opinion on the financial statements or findings on compliance with legislation.
34. Five investigations were conducted by the shared forensic audit unit for provincial departments covering the period March 2015 to March 2020. These investigations related to procurement irregularities and alleged fraud and corruption. Two investigations were still in progress as at year-end and three were finalised during the year. Recommendations from completed investigations are in the process of being implemented. One of the completed investigations resulted in internal disciplinary hearings and criminal proceedings against four employees. These proceedings were in progress at the date of this report.
35. Three investigations were conducted by the department's integrity management unit covering the period April 2017 to March 2020. These investigations related to procurement irregularities and alleged fraud and corruption. These investigations were still in progress at the date of this report.

Auditor-General

Pietermaritzburg
30 September 2020



A U D I T O R - G E N E R A L
S O U T H A F R I C A

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 confirm to the accounting officer that I have complied with relevant ethical requirements regarding independence, and communicate all relationships and other matters that may reasonably be thought to have a bearing on my independence and, where applicable, actions taken to eliminate threats or safeguards applied.

2. ANNUAL FINANCIAL STATEMENTS



ANNUAL FINANCIAL STATEMENTS

OFFICE OF THE PREMIER

FOR THE YEAR ENDED
31 MARCH 2020

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Appropriation per programme									
2019/20								2018/19	
Programme	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
1. ADMINISTRATION	144 426	-	(6 034)	138 392	131 886	6 506	95.3%	95 030	93 132
2. INSTITUTIONAL DEVELOPMENT	350 562	-	(9 236)	341 326	311 512	29 814	91.3%	479 433	471 324
3. POLICY AND GOVERNANCE	219 984	-	15 270	235 254	230 202	5 052	97.9%	279 829	274 559
Subtotal	714 972	-	-	714 972	673 600	41 372	94.2%	854 292	839 015
TOTAL	714 972	-	-	714 972	673 600	41 372	94.2%	854 292	839 015

					2019/20		2018/19	
					Final Appropriation	Actual Expenditure	Final Appropriation	Actual Expenditure
TOTAL (brought forward)								
Reconciliation with statement of financial performance								
ADD								
Departmental receipts					4 881		2 054	
NRF Receipts					1 115		7 876	
Aid assistance					720 968		864 222	
Actual amounts per statement of financial performance (total revenue)								
ADD								
Aid assistance						3 206		8 555
Prior year unauthorised expenditure approved without funding								
Actual amounts per statement of financial performance (total expenditure)						676 806		847 570

Appropriation per economic classification									
	2019/20						2018/19		
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Economic classification									
Current payments	670 804	(24 716)	(1 041)	645 047	614 895	30 152	95.3%	656 803	653 071
Compensation of employees	301 099	-	(978)	300 121	295 891	4 230	98.6%	292 017	290 088
Salaries and wages	267 643	-	(2 495)	265 148	262 084	3 064	98.8%	258 657	257 128
Social contributions	33 456	-	1 517	34 973	33 807	1 166	96.7%	33 360	32 960
Goods and services	369 705	(24 716)	(63)	344 926	319 004	25 922	92.5%	364 786	362 983
Administrative fees	4 746	500	(915)	4 331	3 877	454	89.5%	5 923	5 827
Advertising	53 015	-	(6 476)	46 539	30 005	16 534	64.5%	27 407	27 174
Minor assets	6 494	-	(5 491)	1 003	506	497	50.4%	2 015	1 728
Audit costs: External	5 256	-	-	5 256	4 813	443	91.6%	4 419	4 419
Bursaries: Employees	805	-	(50)	755	229	526	30.3%	474	456
Catering: Departmental activities	8 661	-	(2 962)	5 699	5 476	223	96.1%	7 165	7 094
Communication	11 132	-	95	11 227	11 191	36	99.7%	10 758	10 690
Computer services	40 024	-	(4 753)	35 271	34 831	440	98.8%	26 018	26 007
Consultants: Business and advisory services	20 305	-	(2 601)	17 704	17 328	376	97.9%	28 310	28 254
Infrastructure & planning services	-	-	-	-	-	-	-	-	-
Legal services	641	-	(163)	478	478	-	100.0%	615	613
Contractors	84 757	-	23 732	108 489	107 087	1 402	98.7%	143 164	143 115
Agency and support / outsourced services	450	-	98	548	498	50	90.9%	284	284
Fleet services	7 711	-	2 113	9 824	9 824	-	100.0%	9 300	9 299

Appropriation per economic classification									
	2019/20							2018/19	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Inventory: Clothing material and supplies	24	-	(24)	-	-	-	0.0%	-	-
Consumable supplies	3 621	-	734	4 355	3 940	415	90.5%	3 090	2 926
Consumable: Stationery, printing and office supplies	9 184	-	(2 510)	6 674	6 219	455	93.2%	6 872	6 717
Operating leases	18 992	-	(928)	18 064	17 326	738	95.9%	12 422	12 339
Property payments	15 769	-	4 217	19 986	19 985	1	100.0%	16 959	16 925
Transport provided: Departmental activity	5 154	-	227	5 381	5 198	183	96.6%	4 119	3 999
Travel and subsistence	36 621	-	(2 323)	34 298	33 127	1 171	96.6%	40 391	40 126
Training and development	29 994	-25 216	(1 769)	3 009	1 065	1 944	35.4%	3 064	3 064
Operating payments	1 129	-	(262)	867	861	6	99.3%	5 627	5 580
Venues and facilities	5 220	-	(52)	5 168	5 140	28	99.5%	6 390	6 347
Transfers and subsidies	23 481	24 716	1 004	49 201	49 200	1	100.0%	169 809	169 462
Provinces and municipalities	86	-	26	112	112	-	100.0%	175	175
Provinces	86	-	26	112	112	-	100%	175	175
Provincial Revenue Funds	-	-	9	9	9	-	100%	-	-
Provincial agencies and funds	86	-	17	103	103	-	100.0%	175	175
Departmental agencies and accounts	19 086	-	-	19 086	19 086	-	100.0%	94 339	94 339
Departmental agencies	19 086	-	-	19 086	19 086	-	100.0%	94 339	94 339
Non-profit institutions	-	-	-	-	-	-	-	50 000	50 000

Appropriation per economic classification									
	2019/20							2018/19	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Households	4 309	24 716	978	30 003	30 002	1	100.0%	25 295	24 948
Social benefits	4 304	-	1 175	5 479	5 478	1	100.0%	3 233	3 212
Other transfers to households	5	24 716	(197)	24 524	24 524	-	100.0%	22 062	21 736
Payments for capital assets	20 515	-	-	20 515	9 296	11 219	45.3%	27 423	16 225
Buildings and other fixed structures	7 864	-	1 997	9 861	4 878	4 983	49.5%	10 415	4 414
Buildings	7 864	-	1 997	9 861	4 878	4 983	49.5%	10 415	4 414
Other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	12 651	-	(1 997)	10 654	4 418	6 236	41.5%	12 189	9 121
Transport equipment	4 761	-	(705)	4 056	2 301	1 755	56.7%	6 827	6 736
Other machinery and equipment	7 890	-	(1 292)	6 598	2 117	4 481	32.1%	5 362	2 385
Heritage assets	-	-	-	-	-	-	-	4 819	2 690
Intangible assets	-	-	-	-	-	-	-	-	-
Payments for financial assets	172	-	37	209	209	-	100.0%	257	257
TOTAL	714 972	-	-	714 972	673 600	41 372	94.2%	854 292	839 015

Programme 1: ADMINISTRATION									
2019/20								2018/19	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Sub programme									
1. PREMIER SUPPORT	35 670	-	(1 715)	33 955	33 411	544	98.4%	27 971	27 589
2. EXECUTIVE COUNCIL SUPPORT	15 655	-	-	15 655	14 772	883	94.4%	8 596	8 478
3. DIRECTOR GENERAL	17 652	-	10	17 662	17 116	546	96.9%	21 019	20 870
4. FINANCIAL MANAGEMENT	42 059	-	(5 581)	36 478	32 507	3 971	89.1%	37 444	36 195
5. INTERGOVERNMENTAL RELATIONS	33 390	-	1 252	34 642	34 080	562	98.4%	-	-
Total for sub programmes	144 426	-	(6 034)	138 392	131 886	6 506	95.3%	95 030	93 132
Economic classification									
Current payments	137 682	-	(6 179)	131 503	126 197	5 306	96.0%	92 580	91 466
Compensation of employees	80 624	-	(2 567)	78 057	75 313	2 744	96.5%	55 131	54 100
Salaries and wages	72 305	-	(2 570)	69 735	67 660	2 075	97.0%	49 349	48 532
Social contributions	8 319	-	3	8 322	7 653	669	92.0%	5 782	5 568
Goods and services	57 058	-	(3 612)	53 446	50 884	2 562	95.2%	37 449	37 366
Administrative fees	1 436	-	(144)	1 292	1 276	16	98.8%	1 151	1 150
Advertising	162	-	(160)	2	2	-	100.0%	3	3
Minor assets	1 561	-	(1 200)	361	116	245	32.1%	187	161
Audit costs: External	5 256	-	-	5 256	4 813	443	91.6%	4 419	4 419
Catering: Departmental activities	1 971	-	(158)	1 813	1 779	34	98.1%	1 236	1 235
Communication	106	-	54	160	153	7	95.6%	145	145
Computer services	1 014	-	(131)	883	751	132	85.1%	2 792	2 791
Consultants: Business and advisory services	6 227	-	(5 327)	900	524	376	58.2%	8 458	8 458

Programme 1: ADMINISTRATION									
2019/20							2018/19		
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Legal services	200	-	(200)	-	-	-	0.0%	-	-
Contractors	19 645	-	5 467	25 112	24 621	491	98.0%	2 980	2 979
Agency & Support outsourced services	-	-	60	60	60	-	100.0%	-	-
Fleet Services	21	-	(20)	1	1	-	100.0%	-	-
Inventory: clothing, material & accessories	-	-	-	-	-	-	0.0%	-	-
Consumable supplies	740	-	(384)	356	247	109	69.4%	172	165
Consumable: Stationery, printing and office supplies	3 276	-	(1 153)	2 123	1 998	125	94.1%	1 951	1 912
Operating leases	1 723	-	(394)	1 329	1 035	294	77.9%	1 141	1 140
Property payments	1 072	-	(456)	616	616	-	100.0%	654	654
Transport provided: Departmental activity	-	-	33	33	33	-	100.0%	60	60
Travel and subsistence	11 174	-	400	11 574	11 308	266	97.7%	10 457	10 451
Training and development	82	-	(60)	22	-	22	0.0%	17	17
Operating payments	351	-	(50)	301	299	2	99.3%	1 473	1 473
Venues and facilities	1 041	-	211	1 252	1 252	-	100.0%	153	153
Transfers and subsidies	3 829	-	145	3 974	3 974	-	100.0%	1 182	1 180
Households	3 829	-	145	3 974	3 974	-	100.0%	1 182	1 180
Social benefits	3 829	-	145	3 974	3 974	-	100.0%	1 182	1 180
Other transfers to households	-	-	-	-	-	-	-	-	-

Programme 1: ADMINISTRATION									
2019/20								2018/19	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Payments for capital assets	2 915	-	-	2 915	1 715	1 200	58.8%	1 264	482
Machinery and equipment	2 915	-	-	2 915	1 715	1 200	58.8%	1 264	482
Transport equipment	400	-	17	417	417	-	100.0%	-	-
Other machinery and equipment	2 515	-	(17)	2 498	1 298	1200	52.0%	1 264	482
Payments for financial assets	-	-	-	-	-	-	-	4	4
TOTAL	144 426	-	(6 034)	138 392	131 886	6 506	95.3%	95 030	93 132

Programme 1.1: PREMIER SUPPORT									
2019/20								2017/18	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Economic classification									
Current payments	32 264	-	(1 710)	30 554	30 379	175	99.4%	27 608	27 479
Compensation of employees	22 444	-	(1 600)	22 844	22 817	27	99.9%	18 547	18 457
Salaries and wages	22 842	-	(1 500)	21 342	21 336	6	100.0%	17 145	17 055
Social contributions	1 602	-	(100)	1 502	1 481	21	98.6%	1 402	1 402
Goods and services	7 820	-	(110)	7 710	7 562	148	98.1%	9 061	9 022
Administrative fees	500	-	190	690	690	-	100.0%	776	776
Minor assets	62	-	-	62	39	23	62.9%	40	36
Catering: Departmental activities	520	-	(353)	167	133	34	79.6%	489	489
Communication	96	-	53	149	149	-	100.0%	139	139
Computer services	-	-	-	-	-	-	0.0%	-	-
Consultants: Business and advisory services	15	-	-	15	15	-	100.0%	-	-
Contractors	140	-	(132)	8	8	-	100.0%	287	287
Fleet services	1	-	-	1	1	-	100.0%	-	-
Consumable supplies	244	-	(70)	174	174	-	100.0%	69	69
Consumable: Stationery, printing and office supplies	710	-	(287)	423	415	8	98.1%	318	283
Operating leases	300	-	-	300	217	83	72.3%	282	282
Property payments	372	-	244	616	616	-	100.0%	409	409
Transport provided: Departmental activity	-	-	-	-	-	-	0.0%	60	60
Travel and subsistence	4 818	-	245	5 059	5 059	-	100.0%	6 044	6 044
Training and development	-	-	-	-	-	-	0.0%	17	17

Programme 1.1: PREMIER SUPPORT									
2019/20								2017/18	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Operating payments	46	-	-	46	46	-	100.0%	131	131
Venues and facilities	-	-	-	-	-	-	0.0%	-	-
Transfers and subsidies	2 500	-	(5)	2 495	2 495	-	100.0%	12	12
Households	2 500	-	(5)	2 495	2 494	-	100.0%	12	12
Social benefits	2 500	-	(5)	2 495	2 495	-	100.0%	12	12
Other transfers to households	-	-	-	-	-	-	0.0%	-	-
Payments for capital assets	906	-	-	906	537	369	59.3%	351	98
Machinery and equipment	906	-	-	906	537	369	59.3%	351	98
Transport equipment									
Other machinery and equipment	906	-	-	906	537	369	59.3%	351	98
Payments for financial assets	-	-	-	-	-	-	-	-	-
TOTAL	35 670	-	(1 715)	33 955	33 411	544	98.4%	27 971	27 589

Programme 1.2: EXECUTIVE COUNCIL									
2019/20							2018/19		
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Economic classification									
Current payments	15 538	-	-	15 538	14 704	834	94.6%	8 485	8 478
Compensation of employees	7 557	-	-	7 557	7 367	190	97.5%	6 875	6 875
Salaries and wages	6 479	-	50	6 529	6 529	-	100.0%	6 088	6 088
Social contributions	1 078	-	(50)	1 028	838	190	81.5%	787	787
Goods and services	7 981	-	-	7 981	7 337	644	91.9%	1 610	1 603
Administrative fees	85	-	3	88	88	-	100.0%	23	23
Minor assets	50	-	(3)	47	15	32	31.9%	7	-
Catering: Departmental activities	854	-	542	1 396	1 396	-	100.0%	585	585
Communication	10	-	-	10	3	7	30.0%	4	4
Contractors	4 943	-	(831)	4 112	3 657	455	88.9%	46	46
Consumable supplies	50	-	-	50	29	21	58.0%	19	19
Consumable: Stationery, printing and office supplies	260	-	82	342	342	-	100.0%	137	137
Operating leases	300	-	-	300	171	129	57.0%	266	266
Travel and subsistence	803	-	98	901	901	-	100.0%	302	302
Operating payments	-	-	-	-	-	-	0.0%	68	68
Venues and facilities	626	-	109	735	735	-	100.0%	153	153
Transfers and subsidies	-	-	-	-	-	-	0.0%	-	-
Payments for capital assets	117	-	-	117	68	49	58.1%	111	-
Machinery and equipment	117	-	-	117	68	49	58.1%	111	-
Other machinery and equipment	117	-	-	117	68	49	58.1%	111	-
Payments for financial assets	-	-	-	-	-	-	0.0%	-	-
TOTAL	15 655	-	-	15 655	14 772	883	94.4%	8 596	8 478

Programme 1.3: DIRECTOR GENERAL									
2019/20							2018/19		
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Economic classification									
Current payments	17 008	-	10	17 018	16 663	355	97.9%	20 743	20 633
Compensation of employees	10 266	-	(100)	10 166	9 811	355	96.5%	8 299	8 200
Salaries and wages	9 463	-	(150)	9 313	8 958	355	96.2%	7 590	7 519
Social contributions	803	-	50	853	853	-	100.0%	709	681
Goods and services	6 742	-	110	6 852	6 852	-	100.0%	12 444	12 433
Administrative fees	206	-	110	316	316	-	100.0%	338	338
Minor assets	49	-	(20)	29	29	-	100.0%	121	110
Catering: Departmental activities	165	-	(66)	99	99	-	100.0%	150	150
Consultants: Business and advisory services	-	-	-	-	-	-	0.0%	2 238	2 238
Computer services	-	-	-	-	-	-	0.0%	2 082	2 082
Contractors	2 435	-	29	2 464	2 464	-	100.0%	2 583	2 583
Agency and support/ outsourced services	-	-	60	60	60	-	100.0%	-	-
Fleet Services	20	-	(20)	-	-	-	0.0%	-	-
Consumable supplies	129	-	(98)	31	31	-	100.0%	34	34
Consumable: Stationery, printing and office supplies	310	-	(55)	255	255	-	100.0%	130	130
Operating leases	350	-	(99)	251	251	-	100.0%	270	270
Property Payments	400	-	(400)	-	-	-	0.0%	-	-
Transport provided: Departmental activity	-	-	8	8	8	-	100.0%	-	-
Travel and subsistence	2 560	-	427	2 987	2 987	-	100.0%	3 961	3 961
Training and development	-	-	-	-	-	-	0.0%	-	-
Operating Payments	103	-	(50)	53	53	-	100.0%	537	537

Programme 1.3: DIRECTOR GENERAL									
2019/20								2018/19	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Venues and facilities	15	-	284	299	299	-	100%	-	-
Transfers and subsidies									
Households	-	-	-	-	-	-	-	-	-
Social benefits	-	-	-	-	-	-	-	-	-
Payments for capital assets									
Machinery and equipment	644	-	-	644	453	191	70.3%	276	237
Transport Equipment	644	-	-	644	453	191	70.3%	276	237
	400	-	17	417	417	-	100.0%	-	-
Other machinery and equipment	244	-	(17)	227	36	191	15.9%	276	237
Payments for financial assets									
	-	-	-	-	-	-	0.0%	-	-
TOTAL	17 652	-	10	17 662	17 116	546	96.9%	21 019	20 870

Programme 1.4: FINANCIAL MANAGEMENT									
2019/20							2018/19		
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Economic classification									
Current payments	39 735	-	(5 608)	34 127	30 684	3 443	89.9%	35 744	34 876
Compensation of employees	25 579	-	(744)	24 835	23 161	1 674	93.3%	21 410	20 568
Salaries and wages	22 048	-	(715)	21 333	20 117	1 216	94.3%	18 526	17 870
Social contributions	3 531	-	(29)	3 502	3 044	458	86.9%	2 884	2 698
Goods and services	14 156	-	(4 864)	9 292	7 523	1 769	81.0%	14 334	14 308
Administrative fees	390	-	(340)	50	34	16	68.0%	14	13
Advertising	62	-	(60)	2	2	-	100.0%	3	3
Minor assets	1 320	-	(1 110)	210	20	190	9.5%	19	15
Audit costs: External	5 256	-	-	5 256	4 813	443	91.6%	4 419	4 419
Catering: Departmental activities	82	-	(80)	2	2	-	100.0%	12	11
Communication	-	-	1	1	1	-	100.0%	2	2
Computer services	1 014	-	(131)	883	751	132	85.1%	710	709
Consultants: Business and advisory services	1 385	-	(500)	885	509	376	57.5%	6 220	6 220
Legal services	200	-	(200)	-	-	-	0.0%	-	-
Contractors	435	-	(400)	35	-	35	0.0%	64	63
Inventory: clothing & material supplies	-	-	-	-	-	-	-	-	-
Consumable supplies	297	-	(196)	101	13	88	12.9%	50	43
Consumable: Stationery, printing and office supplies	1 646	-	(744)	902	785	117	87.0%	1 366	1 362
Operating leases	653	-	(266)	387	305	82	78.8%	323	322

Programme 1.4: FINANCIAL MANAGEMENT										
2019/20								2018/19		
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure	
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	
Property payments	300	-	(300)	-	-	-	0.0%	245	245	
Transport provided Dept Activities	-	-	25	25	25	-	0.0%	-	-	
Travel and subsistence	832	-	(503)	329	63	266	19.1%	150	144	
Training and development	82	-	(60)	22	-	22	0.0%	-	-	
Operating payments	202	-	-	202	200	2	99.0%	737	737	
Venues & facilities	-	-	-	-	-	-	-	-	-	
Transfers and subsidies	1 248	-	27	1 275	1 275	-	100.0%	1 170	1 168	
Households	1 248	-	27	1 275	1 275	-	100.0%	1 170	1 168	
Social benefits	1 248	-	27	1 275	1 275	-	100.0%	1 170	1 168	
Other transfers to households	-	-	-	-	-	-	-	-	-	
Payments for capital assets	1 076	-	-	1 076	548	528	50.9%	526	147	
Machinery and equipment	1 076	-	-	1 076	548	528	50.9%	526	147	
Transport equipment										
Other machinery and equipment	1 076	-	-	1 076	548	528	50.9%	526	147	
Payments for financial assets	-	-	-	-	-	-	0.0%	4	4	
TOTAL	42 059	-	(5 581)	36 478	32 507	3 971	89.1%	37 444	36 195	

Programme 1.5: INTERGOVERNMENTAL RELATIONS

2019/20								2018/19	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Economic classification									
Current payments	33 137	-	1 129	34 266	33 767	499	98.5%	-	-
Compensation of employees	12 778	-	(123)	12 655	12 157	498	96.1%	-	-
Salaries and wages	11 473	-	(255)	11 218	10 720	498	95.6%	-	-
Social contributions	1 305	-	132	1 437	1 437	-	100.0%	-	-
Goods and services	20 359	-	1 252	21 611	21 610	1	100.0%	-	-
Administrative fees	255	-	(107)	148	148	-	100.0%	-	-
Advertising	100	-	(100)	-	-	-	0.0%	-	-
Minor assets	80	-	(67)	13	13	-	100.0%	-	-
Catering: Departmental activities	350	-	(201)	149	149	-	100.0%	-	-
Consultants: Business & Advisory services	4 827	-	(4 827)	-	-	-	0.0%	-	-
Contractors	11 692	-	6 801	18 493	18 492	1	100.0%	-	-
Consumable supplies	20	-	(20)	-	-	-	0.0%	-	-
Consumable: Stationery, printing and office supplies	350	-	(149)	201	201	-	100.0%	-	-
Operating leases	120	-	(29)	91	91	-	100.0%	-	-
Transport provided: Departmental activity	-	-	-	-	-	-	0.0%	-	-
Travel and subsistence	2 165	-	133	2 298	2 298	-	100.0%	-	-
Operating payments	-	-	-	-	-	-	-	-	-
Venues and facilities	400	-	(182)	218	218	-	100.0%	-	-

Programme 1.5: INTERGOVERNMENTAL RELATIONS									
2019/20							2018/19		
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Transfers and subsidies	81	-	123	204	204	-	100.0%	-	-
Households	81	-	123	204	204	-	100.0%	-	-
Social benefits	81	-	123	204	204	-	100.0%	-	-
Payments for capital assets	172	-	-	172	109	63	63.4%	-	-
Machinery and equipment	172	-	-	172	109	63	63.4%	-	-
Other machinery and equipment	172	-	-	172	109	63	63.4%	-	-
Payments for financial assets	-	-	-	-	-	-	0.0%	-	-
Total	33 390	-	1 252	34 642	34 080	562	98.4%	-	-

Programme 2: INSTITUTIONAL DEVELOPMENT									
2019/20							2018/19		
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Sub programme									
1. STRATEGIC HUMAN RESOURCES	81 332	-	(2 657)	78 675	72 415	6 260	92.0%	73 066	72 188
2. INFORMATION COM. TECHNOLOGY	86 392	-	188	86 580	82 852	3 728	95.7%	75 059	69 283
3. LEGAL SERVICES	12 439	-	-	12 439	12 209	230	98.2%	13 789	13 568
4. COMMUNICATION SERVICES	69 010	-	(970)	68 040	51 551	16 489	75.8%	56 269	56 127
5. SPECIAL PROGRAMMES	101 389	-	(5 797)	95 592	92 485	3 107	96.7%	149 340	148 465
6. INTERGOVERNMENTAL RELATIONS	-	-	-	-	-	-	-	64 780	64 760
7. GAMING AND BETTING	-	-	-	-	-	-	-	47 130	46 933
Total for sub programmes	350 562	-	(9 236)	341 326	311 512	29 814	91.3%	479 433	471 324
Economic classification									
Current payments	343 070	(24 716)	(9 401)	308 953	284 233	24 720	92.0%	346 623	345 324
Compensation of employees	137 385	-	(3 988)	133 397	131 977	1 420	98.9%	142 975	142 713
Salaries and wages	119 914	-	(3 869)	116 045	115 122	923	99.2%	124 893	124 799
Social contributions	17 471	-	(119)	17 352	16 855	497	97.1%	18 082	17 914
Goods and services	205 685	(24 716)	(5 413)	175 556	152 256	23 300	86.7%	203 648	202 611
Administrative fees	1 022	500	105	1 627	1 189	438	73.1%	3 477	3 431
Advertising	50 483	-	(6 567)	43 916	27 382	16 534	62.4%	27 096	26 963
Minor assets	2 233	-	(1 743)	490	272	218	55.5%	1 220	1 086
Bursaries: Employees	805	-	(50)	755	229	526	30.3%	474	456
Catering: Departmental activities	3 723	-	(2 077)	1 646	1 457	189	88.5%	1 919	1 896
Communication	10 673	-	370	11 043	11 014	29	99.7%	10 410	10 392

Programme 2: INSTITUTIONAL DEVELOPMENT

2019/20								2018/19	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Computer services	24 329	-	(4 808)	19 521	19 213	308	98.4%	11 036	11 026
Consultants: Business and advisory services	3 790	-	8 673	12 463	12 463	-	100.0%	8 492	8 437
Legal services	441	-	37	478	478	-	100.0%	615	613
Contractors	18 389	-	(1 537)	16 852	15 941	911	94.6%	69 478	69 447
Agency and support / outsourced services	450	-	(400)	50	-	50	0.0%	284	284
Fleet services	6 678	-	1 090	7 768	7 768	-	100.0%	7 714	7 713
Inventory: Clothing material and supplies	24	-	(24)	-	-	-	0.0%	-	-
Consumable supplies	1 279	-	1 137	2 416	2 110	306	87.3%	1 611	1 514
Consumable: Stationery, printing and office supplies	2 960	-	430	3 390	3 086	304	91.0%	3 103	3 005
Operating leases	15 594	-	730	16 324	15 880	444	97.3%	10 543	10 461
Property payments	14 697	-	2 651	17 348	17 347	1	100.0%	15 357	15 357
Transport provided: Departmental activity	3 150	-	(391)	2 759	2 576	183	93.4%	2 082	2 082
Travel and subsistence	12 069	-	(2 376)	9 693	8 788	905	90.7%	16 620	16 379
Training and development	29 655	(25 216)	(1 452)	2 987	1 065	1 922	35.7%	3 047	3 047
Operating payments	487	-	9	496	492	4	99.2%	3 688	3 641
Venues and facilities	2 754	-	780	3 534	3 506	28	99.2%	5 382	5 382
Transfers and subsidies	453	24 716	128	25 297	25 296	1	100.0%	115 408	115 081
Provinces and municipalities	86	-	17	103	103	-	100.0%	164	164
Provincial agencies and funds	86	-	17	103	103	-	100.0%	164	164

Programme 2: INSTITUTIONAL DEVELOPMENT									
2019/20							2018/19		
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Departmental agencies and accounts	-	-	-	-	-	-	0.0%	42 310	42 310
Departmental agencies	-	-	-	-	-	-	0.0%	42 310	42 310
Non-profit institutions	-	-	-	-	-	-	-	50 000	50 000
Households	367	24 716	111	25 194	25 193	1	100.0%	22 934	22 607
Social benefits	362	-	308	670	669	1	99.9%	872	871
Other transfers to households	5	24 716	(197)	24 524	24 524	-	100.0%	22 062	21 736
Payments for capital assets	6 868	-	-	6 868	1 775	5 093	25.8%	17 183	10 700
Buildings and other fixed structures	2 361	-	-	2 361	1 378	983	58.4%	8 433	2 854
Buildings	2 361	-	-	2 361	1 378	983	58.4%	8 433	2 854
Other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	4 507	-	-	4 507	397	4 110	8.8%	8 750	7 846
Transport equipment	1 755	-	-	1 755	-	1 755	0.0%	6 764	6 736
Other machinery and equipment	2 752	-	-	2 752	397	2 355	14.4%	1 986	1 110
Software & Other Intangible Assets	-	-	-	-	-	-	-	-	-
Payments for financial assets	171	-	37	208	208	-	100.0%	219	219
Total	350 562	-	(9 236)	341 326	311 512	29 814	91.3%	479 433	471 324

Programme 2.1: STRATEGIC HUMAN RESOURCES

2019/20								2018/19	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Economic classification									
Current payments	80 051	-	(2 708)	77 343	72 114	5 229	93.2%	71 510	71 084
Compensation of employees	62 762	-	(358)	62 404	61 804	600	99.0%	57 022	57 021
Salaries and wages	54 673	-	(330)	54 343	54 018	325	99.4%	49 464	49 464
Social contributions	8 089	-	(28)	8 061	7 786	275	96.6%	7 558	7 557
Goods and services	17 289	-	(2 350)	14 939	10 310	4 629	69.0%	14 488	14 063
Administrative fees	236	-	(27)	209	156	53	74.6%	265	254
Advertising	500	-	450	950	950	-	100.0%	539	538
Minor assets	543	-	(165)	378	247	131	65.3%	392	301
Bursaries: Employees	755	-	-	755	229	526	30.3%	474	456
Catering: Departmental activities	712	-	(105)	607	439	168	72.3%	361	361
Communication	630	-	(57)	573	545	28	95.1%	457	457
Computer services	966	-	134	1 100	1 094	6	99.5%	642	635
Consultants: Business and advisory services	40	-	(40)	-	-	-	0.0%	4	4
Legal services	-	-	5	5	5	-	100.0%	-	-
Contractors	2 807	-	(768)	2 039	1 228	811	60.2%	1 212	1 212
Agency and support / outsourced services	100	-	(50)	50	-	50	0.0%	283	283
Fleet services	-	-	-	-	-	-	0.0%	-	(1)
Inventory: Clothing material and supplies	9	-	(9)	-	-	-	0.0%	-	-
Consumable supplies	206	-	(83)	123	24	99	19.5%	148	85

Programme 2.1: STRATEGIC HUMAN RESOURCES

2019/20										2018/19	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure		
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000		
Consumable: Stationery, printing and office supplies	861	-	399	1 260	1 115	145	88.5%	580	513		
Operating leases	1 110	-	(82)	1 028	790	238	76.8%	1 211	1 149		
Property payments	1	-	-	1	1	-	100.0%	-	-		
Travel and subsistence	3 327	-	(732)	2 595	2 175	420	83.8%	3 197	3 094		
Training and development	4 164	-	(1 215)	2 949	1 027	1 922	34.8%	2 893	2 893		
Operating payments	282	-	-	282	278	4	98.6%	1 750	1 750		
Venues and facilities	40	-	(5)	35	7	28	20.0%	80	79		
Transfers and subsidies	58	-	81	139	139	-	100.0%	563	562		
Households	58	-	81	139	139	-	100.0%	563	562		
Social benefits	58	-	81	139	139	-	100.0%	563	562		
Payments for capital assets	1 223	-	(30)	1 193	162	1 031	13.6%	993	542		
Buildings and other fixed structures	-	-	-	-	-	-	0.0%	-	-		
Buildings											
Machinery and equipment	1 223	-	(30)	1 193	162	1 031	13.6%	993	542		
Transport equipment											
Other machinery and equipment	1 223	-	(30)	1 193	162	1 031	13.6%	993	542		
Payments for financial assets	-	-	-	-	-	-	0.0%	-	-		
Total	81 332	-	(2 657)	78 675	72 415	6 260	92.0%	73 066	72 188		

Programme 2.2: INFORMATION COM. TECHNOLOGY

2019/20								2018/19	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Economic classification									
Current payments	81 421	-	(56)	81 365	80 897	468	99.4%	63 369	63 350
Compensation of employees	15 806	-	(30)	15 776	15 607	169	98.9%	15 013	15 007
Salaries and wages	14 321	-	(1 007)	13 314	13 145	169	98.7%	12 700	12 694
Social contributions	1 485	-	977	2 462	2 462	-	100.0%	2 313	2 313
Goods and services	65 615	-	(26)	65 589	65 290	299	99.5%	48 356	48 343
Administrative fees	15	-	(4)	11	11	-	100.0%	23	23
Minor assets	25	-	(24)	1	1	-	100.0%	27	27
Catering: Departmental activities	25	-	(25)	-	-	-	0.0%	29	29
Communication	10 019	-	425	10 444	10 444	-	100.0%	9 902	9 902
Computer services	22 740	-	(4 322)	18 418	18 119	299	98.4%	10 221	10 221
Consultants: Business and advisory services	-	-	-	-	-	-	0.0%	-	-
Contractors	110	-	1 651	1 761	1 761	-	100.0%	218	205
Agency and support / outsourced services	350	-	(350)	-	-	-	0.0%	-	-
Fleet services	6 270	-	1 281	7 551	7 551	-	100.0%	7 714	7 714
Inventory: Clothing material and supplies	15	-	(15)	-	-	-	0.0%	-	-
Consumable supplies	65	-	(30)	35	35	-	100.0%	28	28
Consumable: Stationery, printing and office supplies	120	-	(18)	102	102	-	100.0%	164	164
Operating leases	13 249	-	1 413	14 662	14 662	-	100.0%	8 662	8 662
Property payments	12 150	-	211	12 361	12 361	-	100.0%	10 349	10 349
Travel and subsistence	327	-	(220)	107	107	-	100.0%	300	300

Programme 2.2: INFORMATION COM. TECHNOLOGY

2019/20							2018/19		
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Operating payments	135	-	1	136	136	-	100.0%	719	719
Transfers and subsidies	273	-	244	517	516	1	99.8%	208	208
Provinces and municipalities	86	-	17	103	103	-	100.0%	164	164
Provincial agencies and funds	86	-	17	103	103	-	100.0%	164	164
Households	187	-	227	414	413	1	99.8%	44	44
Social benefits	182	-	227	409	408	1	99.8%	44	44
Other transfers to households	5	-	-	5	5	-	100.0%	-	-
Payments for capital assets	4 698	-	-	4 698	1 439	3 259	30.6%	11 482	5 725
Buildings and other fixed structures	2 361	-	-	2 361	1 378	983	58.4%	8 433	2 854
Buildings	2 361	-	-	2 361	1 378	983	58.4%	8 433	2 854
Other fixed structures		-	-					-	-
Machinery and equipment	2 337		-	2 337	61	2 276	2.6%	3 049	2 871
Transport equipment	1 755	-	-	1 755	-	1 755	0.0%	2 899	2 871
Other machinery and equipment	582	-	-	582	61	521	10.5%	150	-
Payments for financial assets	-	-	-	-	-	-	0.0%	-	-
Total	86 392	-	188	86 580	82 852	3 728	95.7%	75 059	69 283

Programme 2.3: LEGAL SERVICES									
2019/20								2018/19	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Economic classification									
Current payments	12 380	-	-	12 380	12 199	181	98.5%	13 739	13 568
Compensation of employees	11 288	-	-	11 288	11 226	62	99.5%	12 012	12 009
Salaries and wages	10 536	-	(534)	10 002	9 940	62	99.4%	10 641	10 638
Social contributions	752	-	534	1 286	1 286	-	100.0%	1 371	1 371
Goods and services	1 092	-	-	1 092	973	119	89.1%	1 727	1 559
Administrative fees	4	-	1	5	5	-	100.0%	7	2
Minor assets	21	-	(1)	20	-	20	0.0%	33	-
Catering: Departmental activities	6	-	-	6	-	6	0.0%	10	-
Computer services	3	-	-	3	-	3	0.0%	3	-
Legal services	416	-	57	473	473	-	100.0%	615	613
Contractors	5	-	-	5	-	5	0.0%	-	-
Consumable supplies	16	-	-	16	-	16	0.0%	14	6
Consumable: Stationery, printing and office supplies	338	-	(57)	281	271	10	96.4%	381	381
Operating leases	155	-	-	155	129	26	83.2%	130	127
Property Payments	1	-	-	1	-	1	0.0%	-	-
Travel and subsistence	127	-	-	127	95	32	74.8%	134	77
Operating payments	-	-	-	-	-	-	0.0%	400	353
Transfers and subsidies									
Non-profit institutions	-	-	-	-	-	-	0.0%	-	-
Households	-	-	-	-	-	-	0.0%	-	-
Social benefits	-	-	-	-	-	-	0.0%	-	-

Programme 2.3: LEGAL SERVICES									
2019/20								2018/19	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Other transfers to households	-	-	-	-	-	-	0.0%	-	-
Payments for capital assets	59	-	-	59	10	49	16.9%	50	-
Machinery and equipment	59	-	-	59	10	49	16.9%	50	-
Other machinery and equipment	59	-	-	59	10	49	16.9%	50	-
Payments for financial assets	-	-	-	-	-	-	0.0%	-	-
Total	12 439	-	-	12 439	12 209	230	98.2%	13 789	13 568

Programme 2.4: COMMUNICATION SERVICES

2019/20								2018/19	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Economic classification									
Current payments	68 794	-	(1 000)	67 794	51 305	16 489	75.7%	55 878	55 736
Compensation of employees	12 284	-	(1 000)	11 284	11 183	101	99.1%	10 589	10 585
Salaries and wages	11 623	-	(1 643)	9 980	9 879	101	99.0%	9 445	9 441
Social contributions	661	-	643	1 304	1 304	-	100.0%	1 144	1 144
Goods and services	56 510	-	-	56 510	40 122	16 388	71.0%	45 289	45 151
Administrative fees	58	-	127	185	185	-	100.0%	171	171
Advertising	48 862	-	(6 303)	42 559	26 201	16 358	61.6%	26 497	26 371
Minor assets	1 154	-	(1 121)	33	3	30	9.1%	10	10
Catering: Departmental activities	260	-	(200)	60	60	-	100.0%	161	161
Communication	23	-	2	25	25	-	100.0%	35	23
Consultants: Business and advisory services	2 700	-	7 925	10 625	10 625	-	100.0%	-	-
Contractors	329	-	(326)	3	3	-	100.0%	14 650	14 650
Consumable supplies	49	-	(49)	-	-	-	0.0%	7	7
Consumable: Stationery, printing and office supplies	750	-	530	1 280	1 280	-	100.0%	1 213	1 213
Operating leases	150	-	(85)	65	65	-	100.0%	64	64
Property payments	40	-	(30)	10	10	-	100.0%	-	-
Travel and subsistence	1 584	-	(329)	1 255	1 255	-	100.0%	1 481	1 481
Training and development	150	-	(150)	-	-	-	0.0%	154	154
Operating payments	-	-	9	9	9	-	100.0%	388	388
Venues and facilities	401	-	-	401	401	-	100.0%	458	458

Programme 2.4: COMMUNICATION SERVICES									
2019/20								2018/19	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Transfers and subsidies	122	-	-	122	122	-	100.0%	53	53
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-
Households	122	-	-	122	122	-	100.0%	53	53
Social benefits	122	-	-	122	122	-	100.0%	53	53
Payments for capital assets	94	-	30	124	124	-	100.0%	227	227
Machinery and equipment	94	-	30	124	124	-	100.0%	227	227
Transport equipment	-	-	-	-	-	-	0.0%	-	-
Other machinery and equipment	94	-	30	124	124	-	0.0%	227	227
Payments for financial assets	-	-	-	-	-	-	-	111	111
Total	69 010	-	(970)	68 040	51 551	16 489	75.8%	56 269	56 127

Programme 2.5: SPECIAL PROGRAMMES									
2019/20							2018/19		
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000		%	R'000	R'000
Economic classification									
Current payments	100 424	(24 716)	(5 637)	70 071	67 718	2 353	96.6%	72 901	72 577
Compensation of employees	35 245	-	(2 600)	32 645	32 157	488	98.5%	31 293	31 073
Salaries and wages	28 761	-	(355)	28 406	28 140	266	99.1%	27 537	27 456
Social contributions	6 484	-	(2 245)	4 239	4 017	222	94.8%	3 756	3 617
Goods and services	65 179	(24 716)	(3 037)	37 426	35 561	1 865	95.5%	41 608	41 504
Administrative fees	709	500	8	1 217	832	385	68.4%	2 736	2 713
Advertising	1 121	-	(714)	407	231	176	56.8%	16	16
Minor assets	490	-	(432)	58	21	37	36.2%	40	40
Bursaries: Employees	50	-	(50)	-	-	-	0.0%	-	-
Catering: Departmental Activities	2 720	-	(1 747)	973	958	15	98.5%	719	706
Communication	1	-	-	1	-	1	0.0%	-	-
Computer services	620	-	(620)	-	-	-	0.0%	170	170
Consultants: Business and advisory services	1 050	-	788	1 838	1 838	-	100.0%	527	527
Legal services	25	-	(25)	-	-	-	0.0%	-	-
Contractors	15 138	-	(2 094)	13 044	12 949	95	99.3%	17 169	17 169
Agency and support / outsourced services	-	-	-	-	-	-	0.0%	1	1
Fleet services	408	-	(191)	217	217	-	100.0%	-	-
Consumable supplies	943	-	1 299	2 242	2 051	191	91.5%	1 383	1 373
Consumable: Stationery, printing and office supplies	891	-	(424)	467	318	149	68.1%	387	356
Operating leases	930	-	(516)	414	234	180	56.5%	316	316

Programme 2.5: SPECIAL PROGRAMMES									
2019/20							2018/19		
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000		%	R'000	R'000
Property payments	2 505	-	2 470	4 975	4 975	-	100.0%	5 008	5 008
Transport provided: Departmental activity	3 150	-	(391)	2 759	2 576	183	93.4%	1 503	1 503
Travel and subsistence	6 704	-	(1 095)	5 609	5 156	453	91.9%	8 588	8 561
Training and development	25 234	(25 216)	(87)	38	38	-	100.0%	-	-
Operating payments	70	-	(1)	69	69	-	100.0%	371	371
Venues and facilities	2 313	-	785	3 098	3 098	-	100.0%	2 674	2 674
Transfers and subsidies									
Non-profit institutions	-	24 716	(197)	24 519	24 519	-	100.0%	72 164	71 838
Households	-	24 716	(197)	24 519	24 519	-	100.0%	22 164	21 838
Social benefits	-	-	-	-	-	-	-	102	102
Other transfers to households	-	24 716	(197)	24 519	24 519	-	100.0%	22 062	21 736
Payments for capital assets									
Machinery and equipment	794	-	-	794	40	754	5.0%	4 227	4 002
Transport equipment	794	-	-	794	40	754	5.0%	4 227	4 002
Other machinery and equipment	794	-	-	794	40	754	5.0%	362	137
Software & Other Intangible assets	-	-	-	-	-	-	-	-	-
Payments for financial assets									
	171	-	37	208	208	-	100.0%	48	48
Total	101 389	-	(5 797)	95 592	92 485	3 107	96.7%	149 340	148 465

Programme 2.6: INTERGOVERNMENTAL RELATIONS									
2019/20								2018/19	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Economic classification									
Current payments	-	-	-	-	-	-	-	64 406	64 386
Compensation of employees	-	-	-	-	-	-	-	12 935	12 923
Salaries and wages	-	-	-	-	-	-	-	11 505	11 505
Social contributions	-	-	-	-	-	-	-	1 430	1 418
Goods and services	-	-	-	-	-	-	-	51 471	51 463
Administrative fees	-	-	-	-	-	-	-	260	260
Advertising	-	-	-	-	-	-	-	13	13
Minor assets	-	-	-	-	-	-	-	708	708
Catering: Departmental activities	-	-	-	-	-	-	-	639	639
Consultants: Business and advisory services	-	-	-	-	-	-	-	7 906	7 906
Contractors	-	-	-	-	-	-	-	36 219	32 211
Consumable supplies	-	-	-	-	-	-	-	6	6
Consumable: Stationery, printing and office supplies	-	-	-	-	-	-	-	204	204
Operating leases	-	-	-	-	-	-	-	81	81
Transport provided: Departmental activity	-	-	-	-	-	-	-	579	579
Travel and subsistence	-	-	-	-	-	-	-	2 811	2 811
Operating payments	-	-	-	-	-	-	-	60	60
Venues and facilities	-	-	-	-	-	-	-	1 985	1 985

Programme 2.6: INTERGOVERNMENTAL RELATIONS									
2019/20								2018/19	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Transfers and subsidies	-	-	-	-	-	-	-	110	110
Households	-	-	-	-	-	-	-	110	110
Social benefits	-	-	-	-	-	-	-	110	110
Payments for capital assets	-	-	-	-	-	-	-	204	204
Machinery and equipment	-	-	-	-	-	-	-	204	204
Other machinery and equipment	-	-	-	-	-	-	-	204	204
Payments for financial assets	-	-	-	-	-	-	-	60	60
Total	-	-	-	-	-	-	-	64 780	64 760

Programme 2.7: GAMING AND BETTING									
2019/20								2018/19	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Economic classification									
Current payments	-	-	-	-	-	-	-	4 820	4 623
Compensation of employees	-	-	-	-	-	-	-	4 111	4 095
Salaries and wages	-	-	-	-	-	-	-	3 601	3 601
Social contributions	-	-	-	-	-	-	-	510	494
Goods and services	-	-	-	-	-	-	-	709	528
Administrative fees	-	-	-	-	-	-	-	15	8
Advertising	-	-	-	-	-	-	-	31	25
Minor assets	-	-	-	-	-	-	-	10	-
Communication	-	-	-	-	-	-	-	16	10
Consultants: Business and advisory services	-	-	-	-	-	-	-	55	-
Legal services	-	-	-	-	-	-	-	-	-
Contractors	-	-	-	-	-	-	-	10	-
Consumable supplies	-	-	-	-	-	-	-	25	9
Consumable: Stationery, printing and office supplies	-	-	-	-	-	-	-	174	174
Operating leases	-	-	-	-	-	-	-	79	62
Property payments	-	-	-	-	-	-	-	-	-
Travel and subsistence	-	-	-	-	-	-	-	109	55
Operating payments	-	-	-	-	-	-	-	185	185
Transfers and subsidies	-	-	-	-	-	-	-	42 310	42 310

Programme 2.7: GAMING AND BETTING									
2019/20								2018/19	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Departmental agencies and accounts	-	-	-	-	-	-	-	42 310	42 310
Departmental agencies	-	-	-	-	-	-	-	42 310	42 310
Payments for capital assets	-	-	-	-	-	-	-	-	-
Payments for financial assets	-	-	-	-	-	-	-	-	-
Total	-	-	-	-	-	-	-	47 130	46 933

Programme 3: POLICY AND GOVERNANCE									
2019/20								2018/19	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Sub programme									
1. PROVINCIAL POLICY MANAGEMENT	48 219	-	396	48 615	48 073	542	98.9%	39 946	39 026
2. PREMIER'S PRIORITY PROGRAMMES	99 979	-	7 220	107 199	106 689	510	99.5%	117 029	115 633
3. ROYAL HOUSEHOLD	71 786	-	7 654	79 440	75 440	4 000	95.0%	69 433	68 874
4. HERITAGE	-	-	-	-	-	-	-	53 422	51 026
Total for sub programmes	219 984	-	15 270	235 254	230 202	5 052	97.9%	279 829	274 559
Economic classification									
Current payments	190 052	-	14 539	204 591	204 465	126	99.9%	217 600	216 281
Compensation of employees	83 090	-	5 577	88 667	88 601	66	99.9%	93 911	93 275
Salaries and wages	75 424	-	3 944	79 368	79 302	66	99.9%	84 415	83 797
Social contributions	7 666	-	1 633	9 299	9 299	-	100.0%	9 496	9 478
Goods and services	106 962	-	8 962	115 924	115 864	60	99.9%	123 689	123 006
Administrative fees	2 288	-	(876)	1 412	1 412	-	100.0%	1 295	1 246
Advertising	2 370	-	251	2 621	2 621	-	100.0%	308	208
Minor assets	2 700	-	(2 548)	152	118	34	77.6%	608	481
Catering: Departmental activities	2 967	-	(727)	2 240	2 240	-	100.0%	4 010	3 963
Communication	353	-	(329)	24	24	-	100.0%	203	153
Computer services	14 681	-	186	14 867	14 867	-	100.0%	12 190	12 190
Consultants: Business and advisory services	10 288	-	(5 947)	4 341	4 341	-	100.0%	11 360	11 359

Programme 3: POLICY AND GOVERNANCE									
2019/20							2018/19		
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Contractors	46 723	-	19 802	66 525	66 525	-	100.0%	70 706	70 689
Agency & Support / outsourced services	-	-	438	438	438	-	100.0%	-	-
Fleet services	1 012	-	1 043	2 055	2 055	-	100.0%	1 586	1 586
Consumable supplies	1 602	-	(19)	1 583	1 583	-	100.0%	1 307	1 247
Consumable: Stationery, printing and office supplies	2 948	-	(1 787)	1 161	1 135	26	97.8%	1 818	1 800
Operating leases	1 675	-	(1 264)	411	411	-	100.0%	738	738
Property payments	-	-	2 022	2 022	2 022	-	100.0%	948	914
Transport provided: Departmental activity	2 004	-	585	2 589	2 589	-	100.0%	1 977	1 857
Travel and subsistence	13 378	-	(347)	13 031	13 031	-	100.0%	13 314	13 296
Training and development	257	-	(257)	-	-	-	0.0%	-	-
Operating payments	291	-	(221)	70	70	-	100.0%	466	466
Venues and facilities	1 425	-	(1 043)	382	382	-	100.0%	855	813
Transfers and subsidies	19 199	-	731	19 930	19 930	-	100.0%	53 219	53 201
Provinces & municipalities	-	-	9	9	9	-	100.0%	11	11
Provinces	-	-	9	9	9	-	100.0%	11	11
Provincial Revenue Funds	-	-	9	9	9	-	100.0%	-	-
Provincial agencies & funds	-	-	-	-	-	-	-	11	11
Departmental agencies and accounts	19 086	-	-	19 086	19 086	-	100.0%	52 029	52 029
Departmental agencies	19 086	-	-	19 086	19 086	-	100.0%	52 029	52 029
Households	113	-	722	835	835	-	100.0%	1 179	1 161
Social benefits	113	-	722	835	835	-	100.0%	1 179	1 161

Programme 3: POLICY AND GOVERNANCE									
2019/20								2018/19	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Other transfers to households	-	-	-	-	-	-	-	-	-
Payments for capital assets	10 732	-	-	10 732	5 806	4 926	54.1%	8 976	5 043
Buildings and other fixed structures	5 503	-	1 997	7 500	3 500	4 000	46.7%	1 982	1 560
Buildings	5 503	-	1 997	7 500	3 500	4 000	46.7%	1 982	1 560
Machinery and equipment	5 229	-	(1 997)	3 232	2 306	926	71.3%	2 175	793
Transport equipment	2 606	-	(722)	1 884	1 884	-	100.0%	63	-
Other machinery and equipment	2 623	-	(1 275)	1 348	422	926	31.3%	2 112	793
Heritage assets	-	-	-	-	-	-	-	4 819	2 690
Payments for financial assets	1	-	-	1	1	-	100.0%	34	34
Total	219 984	-	15 270	235 254	230 202	5 052	97.9%	279 829	274 559

Programme 3.1: PROVINCIAL POLICY MANAGEMENT

2019/20										2018/19	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure		
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000		
Economic classification											
Current payments	47 661	-	396	48 057	48 020	37	99.9%	38 351	38 282		
Compensation of employees	21 872	-	5 300	27 172	27 172	-	100.0%	19 598	19 559		
Salaries and wages	19 844	-	5 220	25 064	25 064	-	100.0%	17 545	17 506		
Social contributions	2 028	-	80	2 108	2 108	-	100.0%	2 053	2 053		
Goods and services	25 789	-	(4 904)	20 885	20 848	37	99.8%	18 753	18 723		
Administrative fees	890	-	(748)	142	142	-	100.0%	119	112		
Advertising	510	-	(488)	22	22	-	100.0%	1	1		
Minor assets	400	-	(366)	34	23	11	67.6%	6	5		
Catering: Departmental activities	400	-	(198)	202	202	-	100.0%	91	91		
Communication	-	-	-	-	-	-	-	1	1		
Computer services	14 676	-	188	14 864	14 864	-	100.0%	12 190	12 190		
Consultants: Business and advisory services	930	-	(490)	440	440	-	100.0%	2 373	2 372		
Contractors	1 048	-	1 061	2 109	2 109	-	100.0%	332	331		
Infrastructure & planning services	-	-	-	-	-	-	-	-	-		
Consumable supplies	268	-	(1)	267	267	-	100.0%	551	549		
Consumable: Stationery, printing and office supplies	1 720	-	(1 370)	350	324	26	92.6%	337	337		
Operating leases	470	-	(221)	249	249	-	100.0%	217	217		
Transport provided: Departmental activity	80	-	19	99	99	-	100.0%	83	83		
Travel and subsistence	3 992	-	(1 983)	2 009	2 009	-	100.0%	1 655	1 637		

Programme 3.1: PROVINCIAL POLICY MANAGEMENT									
2019/20								2018/19	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Training and development	150	-	(150)	-	-	-	0.0%	-	-
Operating payments	5	-	(5)	-	-	-	0.0%	278	278
Venues and facilities	250	-	(152)	98	98	-	100.0%	519	519
Transfers and subsidies	37	-	-	37	37	-	100.0%	724	706
Non-profit institutions									
Households	37	-	-	37	37	-	100.0%	724	706
Social benefits	37	-	-	37	37	-	100.0%	724	706
Other transfers to households	-	-	-	-	-	-	-	-	-
Payments for capital assets	521	-	-	521	16	505	3.1%	871	38
Machinery and equipment	521	-	-	521	16	505	3.1%	871	38
Other machinery and equipment	521	-	-	521	16	505	3.1%	871	38
Payments for financial assets	-	-	-	-	-	-	-	-	-
Total	48 219	-	396	48 615	48 073	542	98.9%	39 946	39 026

Programme 3.2: PREMIER'S PRIORITY PROGRAMMES									
2019/20							2018/19		
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Economic classification									
Current payments	96 446	-	8 407	104 853	104 764	89	99.9%	116 284	115 375
Compensation of employees	28 389	-	(310)	28 079	28 013	66	99.8%	37 035	36 526
Salaries and wages	25 999	-	(714)	25 285	25 219	66	99.7%	34 229	33 720
Social contributions	2 390	-	404	2 794	2 794	-	100.0%	2 806	2 806
Goods and services	68 057	-	8 717	76 774	76 751	23	100.0%	79 249	78 849
Administrative fees	1 098	-	(395)	703	703	-	100.0%	665	623
Advertising	1 710	-	889	2 599	2 599	-	100.0%	100	-
Minor assets	1 437	-	(1 405)	32	9	23	28.1%	303	253
Catering: Departmental activities	2 067	-	(29)	2 038	2 038	-	100.0%	3 415	3 368
Communication	102	-	(97)	5	5	-	100.0%	50	-
Computer services	5	-	(2)	3	3	-	100.0%	-	-
Consultants: Business and advisory services	9 283	-	(5 910)	3 373	3 373	-	100.0%	6 095	6 095
Contractors	41 883	-	17 562	59 445	59 445	-	100.0%	58 772	58 756
Agency & support/ outsourced services	-	-	438	438	438	-	100.0%	-	-
Fleet services	-	-	-	-	-	-	0.0%	-	-
Consumable supplies	1 219	-	(326)	893	893	-	100.0%	132	79
Consumable: Stationery, printing and office supplies	966	-	(290)	676	676	-	100.0%	1 346	1 338
Operating leases	1 120	-	(1 018)	102	102	-	100.0%	364	364
Property payments	-	-	-	-	-	-	0.0%	210	176
Transport provided: Departmental activity	1 674	-	764	2 438	2 438	-	100.0%	1 249	1 249

Programme 3.2: PREMIER'S PRIORITY PROGRAMMES									
2019/20								2018/19	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Travel and subsistence	4 269	-	(594)	3 675	3 675	-	100.0%	6 187	6 187
Training and development	88	-	(88)	-	-	-	0.0%	-	-
Operating payments	26	-	44	70	70	-	100.0%	125	125
Venues and facilities	1 110	-	(826)	284	284	-	100.0%	236	236
Transfers and subsidies									
Households	-	-	81	81	81	-	100.0%	77	77
Social benefits	-	-	81	81	81	-	100.0%	77	77
Other transfers to households	-	-	-	-	-	-	0.0%	-	-
Payments for capital assets									
Machinery and equipment	3 533	-	(1 268)	2 265	1 844	421	81.4%	666	180
Transport equipment	3 533	-	(1 268)	2 265	1 844	421	81.4%	666	180
Other machinery and equipment	1 800	-	(2)	1 798	1 798	-	100.0%	-	-
	1 733	-	(1 266)	467	46	421	9.9%	666	180
Payments for financial assets									
	-	-	-	-	-	-	-	1	1
Total	99 979	-	7 220	107 199	106 689	510	99.5%	117 028	115 633

Programme 3.3: ROYAL HOUSEHOLD

2019/20										2018/19	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure		
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000		
Economic classification											
Current payments	45 945	-	5 736	51 681	51 681	-	100.0%	48 502	48 428		
Compensation of employees	32 829	-	587	33 416	33 416	-	100.0%	32 229	32 159		
Salaries and wages	29 581	-	(562)	29 019	29 019	-	100.0%	28 172	28 102		
Social contributions	3 248	-	1 149	4 397	4 397	-	100.0%	4 057	4 057		
Goods and services	13 116	-	5 149	18 265	18 265	-	100.0%	16 273	16 269		
Administrative fees	300	-	267	567	567	-	100.0%	416	416		
Advertising	150	-	(150)	-	-	-	0.0%	-	-		
Minor assets	863	-	(777)	86	86	-	100.0%	209	205		
Bursaries	-	-	-	-	-	-	-	-	-		
Catering: Departmental activities	500	-	(500)	-	-	-	0.0%	259	259		
Communication	251	-	(232)	19	19	-	100.0%	152	152		
Consultants: Business and advisory services	75	-	453	528	528	-	100.0%	-	-		
Contractors	3 792	-	1 179	4 971	4 971	-	100.0%	7 209	7 209		
Fleet services	1 012	-	1 043	2 055	2 055	-	100.0%	1 586	1 586		
Consumable supplies	115	-	308	423	423	-	100.0%	619	619		
Consumable: Stationery, printing and office supplies	262	-	(127)	135	135	-	100.0%	67	67		
Operating leases	85	-	(25)	60	60	-	100.0%	97	97		
Property payments	-	-	2 022	2 022	2 022	-	100.0%	738	738		
Transport provided: Departmental activity	250	-	(198)	52	52	-	100.0%	485	485		
Travel and subsistence	5 117	-	2 230	7 347	7 347	-	100.0%	4 373	4 373		
Training and development	19	-	(19)	-	-	-	0.0%	-	-		

Programme 3.3: ROYAL HOUSEHOLD

	2019/20							2018/19	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Operating payments	260	-	(260)	-	-	-	0.0%	63	63
Venues and facilities	65	-	(65)	-	-	-	0.0%	-	-
Transfers and subsidies	19 162	-	650	19 812	19 812	-	100.0%	18 397	18 397
Provinces & municipalities	-	-	9	9	9	-	100.0%	11	11
Provinces	-	-	9	9	9	-	100.0%	11	11
Provincial agencies and funds	-	-	-	-	-	-	0.0%	11	11
Departmental agencies and accounts	19 086	-	-	19 086	19 086	-	100.0%	18 040	18 040
Departmental agencies	19 086	-	-	19 086	19 086	-	100.0%	18 040	18 040
Households	76	-	641	717	717	-	100.0%	346	346
Social benefits	76	-	641	717	717	-	100.0%	346	346
Other transfers to households	-	-	-	-	-	-	-	-	-
Payments for capital assets	6 678	-	1 268	7 946	3 946	4 000	49.7%	2 531	2 046
Buildings and other fixed structures	5 503	-	1 997	7 500	3 500	4 000	46.7%	1 982	1 560
Buildings	5 503	-	1 997	7 500	3 500	4 000	46.7%	1 982	1 560
Other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	1 175	-	(729)	446	446	-	100.0%	549	486
Transport equipment	806	-	(720)	86	86	-	100.0%	63	-
Other machinery and equipment	369	-	(9)	360	360	-	100.0%	486	486
Payments for financial assets	1	-	-	1	1	-	100.0%	3	3
Total	71 786	-	7 654	79 440	75 440	4 000	95.0%	69 433	68 874

Programme 3.4: HERITAGE									
2019/20								2018/19	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Economic classification									
Current payments	-	-	-	-	-	-	-	14 463	14 196
Compensation of employees	-	-	-	-	-	-	-	5 049	5 031
Salaries and wages	-	-	-	-	-	-	-	4 469	4 469
Social contributions	-	-	-	-	-	-	-	580	562
Goods and services	-	-	-	-	-	-	-	9 414	9 165
Administrative fees	-	-	-	-	-	-	-	95	95
Advertising	-	-	-	-	-	-	-	207	207
Minor assets	-	-	-	-	-	-	-	90	18
Catering: Departmental activities	-	-	-	-	-	-	-	245	245
Consultants: Business and advisory services	-	-	-	-	-	-	-	2 892	2 892
Contractors	-	-	-	-	-	-	-	4 393	4 393
Consumable supplies	-	-	-	-	-	-	-	5	-
Consumable: Stationery, printing and office supplies	-	-	-	-	-	-	-	68	58
Operating leases	-	-	-	-	-	-	-	60	60
Transport provided: Departmental activity	-	-	-	-	-	-	-	160	40
Travel and subsistence	-	-	-	-	-	-	-	1 099	1 099
Venues and facilities	-	-	-	-	-	-	-	100	58
Transfers and subsidies	-	-	-	-	-	-	-	34 021	34 021

Programme 3.4: HERITAGE									
2019/20								2018/19	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Departmental agencies and accounts	-	-	-	-	-	-	-	33 989	33 989
Departmental agencies	-	-	-	-	-	-	-	33 989	33 989
Households	-	-	-	-	-	-	-	32	32
Social benefits	-	-	-	-	-	-	-	32	32
Payments for capital assets	-	-	-	-	-	-	-	4 908	2 779
Machinery and equipment	-	-	-	-	-	-	-	89	89
Other machinery and equipment	-	-	-	-	-	-	-	89	89
Heritage assets	-	-	-	-	-	-	-	4 819	2 690
Payments for financial assets	-	-	-	-	-	-	-	30	30
Total	-	-	-	-	-	-	-	53 422	51 026

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

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
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Programme 1:

ADMINISTRATION	138 392	131 886	6 506	4.7%
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The total underspending for Programme 1 amounted to R6,506 million was mainly due to the following reasons:

- a. Compensation of Employees was underspent by R2,744 million as a result of finance posts such as the Director: Internal Control, Deputy Director: Internal Control, Deputy Director: Logistics, Contract and Asset Management, 3 x Assistant Directors: Financial Accounting and 2 x Supply Chain Management practitioners that were not filled. These posts had to be re-advertised as suitable candidates could not be obtained, or, candidates that were found suitable, had already obtained other promotional offers.
- b. Goods and Services were underspent by R2,562 million, mainly due to the Covid-19 lockdown in various countries that resulted in reduced foreign travel expenses. In addition, the nationwide lockdown imposed during March 2020, resulted in activities such as The Premier's Co-ordinating Forum (PCF) and the Provincial Prayer Day not taking place. Financial management software tools for asset management and voucher tracking were not implemented due to approvals awaited from National Treasury, to ensure that there was no software duplication that they were planning to implement. There were also reduced minor asset purchases for office furniture and equipment less than R5,000 due to the non-finalisation of the additional office accommodation.
- c. Payments for Capital Assets were underspent by R1,2 million due to reduced purchases of office furniture and equipment as a result of the additional office accommodation not being finalised as well as due to the abovementioned posts not being filled by the financial year end.

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

	Final Appropriation	Actual Expenditure	Variance R'000	Variance as a % of Final Appropriation
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PROGRAMME 2:

INSTITUTIONAL DEVELOPMENT	341 326	311 512	29 814	8.7%
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The total underspending for Programme 2 amounted to R29, 814 million and was mainly due to the following reasons:

- a. Compensation of Employees was underspent by R1,420 million as a result of posts such as the Director: Office of the Status of Women, Deputy Director: Communication Services and the Senior Vetting Officer that were not filled by the financial year end. A further contributing factor to the underspending, were the secondment of officials such as the Deputy Director-General: Corporate Management, Deputy Director-General: Institutional Development and Integrity and the Director: Human Resources Policies and Practices.
- b. Goods and Services were underspent by R23,3 million mainly due to communication related activities that were not undertaken due to challenges with utilising a single source provider, particular in respect of local radio stations in certain communities where there were no competitors. In addition, events such as the Human Rights Day could not be held due to the Covid-19 lockdown that commenced in March 2020. Training and development programmes and training materials were not undertaken due to the reduction of nominations from various Departments for training programmes as a result of cost containment measures and spending pressures experienced by other Departments. The Integrity Management Summit was cancelled and funds were reprioritised towards Social Cohesion and Moral Regeneration initiatives. A further contributing factor to the underspending, were cost containment measures that were imposed on various administrative expenses such as travelling and stationery supplies.
- c. Payments for Capital Assets were underspent by R5,093 million as a result of reduced purchases, for office furniture and equipment, due to the additional office accommodation not yet being finalised. In addition, as a result of the Covid-19 lockdowns imposed by overseas countries, suppliers were unable to deliver in terms of orders made for computer equipment. A rollover of funds was therefore requested in respect of orders amounting to R1,8 million that were already made and were not delivered. An amount of R6,932 million, that was originally allocated in the budget for the roof repairs at the Moses Mabhida Building, was transferred back to Provincial Treasury during the Adjustments Estimate for re-allocation to the Department in the 2020/21 financial year, based on the project timeframes provided by Department of Works.

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

	Final Appropriation	Actual Expenditure	Variance R'000	Variance as a % of Final Appropriation
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PROGRAMME 3:

POLICY AND GOVERNANCE	235 254	230 202	5 502	2.1%
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The total underspending for Programme 3 amounted to R5, 052 million due to the following reasons:

1. Compensation of Employees had minimal underspending of R66 thousand, after a final virement of R5, 5 million was implemented to offset contractual appointments in respect of the Poverty Eradication and Master Plan (PEMP).
2. Goods and Services had minimal underspending of R60 thousand, after a final virement of R8,9 million was implemented to cover spending pressures in respect of Social Cohesion and Moral Regeneration initiatives in respect of campaigns against social ills as well as campaigns for religious sector mobilizations. Unanticipated expenses were also incurred such as the Presidential Imbizo, and the unveiling of tombstones for the struggle veterans – Zinto Cele, Sihle Mbongwa and Portia Phila Ndwadwe as well as special funerals that were designated as official funerals. In addition, there were spending pressures in respect of His Majesty, The King's events emanating from his overseas trip to Wales.
3. Payments for Capital Assets were underspent by R4,926 million as a result of an amount of R4 million that was received in the 2019/20 Adjustments Estimate as a suspension of funds from Department of Cooperative Governance and Traditional Affairs (COGTA) for the construction of a palace for His Majesty The King. There was a change of scope that was supposed to be performed at the palace and these funds will be returned to COGTA during 2020/21 through Provincial Treasury. In addition, there were also reduced purchases for furniture and equipment due to the additional office accommodation not yet being finalised.

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	300 121	295 891	4 230	1.4%
Goods and services	344 926	319 004	25 922	7.5%
Transfers and subsidies				
Provinces and municipalities	112	112	0	0.0%
Departmental agencies and accounts	19 086	19 086	0	0.0%
Non-profit Institutions				
Households	30 003	30 002	1	0.0%
Payments for capital assets				
Buildings and other fixed structures	9 861	4 878	4 983	50.5%
Machinery and equipment	10 654	4 418	6 236	58.5%
Heritage assets				
Intangible assets				
Payment for Financial Assets	209	209	0	0.0%

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

Compensation of Employees:

The underspending of R4, 230 million reflected as 1.4% is mainly as a result of various posts such as, the Director: Office of the Status of Women, Director: Internal Control, Deputy Director: Communications Services, Deputy Director: Internal Control, Deputy Director: Logistics, Contract and Asset Management, Senior Vetting Officer, 3 x Assistant Directors: Financial Accounting and 2 x Supply Chain Management practitioners, that were not filled. These posts had to be re-advertised as suitable candidates could not be obtained, or candidate that were found suitable, had already obtained other promotional offers. A number of staff exits as a result of resignations, promotional transfers and secondments also contributed to the underspending. The secondment of officials also contributed towards the underspending, namely Deputy Director-General: Corporate Management, Deputy Director-General: institutional Development and Integrity and the Director: Human Resource Policies and Practices.

Goods and Services:

The under spending of R25,922 million, reflected a 7.5% is mainly attributed due to events such as the Premier's Co-ordinating Forum (PCF), Human Rights Day and the Provincial Prayer Day that did not take place due to the nationwide Covid-19 lockdown. Lockdowns that were also imposed in various countries resulted in the reduction of foreign travel expenses thereby further contributing to the underspending. Activities such as the Integrity Management Summit, was cancelled and funds were reprioritised towards Social Cohesion and Moral Regeneration initiatives. Communication related activities that were not undertaken due to the challenges with utilising a single source provider, particularly in respect of local radio stations in certain communities where there were no competitors and this matter is being addressed with Provincial Treasury. Training and development programmes and training material were not undertaken due to the reduction of nominations from various departments for training programmes as a result of cost containment measures and spending pressures experienced by other departments. Financial management software tools to enhance asset management and voucher tracking were not implemented due to approvals awaited from National Treasury to ensure that there was no duplication of software that National Treasury were planning to implement. There were also reduced minor asset purchases for office furniture and equipment less than R5 000 due to the non-finalisation of the additional office accommodation. Further contributing to the underspending were cost containment measures imposed on various administrative expenses such as travelling and stationery supplies.

Provinces & Municipalities:

An amount of R112,000 was spent on vehicle licences.

Departmental Agencies & Accounts:

Funds amounting to R19,086 million were transferred to The Zulu Royal Household Trust (ZRHT).

Households:

An amount of R30,003 million was spent in the following transfer payments:

- a) Staff exit costs in respect of leave gratuity pay-outs amounting to R4,291 million.
- b) PARMED: Medical aid claims for ex-parliamentarians amounting to R1,187 million.
- c) Other Transfers: Claims against the state amounting to R5 thousand.
- d) External Bursaries amounting to R24,519 million.

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

Buildings & Other fixed structures:

The underspending of R4, 983 million reflected as 50.5% is mainly as a result of an amount of R4 million that was received in the 2019/20 Adjustments Estimate as a suspension of funds from COGTA for the construction of a palace for His Majesty The King. There was a change of scope that was supposed to be performed at the palace and these funds will be returned to COGTA during 2020/21 through Provincial Treasury. The balance of R983 thousand is due to refurbishment such as cabling that were not undertaken at the Parkside residence. An amount of R6, 932 million that was originally allocated in the budget for the roof repairs at the Moses Mabhida Building was transferred back to Provincial Treasury during the adjustment estimate, for re-allocation to the Department in the 2020/21 financial year, based on the project timeframes provided by Department of Works.

Machinery & Equipment:

The underspending of R6, 236 million reflected as 58.5% is as a result of the additional office accommodation for the Department not yet being finalised therefore there were reduced office furniture and equipment purchases. In addition, as a result of the Covid-19 lockdowns imposed by overseas countries, suppliers were unable to deliver timeously in respect of orders made for computer equipment. A rollover of funds was therefore requested for orders amounting to R1, 8 million that were already made and were not delivered. Office furniture and equipment was also not purchased due to the above-mentioned posts that were not filled.

Payments for financial Assets:

An amount of R209 thousand was incurred for debts written off once all debt management procedures were followed.

STATEMENT OF FINANCIAL PERFORMANCE
for the year ended 31 March 2020

	<i>Note</i>	2019/20 R'000	2018/19 R'000
REVENUE			
Annual appropriation	1	714 972	854 292
Statutory appropriation			-
Departmental revenue	2	4 881	2 054
NRF Receipts			-
Aid assistance	3	1 115	7 876
TOTAL REVENUE		720 968	864 222
EXPENDITURE			
Current expenditure			
Compensation of employees	4	295 891	290 087
Goods and services	5	319 004	362 983
Interest and rent on land			-
Aid assistance			-
Total current expenditure		614 895	653 070
Transfers and subsidies			
Transfers and subsidies	7	49 200	169 462
Aid assistance	3	3 206	8 555
Total transfers and subsidies		52 406	178 017
Expenditure for capital assets			
Tangible assets	8	9 296	16 226
Intangible assets		-	-
Total expenditure for capital assets		9 296	16 226
Unauthorised expenditure approved without funding		-	-
Payments for financial assets	6	209	257
TOTAL EXPENDITURE		676 806	847 570
SURPLUS/(DEFICIT) FOR THE YEAR		44 162	16 652

STATEMENT OF FINANCIAL PERFORMANCE
for the year ended 31 March 2020

Reconciliation of Net Surplus/(Deficit) for the year

Voted funds	41 372	15 277
Annual appropriation	41 372	15 277
Conditional grants		
Departmental revenue and NRF Receipts	4 881	2 054
Aid assistance	-2 091	-679
SURPLUS/(DEFICIT) FOR THE YEAR	44 162	16 652

STATEMENT OF FINANCIAL POSITION
as at 31 March 2020

	<i>Note</i>	2019/20	2018/19
		R'000	R'000
ASSETS			
Current assets		9 568	73 132
Unauthorised expenditure		-	-
Cash and cash equivalents	9	2	60 391
Other financial assets		-	-
Prepayments and advances	10	-	-
Receivables	11	9 566	12 741
Loans		-	-
Aid assistance prepayments		-	-
Aid assistance receivable		-	-
Non-current assets		439	439
Investments		-	-
Receivables	11	439	439
Loans		-	-
Other financial assets		-	-
TOTAL ASSETS		10 007	73 571
LIABILITIES			
Current liabilities		7 492	69 598
Voted funds to be surrendered to the Revenue Fund	12	-8 305	15 277
Departmental revenue and NRF Receipts to be surrendered to the Revenue Fund	13	-307	29
Bank overdraft	14	12 301	-
Payables	15	1 211	49 609
Aid assistance repayable		-	-
Aid assistance unutilised	3	2 592	4 683
Non-current liabilities			
Payables	16	183	1 784
TOTAL LIABILITIES		7 675	71 382
NET ASSETS		2 332	2 189

STATEMENT OF FINANCIAL POSITION
as at 31 March 2020

	<i>Note</i>	2019/20 R'000	2018/19 R'000
Represented by:			
Capitalisation reserve		-	-
Recoverable revenue		2 332	2 189
Retained funds		-	-
Revaluation reserves		-	-
TOTAL		2 332	2 189

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

NET ASSETS	<i>Note</i>	2019/20 R'000	2018/19 R'000
Capitalisation Reserves			
Opening balance		-	-
Transfers:		-	-
Movement in Equity		-	-
Movement in Operational Funds		-	-
Other movements		-	-
Closing balance		-	-
Recoverable revenue			
Opening balance		2 189	1 942
Transfers:		143	247
Irrecoverable amounts written off	6	209	257
Debts revised			
Debts recovered (included in departmental receipts)		-135	-255
Debts raised		69	245
Closing balance		2 332	2 189
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		2 332	2 189

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

	2019/20 R'000	2018/19 R'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts	720 968	862 854
Annual appropriated funds received	714 972	854 292
Statutory appropriated funds received	-	-
Departmental revenue received	4 859	675
Interest received	22	11
NRF Receipts	-	-
Aid assistance received	1 115	7 876
Net (increase)/decrease in working capital	-45 223	-1 670
Surrendered to Revenue Fund	-70 171	-13 520
Surrendered to RDP Fund/Donor		
Current payments	-614 895	-653 070
Interest paid		
Payments for financial assets	-209	-257
Transfers and subsidies paid	-52 406	-178 017
Net cash flow available from operating activities	-61 936	16 320
CASH FLOWS FROM INVESTING ACTIVITIES		
Payments for capital assets	-9 296	-16 226
Proceeds from sale of capital assets	-	1 368
(Increase)/decrease in loans	-	-
(Increase)/decrease in investments	-	-
(Increase)/decrease in other financial assets	-	-
Net cash flows from investing activities	-9 296	-14 858
CASH FLOWS FROM FINANCING ACTIVITIES		
Distribution/dividend received	-	-
Increase/(decrease) in net assets	143	247
Increase/(decrease) in non-current payables	-1 601	-
Net cash flows from financing activities	-1 458	247
Net increase/(decrease) in cash and cash equivalents	-72 690	1 709
Cash and cash equivalents at beginning of period	60 391	58 682
Unrealised gains and losses within cash and cash equivalents		
Cash and cash equivalents at end of period	-12 299	60 391

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2020

Summary of significant accounting policies

[Concepts and Principles, Financial Statement Presentation]

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

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

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

1	Basis of preparation <i>[Financial Statement Presentation]</i> The financial statements have been prepared in accordance with the Modified Cash Standard.
2	Going concern <i>[Financial Statement Presentation]</i> The financial statements have been prepared on a going concern basis.
3	Presentation currency <i>[Financial Statement Presentation]</i> Amounts have been presented in the currency of the South African Rand (R) which is also the functional currency of the department.
4	Rounding <i>[Financial Statement Presentation]</i> Unless otherwise stated financial figures have been rounded to the nearest one thousand Rand (R'000).
5	Foreign currency translation <i>[Cash Flow Statement, Expenditure, Revenue]</i> Cash flows arising from foreign currency transactions are translated into South African Rands using the spot exchange rates prevailing at the date of payment / receipt.
6	Comparative information
6.1	Prior period comparative information <i>[Financial Statement Presentation]</i> Prior period comparative information has been presented in the current year's financial statements. Where necessary figures included in the prior period financial statements have been reclassified to ensure that the format in which the information is presented is consistent with the format of the current year's financial statements.
6.2	Current year comparison with budget <i>[Appropriation Statement]</i> A comparison between the approved, final budget and actual amounts for each programme and economic classification is included in the appropriation statement.
7	Revenue
7.1	Appropriated funds <i>[Revenue, General Departmental Assets and Liabilities]</i> Appropriated funds comprises of departmental allocations as well as direct charges against the revenue fund (i.e. statutory appropriation).

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
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	<p>Appropriated funds are recognised in the statement of financial performance on the date the appropriation becomes effective. Adjustments made in terms of the adjustments budget process are recognised in the statement of financial performance on the date the adjustments become effective.</p> <p>The net amount of any appropriated funds due to / from the relevant revenue fund at the reporting date is recognised as a payable / receivable in the statement of financial position.</p>
7.2	<p>Departmental revenue <i>[Revenue, General Departmental Assets and Liabilities]</i></p> <p>Departmental revenue is recognised in the statement of financial performance when received and is subsequently paid into the relevant revenue fund, unless stated otherwise.</p> <p>Any amount owing to the relevant revenue fund at the reporting date is recognised as a payable in the statement of financial position.</p>
8	Expenditure
8.1	Compensation of employees
8.1.1	<p>Salaries and wages <i>[Expenditure]</i></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 <i>[Expenditure]</i></p> <p>Social contributions made by the department in respect of current employees are recognised in the statement of financial performance on the date of payment.</p> <p>Social contributions made by the department in respect of ex-employees are classified as transfers to households in the statement of financial performance on the date of payment.</p>
8.2	<p>Other expenditure <i>[Expenditure]</i></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 <i>[General Departmental Assets and Liabilities]</i></p> <p>Accruals and payables not recognised are recorded in the notes to the financial statements at cost at the reporting date.</p>
8.4	Leases
8.4.1	<p>Operating leases <i>[Leases]</i></p> <p>Operating lease payments made during the reporting period are recognised as current expenditure in the statement of financial performance on the date of payment.</p> <p>The operating lease commitments are recorded in the notes to the financial statements.</p>

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
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8.4.2	Finance leases <i>[Leases]</i> Finance lease payments made during the reporting period are recognised as capital expenditure in the statement of financial performance on the date of payment. The finance lease commitments are recorded in the notes to the financial statements and are not apportioned between the capital and interest portions. Finance lease assets acquired at the end of the lease term are recorded and measured at the lower of: <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	Aid assistance received <i>[Revenue, General Departmental Assets and Liabilities]</i> 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.
9.2	Aid assistance paid <i>[Expenditure, General Departmental Assets and Liabilities]</i> Aid assistance paid is recognised in the statement of financial performance on the date of payment. Aid assistance payments made prior to the receipt of funds are recognised as a receivable in the statement of financial position.
10	Cash and cash equivalents <i>[General Departmental Assets and Liabilities, Cash Flow Statement]</i> Cash and cash equivalents are stated at cost in the statement of financial position. Bank overdrafts are shown separately on the face of the statement of financial position as a current liability. For the purposes of the cash flow statement, cash and cash equivalents comprise cash on hand, deposits held, other short-term highly liquid investments and bank overdrafts.
11	Prepayments and advances <i>[General Departmental Assets and Liabilities]</i> Prepayments and advances are recognised in the statement of financial position when the department receives or disburses the cash. Prepayments and advances are initially and subsequently measured at cost. <Indicate when prepayments and advances are expensed and under what circumstances.>
12	Loans and receivables <i>[General Departmental Assets and Liabilities]</i> Loans and receivables are recognised in the statement of financial position at cost plus accrued interest, where interest is charged, less amounts already settled or written-off. Write-offs are made according to the department's write-off policy.
13	Investments <i>[General Departmental Assets and Liabilities]</i> Investments are recognised in the statement of financial position at cost.
14	Financial assets

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2020

14.1	<p>Financial assets (not covered elsewhere) <i>[General Departmental Assets and Liabilities]</i></p> <p>A financial asset is recognised initially at its cost plus transaction costs that are directly attributable to the acquisition or issue of the financial asset.</p> <p>At the reporting date, a department shall measure its financial assets at cost, less amounts already settled or written-off, except for recognised loans and receivables, which are measured at cost plus accrued interest, where interest is charged, less amounts already settled or written-off.</p>
14.2	<p>Impairment of financial assets <i>[General Departmental Assets and Liabilities]</i></p> <p>Where there is an indication of impairment of a financial asset, an estimation of the reduction in the recorded carrying value, to reflect the best estimate of the amount of the future economic benefits expected to be received from that asset, is recorded in the notes to the financial statements.</p>
15	<p>Payables <i>[General Departmental Assets and Liabilities]</i></p> <p>Payables recognised in the statement of financial position are recognised at cost.</p>
16	<p>Capital Assets</p>
16.1	<p>Immovable capital assets <i>[Capital Assets]</i></p> <p>Immovable assets reflected in the asset register of the department are recorded in the notes to the financial statements at cost or fair value where the cost cannot be determined reliably. Immovable assets acquired in a non-exchange transaction are recorded at fair value at the date of acquisition. Immovable assets are subsequently carried in the asset register at cost and are not currently subject to depreciation or impairment.</p> <p>Subsequent expenditure of a capital nature forms part of the cost of the existing asset when ready for use.</p> <p>Additional information on immovable assets not reflected in the assets register is provided in the notes to financial statements.</p>
16.2	<p>Movable capital assets <i>[Capital Assets]</i></p> <p>Movable capital assets are initially recorded in the notes to the financial statements at cost. Movable capital assets acquired through a non-exchange transaction is measured at fair value as at the date of acquisition.</p> <p>Where the cost of movable capital assets cannot be determined reliably, the movable capital assets are measured at fair value and where fair value cannot be determined; the movable assets are measured at R1.</p> <p>All assets acquired prior to 1 April 2002 (or a later date as approved by the OAG) may be recorded at R1.</p> <p>Movable capital assets are subsequently carried at cost and are not subject to depreciation or impairment.</p> <p>Biological assets are subsequently carried at fair value. <i>[Add this sentence on biological assets if the department has elected to revalue its biological assets at reporting date]</i></p> <p>Subsequent expenditure that is of a capital nature forms part of the cost of the existing asset when ready for use.</p>

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2020

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

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2020

17.4	<p>Capital commitments <i>[Provisions and Contingents]</i></p> <p>Capital commitments are recorded at cost in the notes to the financial statements.</p>
18	<p>Fruitless and wasteful expenditure <i>[General Departmental Assets and Liabilities]</i></p> <p>Fruitless and wasteful expenditure is recorded in the notes to the financial statements when confirmed. The amount recorded is equal to the total value of the fruitless and or wasteful expenditure incurred.</p> <p>Fruitless and wasteful expenditure is removed from the notes to the financial statements when it is resolved or transferred to receivables or written off.</p> <p>Fruitless and wasteful expenditure receivables are measured at the amount that is expected to be recoverable and are de-recognised when settled or subsequently written-off as irrecoverable.</p>
19	<p>Irregular expenditure <i>[General Departmental Assets and Liabilities]</i></p> <p>Irregular expenditure is recorded in the notes to the financial statements when confirmed. The amount recorded is equal to the value of the irregular expenditure incurred unless it is impracticable to determine, in which case reasons therefor are provided in the note.</p> <p>Irregular expenditure is removed from the note when it is either condoned by the relevant authority, transferred to receivables for recovery, not condoned and removed or written-off.</p> <p>Irregular expenditure receivables are measured at the amount that is expected to be recoverable and are de-recognised when settled or subsequently written-off as irrecoverable.</p>
20	<p>Changes in accounting estimates and errors <i>[Accounting Policies, Estimates and Errors]</i></p> <p>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>
21	<p>Events after the reporting date <i>[Events after the Reporting Date]</i></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>
22	<p>Departures from the MCS requirements <i>[Preface to the Modified Cash Standard]</i></p> <p>[Insert information on the following: that management has concluded that the financial statements present fairly the department's primary and secondary information; that the department complied with the Standard except that it has departed from a particular requirement to achieve fair presentation; and the requirement from which the department has departed, the nature of the departure and the reason for departure.]</p>
23	<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>

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2020

24	<p>Related party transactions <i>[Related Party Disclosures]</i></p> <p>Related party transactions within the Minister/MEC's portfolio are recorded in the notes to the financial statements when the transaction is not at arm's length.</p> <p>The number of individuals and the full compensation of key management personnel is recorded in the notes to the financial statements.</p>
25	<p>Public-Private Partnerships <i>[Financial Statement Presentation]</i></p> <p>Public Private Partnerships are accounted for based on the nature and or the substance of the partnership. The transaction is accounted for in accordance with the relevant accounting policies. A summary of the significant terms of the PPP agreement, the parties to the agreement, and the date of commencement thereof together with the description and nature of the concession fees received, the unitary fees paid, rights and obligations of the department are recorded in the notes to the financial statements.</p>
26	<p>Employee benefits <i>[General Departmental Assets and Liabilities]</i> <i>[Provisions and Contingents]</i></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>
27	<p>Transfers of functions <i>[Transfers of Functions]</i></p> <p>Transfers of functions are accounted for by the acquirer by recognising or recording assets acquired and liabilities assumed at their carrying amounts at the date of transfer.</p> <p>Transfers of functions are accounted for by the transferor by derecognising or removing assets and liabilities at their carrying amounts at the date of transfer.</p>

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2020

1. Annual Appropriation

1.1 Annual Appropriation

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

			2019/20		2018/19
	Final Ap- propriation	Actual Funds Received	Funds not requested/ not received	Final Ap- propriation	Appropri- ation re- ceived
	R'000	R'000	R'000	R'000	R'000
ADMINISTRATION	144 426	144 426	-	95 030	95 030
INSTITUTIONAL DEVELOPMENT	350 562	350 562	-	479 433	479 433
POLICY AND GOVERNANCE	219 984	219 984	-	279 829	279 829
Total	714 972	714 972	-	854 292	854 292

2. Departmental revenue

	Note	2019/20	2018/19
		R'000	R'000
Tax revenue		-	-
Sales of goods and services other than capital assets	2.1	193	175
Fines, penalties and forfeits		-	-
Interest, dividends and rent on land	2.2	22	11
Sales of capital assets	2.3	-	1 368
Transactions in financial assets and liabilities	2.4	4 666	500
Transfer received		-	-
Total revenue collected		4 881	2 054
Less: Own revenue included in appropriation			
Departmental revenue collected		4 881	2 054

2.1 Sales of goods and services other than capital assets

	Note	2019/20	2018/19
		R'000	R'000
Sales of goods and services produced by the department		193	175
Sales by market establishment	2	11	11
Administrative fees		-	-
Other sales	2	182	164
Sales of scrap, waste and other used current goods			
Total		193	175

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2020

2.2 Interest, dividends and rent on land

	<i>Note</i>	2019/20	2018/19
		R'000	R'000
Interest	2	22	11
Dividends			
Rent on land			
Total		22	11

2.3 Sales of capital assets

	<i>Note</i>	2019/20	2018/19
		R'000	R'000
Tangible assets			
Buildings and other fixed structures		-	-
Machinery and equipment	2		1 368
Rent on land		-	-
Total			1 368

2.4 Transactions in financial assets and liabilities

	<i>Note</i>	2019/20	2018/19
		R'000	R'000
Loans and advances		-	-
Receivables		-	-
Other Receipts including Recoverable Revenue	2	4 666	500
Gains on GFECRA			-
		4 666	500

2.5 Cash received not recognised (*not included in the main note*) – 2019/20

		2019/20	
Name of entity	Amount received	Amount paid to the revenue fund	Balance
	R'000	R'000	R'000
Total			

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2020

Name of entity	2018/19		Balance
	Amount received	Amount paid to the revenue fund	
	R'000	R'000	R'000
	637 327	588 026	49 301
Total	637 327	588 026	49 301

The Gaming and Betting Unit was transferred to the Department of Economic Development and Tourism from 01/04/2019.

3. Aid assistance

	Note	2019/20 R'000	2018/19 R'000
Opening Balance		4 683	5 362
Prior period error			
As restated		4 683	5 362
Transferred from statement of financial performance		-2 091	-679
Transfers to or from retained funds		-	-
Paid during the year		-	-
Closing Balance		2 592	4 683

Aids assistance is relating to MERSETA and National Skills Fund (NSF). The amount of R2 592 is a revenue balance made up of R904 for MERSETA and R1 687 for NSF.

3.1 Analysis of balance by source

	Note	2019/20 R'000	2018/19 R'000
Aid assistance from RDP		-	-
Aid assistance from other sources	3	2 592	4 683
CARA		-	-
Closing balance		2 592	4 683

Aids assistance is relating to MERSETA and National Skills Fund (NSF). The amount of R2 592 is a revenue balance made up of R904 for MERSETA and R1 687 for NSF.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2020

3.2 Analysis of balance

	<i>Note</i>	2019/20 R'000	2018/19 R'000
Aid assistance receivable		-	-
Aid assistance prepayments (not expensed)		-	-
Aid assistance unutilised	3	2 592	4 683
Aid assistance repayable		-	-
Closing balance		2 592	4 683
Aid assistance not requested/not received		-	-

Cash received from MERSETA and (NSF). Funds will be spent in future financial years.

3.3 Aid assistance expenditure per economic classification

	<i>Note</i>	2019/20 R'000	2018/19 R'000
Current		-	-
Capital		-	-
Transfers and subsidies		3 206	8 555
Total aid assistance expenditure		3 206	8 555

This amount of R3 206 relates to the expenditure processed against the aids assistance received from MERSETA and the National Skills Fund.

4. Compensation of employees

4.1 Salaries and Wages

	<i>Note</i>	2019/20 R'000	2018/19 R'000
Basic salary	4	200 177	196 242
Performance award	4	5 052	5 028
Service Based	4	260	270
Compensative/circumstantial	4	5 504	5 438
Periodic payments	4	1 002	972
Other non-pensionable allowances	4	50 089	49 177
Total		262 084	257 127

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2020

4.2 Social contributions

	<i>Note</i>	2019/20 R'000	2018/19 R'000
Employer contributions			
Pension	4	23 436	23 413
Medical	4	10 309	9 497
UIF	4	-	-
Bargaining council	4	62	50
Total		33 807	32 960
Total compensation of employees		295 891	290 087
Average number of employees	4	554	571

The number of employees has decreased as a result of resignations, promotional transfers and secondments.

5. Goods and services

	<i>Note</i>	2019/20 R'000	2018/19 R'000
Administrative fees		3 877	5 826
Advertising		30 005	27 174
Minor assets	5.1	505	1 730
Bursaries (employees)		229	456
Catering		5 476	7 094
Communication		11 191	10 691
Computer services	5.2	34 830	26 007
Consultants: Business and advisory services		17 328	28 253
Legal services		479	613
Contractors		107 088	143 114
Agency and support / outsourced services		498	283
Audit cost – external	5.3	4 813	4 419
Fleet services		9 824	9 300
Consumables	5.4	10 159	9 645
Operating leases		17 326	12 338
Property payments	5.5	19 985	16 926
Transport provided as part of the departmental activities		5 199	4 000
Travel and subsistence	5.6	33 127	40 124
Venues and facilities		5 140	6 162
Training and development		1 065	3 064
Other operating expenditure	5.7	860	5 764
Total		319 004	362 983

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2020

5.1 Minor assets

	<i>Note</i>	2019/20	2018/19
		R'000	R'000
Tangible assets		505	1 730
Machinery and equipment	5	505	1 730
Total		505	1 730

5.2 Computer services

	<i>Note</i>	2019/20	2018/19
		R'000	R'000
SITA computer services	5	14 902	6 324
External computer service providers	5	19 928	19 683
Total		34 830	26 007

5.3 Audit cost – External

	<i>Note</i>	2019/20	2018/19
		R'000	R'000
Regularity audits	5	4 813	4 419
Total		4 813	4 419

5.4 Consumables

	<i>Note</i>	2019/20	2018/19
		R'000	R'000
Consumable supplies	5	3 946	2 926
Uniform and clothing	5	80	239
Household supplies	5	3 567	2 080
Building material and supplies	5	33	26
Communication accessories	5	6	10
Other consumables	5	260	571
Stationery, printing and office supplies		6 213	6 719
Total		10 159	9 645

5.5 Property payments

	<i>Note</i>	2019/20	2018/19
		R'000	R'000
Municipal services	5	6 923	7 135
Property maintenance and repairs			
Other	5	13 062	9 791
Total		19 985	16 926

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2020

5.6 Travel and subsistence

	<i>Note</i>	2019/20	2018/19
		R'000	R'000
Local	5	25 125	36 376
Foreign	5	8 002	3 748
Total		33 127	40 124

5.7 Other operating expenditure

	<i>Note</i>	2019/20	2018/19
		R'000	R'000
Professional bodies, membership and subscription fees		-	306
Resettlement costs	5	850	5 198
Other	5	10	260
Total		860	5 764

6. Payments for financial assets

	<i>Note</i>	2019/20	2018/19
		R'000	R'000
Debts written off	6.1	209	257
Total		209	257

6.1 Debts written off

	<i>Note</i>	2019/20	2018/19
		R'000	R'000
Nature of debts written off			
Staff & Supplier Debt written off	6	209	257
Total		209	257
Total debt written off		209	257

The payment for financial assets relates to debts write offs. R209 003.28 relates to staff debt write-offs and R178.97 relates to supplier debt write offs.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2020

7. Transfers and subsidies

		2019/20	2018/19
		R'000	R'000
	<i>Note</i>		
Provinces and municipalities		111	175
Departmental agencies and accounts	<i>Annex 1B</i>	19 086	144 339
Non-profit institutions			
Households	<i>Annex 1G</i>	30 003	24 948
Total		49 200	169 462

This note relates to KZN Royal Household Trust (Departmental agencies and accounts, employee benefits and claims against the state (transfers to households) as well as vehicle licences.

8. Expenditure for capital assets

	<i>Note</i>	2019/20	2018/19
		R'000	R'000
Tangible assets	8.1	9 296	16 226
Buildings and other fixed structures		4 878	4 414
Heritage assets		-	2 690
Machinery and equipment		4 418	9 122
Total		9 296	16 226

The building and other fixed structures relate to Capital refurbishments made to the palaces and payment to Dept. of Works iro Terry Street.

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

	Voted funds	Aid assistance	Total
	R'000	R'000	R'000
Tangible assets	9 296		9 296
Buildings and other fixed structures	4 878	-	4 878
Heritage assets	-	-	-
Machinery and equipment	4 418	-	4 418
Total	9 296	-	9 296

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2020

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

	Voted funds	Aid assistance	Total
	R'000	R'000	R'000
Tangible assets	16 226	-	16 226
Buildings and other fixed structures	4 414	-	4 414
Heritage assets	2 690	-	2 690
Machinery and equipment	9 122	-	9 122
Total	16 226	-	16 226

9. Cash and cash equivalents

	<i>Note</i>	2019/20	2018/19
		R'000	R'000
Consolidated Paymaster General Account		-	60 389
Cash on hand		2	2
Total		2	60 391

10. Prepayments and advances

10.1 Prepayments (Not Expensed)

<i>Note</i>	Amount as at 1 April 2019	Less: Amount expensed in the current year	Add: Current Year prepayments	Amount as at 31 March 2020
	R'000	R'000	R'000	R'000
Goods and services	-	-	-	-
Total	-	-	-	-

Prepayments (Not Expensed)

<i>Note</i>	Amount as at 1 April 2018	Less: Amount expensed in the current year	Add: Current Year prepayments	Amount as at 31 March 2019
	R'000	R'000	R'000	R'000
Goods and services	-	-8 365	8 365	-
Total	-	-8 365	-8 365	-

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2020

10.2 Advances paid (Expensed)

<i>Note</i>	Amount as at 1 April 2019	Less: Amount Received in the current year	Add: Current Year Advances	Amount as at 31 March 2020
	R'000	R'000	R'000	R'000
Public Entities	50 000	-49 234	-	766
Total	50 000	-49 234	-	766

The terms of agreement with the KZN Growth Fund required the funds to remain with them until spent on beneficiaries. In addition, funds were planned to be disbursed by the agent within 12 months of receipt. For this purpose, it was not probable that the funds will be returned to OTP. The advance was therefore expensed in line with MCS Chapter 9.6.

Advances paid (Expensed)

<i>Note</i>	Amount as at 1 April 2018	Less: Amount received in the current year	Add: Current Year Advances	Amount as at 31 March 2019
	R'000	R'000	R'000	R'000
National Departments	4 758	-6 753	1 995	-
Public Entities	-	-	50 000	50 000
Total	4 758	- 6 753	51 995	50 000

11. Receivables

		2019/20			2018/19		
	<i>Note</i>	Current R'000	Non- current R'000	Total R'000	Current R'000	Non- current R'000	Total R'000
Claims recoverable	11.1	3 344	-	3 344	6 916	-	6 916
Recoverable expenditure	11.2	632	439	1 071	237	439	676
Staff debt	11.3	908	-	908	1 190	-	1 190
Other receivables	11.4	4 682	-	4 682	4 398	-	4 398
Total		9 566	439	10 005	12 741	439	13 180

Other receivables is made up of mainly Supplier Debt and also includes T&S Advance.

11.1 Claims recoverable

	<i>Note 11 and Annex 4</i>	2019/20 R'000	2018/19 R'000
National departments		-	1 595
Provincial departments		95	2 072
Public entities		3 249	3 249
Total		3 344	6 916

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
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The R3 249 relates to the balance that was inherited from Royal Household upon its dissolution in the 2014/15 financial year.

11.2 Recoverable expenditure (disallowance accounts)

	<i>Note</i>	2019/20	2018/19
	<i>11</i>	R'000	R'000
Disallowances Damages & Losses: CA		997	1 174
Disallowances Damages & Losses Recovery		-997	-1 174
Disallowance Payment Fraud		439	439
Salary Reversal Control		265	65
Tax Debt		88	69
Salary Deduction Disallowance Account		4	3
GEHS Refund Control Account		-	6
Sal: Income Tax (Due by SARS)		-	86
Sal: Medical Aid		16	8
Online Travel		259	-
Total		1 071	676

11.3 Staff debt

	<i>Note</i>	2019/20	2018/19
	<i>11</i>	R'000	R'000
Employee Debt		94	81
Ex-Employee Debt		685	945
Bursary Debt		129	164
Total		908	1 190

Current = R908. No non-current.

11.4 Other receivables

	<i>Note</i>	2019/20	2018/19
	<i>11</i>	R'000	R'000
Supplier Debt		4 645	4 351
T & S Advance: Dom		37	47
Total		4 682	4 398

Only current transactions

11.5 Impairment of receivables

	<i>Note</i>	2019/20	2018/19
	<i>11</i>	R'000	R'000
Estimate of impairment of receivables		8 344	8 133
Total		8 344	8 133

The impairments are made up as follows: Staff debt – R803, Supplier Debt – R4 292 and Claims – R3 249.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2020

12. Voted funds to be surrendered to the Revenue Fund

	<i>Note</i>	2019/20	2018/19
		R'000	R'000
Opening balance		15 277	11 417
Prior period error			
As restated		15 277	11 417
Transfer from statement of financial performance (as restated)		41 372	15 277
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		-64 954	-11 417
Closing balance		-8 305	15 277

The effect of the prior period error resulted in funds due to the department by the Revenue Fund.

12.1 Prior period error

	<i>Note</i>	2018/19
		R'000
Nature of prior period error		
Relating to 2018/19 <i>[affecting the opening balance]</i>		-50 000
		-50 000
Total prior period errors		-50 000

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

	<i>Note</i>	2019/20	2018/19
		R'000	R'000
Opening balance		29	78
Prior period error			
As restated		29	78
Transfer from Statement of Financial Performance (as restated)		4 881	2 054
Own revenue included in appropriation			-
Transfer from aid assistance			-
Transfer to voted funds to defray expenditure (Parliament/Legislatures ONLY)			-
Paid during the year		-5 217	-2 103
Closing Balance		-307	29

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2020

14. Bank Overdraft

	<i>Note</i>	2019/20	2018/19
		R'000	R'000
Consolidated Paymaster General Account		12 301	-
Total		12 301	-

The bank over-draft resulted from outstanding payments of R11 192 million (BAS Payments processed awaiting disbursement) +PERSAL EBT Control of R1 394 million (PERSAL payments awaiting disbursement) and R12 thousand Bank Adjustment (Returned PERSAL deductions awaiting allocations from HR)

15. Payables – current

	<i>Note</i>	2019/20	2018/19
		R'000	R'000
Amounts owing to other entities		-	-
Advances received		-	-
Clearing accounts	15.1	1 211	307
Other payables		-	49 302
Total		1 211	49 609

15.1 Clearing accounts

	<i>Note</i>	2019/20	2018/19
		R'000	R'000
Sal: Bargaining Councils	15	1	1
Sal: Pension Fund		70	29
Sal: Income Tax		863	-
Sal: ACB Recall		154	154
Sal: Pension Recoverable		123	123
Total		1 211	307

15.2 Other payables

	<i>Note</i>	2019/20	2018/19
		R'000	R'000
Relating to Gaming and Betting Revenue	15	-	49 302
Total		-	49 302

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2020

16. Payables – non-current

		2019/20			2018/19
		R'000	R'000	R'000	R'000
	Note	One to two years	Two to three years	More than three years	Total
Advances received	16.1	-	-	183	1 784
Other payables		-	-	-	-
Total		-	-	183	1 784

16.1 Advances received

	Note	2019/20	2018/19
	16	R'000	R'000
Public entities		183	1 784
Other institutions		-	-
Total		183	1 784

17. Net cash flow available from operating activities

	Note	2019/20	2018/19
		R'000	R'000
Net surplus/(deficit) as per Statement of Financial Performance		44 162	16 652
Add back non cash/cash movements not deemed operating activities		-106 098	- 332
(Increase)/decrease in receivables – current		3 175	-3 958
(Increase)/decrease in prepayments and advances		-	-
(Increase)/decrease in other current assets		-	-
Increase/(decrease) in payables – current		-48 398	2 288
Proceeds from sale of capital assets		-	-1 368
Expenditure on capital assets		9 296	16 226
Surrenders to Revenue Fund		-70 171	-13 520
Net cash flow generated by operating activities		-61 936	16 320

The negative balance of R12,299 million is not a bank overdraft for the 2019/20 Financial year. The total Annual Appropriation for OTP was R715 million and the total Expenditure was R677 million which reflects that the department does not have over expenditure for the 2019/20 year, but rather a surplus. The reason for the negative amount is due to the disbursement of R47,943 million in April 2020 that related to the 2019/20 financial year against the bank Account in the 2020/21 financial year. Considering that the Bank Account does not cut off at the end of a Financial year, transactions of the preceding year will interface into the current year bank account which has a ripple effect, but does not constitute a bank overdraft. Please refer to the MCS attached to the lead sheets.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2020

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

	<i>Note</i>	2019/20	2018/19
		R'000	R'000
Consolidated Paymaster General account		-12 301	60 389
Cash on hand		2	2
Total		-12 299	60 391

19. Contingent liabilities and contingent assets**19.1 Contingent liabilities**

	<i>Note</i>	2019/20	2018/19
		R'000	R'000
Liable to	Nature		
Claims against the department	<i>Annex 3B</i>	8 574	8 174
Intergovernmental payables (unconfirmed balances)	<i>Annex 5</i>	1 315	8 868
Other			
Total		9 889	17 042

The claims against the state are handled via the courts. It is uncertain as to the settlement amount or timing of any outflow until the cases are finalised. The unconfirmed IDA Payables awaits confirmation from the respective department or Invoices and supporting documents before it can be confirmed. Until this is provided it is uncertain that OTP is indeed due to pay the reflected amount or the timing thereof.

Contingent assets

	<i>Note</i>	2019/20	2018/19
		R'000	R'000
Nature of contingent asset			
Royal Household take-on balance iro Jacks B Construction		-	362
Total		-	362

20. Capital Commitments

	<i>Note</i>	2019/20	2018/19
		R'000	R'000
Capital expenditure			
Machinery and Equipment		3 424	228
Buildings & Other Fixed Structures			3 000
Total Commitments		3 424	3 228

Capital Commitments is made up of Machinery and Equipment of R 2 224 million and the purchase of vehicles of R1.2 million

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2020

21. Accruals and payables not recognised

21.1 Accruals

			2019/20	2018/19
			R'000	R'000
Listed by economic classification				
	30 Days	30+ Days	Total	Total
Goods and services	4 259	759	5 018	23 749
Transfers and subsidies	281	-	281	-
Capital assets	14	5	19	23
Other	-	-	-	-
Total	4 554	764	5 318	23 772
		<i>Note</i>	2019/20	2018/19
		21	R'000	R'000
Listed by programme level				
ADMINISTRATION			969	905
INSTITUTIONAL DEVELOPMENT			4 219	9 992
POLICY AND GOVERNANCE			130	12 875
Total			5 318	23 772

21.2 Payables not recognised

			2019/20	2018/19
			R'000	R'000
Listed by economic classification				
	30 Days	30+ Days	Total	Total
Goods and services	2 148	954	3 102	13 590
Capital assets	49	-	49	1 844
Other	-	-	-	109
Total	2 197	954	3 151	15 543
		<i>Note</i>	2019/20	2018/19
		21	R'000	R'000
Listed by programme level				
ADMINISTRATION			93	278
INSTITUTIONAL DEVELOPMENT			2 416	8 946
POLICY AND GOVERNANCE			642	6 319
Total			3 151	15 543

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2020

	<i>Note</i>	2019/20	2018/19
		R'000	R'000
<i>Included in the above totals are the following:</i>			
Confirmed balances with other departments	<i>Annex 5</i>	-	5 542
Total		-	5 542

22. Employee benefits

	<i>Note</i>	2019/20	2018/19
	4	R'000	R'000
Leave entitlement		16 932	18 071
Service bonus (Thirteenth cheque)		6 394	6 370
Performance awards		5 052	4 703
Capped leave commitments		12 772	15 353
Other		153	323
Total		41 303	44 820

At this stage the department is not able to reliably measure the long term portion of the long service awards.

23. Lease commitments

23.1 Operating leases

2019/20	Specialised military equipment	Land	Buildings and other fixed structures	Machinery and equipment	Total
Not later than 1 year	-	-	9 007	1 174	10 181
Later than 1 year and not later than 5 years	-	-		1 095	1 095
Later than five years					
Total lease commitments	-	-	9 007	2 269	11 276
2018/19	Specialised military equipment	Land	Buildings and other fixed structures	Machinery and equipment	Total
Not later than 1 year			93	1 429	1 522
Later than 1 year and not later than 5 years			24	567	591
Later than five years	-	-			
Total lease commitments	-	-	117	1 996	2 113

The Operating leases relates to the leasing of official accommodation and parkades as well as photocopier machines.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2020

23.2 Finance leases **

2019/20	Specialised military equipment	Land	Buildings and other fixed structures	Machinery and equipment	Total
Not later than 1 year	-	-	-	5 471	5 471
Later than 1 year and not later than 5 years	-	-	-	553	553
Later than five years	-	-	-		
Total lease commitments	-	-	-	6 024	6 024

2018/19	Specialised military equipment	Land	Buildings and other fixed structures	Machinery and equipment	Total
Not later than 1 year	-	-	-	3 187	3 187
Later than 1 year and not later than 5 years	-	-	-	1 475	1 475
Later than five years	-	-	-		
Total lease commitments	-	-	-	4 662	4 662

The Finance Leases relates to cell phone contracts with VODACOM and MTN.

24. Accrued departmental revenue

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

24.1 Analysis of accrued departmental revenue

	<i>Note</i>	2019/20	2018/19
		R'000	R'000
Opening balance		-	1 368
Less: amounts received		-	1 368
Add: amounts recorded			
Less: amounts written-off/reversed as irrecoverable			
Closing balance		-	-

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2020

25. Irregular expenditure

25.1 Reconciliation of irregular expenditure

	<i>Note</i>	2019/20	2018/19
		R'000	R'000
Opening balance		258 293	83 604
Prior period error			
As restated		258 293	83 604
Add: Irregular expenditure – relating to prior year		-	
Add: Irregular expenditure – relating to current year	25.2	93 351	174 689
Less: Prior year amounts condoned			
Less: Current year amounts condoned			
Less: Amounts not condoned and recoverable			
Less: Amounts not condoned and not recoverable			
Closing balance		351 644	258 293
Analysis of closing balance			
Current year		93 351	174 689
Prior years		258 293	83 604
Total		351 644	258 293

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

Incident	Disciplinary steps taken/criminal proceedings	2019/20
		R'000
Competitive bidding process not followed		12 479
Contract expired		3 031
Local content not adhered to		491
Tax affairs not in order		5 850
Deviations not valid		29 291
Suppliers in service of the state		190
Award made after closing date		6 147
Employee doing business with the department		22
Contract modified		24
Contract threshold exceeded		15 023
Invalid BBBEE		4 593
SBD4 not provided/false declaration		700
Not procured through SITA		251
3 quotations not obtained		15 259
Total		93 351

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2020

25.3 Prior period error

	<i>Note</i>	2018/19
		R'000
Relating to 2018/19		120 392
Irregular Expenditure relating to 18/19 not included in the 18/19 AFS		120 392
Closing balance		120 392

Requests have been made for condonation. The department is awaiting a response.

26. Fruitless and wasteful expenditure**26.1 Reconciliation of fruitless and wasteful expenditure**

	<i>Note</i>	2019/20	2018/19
		R'000	R'000
Opening balance		576	572
Prior period error			
As restated		576	572
Fruitless and wasteful expenditure – relating to prior year			
Fruitless and wasteful expenditure – relating to current year		-	4
Less: Amounts resolved		-	-
Less: Amounts transferred to receivables for recovery		-	-
Closing balance		576	576

Fruitless and Wasteful expenditure as at 31 March 2020 = R51.03 and relates to interest on Telkom Accounts. As the departments fruitless and wasteful is under R1000, this won't be reflected in the AFS, as the AFS template reflects amounts over R500. which are rounded off to R1 000.00.

27. Key management personnel

	No. of Individuals	2019/20	2018/19
		R'000	R'000
Political office bearers (provide detail below)	1	2 260	2 260
Officials:			
Level 15 to 16	8	13 028	15 568
Level 14 (incl. CFO if at a lower level)	14	19 937	19 529
Family members of key management personnel			
Total		35 225	37 357

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
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28. Provisions

	2019/20	2018/19
	R'000	R'000
Relates to Terry Street Parkside upgrading project	5	528 42
Total	5	570

28.1 Reconciliation of movement in provisions – 2019/20

	Provision 1	Provision 2	Provision 3	Total provisions
	R'000	R'000	R'000	R'000
Opening balance	528	42		570
Increase in provision				
Settlement of provision	-523	-42		-565
Unused amount reversed				
Reimbursement expected from third party				
Change in provision due to change in estimation of inputs				
Closing balance	5	-	-	5

Reconciliation of movement in provisions – 2018/19

	Provision 1	Provision 2	Provision 3	Total provisions
	R'000	R'000	R'000	R'000
Opening balance	-	24	-	24
Increase in provision	528	18	-	-546
Settlement of provision	-	-	-	
Closing balance	528	42	-	570

29. Non-adjusting events after reporting date

On 15 March 2020, shortly before year-end, a national state of disaster was declared in South Africa due to a local and global COVID-19 infectious disease pandemic. As a preventative measure, except for certain essential services, a strictly regulated total lockdown was implemented from 26 March to 30 April 2020. An alert level approach was adopted by the government from 1 May 2020, where level 5 means only essential services can operate and level 1 means that most normal activities can resume. The lockdown and the phased recovery of economic activity did not have a negative impact on the entity's business and cash flow as at 31 March 2020. The pandemic will, however, impact the budget, cashflows and performance of the department negatively in the 2020/21 financial year. Although the impact cannot be estimated at this date, the department is expected to remain a going concern for the foreseeable future.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2020

30. Movable Tangible Capital Assets

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

	Opening balance	Value adjustments	Additions	Disposals	Closing Balance
	R'000	R'000	R'000	R'000	R'000
HERITAGE ASSETS	22 167	-	-	-	22 167
Heritage assets	22 167	-	-	-	22 167
MACHINERY AND EQUIPMENT	143 183	-	2 260	54	145 749
Transport assets	60 060	-	503	-	60 563
Computer equipment	48 641	-	1 322	48	49 915
Furniture and office equipment	23 309	-	685	6	23 988
Other machinery and equipment	11 173	-	110	-	11 283
BIOLOGICAL ASSETS	84	-	-	-	84
Biological assets	84	-	-	-	84
TOTAL MOVABLE TANGIBLE CAPITAL ASSETS	165 434	-	2 620	54	168 000

The Heritage function was transferred to the Department of Arts and Culture as at 01/04/2019.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
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30.1 Additions**ADDITIONS TO MOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2020**

	Cash*	Non-cash**	(Capital Work in Progress current costs and finance lease payments)	Received current, not paid (Paid current year, received prior year)	Total
	R'000	R'000	R'000	R'000	R'000
HERITAGE ASSETS	-	-	-	-	-
Heritage assets	-	-	-	-	-
MACHINERY AND EQUIPMENT	4 418	-	-	-1 798	2 620
Transport assets	2 301	-	-	- 1798	503
Computer equipment	1 322	-	-	-	1 322
Furniture and office equipment	685	-	-	-	685
Other machinery and equipment	110	-	-	-	110
TOTAL ADDITIONS TO MOVABLE TANGIBLE CAPITAL ASSETS	4 418	-	-	-1 798	2 620

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

	Sold for cash	Non-cash disposal	Total disposals	Cash Received Actual
	R'000	R'000	R'000	R'000
HERITAGE ASSETS	-	-	-	-
Heritage Assets	-	-	-	-
MACHINERY AND EQUIPMENT	-	54	54	-
Transport assets	-	-	-	-
Computer equipment	-	48	48	-
Furniture and office equipment	-	6	6	-
TOTAL DISPOSAL OF MOVABLE TANGIBLE CAPITAL ASSETS	-	54	54	-

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

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2020

30.3 Movement for 2018/19**MOVEMENT IN TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2019**

	Opening balance	Prior period error	Additions	Disposals	Closing Balance
	R'000	R'000	R'000	R'000	R'000
HERITAGE ASSETS	19 477	-	2 690	-	22 167
Heritage assets	19 477	-	2 690	-	22 167
MACHINERY AND EQUIPMENT	132 376	-	10 919	112	143 183
Transport assets	51 526	-	8 534	-	60 060
Computer equipment	47 611	-	1 030	-	48 641
Furniture and office equipment	22 848	-	573	112	23 309
Other machinery and equipment	10 391	-	782	-	11 173
BIOLOGICAL ASSETS	84	-	-	-	84
Biological assets	84	-	-	-	84
TOTAL MOVABLE TANGIBLE CAPITAL ASSETS	151 937	-	13 609	112	165 434

30.4 Minor assets**MOVEMENT IN MINOR ASSETS PER THE ASSET REGISTER FOR THE YEAR ENDED AS AT 31 MARCH 2020**

	Specialised military assets	Intangible assets	Heritage assets	Machinery and equipment	Biological assets	Total
	R'000	R'000	R'000	R'000	R'000	R'000
Opening balance	-	75	-	14 815	-	14 890
Value adjustments	-	-	-	-	-	-
Additions	-	-	-	506	-	506
Disposals	-	-	-	23	-	23
TOTAL MINOR ASSETS	-	75	-	15 298	-	15 373

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
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	Specialised military assets	Intangible assets	Heritage assets	Machinery and equipment	Biological assets	Total
Number of R1 minor assets	-	-	-	4 245	-	4 245
Number of minor assets at cost	-	-	-	5 165	-	5 165
TOTAL NUMBER OF MINOR ASSETS	-	-	-	9 410	-	9 410

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

	Specialised military assets R'000	Intangible assets R'000	Heritage assets R'000	Machinery and equipment R'000	Biological assets R'000	Total R'000
Opening balance	-	75	-	13 951	-	14 026
Prior period error	-	-	-	-	-	-
Additions	-	-	-	1 728	-	1 728
Disposals	-	-	-	864	-	864
TOTAL MINOR ASSETS	-	75	-	14 815	-	14 890

	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
Number of R1 minor assets	-	-	-	5 927	-	5 927
Number of minor assets at cost	-	-	-	7 782	-	7 782
TOTAL NUMBER OF MINOR ASSETS	-	-	-	13 709	-	13 709

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2020

30.5 S42 Movable capital assets

MAJOR ASSETS SUBJECTED TO TRANSFER IN TERMS OF S42 OF THE PFMA - 31 MARCH 2020

	Specialised military assets	Intangible assets	Heritage assets	Machinery and equipment	Biological assets	Total
No. of Assets	-	-	92	222	-	314
Value of the assets (R'000)	-	-	22 167	7 599	84	29 850

MINOR ASSETS SUBJECTED TO TRANSFER IN TERMS OF S42 OF THE PFMA - 31 MARCH 2020

	Specialised military assets	Intangible assets	Heritage assets	Machinery and equipment	Biological assets	Total
No. of Assets	-	-	-	875	-	875
Value of the assets (R'000)	-	-	-	417	-	417

MAJOR ASSETS SUBJECTED TO TRANSFER IN TERMS OF S42 OF THE PFMA - 31 MARCH 2019

	Specialised military assets	Intangible assets	Heritage assets	Machinery and equipment	Biological assets	Total
No. of Assets	-	-	92	176	-	268
Value of the assets (R'000)	-	-	22 167	7 017	84	29 268

MINOR ASSETS SUBJECTED TO TRANSFER IN TERMS OF S42 OF THE PFMA - 31 MARCH 2019

	Specialised military assets	Intangible assets	Heritage assets	Machinery and equipment	Biological assets	Total
No. of Assets	-	-	-	650	-	650
Value of the assets (R'000)	-	-	-	172	-	172

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2020

31. Intangible Capital Assets

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

	Opening balance R'000	Value adjustments R'000	Additions R'000	Disposals R'000	Closing Balance R'000
SOFTWARE	14 261	-	-	6 894	7 367
TOTAL INTANGIBLE CAPITAL ASSETS	14 261	-	-	6 894	7 367

Disposals

31.1 DISPOSALS OF INTANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2020

	Sold for cash R'000	Non-cash disposal R'000	Total disposals R'000	Cash Received Actual R'000
SOFTWARE	-	6 894	6 894	-
TOTAL DISPOSAL OF INTANGIBLE CAPITAL ASSETS	-	6 894	6 894	-

31.2 Movement for 2018/19

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

	Opening balance R'000	Prior period error R'000	Additions R'000	Disposals R'000	Closing Balance R'000
SOFTWARE	14 034	-	227	-	14 261
TOTAL INTANGIBLE CAPITAL ASSETS	14 034	-	227	-	14 261

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2020

32. Immovable Tangible Capital Assets

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

	Opening balance	Value adjustments	Additions	Disposals	Closing Balance
	R'000		R'000	R'000	R'000
BUILDINGS AND OTHER FIXED STRUCTURES	15 542	-	4 039	-	19 581
Dwellings	15 490	-	4 039	-	19 529
Non-residential buildings	52	-	-	-	52
Other fixed structures	-	-	-	-	-
TOTAL IMMOVABLE TANGIBLE CAPITAL ASSETS	15 542	-	4 039	-	19 581

R4 039 relate to capital upgrades and renovations to Parkside and Kwakangela Palace.

32.1 Additions

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

	Cash	Non-cash	(Capital Work in Progress current costs and finance lease payments)	Received current, not paid (Paid current year, received prior year)	Total
	R'000	R'000	R'000	R'000	R'000
BUILDING AND OTHER FIXED STRUCTURES	4 878	-	-839	-	4 039
Dwellings	4 039	-	-	-	4 039
Non-residential buildings	839	-	-839	-	-
Other fixed structures	-	-	-	-	-
TOTAL ADDITIONS TO IMMOVABLE TANGIBLE CAPITAL ASSETS	4 878	-	-839	-	4 039

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2020

Movement in 2018/19

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

	Opening Balance	Prior period error	Additions	Disposals	Closing balance
	R'000	R'000	R'000	R'000	R'000
BUILDING AND OTHER FIXED STRUCTURES	13 703	-	1 839	-	15 542
Dwellings	13 651	-	1 839	-	15 490
Non-residential buildings	52	-	-	-	52
Other fixed structures	-	-	-	-	-
TOTAL ADDITIONS TO IMMOVABLE TANGIBLE CAPITAL ASSETS	13 703	-	1 839	-	15 542

32.3 Capital Work-in-progress

CAPITAL WORK-IN-PROGRESS AS AT 31 MARCH 2020

	Note	Opening balance 1 April 2019	Current Year WIP	Ready for use (Assets to the AR) / Contracts terminated	Closing balance 31 March 2020
	Annexure 7	R'000	R'000	R'000	R'000
Heritage assets		4 667	-	-	4 667
Buildings and other fixed structures		3 303	839	-	4 142
TOTAL		7 970	839	-	8 809

The current year amount of R839 relates to the Parkade in Terry Street.. The Heritage functions was transferred to the Department of Arts and Culture as at 31 March 2019, however the Assets will be transferred at a future date but is currently still reflected in OTP

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2020

Age analysis on ongoing projects	Number of projects		2019/20
	Planned Construction not started	Planned Construction started	Total
0 to 1 Year	-	-	-
1 to 3 Years	-	1	4 142
3 to 5 Years	-	-	-
Longer than 5 Years	-	1	4 667
Total	-	2	8 809

The planning and construction of the King Shaka Statue has been a long term creative project involving lengthy research and consultation with all stakeholders, especially the Royal Family by the artist. The artist was requested to undertake additional adjustments to ensure that the statue's suitably resembles King Shaka. In April 2019 the Heritage function transferred to the Department of Arts and Culture (Proclamation 5). The Office of the Premier consequently did not have a budget to continue with the project in the 2019/20 financial year. Once all Heritage Assets are formally transferred to the Department of Arts and Culture, the project will be completed.

Payables not recognised relating to Capital WIP	Note	2019/20	2018/19
		R'000	R'000
Amounts relating to progress certificates received but not paid at year end and therefore not included in Capital work-in progress			207
Total			207

CAPITAL WORK-IN-PROGRESS AS AT 31 MARCH 2019

	<i>Note</i>	Opening balance 1 April 2018	Prior period error	Current Year WIP	Ready for use (Assets to the AR) / Contracts terminated	Closing balance 31 March 2019
	<i>Annexure 7</i>	R'000	R'000	R'000	R'000	R'000
Heritage assets		4 667	-	-	-	4 667
Buildings and other fixed structures		521	-	4 621	1 839	3 303
TOTAL		5 188	-	4 621	1 839	7 970

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2020

Age analysis on ongoing projects	Number of projects		2018/19
	Planned Construction not started	Planned Construction started	Total
0 to 1 Year	-	-	-
1 to 3 Years	-	1	3 303
3 to 5 Years	-	1	4 667
Longer than 5 Years	-	-	-
Total	-	2	7 970

S42 Immovable assets

32.4 Assets to be transferred in terms of S42 of the PFMA – 2019/20

	Number of assets	Value of assets R'000
BUILDINGS AND OTHER FIXED STRUCTURES	-	-
Dwellings		
Non-residential buildings		
Other fixed structures		
HERITAGE ASSETS	1	4 667
Heritage assets	1	4 667
TOTAL	1	4 667

Assets to be transferred in terms of S42 of the PFMA – 2018/19

	Number of assets	Value of assets R'000
BUILDINGS AND OTHER FIXED STRUCTURES	-	-
Dwellings		
Non-residential buildings		
Other fixed structures		
HERITAGE ASSETS	1	4 667
Heritage assets	1	4 667
TOTAL	1	4 667

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2020

33. Principle Agent Arrangement

33.1 Department acting as the principle

	<i>Note</i>	2019/20	2018/19
		Fee paid	
FUNDS UNSPENT WITH AGENTS		R'000	R'000
KZN Growth Fund Trust		766	50 000
FUNDI		119	
Total		885	50 000

The nature of the agent FUNDI was as a Bursary Administration system. (2) Circumstances that led to procuring agent was due to delays and errors arising from a manual payment system of bursary allowances (3) Significant judgement was applied in sourcing Fundi. Other providers such as NSFAS were also considered but there was no system found efficient like Fundi. (4) As an administer of funds, they provide a Bursary Support System. (5) Risks relate to students not misusing intended funds loaded on the card especially in case of books. (6) Benefits - Fundi was efficient and students received their allowances on the 1st of the month. There was also significant reduction of complaints from students.

Fundi Capital (Pty) Ltd was an agent acting on behalf of the Office of the Premier in 19/20 financial year. The Administration fee that was paid to Fundi Capital in 19/20 was R368,875.36. The amount still owing is R129,654.94. The total amount that will thus be payable to Fundi is R498,530.30.

Regarding the prior year agent, ie. KZN Growth Fund, an Admin fee was applicable however it was paid by EDTEA as part of their contribution and commitment. OTP did not make any contribution towards the management fee. An amount of R49,234 million was disbursed to beneficiaries of the Youth Empowerment Fund.

34. Prior period errors

34.1 Correction of prior period errors

	<i>Note</i>	Amount bef error correction	Prior period error	Restated Amount
		2018/19	2018/19	
		R'000	R'000	R'000
Expenditure:				
Transfers and Subsidies	9	119 462	50 000	169 462
Net effect		119 462	50 000	169 462

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2020

	<i>Note</i>	Amount bef error correction	Prior period error	Restated Amount
		R'000	R'000	R'000
Assets:				
Prepayments and Advance	14.4	50 000	-50 000	-
Net effect		50 000	-50 000	-

	<i>Note</i>	Amount bef error correction	Prior period error	Restated Amount
		R'000	R'000	R'000
Liabilities:				
Voted funds to be surrendered	18	65 277	-50 000	15 277
Net effect		65 277	-50 000	15 277

	<i>Note</i>	Amount bef error correction	Prior period error	Restated Amount
		R'000	R'000	R'000
Other:				
Irregular Expenditure (2018/19)	31	54 296	120 392	174 688
Net effect		54 296	120 392	174 688

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2020

35. BROAD BASED BLACK ECONOMIC EMPOWERMENT PERFORMANCE

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

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2020

ANNEXURE 1B
STATEMENT OF TRANSFERS TO DEPARTMENTAL AGENCIES AND ACCOUNTS

DEPARTMENTAL AGENCY/ ACCOUNT	TRANSFER ALLOCATION				TRANSFER		2018/19 Final Approp- riation
	Adjusted Appropriation	Roll Overs	Adjustments	Total Available	Actual Transfer	% of Available funds Transferred	
	R'000	R'000	R'000	R'000	R'000	%	
PROV DA: KZN AMAFA KWAZULU NATALI	-	-	-	-	-	-	33 989
PROV DA: KZN GAMING & BETTING BOARD	-	-	-	-	-	-	42 310
PROV DA: KZN ROYAL HOUSEHOLD TRUST	-	-	-	-	19 086	-	18 040
TOTAL	-	-	-	-	19 086	-	94 339

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2020

ANNEXURE 1F
STATEMENT OF TRANSFERS TO NON-PROFIT INSTITUTIONS

	TRANSFER ALLOCATION				TRANSFER		2018/19
	Adjusted Appropriation	Roll Overs	Adjustments	Total Available	Actual Transfer	% of Available funds Transferred	
	R'000	R'000	R'000	R'000	R'000	%	Final Appropriation
DEPARTMENTAL AGENCY/ ACCOUNT							
TEMP: KZN GROWTH FUND TRUST	-	-	-	-	-	-	50 000
TOTAL	-	-	-	-	-	-	50 000

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2020

ANNEXURE 1G
STATEMENT OF TRANSFERS TO HOUSEHOLDS

	TRANSFER ALLOCATION				EXPENDITURE		2018/19 Final Approp- riation
	Adjusted Appropriation Act	Roll Overs	Ad- just-ments	Total Available	Actual Transfer	% of Available funds Transferred	
	R'000	R'000	R'000	R'000	R'000	%	R'000
HOUSEHOLDS							
Transfers							
H/H: Empl s/ben: post-retirement benefits	-	-	-	-	3 529	-	1 182
H/H: Empl s/ben: leave gratuity	-	-	-	-	1 949	-	277
H/H: Bursaries (Non-Employee)	-	-	-	-	24 520	-	156
H/H: Claims against state (Cash)	-	-	-	-	5	-	-
Other	4 309	-	25 694	30 003	-	0%	-
TOTAL	4 309	-	25 694	30 003	30 003	-	1 615

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2020

ANNEXURE 1H
STATEMENT OF GIFTS, DONATIONS AND SPONSORSHIPS RECEIVED

NAME OF ORGANISATION	NATURE OF GIFT, DONATION OR SPONSORSHIP	2019/20	2018/19
		R'000	R'000
Received in cash			
ABSA BANK		300	300
SERVICE EXCELLENCE AWARDS FUNCTION (ANNEXURE 1.H 3.1)	SERVICE EXCELLENCE AWARDS FUNCTION		
Subtotal		300	
Received in kind			
PERSAL Management			7
PGITO	Golf challenge & book	300	2
Employee Wellness	Book		15
SERVICE EXCELLENCE AWARDS FUNCTION (ANNEXURE 1.H 3.1)	T Shirts		-
	Note book; desk calendar; Pen & Travel mug		
Financial Accounting (<R500)			
Subtotal		24	
TOTAL		324	

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2020

ANNEXURE 11
STATEMENT OF AID ASSISTANCE RECEIVED

NAME OF DONOR	PURPOSE	OPENING BALANCE R'000	REVENUE R'000	EXPENDITURE R'000	PAID BACK ON/BY 31 MARCH R'000	CLOSING BALANCE R'000
Received in cash						
MERSETA	Apprenticeships	(2 995)	(1 115)	3 206	-	(904)
NATIONAL SKILLS FUND	KZN Literacy Project	(1 687)	-	1 332	-	(1 687)
Subtotal		(4 682)	(1 115)	3 206	-	(2 591)

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2020

ANNEXURE 1J

STATEMENT OF GIFTS, DONATIONS AND SPONSORSHIPS MADE AND REMISSIONS, REFUNDS AND PAYMENTS MADE AS AN ACT OF GRACE

NATURE OF GIFT, DONATION OR SPONSORSHIP (Group major categories but list material items including name of organisation)	2019/20	2018/19
	R'000	R'000
<p>Made in kind</p> <p>Monitoring & Evaluation (trophies for the value of R253 575.00 was purchased for Premier's Service Excellence Awards, however</p> <p>Due to the cancellation of the Awards for the 2019/20 year, the trophies will be kept for the 2020/21 Awards.</p> <p>Financial Accounting (R300.00 flowers for bereavement)</p> <p>Premier support (Chair)</p> <p>Management Accounting (Flowers) R600.00</p> <p>PPSTA (Trophies)</p> <p>M & E (Trophies, certificates, etc.)</p>	<p>22</p> <p>1</p> <p>13</p> <p>535</p>	
TOTAL	571	

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2020

ANNEXURE 3B
STATEMENT OF CONTINGENT LIABILITIES AS AT 31 MARCH 2020

Nature of Liability	Opening Balance 1 April 2019 R'000	Liabilities incurred during the year R'000	Liabilities paid/ cancelled/ reduced during the year R'000	Liabilities recoverable (Provide details hereunder) R'000	Closing Balance 31 March 2020 R'000
Claims against the department					
M Pary vs MEC for Education (Claim 9965/2010)	5 400	-	-	-	5 400
Emerald Fire Trading as De La Sol Cocktail Bar vs OTP (20159/15)	2 265	-	-	-	2 266
Thandi Norman vs The Premier & Another	216	-	-	-	216
Lindi April vs Premier (D1169/16)	293	-	-	-	293
Matt Engineering CC vs The Premier	-	-	-	-	-
DE Wagner vs Premier and the SAPS	-	400	-	-	400
Subtotal	8 174	400	-	-	8 574
Other: Inter Departmental Accounts Payable: Unconfirmed balance					
KZN PROVINCIAL GOVERNMENT – TRANSPORT	3 533	15	3 533	-	15
KZN PROVINCIAL GOVERNMENT - LEGISLATURE	303	379	303	-	379
KZN PROVINCIAL GOVERNMENT – WORKS	4 654	-	4 654	-	-
NATIONAL TRANSPORT	2	-	2	-	-
NATIONAL DEPARTMENT OF JUSTICE & CONSTITUTIONAL DEV	-	38	-	-	38
KZN PROVINCIAL GOVERNMENT – SOCIAL DEVELOPMENT	-	800	-	-	800
KZN PROVINCIAL GOVERNMENT GOVT PRINTING WORKS	9	-	9	-	-
KZN PROVINCIAL GOVT HEALTH	138	83	138	-	83
NATIONAL DEPARTMENT SAPS	227	-	227	-	-
NATIONAL DEPARTMENT LABOUR	2	-	2	-	-
Subtotal	8 868	1 315	8 868	-	1 315
TOTAL	17 042	1 715	8 868	-	9 889

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2020

ANNEXURE 4
CLAIMS RECOVERABLE

Government Entity	Confirmed balance outstanding		Unconfirmed balance outstanding		Total		Cash in transit at year end 2019/20 *	
	31/03/2020	31/03/2019	31/03/2020	31/03/2019	31/03/2020	31/03/2019	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 PROVINCIAL GOVERNMENT - COGTA	50	919	-	-	50	919	-	-
KZN PROVINCIAL GOVERNMENT - TRANSPORT	-	-	45	18	45	18	-	-
KZN PROVINCIAL GOVERNMENT – HUMAN SETTLEMENTS	-	8	-	-	-	8	-	-
NATIONAL DEPT: RURAL DEV & LAND REFORM	-	-	-	25	-	25		
KZN PROVINCIAL GOVERNMENT – TREASURY	-	-	-	1 128	-	1 128		
NATIONAL DEPT:SAP	-	-	-	1 569	-	1 569		
	50	927	45	2 740	95	3 667		-
Other Government Entities								
ROYAL HOUSEHOLD TRUST	-	-	3 249	3 249	3 249	3 249		
	-	-	3 249	3 249	3 249	3 249		
TOTAL	50	927	3 294	5 989	3 344	6 916		

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2020

ANNEXURE 5
INTER-GOVERNMENT PAYABLES

GOVERNMENT ENTITY	Confirmed balance outstanding		Unconfirmed balance outstanding		TOTAL		Cash in transit at year end 2019/20 *	
	31/03/2020	31/03/2019	31/03/2020	31/03/2019	31/03/2020	31/03/2019	Payment date up to six (6) working days before year end	Amount
	R'000	R'000	R'000	R'000	R'000	R'000		R'000
DEPARTMENTS								
KZN DEPARTMENT OF HEALTH	-	30	83	138	83	168		
KZN DEPARTMENT OF ARTS & CULTURE	1 000	1 000	-	-	1 000	1 000	15/04/20	1 000
KZN DEPARTMENT OF TRANSPORT	23	-	15	1 735	38	1 735	15/04/20	23
KZN DEPARTMENT OF PUBLIC WORKS	758	3 727	-	4 654	758	8 381	15/04/20	758
KZN DEPARTMENT OF LEGISLATURE	-	679	379	303	379	-		
KZN PROVINCIAL GOVERNMENT PRINTING WORKS	-	106	-	9	-	-		
KZN DEPARTMENT OF SOCIAL DEVELOPMENT	-	-	800	-	-	-		
NATIONAL DEPARTMENT OF JUSTICE AND CONSTITUTIONAL DEVELOPMENT	-	-	38	-	38	-		
NATIONAL GOVERNMENT TRANSPORT	-	-	-	2	-	2		
NATIONAL SAPS	-	-	-	227	-	227		
NATIONAL DEPARTMENT OF LABOUR	-	-	-	2	2			
SUBTOTAL	1 781	5 542	1 315	7 070	2 296	11 515		1 781

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2020

Non-Current

KZN PROVINCIAL GOVERNMENT – TRANSPORT

SUBTOTAL

-	-	-	1 798	-	1 798
-	-	-	1 798	-	1 798

TOTAL DEPARTMENTS

1 781	5 542	1 315	8 868	2 296	11 515	1 781
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TOTAL INTERGOVERNMENTAL PAYABLES

1 781	5 542	1 315	8 868	2 296	11 515	1 781
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ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2020

ANNEXURE 7
MOVEMENT IN CAPITAL WORK IN PROGRESS

MOVEMENT IN CAPITAL WORK IN PROGRESS FOR THE YEAR ENDED 31 MARCH 2020

	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	-	-	-	-
MACHINERY AND EQUIPMENT	-	-	-	-
Transport assets				
Computer equipment				
Furniture and office equipment				
Other machinery and equipment				
BUILDINGS AND OTHER FIXED STRUCTURES	3 303	1 378	(539)	4 142
Dwellings		539	(539)	-
Non-residential buildings	3 303	839	-	4 142
Other fixed structures	-	-	-	-
TOTAL	3 303	1 378	(539)	4 142

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

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2020

MOVEMENT IN CAPITAL WORK IN PROGRESS FOR THE YEAR ENDED 31 MARCH 2019

	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	4 667	-	2 690	(2 690)	4 667
Heritage assets	4 667	-	2 690	(2 690)	4 667
MACHINERY AND EQUIPMENT					
Transport assets					
Computer equipment					
Furniture and office equipment					
Other machinery and equipment					
BUILDINGS AND OTHER FIXED STRUCTURES	521	-	4 621	(1 839)	3 303
Dwellings	279	-	1 560	(1 839)	-
Non-residential buildings	242	-	3 061	-	3 303
Other fixed structures					
TOTAL	5 188	-	7 311	(4 529)	7 970

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2020

ANNEXURE 8B
INTER-ENTITY ADVANCES RECEIVED (note 21 AND note 22)

ENTITY	Confirmed balance outstanding		Unconfirmed balance outstanding		TOTAL	
	31/03/2020	31/03/2019	31/03/2020	31/03/2019	31/03/2020	31/03/2019
	R'000	R'000	R'000	R'000	R'000	R'000
Public entities						
Non-Current						
Advances received	-	-	183	1 784	183	1 784
Subtotal	-	-	183	-	183	1 784
TOTAL						
Non-current	-	-	183	1 784	183	1 784

NOTES:

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GROWING KWAZULU-NATAL TOGETHER



KWAZULU-NATAL PROVINCE

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REPUBLIC OF SOUTH AFRICA

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PR350/20 • ISBN: 978-0-621-48888-3

