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Annual Report



premier

Department:
Office Of The Premier
PROVINCE OF KWAZULU-NATAL

"through unity in action we can move KZN to a prosperous future"

PROVINCE OF KWAZULU-NATAL VOTE 01 OFFICE OF THE PREMIER



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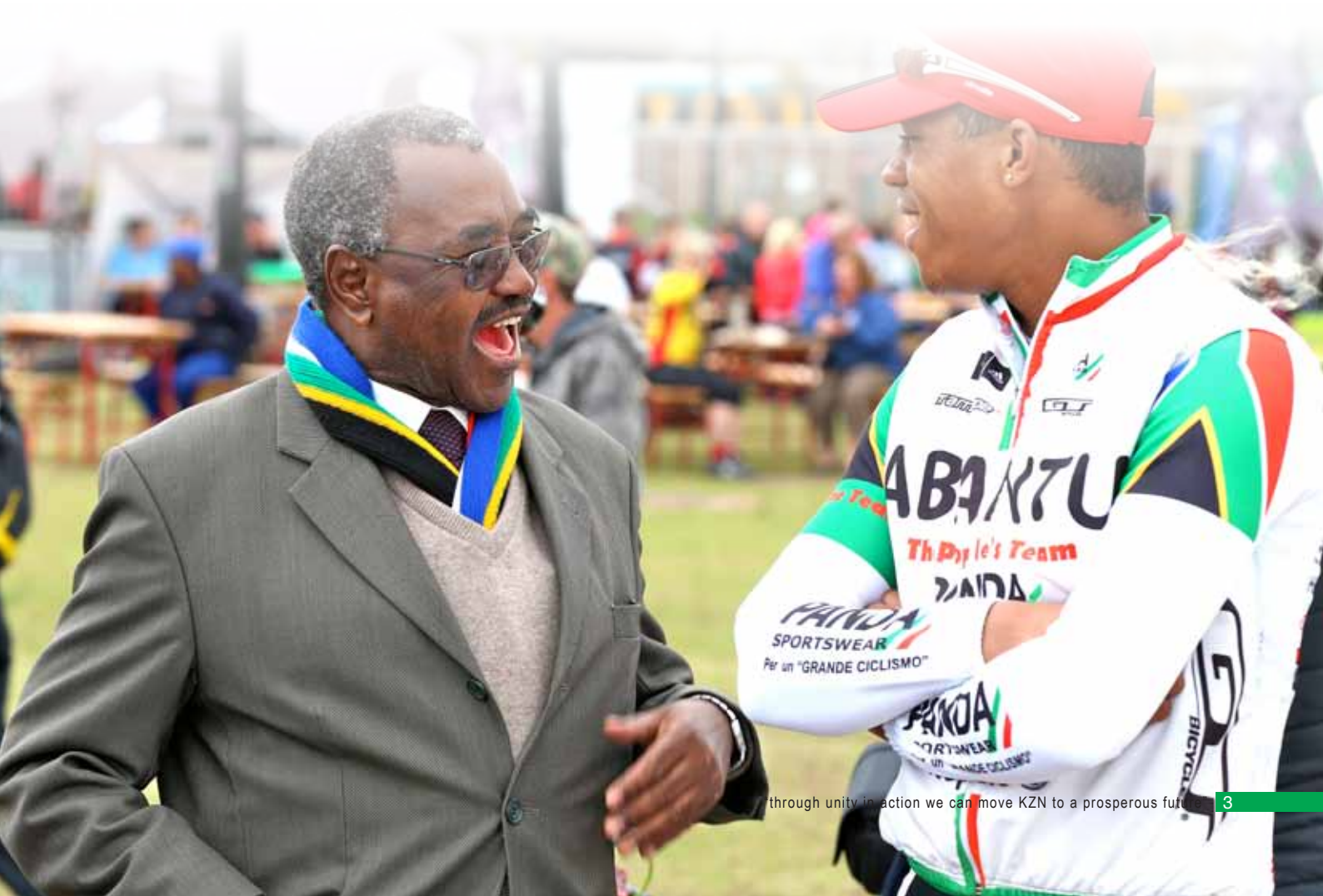
Department:
Office Of The Premier
PROVINCE OF KWAZULU-NATAL

ANNUAL REPORT 2016/2017 FINANCIAL YEAR

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PART A: GENERAL INFORMATION

1. DEPARTMENT GENERAL INFORMATION

PHYSICAL ADDRESS: Moses Mabhida Building
300 Langalibalele Street
Pietermaritzburg
3200

POSTAL ADDRESS: Private Bag X 9037
Pietermaritzburg
3201

TELEPHONE NUMBER/S: 033 341 3342

FAX NUMBER: 033 345 8490

EMAIL ADDRESS: info@kznpremier.gov.za

WEBSITE ADDRESS : www.kznonline.gov.za

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

As the Premier and Executive Authority of the Office the Premier, I have committed this Department to play a much more assertive and visible role in providing leadership and coordinating key and priority government programmes that will drive us towards the achievement of our Provincial Vision.

The acknowledgement of the existence of the triple challenges of poverty, unemployment and inequality explains why all efforts must be focused on how the economy of the country will be turned around for the better.

High unemployment inherited from the apartheid past has not been significantly dented in the past 23 years of our now not so new democracy. It is of concern that in some cases youth unemployment reaches up to 70% in our country, in particular in those areas of our Province where 70% of the population is youth below the age of 35 years.

We want to state again that we want enterprises such as SMMEs and Co-operatives, owned by Africans in particular, women and the youth to benefit as they remain excluded from the mainstream economy.

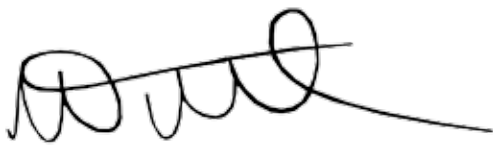
The Office of the Premier therefore, will monitor and evaluate on a regular basis all provincial government departments, public entities and municipalities in relation to their spending of procurement budgets in line with our radical economic transformation imperatives.

It is against this context that I am expecting the Provincial Planning Commission to monitor our progress, not only to the extent that we are able to grow the economy of this Province, but even more importantly, the extent to which we are succeeding in growing a shared economy with broader participation in a diversified economy.

Our focus in the Office of the Premier is therefore now to shift from driving the strategic planning agenda, to now also be instrumental in monitoring and evaluating our progress, as well as reporting this in an open and transparent manner to all of government and our development partners so that we are able to proactively take appropriate corrective action where required.

Over the past few months we witnessed sporadic strikes in various government departments with some claiming innocent lives and others inconveniencing families in bereavement. We believe that the real main problem is poor coordination and alignment of labour relations policies.

We therefore need proper co-ordination and implementation to ensure that win-win formulas are found to ensure stability.



.....
Mr T.W. Mchunu
Premier: KwaZulu-Natal
Date: 31 August 2017



4. REPORT OF THE ACCOUNTING OFFICER

FOR THE YEAR ENDED 31 MARCH 2017

The Office of the Premier remains committed to developing and implementing its vision “to be the centre of governance, providing leadership towards achieving KZN Vision 2035”. The 2016/17 financial year marks the second year of the new five year strategic planning cycle. The Annual Report illustrates the activities of the department within the 2016/17 financial year, which demonstrates the efforts of the Office of the Premier in realising this vision. The programmes support the department and serve as a plan of action for the province as a whole. The 2015-2019 Strategic Plan is aligned with National Development Plan, the Provincial Growth and Development Strategy and Plan, and legislative and policy mandates.

The Annual Report further provides relevant information on the department 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 98.8% of the appropriated budget of R690,318 million. The expenditure amounted to R682,215 million, resulting in a total under spending of R8,103 million at the financial year end. The table below reflects the appropriation of funds and spending against each Programme.

Programme	Budget 2016/17	Expenditure as at 31 March 2017	Variance	% Spent
	R'000	R'000	R'000	
Programme 1: Administration	85,327	84,867	460	99.5%
Programme 2: Institutional Development	301,048	300,287	761	99.7%
Programme 3: Policy and Governance	303,943	297,061	6,882	97.7%
Total	690,318	682,215	8,103	98.8%

Programme 1: Administration

The expenditure for Programme 1: Administration amounted to R84,867 million and this amount is represented as 99.5% spent of Programme 1 budget of R85,327 million. The under spending of R460,000 is mainly attributed to key posts such as the Director-General and the Chief of Staff posts that were not filled. Due to the turnaround strategy that was implemented by the Province to contain costs by filling only critical posts and for the filling of posts to only be approved by the Premier and the MEC for Finance, the recruitment process was delayed thereby resulting in under spending against Compensation of Employees.

Programme 2: Institutional Development

The expenditure for Programme 2: Institutional Development amounted to R300,287 million and this amount is represented as 99.7% spent of Programme 2 budget of R301,048 million. The under spending of R761,000 is mainly due to the posts not being filled as originally anticipated and staff exits as well as due to the challenge of obtaining suitable office accommodation to meet the requirements of the Department.

Programme 3: Policy and Governance

The expenditure for Programme 3: Policy and Governance amounted to R297,061 million and this amount is represented as 97.7% spent of Programme 3 budget of R303,943 million. The under spending of R6,882 million is mainly attributed to the Poverty Eradication Implementation Programmes (PEMP) that were not launched in five municipalities due to the changes in leadership arising from the Municipal Elections that delayed the planning processes for the launches. Underspending was incurred against the Royal Household sub-programme mainly due to delays encountered with service providers for the renovations at the Royal Household Palaces. An amount of R1,313 million was requested as a rollover of funds for the completion of the renovations at the Royal Palaces during 2017/18.

Virement of Funds:

Programme	Adjusted Budget 2016/17	Final Virement	Final Budget
	R'000	R'000	R'000
Programme 1: Administration	89,917	(4,590)	85,327
Programme 2: Institutional Development	297,875	3,173	301,048
Programme 3: Policy and Governance	302,526	1,417	303,943
Total	690,318	0	690,318

Programme 1: Administration

A virement of funds amounting to R4,590 million was applied from Programme 1: Administration to Programme 3: Policy and Governance. Savings were identified against Compensation of Employees from staff exits as well as from posts that were not filled as originally anticipated. The Province imposed a moratorium to only fill critical posts as a turnaround strategy to contain costs within the Province. The approval process was also only subjected to the Premier and the MEC for Finance and this impacted on the recruitment process in the Department as delays were encountered in terms of queries from Provincial Treasury. Legislature and Provincial Treasury approval was obtained to transfer savings to Programme 3 to cater for the higher demand for external bursaries.

Programme 2: Institutional Development

The amount of R3,173 million is the net increase of funds to Programme 2. Savings were identified against Programme 3: Policy and Governance against Heritage Assets as a result of monuments and tombstones that were not undertaken as a result of the Municipal Elections that impacted on the planning process with stakeholders from various municipalities as exiting Councillors and Senior Officials could not commit to the projects. The Department commenced with planning once the new Councillors were appointed however, implementation could not be finalized during 2016/17. These savings were transferred to Programme 2: Institutional Development to cover the planning and design costs for the proposed Academy building in Westville.

Programme 3: Policy and Governance

The amount of R1,417 million is the net increase of funds to Programme 3. The net increase is made up of funds transferred from Heritage Assets under Programme 3 amounting to R3,6 million to Programme 2 for Phase 1 of the Training Academy; and an amount of R4,590 million (from Programme 1) and R0,510 million (Programme 2) that was transferred to Programme 3 for the external bursaries.

The above virement of funds are 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 R466 thousand represented as 81.33% of the revenue budget of R573 thousand, resulting in a total under collection of R107 thousand. The table below reflects the revenue budget and revenue collection against each revenue category.

Revenue Category	Revenue Budget 2016/17	Actual Revenue as at 31 March 2017	Variance (Over)/ Under	% Collected
	R'000	R'000	R'000	
Sales of goods and Services	245	191	54	22%
Interest, dividends & rent on land	1	8	(7)	700%
Sale of Capital Assets	287	-	287	100%
Transactions in financial transactions and liabilities	40	267	(227)	567%
Total Revenue	573	466	107	18%

Sales of Goods and Services:

An under collection of R54 thousand is primarily attributed to reduced deductions in terms of insurance and other premiums from employees’ salaries, thereby reducing the commission received for these deductions.

Interest, dividends & rent on land:

The over collection of R7 thousand is in respect of staff debts.

Sales of Capital Assets:

The auction sale for departmental vehicles did not take place therefore there is no revenue collection reflected.

Transactions in Financial Assets and Liabilities:

The over collection of R227 thousand represents recoveries for staff debts, cell phones as well as recoveries relating to the previous financial year.

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 effected, that effective, efficient and transparent financial management and internal control systems were implemented. For the financial year ending 31 March 2017, transfer payments were effected as tabulated below:

NAME OF INSTITUTION	AMOUNT TRANSFERRED	EXPENDITURE
AMAFA aKwaZulu-Natali	R33,028 million	R33,028 million
The Royal Household Trust	R22,977 million	R22,977 million
KwaZulu-Natal Gaming and Betting Board	R19,255 million	R19,255 million

AMAFA aKwaZulu-Natali

AMAFA aKwaZulu-Natali is a public entity established in terms of the KwaZulu-Natal Heritage Act, 1997. The entity’s main objective is to conserve, manage and promote awareness of the province’s cultural assets and resources. In terms of Section 7(4) of the Act, AMAFA must annually present the Minister with a draft budget and an independent auditors report on the use of funds during the previous year.

Transfers to the above entity is made on a quarterly basis during each reporting period and are utilized, together with revenue generated by the entity, to fund the operational expenses incurred by the entities in the performance of their mandated functions. Transfer payments totalling R33,028 million were made to AMAFA during the financial year.

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 R22,977 million were made to the Royal Household Trust.

The KwaZulu-Natal Gaming and Betting Board

The KwaZulu-Natal Gaming and Betting Board (KZNGBB) is responsible for the collection of gambling taxes for KZN, regulating the gambling industry, ensuring the roll-out of gaming and betting initiatives and protecting the interests of patrons and the public at large. The gaming and betting budget was suspended from Vote 6: Provincial Treasury and allocated to Vote 1: Office of the Premier relating to the movement of both the KZNGBB and the administration unit dealing with gaming and betting with effect from 28 September 2016, as determined by Premier's Minute No. 2 of 2016. Therefore, while only part of the budget was moved in 2016/17, the full amount is moved in the 2017/18 MTEF. Similarly, the full revenue budget moves to Vote 1 as well. During 2016/17, the entity continued to regulate the industry in line with the Act and regulations. The entity continued to grow the industry in a responsible manner, while protecting the interests of the public and ensuring no over-saturation of gambling activities. The entity actively sought to promote transformation of the industry through the roll-out of new opportunities for previously disadvantaged individuals. The National Gambling Policy was gazetted in April 2016, and the KZNGBB published betting rules to regulate the industry and provide processes for licensees in order for them to comply with the regulations once approved.

Transfer payments totalling R19,255 million were made to the KwaZulu-Natal Gaming and Betting Board.

Unauthorised Expenditure

The Office of the Premier did not incur any unauthorised expenditure during the 2016/17 financial year.

Irregular Expenditure

The irregular expenditure identified for the 2016/17 financial year is R6, 485 million. This is a decrease from previous years and is due to improved processes to detect and prevent possible irregular expenditure.

Fruitless and wasteful expenditure

The Office of the Premier incurred fruitless and wasteful expenditure to the amount of R15 thousand for the 2016/17 financial year. The expenditure relates to interest charged on Telkom Accounts. The Department has undertaken every endeavour to prevent and reduce these charges to the minimum that is reflected herein.

2. SERVICES RENDERED BY THE DEPARTMENT

The mission of the Office of the Premier is to support the Premier in the execution of his constitutional and statutory mandates. The department is the centre of governance in the province and is therefore expected to provide decisive leadership and direction focusing on clear and well defined goals, objectives and targets.

The strategic objective of the Office of the Premier is informed by the strategic policy direction of OTP which is directly linked to National government's 14 outcomes and informs the department's strategic objectives.

The strategic objectives of the Office of the Premier are as follows:

- Integrate, co-ordinate and facilitate transversal policies, programmes, strategies, plans and systems of the province.
- Lead in macro planning and policy management to achieve the electoral mandate.
- Monitoring and evaluation of provincial government programmes
- Provide strategic leadership and direction for provincial government
- Oversee the development and implementation of legislation
- To realise the existence of functional public policy and strategic planning management.
- Promote inter and intra-governmental relations and good governance.

Based on the mission and mandates, the department identified the following strategic objectives:

- To realise the existence of functional public policy and strategic planning management systems and processes for provincial government.
- To achieve co-ordinated policies, strategies and programmes.
- To ensure the existence of governance conditions conducive to respect for human rights, promotion of science and technology, and conservation and management of cultural heritage resources.
- To realise enhanced government communication and governance, human resources development, state law advisory services and service delivery in and by the Provincial Administration.
- To have in place co-ordinated and aligned policies and plans of the three spheres of government and foreign government and agencies.
- To achieve effectively monitored and evaluated government policies and programmes.
- To enhance and promote the status of the Zulu Monarch and to establish the necessary institutional arrangements in support of the Zulu Monarchy and members of the Royal family.

2.1 Tariff Policy

The Department does not have a tariff policy in place. Rental charges for official houses are determined in accordance with the PSCBC Resolution No. 3 of 1999.

2.2 Free Services

The Department does not render free services.

2.3 Inventories

The Department does not hold bulk inventory and has no stores. There was no inventory on hand at the end of the financial year as only consumable inventory was purchased during the year.

3. Future plans of the department

We are now progressing into the third term of the National Development Plan (NDP) and the KwaZulu–Natal Growth and Development Plan (PGDP). It is vital that we build on our achievements we have made thus far, while gain momentum towards 2020 and beyond. This five year Strategic Plan 2015-2020 provides the Department with a distinct five year plan for the execution of its constitutional, policy and legislative mandates. The Office of the Premier has aligned the Medium Term Expenditure Framework, as well as the organisational structure.

As the centre of governance and leadership in the Province, the Office of the Premier has a key responsibility to unite and facilitate synergy between the activities and interventions of government, business, labour and civil society to ensure a concerted and cohesive response to the triple challenge of unemployment, poverty and inequality. It is recognised that it is not possible for Government to do this without the dedication and full commitment of its non-governmental development partners. The coordination of development interventions of various provincial departments is crucial to the functions of the Office of the Premier.

The department's strategic review session confirmed minimal amendments to its strategic plans. Key focus areas include intensifying coordination, support, monitoring and evaluation of service delivery throughout the Province. This will also include supporting initiatives to promote social cohesion in our Province.

The Office of the Premier is committed in maintaining peace and stability in our Province and paying attention to facilitating more dialogue between Labor and government. The Department is committed to providing strategic leadership and training on all matters relating to eradication of fraud and corruption as well as maintaining integrity in the workplace. The Office of the Premier is embarking on a huge program of social mobilization and is coordinating a Provincial Summit with the theme: "Deepening Social Cohesion and Moral Regeneration towards a united and prosperous KwaZulu-Natal."

The Office of the Premier will work to ensure integration of services, skills and maximise the application of available resources through renewed focus on the Inkululeko Development Programme and the Poverty Eradication Programme. The Department will promote strategic budgeting based on the priorities based on the priorities identified in our Provincial Growth and Development Strategy and Plan. The Department will promote the values of a caring government that responds to the needs of the people through courses such as the Ethics for Senior Managers and Moral Regeneration Programme developed through the Provincial Public Service Training Academy. The department's strategic goals have therefore been re-confirmed and updated as follows:

- Good and cooperative governance;
- Stakeholders fully engaged and well informed on KZN Vision 2035;
- A coordinated, equitable and integrated service delivery system; and
- Facilitate improved performance and accountability.

The Department's Strategic Plan has been amended through APP 2017/18.

4. Public Private Partnership.

The Department has not entered into any public private partnership during the year.

5. Discontinued activities / activities to be discontinued.

No discontinued activities to report on or activities to be discontinued.

6. New or proposed activities

The Gaming and Betting function was transferred to the Office of the Premier, from Provincial Treasury in September 2016. This effect of this transfer has been included in our Annual Financial Statements and performance information.

7. Gifts and Donations received in kind from non-related parties

Gifts and Donations amounting to R2,154 million were made to different authorities, including gifts made to non-profit institutions dignitaries and organisations; Gifts and Donations amounting to R 960 thousand were received by the Office of the Premier from different organisations.

8. CORPORATE GOVERNANCE ARRANGEMENTS**Policy Decisions**

When the Province of KwaZulu-Natal adopted its first Provincial Growth and Development Strategy (PGDS) in 2011, it undertook to ensure that growth and development of the Province will at all times be guided and directed by a long term Vision and Strategy. It is for this reason that a 20 year vision was adopted in moving KZN towards 2030. With the 2011 PGDS now having been in implementation for the last 5 years and 25% of the vision period having passed, it is essential to undertake a strategic review so as to reconfirm or adjust the Vision and related strategies. At the same time it is now necessary to maintain a 20 year rolling Vision for the Province and, therefore, to extrapolate Vision 2030 to Vision 2035.

The Revised 2016 KwaZulu-Natal Provincial Growth and Development Strategy (KZN PGDS) bolsters the Province's commitment to achieving the vision of KwaZulu-Natal (KZN) as a "Prosperous Province with a healthy, secure and skilled population, living in dignity and harmony, acting as a gateway to Africa and the world". The PGDS aims to build this gateway by growing the economy for the continued development and the continued improvement of the quality of life of all people living in the Province whilst ensuring that those currently marginalized have broader socio-economic opportunities. The Revised 2016 KZN PGDS continues to:

- a. Be the primary growth and development strategy for KwaZulu-Natal, but now to 2035;
- b. Mobilise and synchronise strategic plans and investment priorities in all spheres of government, state owned entities, business, higher education institutions, labour, civil society and all other social partners, in order to achieve the desired growth and development goals, objectives and outcomes;

- c. Spatially contextualise and prioritise interventions so as to achieve greater spatial equity;
- d. Guide clearly defined institutional arrangements that ensure decisive and effective leadership, robust management, thorough implementation and ongoing inclusive reviews of the growth and development plan;
- e. Provide a firm basis for monitoring, evaluation and reporting, as well as a framework for public accountability.

The 2011 KZN PGDS Strategic Framework and these still apply, namely:

- a. Grow the economy to achieve shared and inclusive growth;
- b. Harness the Province's assets and endowments;
- c. Develop the Province's greatest asset, its human capital;
- d. Harmonise environmental integrity and human and social development with economic development;
- e. Government must be developmental, competent, caring and facilitating as well as efficient in the use of its financial and human resources;
- f. The private sector must be engaged and supported to grow a shared economy to provide employment and decent working conditions;
- g. Organised labour must protect workers from exploitation while promoting labour productivity; and
- h. Civil society must be strengthened, capacitated and fully participate in shaping its own collective destiny and in the realisation of KZN Vision 2035.

The provisions of the NDP and PGDS are transversal to the Office of the Premier by virtue of its Constitutional and Legislative mandates, and in particular in the context of its role to coordinate, legislate and provide strategic direction.

The PGDS 2016 is aligned to 17 Sustainable Growth Goals adopted in 2015 as well as the African Union Agenda, Habitat III, and Paris Agreement.

These international goals 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 Strategy and Plan.

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;
 - Social cohesion and moral regeneration

The above are also covered in the NDP, 14 MTSF Outcomes and annually updated Provincial Growth and Development Strategy and Plan, and the Office of the Premier has aligned its plans to these initiatives and these have been included in the 2017/2018 Annual Performance Plan, where relevant.

Government has adopted South Africa Connect, the National Broadband Policy and the associated strategy and plan; which gives expression to South Africa's vision of "a seamless information infrastructure by 2030 that will underpin a dynamic and connected vibrant information society and a knowledge economy that is more inclusive, equitable and prosperous". Formal governance structures have been established at National level to manage the rollout of the Broadband Programme. The Office Of the Premier will continue to monitor and provide support to the Broad Band Steering Committee, as previously directed by the Minister of Telecommunications and Postal Services.

The Gaming and Betting function was transferred to the Office of the Premier, following and Provincial Executive Resolution - as per the Premier's Minute No 2/2016, which is in regard to the Appointment of members of the Executive Council and Assignment of powers, duties and functions to members of the Executive Council in terms of Section 132(2) of the Constitution of the Republic of South Africa, 1996.

One of the powers, duties and functions retained by the Premier as head of the Executive Council is the following:

Any power, duty or function related to the functional areas:

Casinos, racing, gambling and wagering excluding lotteries and sport pools
There has thus been a movement of the Gambling and Betting entity from Provincial Treasury to KZN Office of the Premier. This entity will now be overseen by Institutional Management and Democracy Support - Programme 2b.

The functions transferred to the department in the previous year continue to gain momentum These include the incorporation of functions from the National Treasury and DPME relating to supporting strategic alignment with the National Development Plan, Medium Term Strategic Framework and Provincial Growth and Development Strategy and Plan, assessment of quarterly performance of provincial departments, and strengthening the monitoring of service delivery, including Batho Pele principles compliance.

Provincial planning is also gaining momentum. The Provincial Growth and Development Strategy and Plan, under the guidance of the Provincial Planning Commission remains a dynamic compass for development in the Province. A diagnostic review was undertaken in the 2015/2016 financial year. The lessons learnt from the updated diagnostic, in consultation and partnership of all our stakeholders informed the 2016 PGDS. Capacitation and support of the PGDP 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 PGDP, remains of paramount importance. Promoting awareness off the plan and progress on implementation will continue as a tool to account to citizens. Strengthening Strategic Management capacity, including Monitoring and Evaluation has, thus, been prioritised as a strategic intervention in itself.

Capacity has been secured in the Stakeholder Coordination Branch for the coordination and monitoring of the Poverty Eradication Master Plan (a support tool to the Provincial Growth and Development Plan). This will also support the Inkululeko model and catalytic projects to ensure effective delivery against targeted initiatives aimed at poverty alleviation, building social cohesion, reducing inequality and creating jobs. The optimal functioning of war rooms in the prioritized wards (169 poorest wards as identified through the STATS SA multiple deprivation index – 2014) is paramount to support implementation.

The Department will continue to provide support to His Majesty and this will be further facilitated through legislation to ensure clear roles and responsibilities between the Department and the Royal Household Trust and to ensure accountable governance in the administration of the official matters of his Majesty and the monarchy.

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, thus, also critical in ensuring that the strategic intent, vision and developmental path set out in the Provincial Growth and Development Plan (PGDP) 2035 and beyond is achieved. Efforts will continue to streamline processes and to reduce duplication. To this end, the development of a Heritage Institute is aimed at a more focused approach in research and heritage matters, and especially in the context of facilitating social cohesion, in support of MTSF Outcome 14.

The Department will continue to monitoring progress on the implementation of a comprehensive Provincial Youth Empowerment Strategy, Human Resource Management Turn-around Strategy; and further improved Communication Strategy, as well as a Stakeholder Engagement Strategy for the Province. The Department will also lead the development of a Public Sector Development Chapter in the Provincial Human Resource Development Strategy to facilitate delivery against MTSF Outcome 12 – A development orientated Public Service. Coordination and progress reports have been identified as critical tools to facilitate monitoring and to identify crucial interventions where needed. It should be noted that several administrative processes still need to unfold at a National level to facilitate the roles and responsibilities of Offices of the Premier, as well as finalising the MTSF amendments in relation to this Outcome. Further proposed amendments are underway to the Public Service Regulations, however, these have not yet been approved. The activities relating to coordination of performance agreements and assessments of Accounting Officers by Offices of the Premier, in terms of MTSF Outcome 12, has been implemented and is coordinated through the Office of the Director General and Corporate Services Branch.

9. Exemptions and deviations received from the National Treasury

The National Treasury has exempted the department from complying with certain sections of the Government Immovable Asset Management Act, No. 19 of 2007. In particular the Department is exempted from the following:

- The disclosure of building & other fixed structures in the disclosure notes for the tangible assets for the current and prior years.

- The use of fair value to value assets which is referred to in the asset management policy set by the National Treasury.

No conditions apply to these exemptions for the year ended 31 March 2017.

10. Other

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

11. Approval

The Annual Performance information set out on pages 30 to 53 and the Annual Financial Statements set out on pages 117 to 208 are hereby approved by the Accounting Officer of the KwaZulu-Natal Office of the Premier.



.....
Dr Nonhlanhla O. Mkhize
Director-General
Kwazulu-Natal Office of the Premier
Date: 31 August 2017



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 2017.

Yours faithfully



.....
Dr Nonhlanhla O. Mkhize
Director-General
Kwazulu-Natal Office of the Premier
Date: 31 August 2017

6. STRATEGIC OVERVIEW

6.1 VISION

The Office of the Premier will be the centre of governance, providing leadership towards achieving KZN Vision 2035

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

- Set out the specific constitutional and other legislative mandates, as per the relevant act(s) that govern(s) the department's establishment and operations. This should not be the entire list of legislation that the department is subject to in the course of its operations. Also include government policy frameworks that govern the department.
- This information must be consistent with the information provided in the strategic plan, annual performance plan and the estimates of national expenditure /estimates of provincial revenue and expenditure.

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:

- Heading provincial government;
- Implementing provincial legislation;
- Implementing all national legislation falling within legislative competence of province;
- Administering national legislation falling outside legislative competence assigned to province;
- Developing and implementing provincial policy;
- Co-ordinating functions of the provincial administration and its departments;
- Preparing and initiating provincial legislation; and
- Performing any other function assigned to the provincial executive.

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 coordinating 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.

7.6 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.

7.7 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.

7.8 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.

7.9 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.

7.10 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.

7.11 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.

7.12 KwaZulu-Natal Heritage Act, 1997

This Act, amongst others, provides for the establishment of AMAFA aKwaZulu-Natali, accountable to the Premier, the objective of which is the conservation, protection and administration of heritage resources of the Province and which generally promotes and co-ordinates heritage conservation for the benefit of present and future generations.

7.13 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.

7.14 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.

7.15 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

7.16 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.

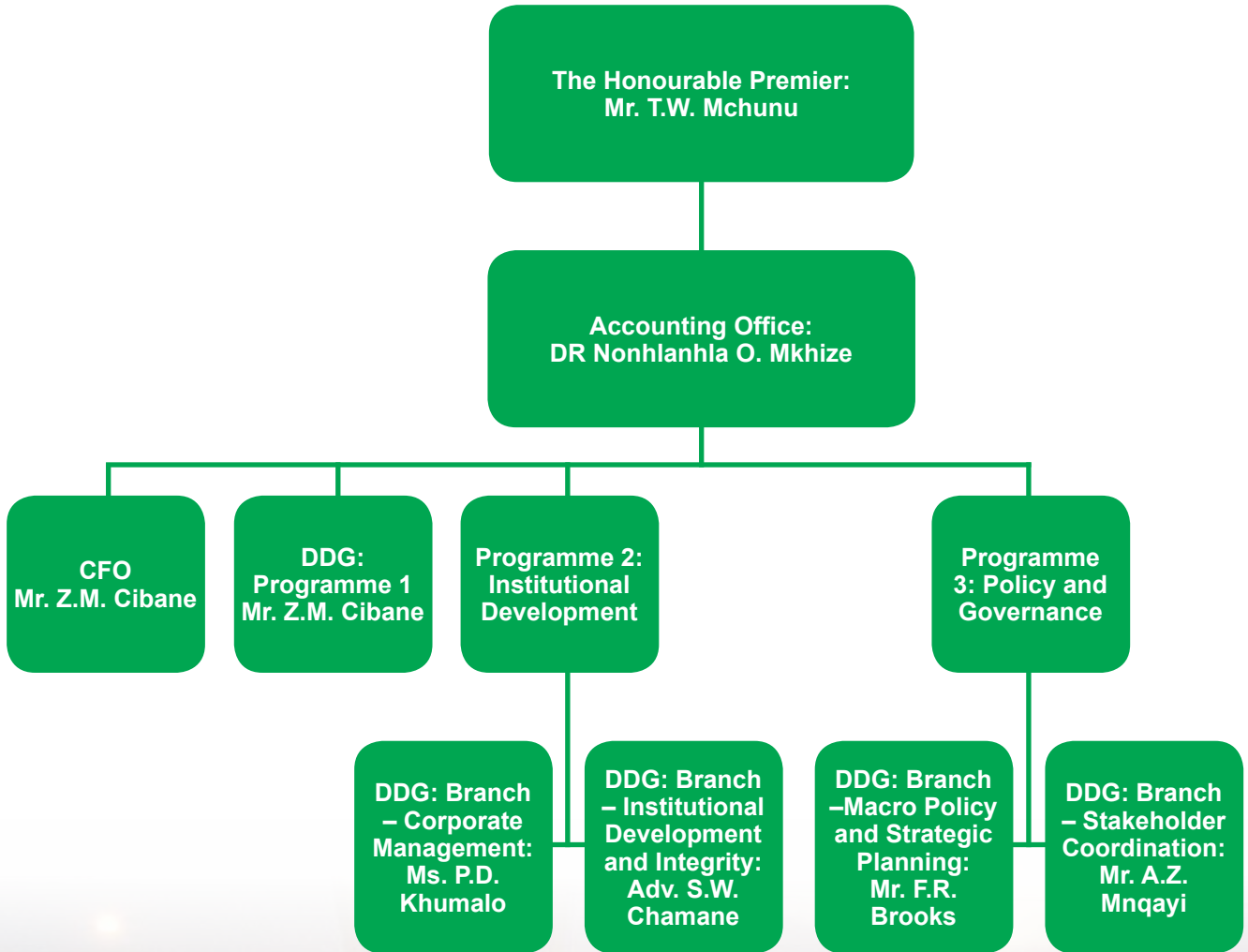
7.17 Royal Household Trust Act, 2007

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).

7.18 KwaZulu-Natal Gaming and Betting Act, 2010

The main objective of the Board is to ensure that all gambling authorized under the Act is conducted in a manner that promotes the integrity of the gambling industry and does not cause harm to public interest. In addition, the Board promotes the province's objective to develop the gambling industry as a vehicle for the promotion of tourism, employment creation and economic development in KwaZulu-Natal.

8. ORGANISATIONAL STRUCTURE



1. OVERVIEW OF DEPARTMENTAL PERFORMANCE

1.1 Service Delivery Environment

To assist users of the annual report to gain an understanding of the challenges, successes and other factors that might impact on a department’s performance, it is necessary to provide the user with an overview of the context and environment within which the department operated to implement its strategic plan and annual performance plan.

The overview should include:

- A balanced overview of the service delivery environment in which it operated during the reporting period under review and not merely focus on factors that might be offered as ‘mitigating circumstances’ to support the department’s delivery record.
- Comment on services delivered directly to the public, problems encountered by the department when providing the relevant services, and what corrective steps were/are to be taken in dealing with such problems.
- A description of any significant developments, external to the department, that may have impacted either on the demand for the department’s services or on the department’s ability to deliver those services.

1.2 Service Delivery Improvement Plan

The Department has completed a service delivery improvement plan. The tables below highlight the service delivery plan and the achievements to date.

Main services and standards

Main services	Beneficiaries	Current/actual standard of service	Desired standard of service	Actual achievement
Facilitation and Coordination services for integrated planning, implementation and resource mobilisation through functional IGR structures	All three spheres of government within KZN	No Provincial IGR strategy	Approved KZN IGR Strategy	IGR Strategy now awaiting presentation to Executive Council for approval

Batho Pele arrangements with beneficiaries (Consultation access etc.)

Current/actual arrangements	Desired arrangements	Actual achievements
Irregular Quarterly meetings	Timeous quarterly meetings to be held	All 4 quarterly meetings were held timeously

Service delivery information tool

Current/actual information tools	Desired information tools	Actual achievements
KZN Citizens' Charter 2010 - 2015	Approved Citizens Charter	30 000 copies distributed

Complaints mechanism

Current/actual complaints mechanism	Desired complaints mechanism	Actual achievements
New OTP Complaints mechanism	New OTP Complaints mechanism	Aligned & achieved
In place	Aligned to Citizens Charter	

1.3 Organisational Environment

The annual report should provide users with an understanding of the organisational challenges and successes experienced by the department for the reporting period under review. The aim is to provide a description of any significant developments internal to the department that may have impacted the department's ability to deliver on its Strategic Plan and Annual Performance Plan e.g. the resignation and/or appointment of key personnel such as the AO or the CFO, a strike by significant portions of departmental officials, restructuring efforts, significant system failures or cases of corruption.

Given that these are factors internal to the department and therefore ostensibly within the department's control, it would be expected that the department gives some indication of any measures that were adopted to mitigate the impact of these events on service delivery.

1.4 Key policy Developments and Legislative Changes

The department should describe any major changes to relevant policies or legislation that may have affected its operations during the period under review or future financial periods. If there have been no changes this must be stated.

PART B**2. PERFORMANCE INFORMATION BY PROGRAMME****Programme 1: ADMINISTRATION****1. PROGRAMME 1: ADMINISTRATION**

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

Sub-Programme 1: Premier Support

The objective of this sub-programme is to provide technical, administrative and advisory support to the Premier in executing the constitutional mandate.

Sub-Programme 2: Executive Council Support

The objective of this sub-programme is to render secretariat support services to the Executive Council, clusters and key provincial committees.

Sub-Programme 3: Director-General Support

The objective of this sub-programme is to provide operational support to the Director-General in strategically managing the province. The Internal Control and Organisational Risk Management Directorate is part of this Sub-programme.

Sub-Programme 4: Financial Management

The objective of this sub-programme is to provide financial management support and advisory services to the Premier and the Director- General in fulfilling their legislative and oversight functions and in promoting good corporate governance.

STRATEGIC OBJECTIVES, PERFORMANCE INDICATORS, PLANNED TARGETS AND ACTUAL ACHIEVEMENTS

This section must provide a narrative of the significant achievements of targets for the strategic objectives and performance indicators for each programme for the financial year under review. The narrative must also provide a synopsis on how the achievement of targets has contributed towards achieving the department's strategic outcome orientated goals, which will invariably impact on the strategic priorities of government.

Strategic objectives:

PROGRAMME: ADMINISTRATION					
Strategic objectives	Actual Achievement 2015//2016	Planned Target 2016/2017	Actual Achievement 2016/2017	Deviation from planned target to Actual Achievement for 2016/2017	Comment on deviations
Overall Performance score attained on Premier Support performance assessment matrix	3	3	0	3	
Number of Executive Council meetings supported (Executive Council and Makgotla)	22	22	22 decision matrix submitted	0	
MPAT score for OTP (overall)	N/A	3	2.97	0.03	
Average governance and accountability MPAT Score for OTP (KPA2)	N/A	3	3.5	0.54	
Progress towards achieving clean audit in annual audit findings	N/A	unqualified	Unqualified Audit Opinion		



Performance indicators

Sub-programme: Premier's Support							
Performance Indicator	Actual Achievement 2013/2014	Actual Achievement 2014/2015	Actual Achievement 2015/2016	Planned Target 2016/2017	Actual Achievement 2016/2017	Deviation from planned target to Actual Achievement 2016/2017	Comment on deviations
Performance score attained on Premier Support Administrative Support Services performance assessment matrix		3	3	Minimum average score of 3	0	3	The Director General to engage with the Chief of staff to submit assessment matrix
Performance score attained on Premier Support Parliamentary Services Management performance assessment matrix		3	3	Minimum average score of 3	0	3	The Director General to engage with the Chief of staff to submit assessment matrix

Sub-programme: Executive Council Support							
Performance Indicator	Actual Achievement 2013/2014	Actual Achievement 2014/2015	Actual Achievement 2015/2016	Planned Target 2016/2017	Actual Achievement 2016/2017	Deviation from planned target to Actual Achievement 2016/2017	Comment on deviations
Number of Executive Council meeting decision matrices circulated within 10 working days of meeting.	N/A	20	15	20	18	2	Targets not met in Q4"

Number of Executive Council decision matrix implementation progress reports submitted to the Executive Council	N/A	20	20	20	13	7	Targets not met in Q2 and Q4"
Executive Council Makgotla decision matrices within 10 working days of meeting	N/A	2	2	2	1	1	Evidence not submitted for Q4"

Sub-programme: Director-General							
Performance Indicator	Actual Achievement 2013/2014	Actual Achievement 2014/2015	Actual Achievement 2015/2016	Planned Target 2016/2017	Actual Achievement 2016/2017	De- viation from planned target to Actual Achievement 2016/2017	Comment on deviations
Number of EXCO Meetings supported	N/A	24	0	12	8	4	TID requirements not met from evidence submitted"
Number of MANCO Meetings supported	N/A	8	0	8	4	4	TID requirements not met from evidence submitted"

Sub-programme: Financial Management							
Performance Indicator	Actual Achievement 2013/2014	Actual Achievement 2014/2015	Actual Achievement 2015/2016	Planned Target 2016/2017	Actual Achievement 2016/2017	Deviation from planned target to Actual Achievement 2016/2017	Comment on deviations
Approved risk management register for 2016/17	N/A	1	1	1	1	0	Target met
Number of quarterly internal control management reports submitted to EXCO	N/A	NEW	4	4	3	1	Target not achieved in Q4"
Annual audit improvement plan on preceding year findings adopted by end of August	N/A			1	1	0	Target met
Number of Financial management reports, monthly IYM submitted to Treasury by the 15th of each month	N/A	12	12	12	12	0	Target met
Number of Financial Statements submitted in terms of prescripts	N/A	1 FINAL 3 INTERIM	4	4	4	0	Target met
Annual report on preceding year tabled by end of August	N/A	N/A	N/A	1	1	0	Target met
Procurement plan submitted in terms of prescripts for current year	N/A	1	1	1	1	0	Target met

Sub-programme expenditure

Sub- Programme Name	2016/2017			2015/2016		
	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	35 948	35 866	82	39 366	38 123	1 243
Executive Council support	9 560	9 546	14	8 024	7 961	63
Director General	9 785	9 743	42	16 115	13 424	2 691
Financial Management	30 034	29 712	322	35 927	33 551	2 376
Total	85 327	84 867	460	99 432	93 059	6 373



Programme 2: INSTITUTIONAL MANAGEMENT

The purpose of this programme is to coordinate the transformation of the public service and provide institutional development and support to the KwaZulu-Natal Provincial Government

Sub-Programme 1: Strategic Human Resources

Sub-Programme 2: Information Technology

Sub-Programme 3: Legal Services

Sub-Programme 4: Communication Services

Sub-Programme 5: Special Programmes

Sub-Programme 6: Inter-Governmental Relations

Strategic objectives:

Programme 2: Institutional Development					
Strategic objectives	Actual Achievement 2015/2016	Planned Target 2016/2017	Actual Achievement 2016/2017	Deviation from planned target to Actual Achievement for 2016/2017	Comment on deviations
Average MPAT Score for HR (KPA3) OTP		3			
Provincial HRM Turnaround Strategy		Final document by Dec	Draft document available		
Number of public servants attending training courses		4 000	5 381		
Number of HRD Fora engagements		11			
Number of annual security risk monitoring coordination reports		1	1		
Average MPAT Score for IT (KPA2) OTP		3	3		
No order of constitutional inconsistency or invalidity is made by the courts i.r.o any Provincial Law		0	0		
Updated Provincial Communication Strategy		Annual strategy implementation and monitoring reports			

Programme 2: Institutional Development					
Strategic objectives	Actual Achievement 2015/2016	Planned Target 2016/2017	Actual Achievement 2016/2017	Deviation from planned target to Actual Achievement for 2016/2017	Comment on deviations
MPAT Score on KPA 2 for Ethics for OTP		3	3.5		
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		4 (1 per group)			
Annual Provincial Ombudsperson Intervention Coordination and Monitoring reports		1			
Number of PCF decision matrices		4			
PCF decision matrix implementation reports		4			



Performance indicators

Sub-programme 1: Strategic Human Resources; Sub Programme 2: Information Technology							
Performance Indicator	Actual Achievement 2013/2014	Actual Achievement 2014/2015	Actual Achievement 2015/2016	Planned Target 2016/2017	Actual Achievement 2016/2017	Deviation from planned target to Actual Achievement 2016/2017	Comment on deviations
Number of quarterly reports on technical support services provided to all HR units in the provincial government of KZN on policy matters.	N/A	4	4	4	3	1	Requirement for one quarter was not met
Number of Strategic Human Resource forums meetings held	N/A	32	21	22	22	0	Target Met
Number of HR training sessions conducted (PERSAL)	N/A	NEW	40	40	40	0	Target Met
Number of Human Resource compliance reports submitted	N/A	8	11	22	21	1	This stems from an error in the APP which has now been corrected in the new APP
Number of PERSAL technical reports	N/A	180	122	168	168	0	Target Met
One Integrated Public Sector HRD Strategy and Professional Support Programme drafted	N/A	NEW	1	1 draft compiled	1	0	Target Met

Sub-programme 1: Strategic Human Resources; Sub Programme 2: Information Technology							
Performance Indicator	Actual Achievement 2013/2014	Actual Achievement 2014/2015	Actual Achievement 2015/2016	Planned Target 2016/2017	Actual Achievement 2016/2017	Deviation from planned target to Actual Achievement 2016/2017	Comment on deviations
Number of public service training sessions conducted and coordinated	N/A	NEW	136	250(200)	190	10	Noting a discrepancy between reduced annual targets of 200 and quarterly still based on an annual target of 250. The target for fourth quarter was not met. Target has been adjusted in the 2017/18 APP"
Number of HRDC Council meetings	N/A	2	3	3	3	1	The HRD Unit has been advised of the correct procedure to be followed to meet TID requirement"
Number of PSDF forum meetings held	N/A	NEW	4	4	3	1	The HRD Unit has been advised of the correct procedure to be followed to meet TID requirement"
Number of PHRDF forum meetings	N/A	NEW	4	4	3	1	The HRD Unit has been advised of the correct procedure to be followed to meet TID requirement"
Number of Threat and Risk Assessment (TRA) verification monitoring coordination reports	N/A	NEW	0	4	4	0	Target met

Sub-programme 1: Strategic Human Resources; Sub Programme 2: Information Technology							
Performance Indicator	Actual Achievement 2013/2014	Actual Achievement 2014/2015	Actual Achievement 2015/2016	Planned Target 2016/2017	Actual Achievement 2016/2017	Deviation from planned target to Actual Achievement 2016/2017	Comment on deviations
Number of quarterly Minimum Physical Security Standards (MPSS) monitoring coordination reports	N/A	NEW	2	4	4	0	Target met
Number of 6 monthly provincial departments IT governance assessment coordination reports	N/A	2	2	2	1	1	Second Quarter report was not submitted"
Number of Broadband strategic progress coordination reports	N/A	N/A	N/A	2	2	0	Target met

Sub-Programme 3: Legal Services							
Performance Indicator	Actual Achievement 2013/2014	Actual Achievement 2014/2015	Actual Achievement 2015/2016	Planned Target 2016/2017	Actual Achievement 2016/2017	De- viation from planned target to Actual Achievement 2016/2017	Comment on deviations
Number of Quarterly Reports on Provincial Legislative Programme submitted within 10 days of end of each Quarter.	N/A	4	4	4	4	0	Target met

Sub-Programme 4: Communication Services							
Performance Indicator	Actual Achievement 2013/2014	Actual Achievement 2014/2015	Actual Achievement 2015/2016	Planned Target 2016/2017	Actual Achievement 2016/2017	Deviation from planned target to Actual Achievement 2016/2017	Comment on deviations
Annual Communication Plan approved by EXCO by 30 April	N/A	NEW	0	1	0	1	No Communication plan submitted and Branch Head called upon to intervene”
Number of articles on the PGDP published in the print media targeting external audiences	N/A	NEW	13	8	1	7	Articles not available in English, nor are they focussed on PGDP. Communication Unit engaged”
Number of internal newsletters to OTP staff on developments in the department	N/A	3	2	4	0	4	No internal magazine published due to lack of internal capacity”

Sub-Programme 5: Special Programmes-Integrity Management							
Performance Indicator	Actual Achievement 2013/2014	Actual Achievement 2014/2015	Actual Achievement 2015/2016	Planned Target 2016/2017	Actual Achievement 2016/2017	Deviation from planned target to Actual Achievement 2016/2017	Comment on deviations
Integrity Leadership Conferences (nil for 2016/17)	N/A	0	1	0	0	0	No target for financial year
Number of consolidated reports on the roll-out of the “I do right even when nobody is watching” campaign	N/A	4	4	4	4	0	Target Met

Sub-Programme 5: Special Programmes-Integrity Management							
Performance Indicator	Actual Achievement 2013/2014	Actual Achievement 2014/2015	Actual Achievement 2015/2016	Planned Target 2016/2017	Actual Achievement 2016/2017	De- viation from planned target to Actual Achievement 2016/2017	Comment on deviations
Number of Quarterly Intervention reports on the resolution of service delivery complaints received	N/A	4	4	4	4	0	Target Met
Number of quarterly progress reports (National Anti-Corruption Hotline cases)	N/A	4	4	4	4	0	Target Met
Number of ethics workshops	N/A	4	4	4	4	0	Target Met
Number of fraud and corruption reports	N/A	4	4	4	3	1	Q2 target not met due to Local Government elections”
Number of annual performance business plans for human rights target groups : 1 x gender; 1 x disability; 1 x children; and 1 x senior citizens		4	4	16	15	1	Disability report not submitted for Q4
Number of consolidated human rights monitoring reports	N/A	N/A	N/A	2	2	0	Target Met
Number of awareness sessions on human rights coordinated	N/A	N/A	N/A	12	12	0	Target Met
Number of OTP Ombudsperson reports	N/A	N/A	N/A	2	2	0	Target Met

Sub-Programme 6: Inter-Governmental Relations							
Performance Indicator	Actual Achievement 2013/2014	Actual Achievement 2014/2015	Actual Achievement 2015/2016	Planned Target 2016/2017	Actual Achievement 2016/2017	De- viation from planned tar- get to Actual Achieve- ment 2016/2017	Comment on deviations
Number of Premier's Technical Coordinating forum decision matrixes	N/A	N/A	N/A	4	2	2	Targets not met in Q 2 and 4
Number of COHOD decision matrixes	N/A	N/A	N/A	8	7	1	DG still to sign last set of minutes
Number of IGR Provincial Forum decision matrixes	N/A	N/A	N/A	4	6	2	Exceeding this target had no direct financial implication and IGR Unit was alerted to revise their planning processes to avoid under targeting
Number of Twinning Agreement implementation reports	N/A	N/A	N/A	2	3	1	Exceeding this target had no direct financial implication and IGR Unit was alerted to revise their planning processes to avoid under targeting

Strategy to overcome areas of under performance

Department's should provide the strategies to address under performance.

Changes to planned targets

Departments must provide reasons per performance indicator if the indicators or targets have been changed during the reporting period i.e. after the annual performance plan has been tabled. In year changes to targets are only permitted if there has been an adjustment in the budget.

Linking performance with budgets

Departments must provide a summary of the actual expenditure in comparison to the adjusted appropriation for both the current year and previous year. The information must be provided at a sub-programme level and must agree to the appropriation statement of the audited financial statements. Reasons for variations should be linked to the information discussed above in the organisational environment and the service delivery environment. The department must also report on how expenditure contributed to achievement of outputs.

Sub-programme expenditure

Sub- Programme Name	2016/2017			2015/2016		
	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	93 650	93 542	108	90 724	88 531	2 193
Information Communication Technology	74 687	74 530	157	64 363	63 100	1 263
Legal Services	10 519	10 478	41	10 602	10 465	137
Communication Services	47 672	47 626	46	66 673	66 672	1
Special Programmes	39 409	39 383	26	58 441	58 407	34
Intergovernmental Relations	14 111	14 016	95	12 303	12 303	0
Gaming and Betting	21 000	20 712	288	0	0	0
Total	301 048	300 287	761	303 106	299 478	3 628



Programme 3: POLICY AND GOVERNANCE

Strategic objectives:

Programme 3: Policy and Governance					
Strategic objectives	Actual Achievement 2015/2016	Planned Target 2016/2017	Actual Achievement 2016/2017	Deviation from planned target to Actual Achievement for 2016/2017	Comment on deviations
MPAT Score for OTP -KPA 1		3	3		
Updated Provincial Growth and Development Plan by December each year		1 annual review	1		
Number of consolidated annual review and impact reports of stakeholder engagements		4	0		
Number of updated annual business plans on youth development programmes		1	0		
Number of annual review and impact reports of youth development and empowerment programmes		1	0		
Number of consolidated annual priority programmes coordination reports by 30 April each year		1	0		
Progress in the implementation of all 4 phases of the Poverty Eradication Master Plan (PEMP)		Implementation of phase 1 and 2 of the PEMP	0		
Number of annual business plans on support services to the Zulu Monarchy		1	0		
Consolidated annual monitoring reports on the Royal Household Trust		1	1		
Number of heritage awareness engagements coordinated		12			
Number of new heritage memory infrastructure symbols		8			
Annual consolidated Amafa Council monitoring and review reports		1			

Provide reasons for all deviations

Performance indicators

Sub-Programme: Provincial Policy Management							
Performance Indicator	Actual Achievement 2013/2014	Actual Achievement 2014/2015	Actual Achievement 2015/2016	Planned Target 2016/2017	Actual Achievement 2016/2017	De- viation from planned tar- get to Actual Achievement 2016/2017	Comment on deviations
Number of policy audit reports	N/A	2	3	2	2	0	Target met
Citizen Satisfaction Survey findings report	N/A	Analysis of pilot and feasibility	1	1	1	0	Target met
Consolidated Provincial strategic planning alignment reports.	N/A	1	1	1	1	0	Target met
Assessment reports on the functionality of PGDP Action Workgroups	N/A	new	0	2	2	0	Target met
Number of quarterly monitoring reports on status of the Nerve centre	N/A	4	4	4	4	0	Target met
Number of Consolidated MPAT Improvement reports tabled at the Governance & Administrative Cluster.	N/A	4	2	2	2	2	Target met

Sub-Programme: Provincial Policy Management							
Performance Indicator	Actual Achievement 2013/2014	Actual Achievement 2014/2015	Actual Achievement 2015/2016	Planned Target 2016/2017	Actual Achievement 2016/2017	De- viation from planned tar- get to Actual Achievement 2016/2017	Comment on deviations
Consolidated MTSF Outcomes progress report	N/A	4	2	1	0	1	Capacity challenges has made it impossible to produce this report, recruitment of the Director responsible for this function has been concluded and will assume duty on the 1st of May 2017”
Number of consolidated PGDP Action Workgroup Reports	N/A	4	4	4	2	2	“Capacity challenges has made it impossible to produce this report, recruitment of the Director responsible for this function has been concluded and will assume duty on the 1st of May 2017”
Number of Front Line Service Delivery reports (FLSD)	N/A	4	4	2	2	0	Target met

Sub-Programme: Provincial Policy Management							
Performance Indicator	Actual Achievement 2013/2014	Actual Achievement 2014/2015	Actual Achievement 2015/2016	Planned Target 2016/2017	Actual Achievement 2016/2017	De- viation from planned tar- get to Actual Achievement 2016/2017	Comment on deviations
Number of QPR Assessment reports	N/A	NEW	42	4	1	3	Report could not be prepared as a result of capacity constraints in the M&E Unit. Recruitment process has commenced and key appointments have been made to address this shortcoming.”
Number of quarterly Service Delivery Improvement Plans (SDIP) implementation reports	N/A	1	3	4	4	0	Target met
Number of quarterly reports on level of compliance with Batho Pele principles	N/A	6 forum meetings 4 quarterly reports	4	4	4	0	Target met

Sub-Programme: Premier's Priority Programmes							
Performance Indicator	Actual Achievement 2013/2014	Actual Achievement 2014/2015	Actual Achievement 2015/2016	Planned Target 2016/2017	Actual Achievement 2016/2017	De- viation from planned target to Actual Achievement 2016/2017	Comment on deviations
Number of strategic partnership forum meetings with each sector: 1 x NGO; 1 x Business; 1 x Traditional Authority; 1 x Religious sector	N/A	1	3	4	4	0	Target met
No. Workshops of stakeholders on PGDP Vision 2030	N/A	1	3	4	4	0	Target met
Number of quarterly OSS provincial coordination and monitoring reports	N/A	3	3	4	4	0	Target met
Number of MRM coordination reports	N/A	5	3	4	4	0	Target met
Number of coordination reports on projects for youth	N/A	NEW	1	4	2	2	"No evidence submitted and Branch Head has been requested to intervene"
Number of quarterly monitoring reports on youth forums establishment and supported	N/A	3	0	4	0	4	"No evidence submitted and Branch Head has been requested to intervene"

Sub-Programme: Premier's Priority Programmes							
Performance Indicator	Actual Achievement 2013/2014	Actual Achievement 2014/2015	Actual Achievement 2015/2016	Planned Target 2016/2017	Actual Achievement 2016/2017	De- viation from planned target to Actual Achievement 2016/2017	Comment on deviations
Consolidated multi-sectorial intervention monitoring and coordination report on HIV and Aids (note reports are done on the preceding year)	N/A	4	4	1	1	0	
Consolidated multi-sectorial intervention monitoring and coordination report on HIV and Aids (note reports are done on the quarter)	N/A	1	1	4	4	0	Target met
Number of quarterly Veteran support services coordination reports	N/A	4	3	4	4	0	Target met
Number of quarterly coordination reports to Premier on special projects	N/A	4	2	4	4	0	Target met

Sub-Programme: Premier's Priority Programmes							
Performance Indicator	Actual Achievement 2013/2014	Actual Achievement 2014/2015	Actual Achievement 2015/2016	Planned Target 2016/2017	Actual Achievement 2016/2017	De- viation from planned target to Actual Achievement 2016/2017	Comment on deviations
Number of quarterly coordination reports to Premier on progress with PEMP implementation	N/A			4	1	3	The Brach Head has been alerted and requested to ensure that appropriate corrective action is taken. Capacity constraints with resignation of PEMP Manager has been the root cause for non-achievement of this target. Recruitment process is on track."

Sub-Programme: Royal Household							
Performance Indicator	Actual Achievement 2013/2014	Actual Achievement 2014/2015	Actual Achievement 2015/2016	Planned Target 2016/2017	Actual Achievement 2016/2017	De- viation from planned target to Actual Achievement 2016/2017	Comment on deviations
Number of RHHT quarterly monitoring reports	N/A	4	0	4	1	3	TID requirements not adhered to"
RHHT Annual Performance Plan assessment report	N/A	NEW	1	1	0	1	An error was made in the APP by not identifying the quarter in which this report was to be done
Quarterly reports on support services provided to His Majesty	N/A			4	4	0	Target met

Sub-Programme: Heritage							
Performance Indicator	Actual Achievement 2013/2014	Actual Achievement 2014/2015	Actual Achievement 2015/2016	Planned Target 2016/2017	Actual Achievement 2016/2017	Deviation from planned target to Actual Achievement 2016/2017	Comment on deviations
Number of community heritage awareness campaigns	N/A	N/A	N/A	11	9	2	Local Government elections affected two events that had to be postponed”
Number of Heritage Coordination forum meetings	N/A	N/A	N/A	1	1	0	
Number of monuments or memorials erected	N/A	N/A	N/A	2	1	1	No evidence submitted and Branch Head has been requested to intervene”
Number of heritage markers	N/A	N/A	N/A	6	1	5	No evidence submitted and Branch Head has been requested to intervene”
Number of Amafa monitoring reports	N/A	N/A	N/A	4	3	1	Evidence was not submitted for Q1 but thereafter all reports were submitted for the remaining quarters”
AMAFA Annual Performance Plan assessment report	N/A	N/A	N/A	1	1	0	Target met

Sub- Programme Name	2016/2017			2015/2016		
	Final Appropriation	Actual Expenditure	(Over)/ Under Expenditure	Final Appropriation	Actual Expenditure	(Over)/ Under Expenditure
	Actual	R'000	R'000	R'000	R'000	R'000
Provincial Policy Management	40 869	40 746	123	41 899	34 153	7 746
Premier's Priority Programmes	135 247	132 835	2 412	152 751	141 382	11 369
Royal Households	75 447	71 152	4 295	76 286	59 702	16 584
Heritage	52 380	52 328	52	64 320	64 277	43
Total	303 943	297 061	6 882	335 256	299 514	35 742

4. TRANSFER PAYMENTS

4.1 Transfer payments to public entities

Name of Public Entity	Services rendered by the public entity	Amount transferred to the public entity	Amount spent by the public entity
		R'000	R'000
AMAFa aKwaZulu-Natali	Administering heritage conservation and promoting awareness of the significance and value of cultural heritage resources	R 33,028	R 33,028
The Royal Household Trust	To provide support to His Majesty the King	R 22,977	R 22,977
Gaming and Betting	Ensure that all gambling are authorised in terms of KZN gaming and betting act as well as promoting tourism, employment creation and economic development.	R 19,255	R 19,255

5. DONOR FUNDS

5.1 Donor Funds Received

Donor Fund : National Skills Fund

Name of donor	National Skills Fund
Period of the commitment	2010/11 to 2016/17
Purpose of the funding	To fund the following learning programmes Learning in the construction sector Automotive apprenticeship Manufacturing and engineering apprenticeship and learnership National Youth Service (NYS) skills programme implemented by the DOPW
Expected outputs	720 Learners
Amount received in current period (R'000)	R 5 724
Amount spent by the department (R'000)	R 5 603

Donor Fund : MERSETA

Name of donor	MERSETA
Period of the commitment	2012/13 to 2015/16
Purpose of the funding	Artisan development project in the manufacturing and engineering sector
Expected outputs	Training of 200 artisans
Amount received in current period (R'000)	R 7 488
Amount spent by the department (R'000)	R 7 038

Donor Fund : PSETA

Name of donor	PSETA
Period of the commitment	2012/13 to 2015/16
Purpose of the funding	The aim of the Work Intergrated Learning (SSETA and PSETA funded projects) is to support 215 students from TVET colleges.
Expected outputs	Fund learning programmes, artisan development projects, training apprentices in various trades, as well as supporting the development of policies on accreditation.
Amount received in current period (R'000)	R 1 360
Amount spent by the department (R'000)	R 1 182

6. CAPITAL INVESTMENT

6.1 Capital investment, maintenance and asset management plan

Infrastructure projects	2016/2017			2015/2016		
	Final Ap-propriation R'000	Actual Expendi-ture R'000	(Over)/ Under Ex-penditure R'000	Final Ap-propriation R'000	Actual Expendi-ture R'000	(Over)/ Under Ex-penditure R'000
New and replacement assets		10 905	(10 905)			
Existing infrastructure assets						
• Upgrades and additions				9 112		9 122
• Rehabilitation, renovations and refurbishments	9 937	5 918	4 019	1 027	12 398	(11 371)
• Maintenance and repairs	3 471	60	3 411	640	973	(333)
Infrastructure transfer						
• Current						
• Capital						
Total	13 408	16 883	(3 475)	10 779	13 371	(2 592)



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 and adopted the Provincial Risk Management Framework as its risk management strategy. Furthermore the department has, with the support of Provincial Treasury's Risk and Advisory Unit, initiated processes to customise and align the framework to meet the department's specific requirements.

The Accounting Officer has established a Risk Management Committee to oversee and monitor the implementation of the risk management policy. This committee is, amongst other things, responsible for the following:

- Ensuring that risk assessments are conducted regularly to identify emerging risks for the Department;
- Ensuring the alignment of the strategic risks with the strategic plan and objectives of the Department;
- Ensuring that strategic, operational, IT and fraud risks are managed appropriately across the Department;
- Reviewing the department's risk identification and assessment methodologies to obtain reasonable assurance of the completeness and accuracy of the risk register;
- Reviewing the results of the risk assessments to determine material risks to which the Department may be exposed and to evaluate strategies to mitigate those risks;
- Guiding and advising the Risk Management Unit in the compilation of the quarterly risk management reports;
- Reviewing any material findings and recommendations by both Internal and External Auditors on the system of risk management and internal control to ensure that risks

emanating from audit findings and forensic investigations are included in the risk register and that relevant mitigating plans are put in place timeously;

- Reviewing and monitoring the implementation of fraud prevention strategies;
- Monitoring progress on the implementation of risk mitigation strategies, including a status report on the audit improvement plan and;
- Interacting with the Cluster Audit and Risk Committee to share information relating to material risks of the department including cases where senior officials are implicated.

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 and;
- Improved audit report.

3. FRAUD AND CORRUPTION

- The department's fraud prevention plan and the progress made in implementing the fraud prevention plan

The Department has a Fraud Prevention Plan (FPP) which is reviewed regularly by the Integrity Management Unit and approved annually by the Director-General. The department's 2016/17 FPP was reviewed by Integrity Management Unit and was approved by the Acting DG on the 3rd of March 2016. An approved FPP was scanned and forwarded to Communication Unit to be uploaded in the departmental website. The Fraud Prevention Implementation Plan was then prepared. The Implementation Plan includes inter alia, the roll out of the Ethics Awareness workshops and the declaration of financial interests. Ethics Awareness workshops were conducted as planned and all staff including staff below SMS level disclosed their financial interests as required. A spot check was conducted to verify if BID Committee members do declare conflict of interest during **bid processes** as required. Progress on the implementation of the Fraud Prevention Plan is presented at the Cluster Audit and Risk Committee (CARC) on quarterly basis. The Integrity Management

Uint has recently reviewed the FPP for the financial year 2017/2018 to reflect new requirements as contained in the Public Service Regulations 2016. The FPP has now been approved by the DG and sent to all MANCO members. It is also uploaded on the Government website.

- Mechanisms in place to report fraud and corruption and how these operate.eg: Whistle blowing - The need for officials to make confidential disclosure about suspect fraud and corruption
- The Department developed and approved the Whistle Blowing Policy to provide a process to be followed by employees when reporting fraud and corruption. In terms of the policy, officials can report the allegation or incident of fraud either to their immediate supervisor or to the head of Integrity Management Unit (033 341 2747) or alternatively call anonymously to the National Anti-Corruption Hotline on 0800 701 701. The Office of The Premier provides regular updates on cases received from the National Hotline to the Office of The Public Service Communication as per the requirements.
- The Office of the Premier always does its best to protect an individual's identity when he/she reports a concern and does not want his/her identity to be disclosed; however, the investigation process may reveal the source of the information and a statement may be required as part of the evidence.
- How these cases are reported and what action is taken

When an official suspects or uncovers fraud and or corruption he/she can immediately report the allegation or incident of fraud either to their immediate supervisor or to the head of Integrity Management Unit (033 341 2747) or alternatively call anonymously to the National Hotline on 0800 701 701. Concerns are better raised in writing. The background and history of the concern giving names, dates and places where possible should be set out and the reason why the individual is particularly concerned about the situation. Concerns reported to the National Hotline are received by the Office of the Premier via the Provincial Office of the Public Service Commission.

- Action taken by the Office of the Premier always depends on the nature of the concern. Possible actions to the matters raised may, among others be to:-
 - i. Investigate the matter internally through Integrity Management Unit;
 - ii. Refer the matter to Provincial Treasury (Forensic Investigations Services Unit);
 - iii. Refer the matter to the SAPS or other relevant law enforcement agency.

In order to protect individuals and the Office of the Premier, initial enquiries are made to decide whether an investigation is appropriate and, if so, what form it should take.

4. SCOPA RESOLUTIONS

Resolution No.	Subject	Response by the department	Resolved (Yes/No)
5/2016:	The Committee resolves – That the Acting Director General report by 30 September 2016 on progress made with regard to the two projects: 1860 Heritage Monument and the Training Academy;	In March 2016, the Office of the Premier informed the Department of Public Works that the construction of the KZN Training Academy in Westville be suspended in line with a Cabinet directive to reduce the department's budget by an amount of R108 million. The Department of Public Works was further advised that all planning work on the KZN Training Academy project be finalized and expended within the 2016/ 2017 financial year. The office of the Premier is presently in discussion with the Development Bank to secure funding for phase 1 of the project. The department intends to complete work on the project once it resumes budgeting for new capital expenditure projects.	Yes
6/2016	The Committee resolves – That the Acting Director General report by 30 June 2016 on the progress made with regard to the renovations at the Royal Palaces.	Professional team appointed to oversee Phase 1 implementation and proceed with phase 2 and 3 on 8 Palaces including, project management, appointment of contractors and oversight.	Yes
7/2016	The Committee resolves – That the Acting Director General report by 31 August 2016 on progress made with regard to the filling of vacant posts and that the Portfolio Committee keep track of the matter.	The process of filling vacant posts in the Office of the Premier was interrupted by cost-cutting measures that were issued by Provincial Treasury towards the end of last year (2015) and early this year (2016); wherein a moratorium was placed on filling of non-critical and unfunded posts by provincial departments. On the 11th May 2016, the Office of the Premier was granted approval by Treasury to fill 78 critical posts. Sixty-one (61) posts (including 6 at SMS level) were advertised - closing dates were 27th May 2016 and 3rd June 2016. The recruitment process is in progress. The 17 remaining posts are awaiting Job Evaluation and other preliminary processes. The overall vacancy rate as at 30 June 2016 was 6% which is below the standard average of 10%.	Yes
46/2016	The Committee resolves – That the Accounting Officer ensure that all remaining critical vacant posts are identified and filled as a matter of urgency and report progress to the Committee by 31 January 2017.	The Office of the Premier was granted approval by Treasury to fill 78 critical posts in 2016. Forty-seven (47) posts have been filled, while thirty-one (31) remaining posts (including SMS posts) are at different stages of the recruitment process. The post of Director-General was re-advertised in September 2016 and is awaiting shortlisting. The overall vacancy rate as at 31 December 2016 was 11%.	Yes

Resolution No.	Subject	Response by the department	Resolved (Yes/No)
47/2016	The Committee resolves: That the Accounting Officer report to the Committee by 31 January 2017 on steps taken and control measures put in place to address the audit findings and to prevent a recurrence (the Committee wants assurance that steps are in place) and steps taken against any officials responsible for the irregular expenditure, including recovery.	The Department has set up a Risk Committee to look into cases of Irregular Expenditure and make recommendations to the Accounting Officer. The Irregular Expenditure under review was reported to Provincial Treasury who has engaged Independent Contractors to confirm the validity of each case iro Irregular classification.	Yes
48/2016	The Committee resolves – 1. That the Accounting Officer report to the Committee by 31 January 2017 on steps taken to address the audit findings and to implement the controls recommended by the Auditor-General.	1. Monitoring of network security patches installations and antivirus exceptions were not performed An antivirus/patch management procedure has been developed (as part of the IT Governance Service Level Agreement (“SLA”) held with SITA) to govern and provide standard operating procedures for the management and controls surrounding the antivirus/ patch software. This antivirus/patch management procedure is currently pending approval, thereafter it will be implemented together with all other Information Security policies and procedures developed as part of the IT Governance SLA. Once approved, the implementation will be monitored and reported on a monthly basis ensuring that implementation is as per the approved procedure; that deviations are noted and addressed; and that opportunities for continuous improvements are identified. It must also be noted that scanning of the network for vulnerabilities commenced in December 2016 and has been finalised in January 2017. The department is awaiting the final report from consultants. The results of the scan will identify outdated patches and a plan developed for addressing any such issues which may exist.	Yes



Resolution No.	Subject	Response by the department	Resolved (Yes/No)
144/2016	<p>The Committee resolves –</p> <p>1. That all departments report to the Committee by 31 January 2017 of all performance agreements for the financial year 2015/16 and 2016/2017 that were not signed, the reasons for the non-compliance, the steps taken against officials who did not sign and if no steps taken, the reasons. The report is then submitted to enable the Committee to consider the reasons with the view to recommending and approval or otherwise.</p>	<p>OTP – SMS members</p> <p>Total SMS members 2015/16 was 60 and the breakdown is as follows:</p> <ul style="list-style-type: none"> • 15 SMS members were non-compliance. • 10 SMS members were promoted and new appointments during the cycle • 5 were non-compliant with no reasons <p>There were 4 cases of non-compliance during the 2016/17 and reasons are provided on the attached spreadsheet. The non-compliant cases were reported to the Department's Moderating Committee.</p> <p>OTP – 1 to 12 Officials</p> <p>There was a total of 21 non-compliance cases with regards to employees on salary levels 1 to 12. This number is for both 2015/2016 and 2016/2017 combined and reasons for non-compliance are provided on the attached spreadsheet.</p> <p>The non-compliance cases were reported to the Department Moderating Committees and it was recommended that in addition to non-payment of performance incentives as a consequence for non-compliance, the State Law Advisory Services Unit be requested to provide legal advice on the possibility of salary suspension of SMS Members and other employees who fail to comply.</p> <p>This will be a temporary measure to enforce compliance and the salary will be released once a member/employee has submitted all outstanding E/PMDS document. This compliance enforcement measure was proposed for possible implementation in the 2017/2018 performance cycle.</p>	Yes



5. PRIOR MODIFICATIONS TO AUDIT REPORTS

During the 2015/16 financial year the department obtained an unqualified audit opinion with matters of emphasis. Some of the shortcomings that were highlighted by the Office of the Auditor General as matters of emphasis included the following:

- Inadequate mechanisms to detect suppliers in the service of the state;
- Invitation to tender not advertised on CIDB website;
- Fair time frames were not afforded to suppliers to submit quotations;
- Cover quoting - suppliers details the same (Procurement of transport through taxis);
- Differences between the AFS and PERSAL in the amount paid for performance bonuses and;
- Inadequate Asset Management

In order to address the abovementioned 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 measures that have been implemented to address these findings:

Matters of non-compliance	Financial year in which it first arose	Progress made in clearing / resolving the matter
Suppliers whose directors or officials were persons in the service of the state. False Declaration on SBD 4 forms	Recurring audit finding due to inadequate detection and prevention measures.	Central Suppliers Database has been implemented which is linked to CIPRO and SARS. This enables the detection of officials employed by government Departments.
Cover quoting - suppliers details the same (Procurement of transport through taxis)	2013/14	A revised SCM policy includes the procurement of taxis. In addition an exception submission to accept less than three quotations due to the nature of the taxi industry has been approved by the Accounting Officer
Invitation to tender not advertised on CIDB website	2015/16	SCM checklist has been reviewed and implemented
Fair time frames were not afforded to suppliers to submit quotations	2015/16	A panel of service providers has been appointed to improve management of urgent and emergency cases
The Audit identified differences between the AFS and PERSAL in the amount paid for performance bonuses	2015/16	Reconciliation between BAS and PERSAL are conducted on a monthly basis to detect and prevent discrepancies.
Asset additions related to software, heritage and donations not recorded in additions listing or asset register	2015/16	The GPS Coordinates have been included on register to facilitate easy location of heritage assets

6. INTERNAL CONTROL UNIT

There is currently no dedicated Internal Control Unit in the Department. The new Departmental structure provides for an Internal Control Unit in the office of the CFO. It is anticipated that these posts will be filled during the 2017/18 financial year.

The Department currently relies on Provincial Internal Audit Services to assess the adequacy and effectiveness of internal controls, and to provide advice where deficiencies are detected. An audit improvement plan is maintained by Provincial Internal Audit Services and the Department to monitor the implementation of recommendations.



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 2017.

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 & Administration 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.

1. Audit Committee Members and Attendance

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

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

* refers to PARC members who do not serve on the G&A CARC

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
- Budget and Expenditure Management
- Youth Development
- Fleet Management
- High staff vacancy rate

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.

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 nine (9) audit assignments for the period under review, of which seven (7) were finalised and two (2) were carried over to the 2017/18 financial year with the approval of the Audit Committee.

The PIAS performed effectively during the period under review even though the Committee noted with concern, the financial and other limitations imposed upon it. During the 2017/18 financial year, the Committee will monitor the progress made by the PIAS against its operational plans, in order to ensure that it continues to fulfil its mandate and add value to the department.

4. Risk Management

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

As at 31 March 2017, the status of the Department's risk register was as follows:

	Risk Grouping					Total
	Critical	Major	Moderate	Minor	Insignificant	
Number of Identified Risks	2	8	15	10	13	48
Number of Identified Action Plans	14	34	48	2	3	101
Number of Completed Action Plans.	9	18	32	2	3	64

The Committee has, throughout the period under review, been concerned by the Department's inadequate management and oversight with regard to its risk register, particularly its failure to update the risk register on a regularly on a quarterly basis, as well as the slow progress in implementing long outstanding risk mitigation plans for risks classified as critical and major. The Department is urged to expedite the implementation of the outstanding risk mitigation plans and to regard the risk register as a dynamic document which should be reviewed and updated on a quarterly basis.

The Committee is further concerned about the slow progress the Department has made in completing the agreed action plans in respect of Risk Maturity, Business Continuity, Fraud Prevention and Occupational Health and Safety. The

Department is, once again, urged to improve its performance in these areas during the 2017/18 financial year, including addressing the issue relating to its Internal Risk Management Committee being chaired by a person other than the Department's Accounting Officer (which is contrary to the 2015 Provincial Executive Resolution on Minimum Risk Management Standards for Provincial Departments).

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 material underspending on Programme 3: Policy and Governance, as well as the material irregular expenditure incurred by the Department, and the Committee requested management to urgently implement effective budget management and procurement controls.

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 and failure to prevent irregular expenditure as a result of non-compliance with supply chain management prescripts.
- Reviewed the conclusion on the usefulness and reliability of performance information resulting from the external audit of the Department.

7. Forensics Investigations

The Committee noted that there were twelve (12) forensic investigations from 2009 to date, all relating to alleged procurement irregularities, unauthorised changing of supplier banking details and misappropriation of funds, which the department has referred to the PIAS for investigation. Four (4) of these investigations were completed and eight (8) were in-progress. The Committee further noted that one (1) matter is currently under criminal investigation by the South African Police Service (SAPS).

The Committee raised a concern regarding the length of time taken to complete investigations and lack of progress made on investigations. The Department and the PIAS are urged to promptly finalize the outstanding investigations, and work together to implement the recommendations made in the finalised investigations.

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 agrees with and accepts the Auditor General's unqualified 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. The Committee commends the Department on obtaining an unqualified audit opinion.

9. Appreciation

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



Mr S Simelane
ACTING CHAIRMAN
PROVINCIAL AUDIT AND RISK COMMITTEE
07 AUGUST 2017



PART D: HUMAN RESOURCE MANAGEMENT

1. INTRODUCTION

It should be reported that in the last financial year, the Office of the Premier has started to witness some improvement in the area of Strategic Human Resource Management. However, there is still a lot that needs to be done to elevate HR to a strategic level of performance that is required. Whilst this is the case, it must be further noted that for a total turnaround towards improving HR holistically, there has to be a turnaround strategy. To this end, a concerted effort has been made to develop such a strategy not only for OTP but for the entire Province. This should yield positive outcomes considering the amount of time and effort that it has taken to focus on the areas of HR that show weaknesses.



2. OVERVIEW OF HUMAN RESOURCES

Milestones and challenges have been highlighted per directorate. The Chief Directorate comprises six directorates.

2.1 HUMAN RESOURCE SUPPORT

This directorate provides human resource support services to the line function components within the Office of the Premier. It is responsible for the formulation and implementation of internal Human Resource Management and Development strategies, systems and policies. These include among others the Human Resource Plan, Employment Equity Plan and Workplace Skills Plan.

2.1.1 The Status of Human Resources in the Department

The table below depicts the composition of the Office of the Premier's staff establishment in terms of race, gender, disability and filled and vacant posts per salary level.

Salary Level	African		Coloured		Indian		White		Grand Total	Active Filled	Active Vacant	Total Posts	Disabled Employees
	Female	Male	Female	Male	Female	Male	Female	Male					
1	0	0	0	0	0	0	0	0	0	0	0	0	0
2	23	40	0	0	0	0	0	0	63	63	0	63	0
3	32	17	0	0	0	0	0	0	49	49	3	52	0
4	14	11	0	1	0	0	0	0	26	26	2	28	1
5	31	32	0	1	0	0	0	0	64	64	3	67	0
6	30	21	0	0	0	0	1	0	52	52	2	54	0
7	71	27	5	0	2	1	2	0	108	108	2	110	1
8	20	11	0	0	7	3	1	0	42	42	4	46	1
9	24	17	4	0	4	1	2	0	52	52	0	52	1
10	3	5	0	0	0	1	0	0	9	9	0	9	0
11	16	7	0	0	2	0	2	3	30	30	1	31	2
12	18	16	0	0	7	3	2	1	47	47	3	50	2
13	13	22	0	0	4	1	1	2	43	43	8	51	0
14	3	6	0	0	0	1	1	2	13	13	3	16	0
15	2	4	0	0	0	0	0	1	7	7	0	7	0
16	0	1	0	0	0	0	0	1	2	2	1	3	0
TOTAL	300	237	9	2	26	11	12	10	607	607	32	639	8

Table 1: Staff Establishment showing race, gender, disability, filled and vacant posts per salary level

The Office of the Premier is required to implement transformation measures which seek to achieve the 2% Disability and 50% Gender and/or Women in SMS representivity National Targets as determined by National Cabinet. As at 31 March 2017, this department had achieved 1.3% on disability target and 37% women representation at SMS level. The Office of the Premier continues to implement and explore various strategies in its internal policies in order to improve in this area. During the 2016/2017 financial year, approval was granted by Provincial Treasury to fill 78 critical posts within this department. As at 30 April 2017, fifty three (53) posts have been filled and the vacancy rate for this department is at 5%.

In the 2016/2017 financial year, this Department had a staff turnover of 13%; Eighty eight (88) employees left service and the chart below shows the attrition per service termination type:

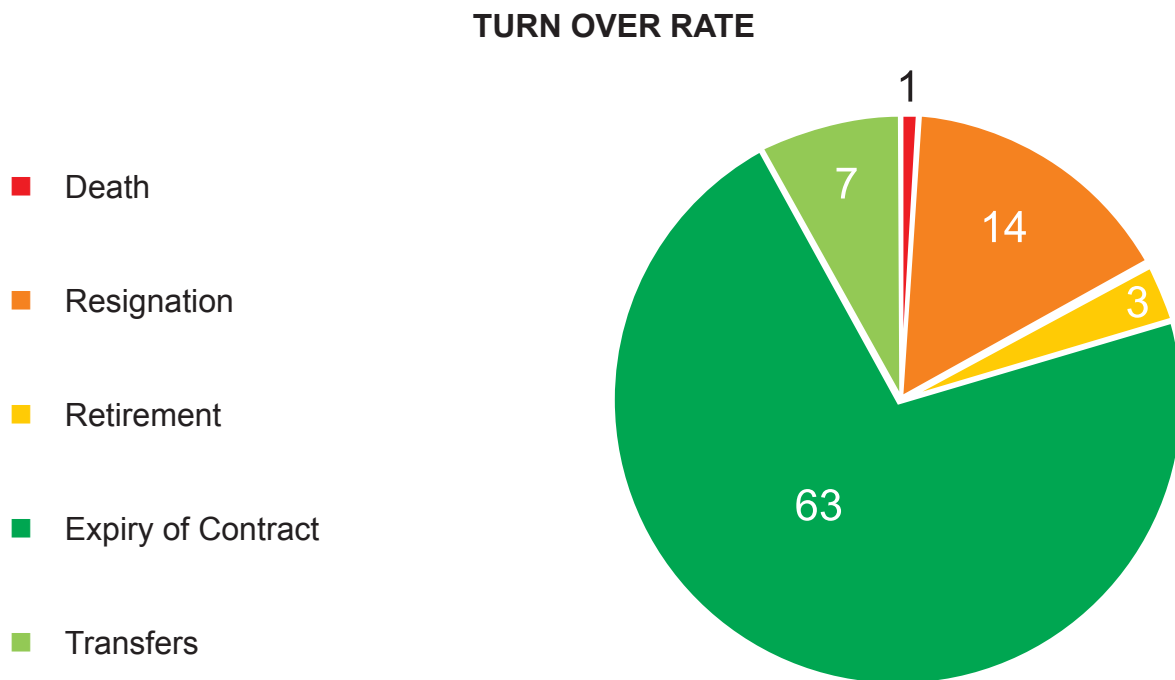


Fig. 1: Graphical illustration of staff turnover per termination type

In line with the Skills Development Levies Act, 1999; 1% of the department’s personnel budget was allocated towards skills development thereby allowing the Department to implement its Workplace Skills Plan for the 2016/2017. The Department successfully coordinated the following programmes:

- 13 bursary were awarded during the 2016/2017; making a total of 58 bursary holders within the Office of the Premier
- 47 interns were enrolled
- 203 employees were trained on various skills development courses

2.1.2 HUMAN RESOURCE PRIORITIES FOR THE YEAR UNDER REVIEW AND THE IMPACT OF THESE

The directorate Human Resource Support had prioritise the following during the period under review:

- Improvement on MPAT scores with a view to strengthen the human resource component as a strategic partner and to instil the culture of compliance
- To reach 50% women representation at SMS level to address the imbalances of the past
- 100% compliance on all human resource compliance matters for effective and efficient human resource management within the department
- Filling of all critical vacancies for continued service delivery
- Placement of all displaced employees for optimum utilisation of all employees

2.1.3 WORKFORCE PLANNING AND KEY STRATEGIES TO ATTRACT AND RECRUIT A SKILLED AND CAPABLE WORKFORCE.

The following strategies will be employed to attract a skilled and a capable workforce:

- Employment Equity through targeted advertising
- Employee Health and Wellness programmes as part of skills retention
- Recruitment and Retention strategies
- Strategic Human Resource Development

2.1.4 EMPLOYEE PERFORMANCE MANAGEMENT

The Office of the Premier has an internal policy on Employee Performance Management and Development System for employees on salary levels 1 to 12 and applies Chapter 4 of the SMS Handbook in respect. Provision was made for performance incentives (2% of the wage bill and 1.5% of remuneration budget) in in terms of the Incentive Policy Framework as well as the Public Service Regulations, 2016. Performance incentives in a form of pay progression and performance bonuses were paid to deserving employees before the 31st December 2016.

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

- The challenges faced by the department on internal human resource matters were:
- Shortage of human capacity which results in an increased strain and stress levels on employees
- Job Descriptions that are not aligned to actual Key Result Areas of jobs
- Inability to reach Employment Equity and Disability targets
- Inadequate consequence management
- Absenteeism due to Incapacity
- Misconduct and grievance cases not finalized timeously
- High turnover rate
- Competency development gaps not adequately addressed

2.2 LABOUR RELATIONS (LR)

ACHIEVEMENTS AND MILESTONES:

- Labour Relations Unit trained all MANCO members and employees from each Branch within the Office of the Premier on the Code of Conduct, Service Charter, Grievance and Disciplinary Code and Procedure to ensure understanding of the prescripts. In addition, the LR unit has captured Labour Relations cases on PERSAL Function 4.12.
- The Directorate Labour Relations commenced with the drafting of the Training Manual for Employer Representatives and Chairpersons, established a task team to finalise the Training Manual. This was presented to the Provincial Labour relations Forum and to the Acting DDG: CMS who commended the work done towards the Training Manual. Subsequently, the Training Manual has been piloted with 18 officials of Department of Health during 27 to 31 March 2017.
- During this period under review Labour Relations Directorate made presentations to G & A Cluster as well as to COHOD on critical Labour Relations issues.
- The Directorate Labour Relations undertook contact oversight visits to 6 departments in the Province with an objective of ensuring that there is improvement in this area. Due to this intervention there has been an improvement in finalising LR cases in all departments, eg. Department of Health centralized the management of precautionary suspensions, hence the decrease in the number of suspended officials from 48 to 1. The capturing of cases on PERSAL Function 4.12 has also improved and the Province has achieved second position in the Public Service.

- The Directorate Labour Relations has assisted the depts. by facilitating the appointment of Employer Representatives and Chairpersons from the National pool for disciplinary hearings.
- The establishment of the Management Labour Forum (OTP task team) has commenced. The terms of reference have been consulted with Organised Labour as well as with Employer Representatives. The Management Labour Forum is going to be launched within the month of May 2017.
- Directorate Labour Relations has been part of the policy drafting with regard to the Community Care Givers (CCGs).

CHALLENGES

- Departments are not complying with the prescribed time frames its prescripts for misconduct, grievances and precautionary suspensions.
- Departments with regions/ districts lack coordination.
- Delegation of authority lies with either HOD or MEC
- Designated employees' recommendations for grievance matters go through many channels before it reaches the approving authority thus causing delays and it remains cumbersome.
- There is a need for ongoing training of line managers in the areas of managing discipline for their supervisees.

2.3 EMPLOYEE HEALTH AND WELLNESS

ACHIEVEMENTS AND MILESTONES:

- The Directorate: Provincial Employee Health and Wellness is fulfilling its mandate of coordinating the implementation of the Employee Health and Wellness Strategic Framework in the Provincial Government of KwaZulu-Natal. Four quarterly meetings of the Provincial Employee Health and Wellness Forum, attended by all provincial government departments' representatives, were convened in 2016/17 Financial Year as planned. The Forum's main focus is to ensure 100 percent compliance with Employee Health and Wellness Legislative and Policy Frameworks and ensure maximum positive impact of all interventions implemented.
- The Directorate has succeeded in supporting the Provincial Departments in the efforts to improve performance in managing employee health and wellness. The latest Measurement of Performance and Assessment Tool (MPAT) results, version 1.6, indicate some improvement in the Province. More than 50% of Provincial Departments achieved an acceptable score of 3 and above. The Office of the Premier maintained an outstanding score of 4 over the past 2 assessment periods.
- The implementation of Safety, Health, Environment, Risk and Quality (SHERQ) Management was prioritized. The Office of the Premier convened a Provincial

SHERQ Management Indaba on 21 February 2017. The Indaba recommended the priority interventions to improve health and safety in the workplace. A draft Provincial SHERQ Implementation Plan has been considered by the Committee of Heads of Department (COHOD) and will be implemented in 2017/18 Financial year. Reports on implementation will be submitted to various structures including the Provincial Cluster Audit and Risk Committee, Department of Public Service and Administration, Department of Labour and Executive Council Clusters.

- Four District Financial Education Summits were conducted in the Inkosi Cetshwayo, ILembe, EThekwini and UMgungundlovu districts during the year under review. The Office of the Premier worked with key partners such as Provincial Treasury, Government Employees Pension Fund (GEPF), South African Revenue Services (SARS) and the National Credit Regulator (NCR). In addition, financial education workshops were conducted by various Government departments.
- The Province of KwaZulu-Natal through the Office of the Premier supported the National initiative led by National Treasury in the Department of Public Service and Administration which aims to reduce the number of emolument attachment orders (known as the Garnishee orders) against government employees. Targeted financial counselling services was offered to government employees who are over-indebted.
- A strategy to reduce the high absenteeism rate, mainly due to ill-health and incapacity, was implemented. The Directorate facilitated the employees' participation in physical, sport, recreation and related activities to fight the current high prevalence of diseases of lifestyle in the world of work. In addition, the Directorate worked with the Health Risk Manager in promoting proper chronic and disease management in the workplace.

CHALLENGES

The major challenge is the limited available capacity within the Office of the Premier and in Provincial Departments to effectively coordinate health and wellness pro programmes in the Province. In order to address the challenge in the meantime, it is important to forge and manage working partnerships with key partners such as Government Employees Pension Fund (GEPF), South African Revenue Services (SARS), National Credit Regulator (NCR), Medical AID Schemes, and other corporates bodies.

2.4 PROVINCIAL ORGANISATIONAL DEVELOPMENT (OD)

ACHIEVEMENTS AND MILESTONES:

- The rollout of the development of SOPs for business units within the Office of the Premier (OTP). All business units have been contacted and the development process has yielded tangible results with various business units having submitted finalised SOPs.
- The Provincial BPM Framework has been finalised and is to be implemented provincially to allow for implementation of the development of SOPs by Provincial

Departments. The document has been submitted to the DPSA who have commended the Province on the development thereof and have requested permission to post it on the National Operations Management Framework (OMF) web-enabled platform hosted by the National School of Government.

- The now prescribed OMF has been introduced within the OTP and provincially. Five (05) Operations Management Reports have been developed which have focused on both the OTP and various Provincial Reports, e.g. Education, Health and Transport. The findings hereof are evidence and research based and can lead to tangible improvements in service delivery once implemented by the relevant Kaizen Teams.
- The OMF has been rolled out provincially with a project plan with clear and specific dates reflected. Departmental Kaizen teams are also to be established to implement the findings contained within the Operations Management Reports.
- The Province has amended designation titles for SMS in compliance with the National OD Directive, 2015.
- The OD Directorate has provided expert advice in the restructuring processes of Provincial Departments and participated in the mergers of entities in OTP an exercise which requires a lot of energy and focus.

CHALLENGES

- There are capacity constraints in this area which are curtailed by cost containment in the Province at large.
- There is a need for buy in by line function managers in the area of HRM in general. This requires ongoing training which requires a holistic approach.



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 2016 and 31 March 2017

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	67 539	49 549	0.00	0.00	73	79
INSTITUTIONAL DEVELOPMENT	257 471	105 609	0.00	0.00	41	169
POLICY & GOVERNANCE	239 227	77 387	0.00	0.00	32	124
Total	564 238	232 545	0.00	0.00	41	373

Table 3.1.2 Personnel costs by salary band for the period 1 April 2016 and 31 March 2017

Salary band	Personnel expenditure (R'000)	% of total personnel cost	No. of employees	Average personnel cost per employee (R'000)
Abnormal Appointment	1 047	0.48	4	261 692
Contract (Levels 1-2)	22	0.01	0	0
Contract (Levels 13-16)	13 493	6.14	0	0
Contract (Levels 3-5)	2 564	1.17	13	197 206
Contract (Levels 6-8)	4 620	2.10	15	308 016
Contract (Levels 9-12)	4 725	2.15	5	944 990
Contract Other	1 690	0.77	46	36 733
Highly skilled production (Levels 6-8)	38 986	17.74	142	274 548
Highly skilled supervision (Levels 9-12)	70 215	31.96	130	540 112
Lower skilled (Levels 1-2)	6 576	2.99	65	101 175
Periodical Remunerations	1 240	0.56	11	112 767
Senior management (Levels 13-16)	47 786	21.75	54	884 924
Skilled (Levels 3-5)	18 875	8.59	128	147 458
TOTAL	211 838	96.42	626	338 400

Table 3.1.3 Salaries, Overtime, Home Owners Allowance and Medical Aid by programme for the period 1 April 2016 and 31 March 2017

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	34 803	74.1	349	.7	830	1.8	1 188	2.5
INSTITUTIONAL DEVELOPMENT	66 619	75.4	427	.5	1 794	2	3 313	3.7
POLICY & GOVERNANCE	63 293	75	238	.3	2 570	3	2 158	2.6
Total	164 714	75	1 013	.5	5 193	2.4	6 660	3

Table 3.1.4 Salaries, Overtime, Home Owners Allowance and Medical Aid by salary band for the period 1 April 2016 and 31 March 2017

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
Abnormal Appointment	1 034	98.8	0	0	0	0	0	0
Contract (Levels 1-2)	22	99.9	0	0	0	0	0	0
Contract (Levels 13-16)	12 428	85.1	0	0	60	.4	34	.2
Contract (Levels 3-5)	2 504	97.6	18	.7	0	0	0	0
Contract (Levels 6-8)	4 532	98	12	.2	0	0	0	0
Contract (Levels 9-12)	4 264	83.6			90	1.8	7	.1
Contract Other	1 658	97.6	32	1.9				
Highly skilled production (Levels 6-8)	27 646	70.4	398	1	1 450	3.7	2 394	6.1
Highly skilled supervision (Levels 9-12)	54 169	73.8	310	.4	937	1.3	1 905	2.6
Lower skilled (Levels 1-2)	4 477	68	0	0	629	9.6	271	4.1
Periodical Remunerations	0	0	0	0	0	0	0	0
Senior management (Levels 13-16)	39 473	78.2	0	0	942	1.9	494	1
Skilled (Levels 3-5)	12 507	65.9	244	1.3	1 085	5.7	1 555	8.2
TOTAL	164 714	75	1 013	.5	5 193	2.4	6 660	3

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 2017

Programme	Number of posts on approved establishment	Number of posts filled	Vacancy Rate	Number of employees additional to the establishment
ADMINISTRATION	125.00	91.00	27.20	4.00
INSTITUTIONAL DEVELOPMENT	273.00	247.00	9.52	48.00
POLICY & GOVERNMENT	296.00	273.00	7.77	18.00
Total	694.00	611.00	11.96	70.00

Table 3.2.2 Employment and vacancies by salary band as on 31 March 2017

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	68.00	65.00	4.41	0.00
Skilled (Levels 3-5), Permanent	144.00	128.00	11.11	3.00
Highly Skilled Production (Levels 6-8), Permanent	165.00	142.00	13.94	9.00
Highly Skilled Supervision (Levels 9-12), Permanent	154.00	130.00	15.58	2.00
Senior Management (Levels 13-16), Permanent	71.00	54.00	23.94	3.00
Other, Permanent	46.00	46.00	0.00	46.00

Salary band	Number of posts on approved establishment	Number of posts filled	Vacancy Rate	Number of employees additional to the establishment
Contract (Levels 3-5), Permanent	13.00	13.00	0.00	4.00
Contract (Levels 6-8), Permanent	15.00	15.00	0.00	3.00
Contract (Levels 9-12), Permanent	5.00	5.00	0.00	0.00
Contract (Levels 13-16), Permanent	13.00	13.00	0.00	0.00
TOTAL	694.00	611.00	11.96	70.00

Table 3.2.3 Employment and vacancies by critical occupations as on 31 March 2017

Critical occupation	Number of posts on approved establishment	Number of posts filled	Vacancy Rate	Number of employees additional to the establishment
ADMINISTRATIVE RELATED	247.00	212.00	14.17	14.00
ADVOCATES	3.00	3.00	0.00	0.00
AGRICULTURE RELATED	1.00	1.00	0.00	0.00
BUS AND HEAVY VEHICLE DRIVERS	9.00	8.00	11.11	0.00
CLEANERS IN OFFICES WORKSHOPS HOSPITALS STC.	84.00	80.00	4.76	0.00
CLIENT INFORM CLERKS (SWITCHBOARD RECEPTION CLERKS)	9.00	9.00	0.00	0.00
COMMUNICATION AND INFORMATION RELATED	2.00	2.00	0.00	0.00
COMMUNITY DEVELOPMENT WORKERS	5.00	5.00	0.00	0.00
FINANCE AND ECONOMIC RELATED	9.00	8.00	11.11	0.00
FINANCIAL AND RELATED PROFESSIONALS	5.00	5.00	0.00	0.00
FINANCIAL CLERKS AND CREDIT CONTROLLERS	16.00	12.00	25.00	0.00
FOOD SERVICES AIDES AND WAITERS	2.00	2.00	0.00	0.00
GENERAL LEGAL ADMINISTRATION & REL. PROFESSIONALS	2.00	1.00	50.00	0.00
HOUSEHOLD & LAUNDRY WORKERS	3.00	1.00	66.67	0.00
HOUSEHOLD FOOD & LAUNDRY SERVICES RELATED	1.00	1.00	0.00	0.00

Critical occupation	Number of posts on approved establishment	Number of posts filled	Vacancy Rate	Number of employees additional to the establishment
HOUSEKEEPERS LAUNDRY AND RELATED WORKERS	3.00	3.00	0.00	0.00
HUMAN RESOURCES & ORGANISAT DEVELOPM & RELATE PROF	13.00	9.00	30.77	0.00
HUMAN RESOURCES CLERKS	58.00	56.00	3.45	46.00
HUMAN RESOURCES RELATED	11.00	11.00	0.00	0.00
LANGUAGE PRACTITIONERS INTERPRETERS & OTHER COMMUN	1.00	1.00	0.00	0.00
LEGAL RELATED	2.00	1.00	50.00	0.00
LIGHT VEHICLE DRIVERS	4.00	4.00	0.00	1.00
LOGISTICAL SUPPORT PERSONNEL	6.00	6.00	0.00	0.00
MATERIAL-RECORDING AND TRANSPORT CLERKS	1.00	1.00	0.00	0.00
MESSENGERS PORTERS AND DELIVERERS	22.00	19.00	13.64	0.00
MOTOR VEHICLE DRIVERS	6.00	6.00	0.00	3.00
OTHER ADMINISTRAT & RELATED CLERKS AND ORGANISERS	10.00	8.00	20.00	0.00
OTHER ADMINSTRATIVE POLICY AND RELATED OFFICERS	3.00	3.00	0.00	0.00
OTHER OCCUPATIONS	4.00	4.00	0.00	0.00
SECRETARIES & OTHER KEYBOARD OPERATING CLERKS	58.00	49.00	15.52	3.00
SECURITY GUARDS	29.00	29.00	0.00	0.00
SENIOR MANAGERS	63.00	49.00	22.22	2.00
TRADE/INDUSTRY ADVISERS & OTHER RELATED PROFESSION	2.00	2.00	0.00	1.00
Total	694.00	611.00	11.96	70.00

3.3 Filling of SMS Posts

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

Table 3.3.1 SMS post information as on 31 March 2017

SMS Level	Total number of funded SMS posts	Total number of SMS posts filled	% of SMS posts filled	Total number of SMS posts vacant	% of SMS posts vacant
Director-General/ Head of Department	1	0	0	1	100.00
Salary Level 16	2	2	100.00	0	0
Salary Level 15	7	7	100.00	0	0
Salary Level 14	16	13	81.25	3	18.75
Salary Level 13	50	42	84.00	8	16.00
Total	76	64	365.25	12	134.75

Table 3.3.2 SMS post information as on 30 September 2016

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	0	0	1	100.00
Salary Level 16	2	2	100.00	0	0
Salary Level 15	7	6	85.71	1	14.29
Salary Level 14	19	14	73.68	5	23.32
Salary Level 13	50	42	84.00	8	16.00
Total	79	64	343.39	15	180.61

Table 3.3.3 Advertising and filling of SMS posts for the period 1 April 2016 and 31 March 2017

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	1	0	0
Salary Level 16	1	0	0
Salary Level 15	0	0	0
Salary Level 14	2	1	0
Salary Level 13	3	0	1
Total	7	1	1

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 2016 and 31 March 2017

Reasons for vacancies not advertised within six months
Moratorium and new and long process for filling of vacancies emanating from cost-cutting measures from Provincial Treasury
Change in political leadership and Executive Authority in the Office of the Premier
Limited budget from budget cuts by Provincial Treasury, attrition posts could not be filled

Reasons for vacancies not filled within twelve months
Moratorium and new and long process for filling of vacancies emanating from cost-cutting measures from Provincial Treasury
Change in political leadership and Executive Authority in the Office of the Premier
Applicants not meeting the minimum requirements which requires re-advertisement of posts thereby delaying the finalisation of the recruitment process
Inability to fill attrition posts due to cost-cutting measures

Notes

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

Table 3.3.5 Disciplinary steps taken for not complying with the prescribed timeframes for filling SMS posts within 12 months for the period 1 April 2016 and 31 March 2017

Notes

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

3.4 Job Evaluation

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

Table 3.4.1 Job Evaluation by Salary band for the period 1 April 2016 and 31 March 2017

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)	68	64	94.12	0	0.00	0	0.00
Skilled (Levels 3-5)	144	119	82.64	0	0.00	0	0.00
Highly Skilled Production (Levels 6-8)	165	110	66.67	0	0.00	0	0.00
Highly Skilled Supervision (Levels 9-12)	154	66	42.86	0	0.00	0	0.00
Senior Management Service Band A	44	12	27.27	0	0.00	0	0.00
Senior Management Service Band B	18	5	27.78	0	0.00	0	0.00
Senior Management Service Band C	7	0	0.00	0	0.00	0	0.00
Senior Management Service Band D	2	0	0.00	0	0.00	0	0.00
Other	46	0	0.00	0	0.00	0	0.00
Contract (Levels 3-5)	13	6	46.15	0	0.00	0	0.00
Contract (Levels 6-8)	15	5	33.33	0	0.00	0	0.00
Contract (Levels 9-12)	5	2	40.00	0	0.00	0	0.00
Contract Band A	8	2	25.00	0	0.00	0	0.00
Contract Band B	2	2	100.00	0	0.00	0	0.00
Contract Band C	1	0	0.00	0	0.00	0	0.00
Contract Band D	2	0	0.00	0	0.00	0	0.00
TOTAL	694	393	56.63	0	0.00	0	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 2016 and 31 March 2017

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 2016 and 31 March 2017 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 2016 and 31 March 2017

Gender	African	Asian	Coloured	White	Total
Female	1	0	0	0	1
Male	1	0	0	0	1
Total	2	0	0	0	2

Employees with a disability	0	0	0	0	0
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Notes

- If there were no cases where the salary levels were higher than those determined by job evaluation, keep the heading and replace the table with the following:

Total number of Employees whose salaries exceeded the grades determine by job evaluation	2
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3.5 Employment Changes

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

Table 3.5.1 Annual turnover rates by salary band for the period 1 April 2016 and 31 March 2017

Salary band	Number of employees at beginning of period-1 April 2016	Appointments and transfers into the department	Terminations and transfers out of the department	Turnover rate
Lower Skilled (Levels 1-2) Permanent	78	16	0	0.00
Skilled (Levels 3-5) Permanent	85	20	2	2.35
Highly Skilled Production (Levels 6-8) Permanent	159	4	3	1.89
Highly Skilled Supervision (Levels 9-12) Permanent	107	1	4	3.74
Senior Management Service Band A Permanent	34	0	1	2.94
Senior Management Service Band B Permanent	12	0	1	8.33
Senior Management Service Band C Permanent	6	0	0	0.00
Senior Management Service Band D Permanent	1	0	1	100.00
Other Permanent	25	47	14	56.00
Contract (Levels 1-2) Permanent	2	0	0	0.00
Contract (Levels 3-5) Permanent	9	8	12	133.33
Contract (Levels 6-8) Permanent	20	2	10	50.00
Contract (Levels 9-12) Permanent	8	0	8	100.00
Contract Band A Permanent	8	0	0	0.00
Contract Band B Permanent	5	0	3	60.00
Contract Band C Permanent	2	0	1	50.00
Contract Band D Permanent	1	1	0	0.00
TOTAL	562	99	60	10.68

Table 3.5.2 Annual turnover rates by critical occupation for the period 1 April 2016 and 31 March 2017

Critical occupation	Number of employees at beginning of period-April 2016	Appointments and transfers into the department	Terminations and transfers out of the department	Turnover rate
ADMINISTRATIVE RELATED Permanent	217	3	27	12.44
ADVOCATES Permanent	3	0	0	0.00
AGRICULTURE RELATED Permanent	1	0	0	0.00
BUS AND HEAVY VEHICLE DRIVERS Permanent	8	0	0	0.00
CLEANERS IN OFFICES WORKSHOPS HOSPITALS ETC. Permanent	63	18	2	3.17
CLIENT INFORM CLERKS(SWITCHB RECEIPT INFORM CLERKS) Permanent	9	0	0	0.00
COMMUNICATION AND INFORMATION RELATED Permanent	4	0	0	0.00
COMMUNITY DEVELOPMENT WORKERS Permanent	5	0	0	0.00
FARM HANDS AND LABOURERS Permanent	1	0	0	0.00
FINANCE AND ECONOMICS RELATED Permanent	9	0	0	0.00
FINANCIAL AND RELATED PROFESSIONALS Permanent	5	0	0	0.00
FINANCIAL CLERKS AND CREDIT CONTROLLERS Permanent	23	1	6	26.09
FOOD SERVICES AIDS AND WAITERS Permanent	4	0	1	25.00
GENERAL LEGAL ADMINISTRATION & REL. PROFESSIONALS Permanent	1	0	0	0.00
HOUSEHOLD AND LAUNDRY WORKERS Permanent	2	0	1	50.00
HOUSEHOLD FOOD AND LAUNDRY SERVICES RELATED Permanent	1	0	0	0.00
HOUSEKEEPERS LAUNDRY AND RELATED WORKERS Permanent	1	2	0	0.00
HUMAN RESOURCES & ORGANISAT DEVELOPM & RELATE PROF Permanent	9	0	0	0.00
HUMAN RESOURCES CLERKS Permanent	19	47	9	47.37
HUMAN RESOURCES RELATED Permanent	11	0	1	9.09
LANGUAGE PRACTITIONERS INTERPRETERS & OTHER COMMUN Permanent	2	0	0	0.00

Critical occupation	Number of employees at beginning of period-April 2016	Appointments and transfers into the department	Terminations and transfers out of the department	Turnover rate
LEGAL RELATED Permanent	2	0	0	0.00
LIGHT VEHICLE DRIVERS Permanent	5	0	0	0.00
LOGISTICAL SUPPORT PERSONNEL Permanent	6	0	0	0.00
MATERIAL-RECORDING AND TRANSPORT CLERKS Permanent	1	0	0	0.00
MESSENGERS PORTERS AND DELIVERERS Permanent	11	8	1	9.09
MOTOR VEHICLE DRIVERS Permanent	6	0	0	0.00
OTHER ADMINISTRAT & RELATED CLERKS AND ORGANISERS Permanent	7	2	1	14.29
OTHER ADMINISTRATIVE POLICY AND RELATED OFFICERS Permanent	2	0	0	0.00
OTHER OCCUPATIONS Permanent	5	0	1	20.00
SECRETARIES & OTHER KEYBOARD OPERATING CLERKS Permanent	49	0	3	6.12
SECURITY GUARDS Permanent	13	17	1	7.69
SENIOR MANAGERS Permanent	55	1	6	10.91
TRADE/INDUSTRY ADVISERS & OTHER RELATED PROFESSION Permanent	2	0	0	0.00
TOTAL	562	99	60	10.68

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

Table 3.5.3 Reasons why staff left the department for the period 1 April 2016 and 31 March 2017

Termination Type	Number	% of Total Resignations
Death	1	1.67
Resignation	13	21.67
Expiry of contract	43	71.67
Dismissal – operational changes	0	0
Dismissal – misconduct	0	0
Dismissal – inefficiency	0	0
Discharged due to ill-health	0	0
Retirement	3	5.00
Transfer to other Public Service Departments	0	0
Other	0	0
Total	60	100.01
Total number of employees who left as a % of total employment	9.88	

Table 3.5.4 Promotions by critical occupation for the period 1 April 2016 and 31 March 2017

Occupation	Employees 1 April 2016	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	217	3	1.38	88	40.55
ADVOCATES	3	0	0.00	1	33.33
AGRICULTURE RELATED	1	0	0.00	0	0.00
BUS AND HEAVY VEHICLE DRIVERS	8	0	0.00	8	100.00
CLEANERS IN OFFICES WORKSHOPS HOSPITALS ETC.	63	1	1.59	56	88.89
CLIENT INFORM CLERKS(SWITCHB RECEIPT INFORM CLERKS)	9	0	0.00	0	0.00
COMMUNICATION AND INFORMATION RELATED	4	0	0.00	1	25.00
COMMUNITY DEVELOPMENT WORKERS	5	0	0.00	0	0.00
FARM HANDS AND LABOURERS	1	0	0.00	0	0.00
FINANCE AND ECONOMICS RELATED	9	0	0.00	2	22.22
FINANCIAL AND RELATED PROFESSIONALS	5	0	0.00	2	40.00
FINANCIAL CLERKS AND CREDIT CONTROLLERS	23	0	0.00	6	26.09
FOOD SERVICES AIDERS AND WAITERS	4	0	0.00	2	50.00
GENERAL LEGAL ADMINISTRATION & REL. PROFESSIONALS	1	0	0.00	1	100.00
HOUSEHOLD AND LAUNDRY WORKERS	2	0	0.00	1	50.00
HOUSEHOLD FOOD AND LAUNDRY SERVICES RELATED	1	0	0.00	1	100.00
HOUSEKEEPERS LAUNDRY AND RELATED WORKERS	1	0	0.00	1	100.00
HUMAN RESOURCES & ORGANISAT DEVELOPM & RELATE PROF	9	0	0.00	3	33.33
HUMAN RESOURCES CLERKS	19	0	0.00	0	0.00
HUMAN RESOURCES RELATED	11	1	9.09	6	54.55
LANGUAGE PRACTITIONERS INTERPRETERS & OTHER COMMUN	2	0	0.00	1	50.00
LEGAL RELATED	2	0	0.00	0	0.00
LIGHT VEHICLE DRIVERS	5	0	0.00	3	60.00
LOGISTICAL SUPPORT PERSONNEL	6	0	0.00	1	16.67
MATERIAL-RECORDING AND TRANSPORT CLERKS	1	0	0.00	1	100.00

Occupation	Employees 1 April 2016	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
MESSENGERS PORTERS AND DELIVERERS	11	1	9.09	2	18.18
MOTOR VEHICLE DRIVERS	6	0	0.00	3	50.00
OTHER ADMINISTRAT & RELATED CLERKS AND ORGANISERS	7	0	0.00	4	57.14
OTHER ADMINISTRATIVE POLICY AND RELATED OFFICERS	2	0	0.00	0	0.00
OTHER OCCUPATIONS	5	1	20.00	2	40.00
SECRETARIES & OTHER KEYBOARD OPERATING CLERKS	49	2	4.08	28	57.14
SECURITY GUARDS	13	0	0.00	11	84.62
SENIOR MANAGERS	55	2	3.64	26	47.27
TRADE/INDUSTRY ADVISERS & OTHER RELATED PROFESSION	2	0	0.00	1	50.00
TOTAL	562	11	1.96	262	46.62

Table 3.5.5 Promotions by salary band for the period 1 April 2016 and 31 March 2017

Salary Band	Employees 1 April 2016	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	78	0	0.00	38	48.72
Skilled (Levels 3-5), Permanent	85	1	1.18	71	83.53
Highly Skilled Production (Levels 6-8), Permanent	159	3	1.89	68	42.77
Highly Skilled Supervision (Levels 9-12), Permanent	107	3	2.80	54	50.47
Senior Management (Levels 13-16), Permanent	53	3	5.66	31	58.49
Other, Permanent	25	0	0.00	0	0.00
Contract (Levels 1-2), Permanent	2	0	0.00	0	0.00
Contract (Levels 3-5), Permanent	9	0	0.00	0	0.00
Contract (Levels 6-8), Permanent	20	1	5.00	0	0.00
Contract (Levels 9-12), Permanent	8	0	0.00	0	0.00
Contract (Levels 13-16), Permanent	16	0	0.00	0	0.00
TOTAL	562	11	1.96	262	46.62

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 2017

Occupational category	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
SENIOR OFFICIALS AND MANAGERS	26	0	2	5	14	0	2	1	50
PROFESSIONALS	13	0	5	2	14	1	10	4	49
TECHNICIANS AND ASSOCIATE PROFESSIONALS	80	1	4	3	108	6	12	7	221
CLERKS	27	1	0	0	103	2	2	0	135
SERVICE SHOP AND MARKET SALES WORKERS	19	0	0	0	14	0	0	0	33
PLANT AND MACHINE OPERATORS AND ASSEMBLERS	17	0	0	0	1	0	0	0	18
LABOURERS AND RELATED WORKERS	58	0	0	0	47	0	0	0	105
TOTAL	240	2	11	10	301	9	26	12	611
Employees with disabilities	1			1	3	2		1	8

Table 3.6.2 Total number of employees (including employees with disabilities) in each of the following occupational bands as on 31 March 2017

Occupational band	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top Management, Permanent	5	0	0	1	1	0	0	0	7
Senior Management, Permanent	22	0	2	5	11	0	5	2	47
Professionally qualified and experienced specialists and mid-management, Permanent	43	0	5	3	57	4	12	6	130
Skilled technical and academically qualified workers, junior management, supervisors, foremen, Permanent	37	0	4	0	83	5	9	4	142
Semi-skilled and discretionary decision making, Permanent	52	2	0	0	74	0	0	0	128
Unskilled and defined decision making, Permanent	42	0	0	0	23	0	0	0	65
Not Available, Permanent	16	0	0	0	30	0	0	0	46
Contract (Top Management), Permanent	1	0	0	1	1	0	0	0	3

Contract (Senior Management), Permanent	6	0	0	0	4	0	0	0	10
Contract (Professionally Qualified), Permanent	2	0	0	0	3	0	0	0	5
Contract (Skilled Technical), Permanent	5	0	0	0	10	0	0	0	15
Contract (Semi-Skilled), Permanent	9	0	0	0	4	0	0	0	13
TOTAL	240	2	11	10	301	9	26	12	611

Table 3.6.3 Recruitment for the period 1 April 2016 to 31 March 2017

Occupational band	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Professionally qualified and experienced specialists and mid-management, Permanent	1	0	0	0	0	0	0	0	1
Skilled technical and academically qualified workers, junior management, supervisors, foremen, Permanent	2	0	0	0	2	0	0	0	4
Semi-skilled and discretionary decision making, Permanent	7	0	0	0	13	0	0	0	20
Unskilled and defined decision making, Permanent	16	0	0	0	0	0	0	0	16
Not Available, Permanent	16	0	0	0	31	0	0	0	47
Contract (Top Management), Permanent	1	0	0	0	0	0	0	0	1
Contract (Skilled technical), Permanent	0	0	0	0	2	0	0	0	2
Contract (Semi-skilled), Permanent	7	0	0	0	1	0	0	0	8
TOTAL	50	0	0	0	49	0	0	0	99
Employees with disabilities	0	0	0	0	0	0	0	0	0

Table 3.6.4 Promotions for the period 1 April 2016 to 31 March 2017

Occupational band	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top Management, Permanent	3	0	0	0	1	0	2	0	6
Senior Management, Permanent	11	0	2	2	8	0	3	2	28
Professionally qualified and experienced specialists and mid-management, Permanent	15	0	0	1	30	2	7	2	57

Skilled technical and academically qualified workers, junior management, supervisors, foremen, Permanent	15	0	2	0	48	1	5	0	71
Semi-skilled and discretionary decision making, Permanent	30	1	0	0	41	0	0	0	72
Unskilled and defined decision making, Permanent	22	0	0	0	16	0	0	0	38
Contract (Skilled technical), Permanent	1	0	0	0	0	0	0	0	1
TOTAL	97	1	4	3	144	3	17	4	273
Employees with disabilities	0	0	0	0	1	1	2	0	4

Table 3.6.5 Terminations for the period 1 April 2016 to 31 March 2017

Occupational band	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top Management, Permanent	1	0	0	0	0	0	0	0	1
Senior Management, Permanent	2	0	0	0	0	0	0	0	2
Professionally qualified and experienced specialists and mid-management, Permanent	1	0	0	0	2	0	1	0	4
Skilled technical and academically qualified workers, junior management, supervisors, foremen, Permanent	3	0	0	0	0	0	0	0	3
Semi-skilled and discretionary decision making, Permanent	0	0	0	0	2	0	0	0	2
Not Available, Permanent	3	0	0	0	11	0	0	0	14
Contract (Top Management), Permanent	0	0	0	1	0	0	0	0	1
Contract (Senior Management), Permanent	3	0	0	0	0	0	0	0	3
Contract (Professionally qualified), Permanent	4	0	0	0	4	0	0	0	8
Contract (Skilled technical), Permanent	5	0	0	0	5	0	0	0	10
Contract (Semi-skilled), Permanent	9	0	0	0	3	0	0	0	12
TOTAL	31	0	0	1	27	0	1	0	60
Employees with Disabilities									

Table 3.6.7 Skills development for the period 1 April 2016 to 31 March 2017

Occupational category	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Legislators, senior officials and managers	0	0	0	0	0	0	0	0	0
Professionals	0	0	0	0	0	0	0	0	0
Technicians and associate professionals	0	0	0	0	0	0	0	0	0
Clerks	0	0	0	0	0	0	0	0	0
Service and sales workers	0	0	0	0	0	0	0	0	0
Skilled agriculture and fishery workers	0	0	0	0	0	0	0	0	0
Craft and related trades workers	0	0	0	0	0	0	0	0	0
Plant and machine operators and assemblers	0	0	0	0	0	0	0	0	0
Elementary occupations	0	0	0	0	0	0	0	0	0
Total	0	0	0	0	0	0	0	0	0
Employees with disabilities	0	0	0	0	0	0	0	0	0

3.7 Signing of Performance Agreements by SMS Members

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

Table 3.7.1 Signing of Performance Agreements by SMS members as on 31 May 2016

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	1 (acting DG)	1	100
Salary Level 16	2	2	Special Advisors	0
Salary Level 15	8	7	5	71.43
Salary Level 14	18	17	13	76.47
Salary Level 13	50	40	38	95.00
Total	78	65	56	242.90

Table 3.7.2 Reasons for not having concluded Performance agreements for all SMS members as on 31 March 2017

Reasons
Non-compliance by SMS members

Notes

The reporting date in the heading of this table should be aligned with that of Table 3.7.1.

Table 3.7.3 Disciplinary steps taken against SMS members for not having concluded Performance agreements as on 31 March 2017

Reasons
Performance incentives were not paid to non-compliant members and letters of non-compliance were written to them wherein they were requested to provide reasons for non-compliance

3.8 Performance Rewards

To encourage good performance, the department has granted the following performance rewards during the year under review. The information is presented in terms of race, gender, disability, salary bands and critical occupations (see definition in notes below).

Table 3.8.1 Performance Rewards by race, gender and disability for the period 1 April 2016 to 31 March 2017

Race and Gender	Beneficiary Profile			Cost	
	Number of beneficiaries	Number of employees	% of total within group	Cost (R'000)	Average cost per employee
African, Female	61.00	298.00	20.47	1,321.80	21,668.78
African, Male	35.00	239.00	14.64	814.46	23,270.29
Asian, Female	19.00	26.00	73.08	829.22	43,643.03
Asian, Male	5.00	11.00	45.45	206.56	41,312.80
Coloured, Female	3.00	7.00	42.86	36.74	12,246.00
Coloured, Male	0.00	2.00	0.00	0.00	0.00
White, Female	9.00	11.00	81.82	366.66	40,739.58
White, Male	3.00	9.00	33.33	246.42	82,141.50
Employees with a disability	1.00	8.00	12.50	6.37	6,371.00
TOTAL	136.00	611.00	22.26	3,828.23	28,148.73

Table 3.8.2 Performance Rewards by salary band for personnel below Senior Management Service for the period 1 April 2016 to 31 March 2017

Salary band	Beneficiary Profile			Cost		Total cost as a % of the total personnel expenditure
	Number of beneficiaries	Number of employees	% of total within salary bands	Total Cost (R'000)	Average cost per employee	
Lower Skilled (Levels 1-2)	0.00	65.00	0.00	0.00	0.00	01 Lower Skilled (Levels 1-2)
Skilled (Levels 3-5)	13.00	128.00	10.16	93.49	7,191.62	02 Skilled (Levels 3-5)
Highly Skilled Production (Levels 6-8)	63.00	142.00	44.37	1,032.36	16,386.59	03 Highly Skilled Production (Levels 6-8)
Highly Skilled Supervision (Levels 9-12)	47.00	130.00	36.15	1,642.37	34,944.09	04 Highly Skilled Supervision (Levels 9-12)
Other	0.00	46.00	0.00	0.00	0.00	09 Other
Contract (Levels 3-5)	0.00	13.00	0.00	0.00	0.00	11 Contract (Levels 3-5)
Contract (Levels 6-8)	0.00	15.00	0.00	0.00	0.00	12 Contract (Levels 6-8)
Contract (Levels 9-12)	0.00	5.00	0.00	0.00	0.00	13 Contract (Levels 9-12)
TOTAL	123.00	544.00	22.61	2,768.22	22,505.84	TOTAL

Table 3.8.3 Performance Rewards by critical occupation for the period 1 April 2016 to 31 March 2017

Critical occupation	Beneficiary Profile			Cost	
	Number of beneficiaries	Number of employees	% of total within occupation	Total Cost (R'000)	Average cost per employee
ADMINISTRATIVE RELATED	63.00	212.00	29.72	1,490.76	23,662.90
ADVOCATES	3.00	3.00	100.00	172.84	57,611.67
AGRICULTURE RELATED	0.00	1.00	0.00	0.00	0.00
BUS AND HEAVY VEHICLE DRIVERS	1.00	8.00	12.50	9.86	9,858.00
CLEANERS IN OFFICES WORKSHOPS HOSPITALS ETC.	0.00	80.00	0.00	0.00	0.00
CLIENT INFORM CLERKS(SWITCHBOARD RECEPTION CLERKS)	0.00	9.00	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
COMMUNICATION AND INFORMATION RELATED	1.00	2.00	50.00	32.43	32,434.00
COMMUNITY DEVELOPMENT WORKERS	0.00	5.00	0.00	0.00	0.00
FINANCE AND ECONOMICS RELATED	7.00	8.00	87.50	304.11	43,443.57
FINANCIAL AND RELATED PROFESSIONALS	2.00	5.00	40.00	40.75	20,376.00
FINANCIAL CLERKS AND CREDIT CONTROLLERS	5.00	12.00	41.67	92.79	18,558.60
FOOD SERVICES AIDS AND WAITERS	0.00	2.00	0.00	0.00	0.00
GENERAL LEGAL ADMINISTRATION & REL. PROFESSIONALS	1.00	1.00	100.00	56.58	56,576.00
HOUSEHOLD AND LAUNDRY WORKERS	1.00	1.00	100.00	8.18	8,184.00
HOUSEHOLD FOOD AND LAUNDRY SERVICES RELATED	0.00	1.00	0.00	0.00	0.00
HOUSEKEEPERS LAUNDRY AND RELATED WORKERS	0.00	3.00	0.00	0.00	0.00
HUMAN RESOURCES & ORGANISAT DEVELOPM & RELATE PROF	5.00	9.00	55.56	205.60	41,120.66
HUMAN RESOURCES CLERKS	0.00	56.00	0.00	0.00	0.00
HUMAN RESOURCES RELATED	5.00	11.00	45.45	93.30	18,660.20
LANGUAGE PRACTITIONERS INTERPRETERS & OTHER COMMUN	1.00	1.00	100.00	12.40	12,402.00
LEGAL RELATED	0.00	1.00	0.00	0.00	0.00
LIGHT VEHICLE DRIVERS	2.00	4.00	50.00	13.64	6,822.00
LOGISTICAL SUPPORT PERSONNEL	0.00	6.00	0.00	0.00	0.00
MATERIAL-RECORDING AND TRANSPORT CLERKS	0.00	1.00	0.00	0.00	0.00
MESSENGERS PORTERS AND DELIVERERS	1.00	19.00	5.26	10.94	10,941.00
MOTOR VEHICLE DRIVERS	3.00	6.00	50.00	21.80	7,267.33

Critical occupation	Beneficiary Profile			Cost	
	Number of beneficiaries	Number of employees	% of total within occupation	Total Cost (R'000)	Average cost per employee
OTHER ADMINISTRAT & RELATED CLERKS AND ORGANISERS	2.00	8.00	25.00	54.12	27,061.00
OTHER ADMINISTRATIVE POLICY AND RELATED OFFICERS	1.00	3.00	33.33	9.69	9,694.00
OTHER OCCUPATIONS	0.00	4.00	0.00	0.00	0.00
SECRETARIES & OTHER KEYBOARD OPERATING CLERKS	22.00	49.00	44.90	343.58	15,617.41
SECURITY GUARDS	0.00	29.00	0.00	0.00	0.00
SENIOR MANAGERS	9.00	49.00	18.37	790.98	87,886.50
TRADE/INDUSTRY ADVISERS & OTHER RELATED PROFESSION	1.00	2.00	50.00	63.86	63,856.59
TOTAL	136.00	611.00	22.26	3,828.23	28,148.73

Table 3.8.4 Performance related rewards (cash bonus), by salary band for Senior Management Service for the period 1 April 2016 to 31 March 2017

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	43.00	16.28	529.97	75,709.52	0.02
Band B	4.00	14.00	28.57	300.15	75,036.86	0.02
Band C	2.00	7.00	28.57	229.90	114,947.69	0.02
Band D	0.00	3.00	0.00	0.00	0.00	0.00
Total	13.00	67.00	19.40	1,060.01	81,539.19	0.02

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 2016 and 31 March 2017

Salary band	01 April 2016		31 March 2017		Change	
	Number	% of total	Number	% of total	Number	% Change
Lower skilled	0	0	0	0	0	0
Highly skilled production (Lev. 6-8)	0	0	0	0	0	0

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

Table 3.9.2 Foreign workers by major occupation for the period 1 April 2016 and 31 March 2017

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

3.10 Leave utilisation

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

Table 3.10.1 Sick leave for the period 1 January 2016 to 31 December 2016

Salary band	Total days	% Days with Medical certification	Number of Employees using sick leave	% of total employees using sick leave	Average days per employee	Estimated Cost (R'000)
Lower Skills (Level 1-2)	21	95	11	16.9	1.9	45 929.85
Skilled (levels 3-5)	186	75.26	66	46.80	2.81	366 141.15
Highly skilled production (levels 6-8)	345	70.14	107	52.70	3.22	1 334 250.94
Highly skilled supervision (levels 9 -12)	250	65.20	79	56.83	3.16	1 814 366.89
Top and Senior management (levels 13-16)	63	68.25	24	36.92	2.62	563 604.53
Total	865	373.85	287	210.15	13.71	4 124 293.36

Table 3.10.2 Disability leave (temporary and permanent) for the period 1 January 2016 to 31 December 2016

Salary band	Total days	% Days with Medical certification	Number of Employees using disability leave	% of total employees using disability leave	Average days per employee	Estimated Cost (R'000)
Lower skilled (Levels 1-2)	0	0	0	0	0	0
Skilled (Levels 3-5)	11	100	1	33.33	11	8 211.50
Highly skilled production (Levels 6-8)	141	100	2	66.67	70.5	433 159.05
Highly skilled supervision (Levels 9-12)	0	0	0	0	0	0
Senior management (Levels 13-16)	0	0	0	0	0	0
Total	152	100	0	100	50.67	441 370.55

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 2016 to 31 December 2016

Salary band	Total days taken	Number of Employees using annual leave	Average per employee
Lower skilled (Levels 1-2)	390	23	16.95
Skilled Levels 3-5)	1 582	96	16.47
Highly skilled production (Levels 6-8)	2 590	145	17.86
Highly skilled supervision (Levels 9-12)	2 432	133	18.28
Senior management (Levels 13-16)	1 028	54	19.03
Total	8 022	451	88.59

Table 3.10.4 Capped leave for the period 1 January 2016 to 31 December 2016

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 2017
Lower skilled (Levels 1-2)	0	0	0	0
Skilled Levels 3-5)	0	0	0	0
Highly skilled production (Levels 6-8)	0	0	0	0
Highly skilled supervision(L Levels 9-12)	0	0	0	0
Senior management (Levels 13-16)	0	0	0	0
Total	0	0	0	0

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 2016 and 31 March 2017

Reason	Total amount (R'000)	Number of employees	Average per employee (R'000)
Leave payout for 2016/17 due to non-utilisation of leave for the previous cycle	0	0	0
Capped leave payouts on termination of service for 2016/17	0	0	0
Current leave payout on termination of service for 2016/17	318 561.84	18	17 697.88
Total	318 561.84	18	17 697.88

3.11 HIV/AIDS & Health Promotion Programmes

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.	✓		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.	✓		Ms BB Hlongwane Deputy Director: EHW Ms S Badul Deputy Director: PEHW Ms NW Ginah Assistant Director: SHERQ Ms CN Ndlovu Practitioner EHW Ms LB Zondi Administrator Ms PN Mvelase Intern Total budget R4,361,057.48
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.	✓		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.	✓		Ms DP Khumalo Mr Cibane finance Mr JM Gumede Provincial employee Health Mr O Msweli Labour Relations Ms PN Mbatha HR Support Mr B Ngobese Security services Mr D Pillay 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.	✓		Relevant policies reviewed. No discrimination found.

Question	Yes	No	Details, if yes
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.	✓		<p>The approved policy HIV, AIDS and TB ensures that no employee or potential employee will be discriminated against due to their HIV status or perceived status. The policy induces that recourse in the form of grievance and or disciplinary action can be instituted.</p> <p>Employees can receive counselling for HIV and AIDS.</p> <p>In addition the employee can seek psychosocial support from the Employee Wellness Programme.</p> <p>The Employee Wellness programme ensures that the highest degree of confidentiality is maintained and no breach in confidentiality occurs thus resulting in discrimination.</p> <p>Wellness Information days are held and issues surrounding male and female health issues are discussed. Condom distribution is encouraged.</p>
7. Does the department encourage its employees to undergo Voluntary Counselling and Testing? If so, list the results that you have you achieved.	✓		<p>Females tested: 390</p> <p>Males tested: 188</p> <p>Positive females: 2</p> <p>Positive males: 1</p>
8. Has the department developed measures/ indicators to monitor & evaluate the impact of its health promotion programme? If so, list these measures/indicators.	✓		Employee feedback analysed after each information session

3.12 Labour Relations

Table 3.12.1 Collective agreements for the period 1 April 2016 and 31 March 2017

Subject matter	Date
None	

Notes

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

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

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

Table 3.12.2 Misconduct and disciplinary hearings finalised for the period 1 April 2016 and 31 March 2017

Outcomes of disciplinary hearings	Number	% of total
Correctional counselling	1	20
Verbal warning	0	0
Written warning	3	60
Final written warning	0	0
Suspended without pay	0	0
Fine	0	0
Demotion	0	0
Dismissal	0	0
Not guilty	1	20
Case withdrawn	0	0
Total	5	100

Notes

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

Total number of Disciplinary hearings finalised	None
--	-------------

Table 3.12.3 Types of misconduct addressed at disciplinary hearings for the period 1 April 2016 and 31 March 2017

Type of misconduct	Number	% of total
Abscondment	3	100
Total	3	100

Table 3.12.4 Grievances logged for the period 1 April 2016 and 31 March 2017

Grievances	Number	% of Total
Number of grievances resolved	2	66.7
Number of grievances not resolved	1	33.3
Total number of grievances lodged	3	100.00

Table 3.12.5 Disputes logged with Councils for the period 1 April 2016 and 31 March 2017

Disputes	Number	% of Total
Number of disputes upheld	1	33.3
Number of disputes dismissed	2	66.7
Total number of disputes lodged	3	100

Table 3.12.6 Strike actions for the period 1 April 2016 and 31 March 2017

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 2016 and 31 March 2017

Number of people suspended	0
Number of people who's suspension exceeded 30 days	0
Average number of days suspended	0
Cost of suspension(R'000)	0

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 2016 and 31 March 2017

Occupational category	Gender	Number of employees as at 1 April 2016	Training needs identified at start of the reporting period			
			Learnerships	Skills Programmes & other short courses	Other forms of training	Total
Legislators, senior officials and managers	Female	0	0	0	0	0
	Male	0	0	0	0	0
Professionals	Female	0	0	0	0	0
	Male	0	0	0	0	0
Technicians and associate professionals	Female	0	0	0	0	0
	Male	0	0	0	0	0
Clerks	Female	0	0	0	0	0
	Male	0	0	0	0	0

Occupational category	Gender	Number of employees as at 1 April 2016	Training needs identified at start of the reporting period			
			Learnerships	Skills Programmes & other short courses	Other forms of training	Total
Service and sales workers	Female	0	0	0	0	0
	Male	0	0	0	0	0
Skilled agriculture and fishery workers	Female	0	0	0	0	0
	Male	0	0	0	0	0
Craft and related trades workers	Female	0	0	0	0	0
	Male	0	0	0	0	0
Plant and machine operators and assemblers	Female	0	0	0	0	0
	Male	0	0	0	0	0
Elementary occupations	Female	0	0	0	0	0
	Male	0	0	0	0	0
Gender sub totals	Female	0	0	0	0	0
	Male	0	0	0	0	0
Total		0	0	0	0	0

Table 3.13.2 Training provided for the period 1 April 2016 and 31 March 2017

Occupational category	Gender	Number of employees as at 1 April 2016	Training provided within the reporting period			
			Learnerships	Skills Programmes & other short courses	Other forms of training	Total
Legislators, senior officials and managers	Female	0	0	0	0	0
	Male	0	0	0	0	0
Professionals	Female	0	0	0	0	0
	Male	0	0	0	0	0
Technicians and associate professionals	Female	0	0	0	0	0
	Male	0	0	0	0	0
Clerks	Female	0	0	0	0	0
	Male	0	0	0	0	0
Service and sales workers	Female	0	0	0	0	0
	Male	0	0	0	0	0

Occupational category	Gender	Number of employees as at 1 April 2016	Training provided within the reporting period			
			Learnerships	Skills Programmes & other short courses	Other forms of training	Total
Skilled agriculture and fishery workers	Female	0	0	0	0	0
	Male	0	0	0	0	0
Craft and related trades workers	Female	0	0	0	0	0
	Male	0	0	0	0	0
Plant and machine operators and assemblers	Female	0	0	0	0	0
	Male	0	0	0	0	0
Elementary occupations	Female	0	0	0	0	0
	Male	0	0	0	0	0
Gender sub totals	Female	0	0	0	0	0
	Male	0	0	0	0	0
Total		0	0	0	0	0

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 2016 and 31 March 2017

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

3.15 Utilisation of Consultants

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

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

Table 3.15.1 Report on consultant appointments using appropriated funds for the period 1 April 2016 and 31 March 2017

Project title	Total number of consultants that worked on project	Duration (work days)	Contract value in Rand
0	0	0	0
0	0	0	0

Total number of projects	Total individual consultants	Total duration Work days	Total contract value in Rand
0	0	0	0
0	0	0	0

Table 3.15.2 Analysis of consultant appointments using appropriated funds, in terms of Historically Disadvantaged Individuals (HDIs) for the period 1 April 2016 and 31 March 2017

Project title	Percentage ownership by HDI groups	Percentage management by HDI groups	Number of consultants from HDI groups that work on the project
0	0	0	0
0	0	0	0

Table 3.15.3 Report on consultant appointments using Donor funds for the period 1 April 2016 and 31 March 2017

Project title	Total Number of consultants that worked on project	Duration (Work days)	Donor and contract value in Rand
0	0	0	0
0	0	0	0

Total number of projects	Total individual consultants	Total duration Work days	Total contract value in Rand
0	0	0	0
0	0	0	0

Table 3.15.4 Analysis of consultant appointments using Donor funds, in terms of Historically Disadvantaged Individuals (HDIs) for the period 1 April 2016 and 31 March 2017

Project title	Percentage ownership by HDI groups	Percentage management by HDI groups	Number of consultants from HDI groups that work on the project
0	0	0	0
0	0	0	0

3.16 Severance Packages

Table 3.16.1 Granting of employee initiated severance packages for the period 1 April 2016 and 31 March 2017

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



PART E: FINANCIAL INFORMATION



1. REPORT OF THE AUDITOR GENERAL

AUDITOR'S REPORT FOR THE YEAR ENDED 31 MARCH 2017 OFFICE OF THE PREMIER

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 117 to 198, which comprise the appropriation statement, the statement of financial position as at 31 March 2017, and the statement of financial performance, statement of changes in net assets and cash flow statement for the year then ended, as well as the notes to the financial statements, including a summary of significant accounting policies.
2. In my opinion, the financial statements present fairly, in all material respects, the financial position of the Office of the Premier as at 31 March 2017 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 my report.
4. I am independent of the Office of the Premier in accordance with the International Ethics Standards Board for Accountants' Code of ethics for professional accountants (IESBA code) together with the ethical requirements that are relevant to my audit in South Africa. I have fulfilled my other ethical responsibilities in accordance with these requirements and the IESBA code.
5. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Emphasis of matter

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

Material underspending of the budget

7. As disclosed in the appropriation statement, the Office of the Premier underspent its budget on programme three - (policy and governance) by R6,88 million. This arose mainly from vacancies in the poverty eradication unit as well as delays in renovations of royal palaces.

Other matter

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

Unaudited supplementary information

9. The supplementary information set out on pages 199 to 208 does not form part of the financial statements and is presented as additional information. I have not audited these schedules, and, accordingly, I do not express an opinion thereon.

Responsibilities of the accounting officer for the financial statements

10. 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.
11. In preparing the financial statements, the accounting officer is responsible for assessing the Office of the Premier’s ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the accounting officer either intends to liquidate or to cease operations, or has no realistic alternative but to do so.

Auditor-general’s responsibilities for the audit of the financial statements

12. 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 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 the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.
13. A further description of my responsibilities for the audit of the financial statements is included in the annexure to the auditor’s report.

Report on the audit of the annual performance report

Introduction and scope

14. In accordance with the Public Audit Act of South Africa, 2004 (Act No. 25 of 2004) (PAA) and the general notice issued in terms thereof I have a responsibility to report material findings on the reported performance information against predetermined objectives for selected programmes presented in the annual performance report. I performed procedures to identify findings but not to gather evidence to express assurance.
15. My procedures address the reported performance information, which must be based on the approved performance planning documents of the Office of the Premier. I have not evaluated the completeness and appropriateness of the performance indicators included in the planning documents. My procedures also did not extend to any disclosures or assertions relating to planned performance strategies and information in respect of future periods that may be included as part of the reported performance information. Accordingly, my findings do not extend to these matters.
16. I evaluated the usefulness and reliability of the reported performance information in accordance with the criteria developed from the performance management and reporting framework, as defined in the general notice, for the following selected programmes presented in the annual performance report of the Office of the Premier for the year ended 31 March 2017:

Programmes	Pages in the annual performance report
Programme 2 – Institutional development	36 - 44
Programme 3 – Policy and governance	45 - 52

17. 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.
18. I did not identify any material findings on the usefulness and reliability of the reported performance information for the selected programmes.

Other matter

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

Achievement of planned targets

20. The annual performance report on pages 30 to 52 includes information on the achievement of planned targets as well as explanations for the underachievement of a number of targets for the year.

Report on audit of compliance with legislation

Introduction and scope

21. In accordance with the PAA and the general notice issued in terms thereof I have a responsibility to report material findings on the compliance of the Office of the Premier with specific matters in key legislation. I performed procedures to identify findings but not to gather evidence to express assurance.
22. The material finding in respect of the compliance criteria for the applicable subject matter is as follows:

Expenditure management

23. Effective steps were not taken to prevent irregular expenditure amounting to R6,48 million as disclosed in note 26 to the annual financial statements, as required by section 38 (1) (c) (ii) of the PFMA and treasury regulation 9.1.1.

Other information

24. The accounting officer is responsible for the other information. The other information comprises the information included in the annual report which includes the accounting officer's report and the audit committee's report. The other information does not include the financial statements, the auditor's report thereon and those selected programmes presented in the annual performance report that have been specifically reported on in the auditor's report.
25. My opinion on the financial statements and findings on compliance with legislation do not cover the other information and I do not express an audit opinion or any form of assurance conclusion thereon.
26. In connection with my audit, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements and the selected programmes presented in the annual performance report, or my knowledge obtained in the audit, or otherwise appears to be materially misstated.
27. If, based on the work I have performed on the other information obtained prior to the date of this auditor's report, I conclude that there is a material misstatement of this other information, I am required to report that fact. I have nothing to report in this regard.

Internal control deficiencies

28. I considered internal control relevant to my audit of the financial statements, reported performance information and compliance with applicable legislation; however, my objective was not to express any form of assurance thereon. The matters reported below are limited to the significant internal control deficiencies that resulted in the finding on compliance with legislation included in this report.

Leadership

Critical management vacancies within the Office of the Premier and the related delays in the approval of procurement by leadership resulted in non-compliance with supply chain management requirements.

Other reports

29. I draw attention to the following engagements conducted by the provincial treasury internal audit unit that had or could have, an impact on the matters reported in the Office of the Premier's financial statements, reported performance information, compliance with applicable legislation and other related matters. These reports did not form part of my opinion on the financial statements or my finding on compliance with legislation.

30. The provincial treasury internal audit unit at the request of the Office of the Premier conducted eight investigations covering the period 2012 to 2017. These investigations related to irregularities pertaining to procurement and travel and subsistence. These investigations are still in progress.

Auditor - General

Pietermaritzburg
31 July 2017



AUDITOR - GENERAL
SOUTH AFRICA

Auditing to build public confidence

Annexure – Auditor-general’s responsibility for the audit

1. As part of an audit in accordance with the ISAs, I exercise professional judgement and maintain professional scepticism throughout my audit of the financial statements, and the procedures performed on reported performance information for selected programmes and on the Office of the Premier’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 the 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 Office of the Premier’s internal control.
 - evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the accounting officer
 - conclude on the appropriateness of the accounting officer’s use of the going concern basis of accounting in the preparation of the financial statements. I also conclude, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Office of the Premier’s ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor’s report to the related disclosures in the financial statements about the material uncertainty or, if such disclosures are inadequate, to modify the opinion on the financial statements. My conclusions are based on the information available to me at the date of the auditor’s report. However, future events or conditions may cause the Office of the Premier to cease operating as a going concern.
 - evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Communication with those charged with governance

3. I communicated with the accounting officer regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.
4. I also confirm to the accounting officer that I have complied with relevant ethical requirements regarding independence, and communicate all relationships and other matters that may reasonably be thought to have a bearing on my independence and where applicable, related safeguards.

2. ANNUAL FINANCIAL STATEMENTS

For the year ended 31 March 2017

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APPROPRIATION STATEMENT for the year ended 31 March 2017

Appropriation per programme									
Programme	2016/17					2015/16			
	Adjusted Appropriation R'000	Shifting of Funds R'000	Virement R'000	Final Appropriation R'000	Actual Expenditure R'000	Variance R'000	Expenditure as % of final appropriation %	Final Appropriation R'000	Actual Expenditure R'000
1. ADMINISTRATION	89 917		(4 590)	85 327	84 867	460	99.5%	99 432	93 059
2. INSTITUTIONAL DEVELOPMENT	297 875		3 173	301 048	300 287	761	99.7%	303 106	299 478
3. POLICY AND GOVERNANCE	302 526		1 417	303 943	297 061	6 882	97.7%	335 256	299 514
Subtotal	690 318			690 318	682 215	8 103	98.8%	737 794	692 051
TOTAL	690 318		-	690 318	682 215	8 103	98.8%	737 794	692 051

	2016/17		2015/16	
	Final Appropriation	Actual Expenditure	Final Appropriation	Actual Expenditure
TOTAL (brought forward)				
Reconciliation with statement of financial performance				
ADD				
Departmental receipts	466		1 130	
NRF Receipts	-		-	
Aid assistance	8 870		12 577	
Actual amounts per statement of financial performance (total revenue)	699 654		751 501	
ADD				
Aid assistance		13 824		4 983
Prior year unauthorised expenditure approved without funding		2 193		
Actual amounts per statement of financial performance (total expenditure)		698 232		697 034

APPROPRIATION STATEMENT for the year ended 31 March 2017

Appropriation per economic classification										
	2016/17					2015/16				
	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	554 845	-	(12 269)	542 576	538 933	3 643	99.3%	599 589	574 415	
Compensation of employees	264 438	-	(8 483)	255 955	254 441	1 514	99.4%	235 990	229 951	
Salaries and wages	236 840	-	(9 167)	227 673	226 632	1 041	99.5%	209 361	204 870	
Social contributions	27 598	-	684	28 282	27 809	473	98.3%	26 629	25 081	
Goods and services	290 407	-	(3 786)	286 621	284 492	2 129	99.3%	363 599	344 464	
Administrative fees	2 550	-	28	2 578	2 484	94	96.5%	2 965	2 686	
Advertising	40 423	-	7 358	47 781	47 573	208	99.6%	64 577	64 243	
Minor assets	9 726	-	(6 645)	3 081	2 661	420	86.4%	2 013	1 461	
Audit costs: External	4 278	-	(703)	3 575	3 547	28	99.2%	6 242	6 184	
Bursaries: Employees	1 094	-	(714)	380	233	147	61.3%	367	224	
Catering: Departmental activities	11 921	-	6 229	18 150	18 099	51	99.7%	25 059	24 810	
Communication	15 627	-	(6 426)	9 201	9 074	127	98.6%	10 439	10 262	
Computer services	34 010	-	(5 226)	28 784	28 727	57	99.8%	29 339	29 128	
Consultants: Business and advisory services	24 404	-	(7 211)	17 193	17 171	22	99.9%	31 950	27 396	
Legal services	2 294	-	2 881	5 175	5 095	80	98.5%	1 942	1 931	
Contractors	22 334	-	17 831	40 165	40 139	26	99.9%	62 931	61 930	
Agency and support / outsourced services	8 219	-	(4 709)	3 510	3 494	16	99.5%	2 093	2 010	
Fleet services	4 656	-	3 239	7 895	7 895	-	100.0%	6 728	6 728	
Inventory: Clothing material and accessories	10	-	-	10	-	10	-	-	-	
Consumable supplies	4 129	-	(1 337)	2 792	2 713	79	97.2%	4 615	4 295	
Consumable: Stationery, printing and office supplies	9 708	-	(2 190)	7 518	7 292	226	97.0%	8 227	7 546	

APPROPRIATION STATEMENT for the year ended 31 March 2017

Appropriation per economic classification									
2016/17									
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Operating leases	10 952	-	924	11 876	11 739	137	98.8%	9 028	8 573
Property payments	15 225	-	(1 065)	14 160	14 132	28	99.8%	11 656	11 655
Transport provided: Departmental activity	9 296	-	748	10 044	10 044	-	100.0%	21 986	21 294
Travel and subsistence	39 321	-	(12 307)	27 014	26 905	109	99.6%	30 031	28 013
Training and development	5 477	-	(1 452)	4 025	3 903	122	97.0%	6 482	5 374
Operating payments	906	-	50	956	910	46	95.2%	835	610
Venues and facilities	13 847	-	6 911	20 758	20 662	96	99.5%	24 094	18 111
Transfers and subsidies	102 630	-	8 853	111 483	111 406	77	99.9%	86 307	81 571
Provinces and municipalities	80	-	57	137	136	1	99.3%	86	76
Provinces	80	-	57	137	136	1	99.3%	86	76
Provincial Revenue Funds									
Provincial agencies and funds	80	-	57	137	136	1	99.3%	86	76
Municipalities									
Municipal bank accounts									
Municipal agencies and funds									
Departmental agencies and accounts	75 260	-	-	75 260	75 260	-	100.0%	62 392	58 979
Social security funds									
Departmental agencies and accounts	75 260	-	-	75 260	75 260	-	100.0%	62 392	58 979
Non Profit Institutions	27	-	-	27	27	-	100.0%	-	-
Households	27 263	-	8 796	36 059	35 983	76	99.8%	23 829	22 516
Social benefits	2 848	-	226	3 074	2 999	75	97.6%	1 861	1 785
Other transfers to households	24 415	-	8 570	32 985	32 984	1	100.0%	21 968	20 731
Payments for capital assets	30 603	-	3 416	34 019	31 830	2 189	93.6%	49 127	33 294
Buildings and other fixed structures	9 937	-	8 968	18 905	16 823	2 082	89.0%	11 298	2 271
Buildings	9 937	-	8 968	18 905	16 823	2 082	89.0%	1 027	-

APPROPRIATION STATEMENT for the year ended 31 March 2017

Appropriation per economic classification									
2016/17					2015/16				
	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 fixed structures								10 271	2 271
Machinery and equipment	16 101	-	(1 792)	14 309	14 202	107	99.3%	34 000	27 194
Transport equipment	4 775	-	2 584	7 359	7 359	-	100.0%	17 601	14 775
Other machinery and equipment	11 326	-	(4 376)	6 950	6 843	107	98.5%	16 399	12 419
Heritage assets	4 500	-	(3 695)	805	805	-	100.0%	3 682	3 682
Software & Other Intangible assets	65	-	(65)	-	-	-	0.0%	147	147
Payments for financial assets	2 240	-	-	2 240	46	2 194	2.1%	2 771	2 771
Total	690 318	-	-	690 318	682 215	8 103	98.8%	737 794	692 051

APPROPRIATION STATEMENT for the year ended 31 March 2017

Programme 1: ADMINISTRATION									
2016/17					2015/16				
	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	38 284	-	(2 336)	35 948	35 866	82	99.8%	39 366	38 123
2. EXECUTIVE COUNCIL SUPPORT	9 637	-	(77)	9 560	9 546	14	99.9%	8 024	7 961
3. DIRECTOR GENERAL	10 054	-	(269)	9 785	9 743	42	99.6%	16 115	13 424
4. FINANCIAL MANAGEMENT	31 942	-	(1 908)	30 034	29 712	322	98.9%	35 927	33 551
Total for sub programmes	89 917	-	(4 590)	85 327	84 867	460	99.5%	99 432	93 059

APPROPRIATION STATEMENT for the year ended 31 March 2017

Programme 1: ADMINISTRATION	2016/17							2015/16	
	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	86 121	-	(4 570)	81 551	81 165	386	99.5%	95 997	90 573
Compensation of employees	57 814	-	(4 571)	53 243	53 049	194	99.6%	59 137	54 835
Salaries and wages	51 699	-	(3 754)	47 945	47 846	99	99.8%	52 888	49 692
Social contributions	6 115	-	(817)	5 298	5 203	95	98.2%	6 249	5 143
Goods and services	28 307	-	1	28 308	28 116	192	99.3%	36 860	35 738
Administrative fees	412	-	174	586	514	72	87.7%	652	637
Advertising	75	-	634	709	706	3	99.6%	140	130
Minor assets	614	-	(308)	306	296	10	96.7%	363	295
Audit costs: External	4 238	-	(691)	3 547	3 547	-	100.0%	5 596	5 538
Bursaries: Employees	-	-	-	-	-	-	-	-	-
Catering: Departmental activities	1 446	-	459	1 905	1 894	11	99.4%	2 394	2 351
Communication	142	-	36	178	178	-	100.0%	105	102
Computer services	864	-	741	1 605	1 600	5	99.7%	5 166	5 124
Consultants: Business and advisory services	6 012	-	(4 735)	1 277	1 277	-	100.0%	7 501	7 501
Legal services	-	-	1 852	1 852	1 852	-	100.0%	-	-
Contractors	1 311	-	3 443	4 754	4 746	8	99.8%	1 648	1 283
Agency and support / outsourced services	-	-	-	-	-	-	-	-	-
Fleet services	2	-	-	2	2	-	100.0%	-	-
Consumable supplies	637	-	307	944	922	22	97.7%	254	243
Consumable: Stationery, printing & office supplies	1 812	-	90	1 902	1 876	26	98.6%	1 763	1 740
Operating leases	1 791	-	(720)	1 071	1 057	14	98.7%	1 039	963
Property payments	977	-	(681)	296	296	-	100.0%	306	306

APPROPRIATION STATEMENT for the year ended 31 March 2017

	2016/17							2015/16		
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure	
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	
Transport provided: Departmental activity	160	-	2	162	162	-	100.0%	451	451	
Travel and subsistence	7 241	-	(1 355)	5 886	5 879	7	99.9%	9 223	8 922	
Training and development	218	-	(193)	25	12	13	48.0%	60	-	
Operating payments	8	-	115	123	122	1	99.2%	1	-	
Venues and facilities	347	-	831	1 178	1 178	-	100.0%	198	152	
Transfers and subsidies	2 574	-	(14)	2 560	2 486	74	97.1%	1 174	1 099	
Provinces and municipalities										
Provinces										
Provincial agencies and funds										
Households	2 574	-	(14)	2 560	2 486	74	97.1%	1 174	1 099	
Social benefits	2 574	-	(14)	2 560	2 486	74	97.1%	1 174	1 099	
Payments for capital assets	1 222	-	(6)	1 216	1 216	-	100.0%	2 235	1 361	
Buildings and other fixed structures										
Other fixed structures										
Machinery and equipment	1 222	-	(6)	1 216	1 216	-	100.0%	2 088	1 214	
Transport equipment	-	-	-	-	-	-	-	-	-	
Other machinery and equipment	1 222	-	(6)	1 216	1 216	-	100.0%	2 088	1 214	
Intangible assets	-	-	-	-	-	-	-	147	147	
Payments for financial assets	-	-	-	-	-	-	-	26	26	
Total	89 917	-	(4 590)	85 327	84 867	460	99.5%	99 432	93 059	

APPROPRIATION STATEMENT for the year ended 31 March 2017

	2016/17						2015/16		
	Adjusted Appropriation R'000	Shifting of Funds R'000	Virement R'000	Final Appropriation R'000	Actual Expenditure R'000	Variance R'000	Expenditure as % of final appropriation %	Final Appropriation R'000	Actual expenditure R'000
Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments	36 458	-	(2 900)	33 558	33 478	80	99.8%	38 020	37 440
Compensation of employees	22 328	-	(2 900)	19 428	19 350	78	99.6%	25 872	25 292
Salaries and wages	20 601	-	(2 601)	18 000	17 922	78	99.6%	23 616	23 481
Social contributions	1 727	-	(299)	1 428	1 428	-	100.0%	2 256	1 811
Goods and services	14 130	-	-	14 130	14 128	2	100.0%	12 148	12 148
Administration	130	-	254	384	384	-	100.0%	429	429
Minor assets	91	-	(15)	76	76	-	100.0%	29	29
Catering: Departmental activities	800	-	159	959	959	-	100.0%	1 094	1 094
Communication (G&S)	132	-	32	164	164	-	100.0%	98	98
Computer services	32	-	(32)	-	-	-	-	-	-
Consultants: Business and Advisory services	5 120	-	(3 980)	1 140	1 140	-	100.0%	330	330
Contractors	1 140	-	2 936	4 076	4 076	-	100.0%	1 150	1 150
Fleet Services	2	-	-	2	2	-	100.0%	-	-
Consumable supplies	242	-	534	776	776	-	100.0%	114	114
Consumables: stationery, printing & office supplies	605	-	402	1 007	1 007	-	100.0%	570	570
Operating leases	370	-	(199)	171	169	2	98.8%	135	135
Property payments	977	-	(707)	270	270	-	100.0%	306	306
Transport: Departmental activity	160	-	2	162	162	-	100.0%	451	451
Travel and subsistence	4 172	-	291	4 463	4 463	-	100.0%	7 442	7 442
Training and development	70	-	(70)	-	-	-	-	-	-
Operating payments	7	-	(7)	-	-	-	-	-	-
Venues and facilities	80	-	400	480	480	-	100.0%	-	-
Transfers and subsidies	1 510	-	-	1 150	1 508	2	99.9%	94	94

APPROPRIATION STATEMENT for the year ended 31 March 2017

SUB PROGRAMME 1.1: PREMIER SUPPORT		2016/17						2015/16		
		Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Households	1 510	-	-	1 150	1 508	2	99.9%	94	94	94
Social benefits	1 510	-	-	1 150	1 508	2	99.9%	94	94	94
Payments for capital assets	316	-	564	880	880	-	100.0%	1 250	587	587
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-	-
Machinery and equipment	316	-	564	880	880	-	100.0%	1 250	587	587
Other machinery and equipment	316	-	564	880	880	-	100.0%	1 250	587	587
Payments for financial assets	-	-	-	-	-	-	0.0%	2	2	2
Total	38 284	-	(2 336)	35 948	35 866	82	99.8%	39 366	38 123	38 123

APPROPRIATION STATEMENT for the year ended 31 March 2017

SUB PROGRAMME 1.2: EXECUTIVE COUNCIL SUPPORT		2016/17						2015/16		
		Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	
Current payments	9 537	-	-	9 537	9 523	14	99.9%	7 922	7 905	7 905
Compensation of employees	7 423	-	-	7 423	7 415	8	99.9%	5 370	5 370	5 370
Salaries and wages	6 558	-	-	6 558	6 557	1	100.0%	4 820	4 820	4 820
Social contributions	865	-	-	865	858	7	99.2%	550	550	550
Goods and services	2 114	-	-	2 114	2 108	6	99.7%	2 552	2 535	2 535
Administrative fees	20	-	2	22	22	-	100.0%	21	21	21
Minor assets	50	-	(49)	1	1	-	100.0%	45	37	37

APPROPRIATION STATEMENT for the year ended 31 March 2017

SUB PROGRAMME:1.2: EXECUTIVE COUNCIL SUPPORT		2016/17							2015/16	
		Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000
Catering: departmental activities	390	-	457	847	847	-	100.0%	1 183	1 183	
Communication (G&S)	10	-	4	14	14	-	100.0%	7	4	
Computer Services	-	-	-	-	-	-	-	63	63	
Contractors	105	-	54	159	159	-	100.0%	112	112	
Consumable Supplies	77	-	(37)	40	40	-	100.0%	50	44	
Consumables: Stationery,printing and office supplies	268	-	(105)	163	163	-	100.0%	190	190	
Operating leases	578	-	(229)	349	349	-	100.0%	364	364	
Travel and subsistence	379	-	(52)	327	321	6	98.2%	365	365	
Venues and Facilities	237	-	(45)	192	192	-	100.0%	152	152	
Transfers and subsidies	-	-	-	-	-	-	0.0%	-	-	
Payments for capital assets	100	-	(77)	23	23	-	100.0%	102	56	
Buildings and other fixed structures	-	-	-	-	-	-	0.0%	-	-	
Machinery and equipment	100	-	(77)	23	23	-	100.0%	102	56	
Other machinery and equipment	100	-	(77)	23	23	-	100.0%	102	56	
Payments for financial assets										
Total	9 637	-	(77)	9 560	9 546	14	99.9%	8 024	7 961	

APPROPRIATION STATEMENT for the year ended 31 March 2017

SUB PROGRAMME:1.3: DIRECTOR GENERAL	2016/17						2015/16		
	Economic classification	Adjusted Appropriation R'000	Shifting of Funds R'000	Virement R'000	Final Appropriation R'000	Actual Expenditure R'000	Variance R'000	Expenditure as % of final appropriation %	Final Appropriation R'000
Current payments	9 721		(44)	9 677	9 635	42	99.6%	15 697	13 170
Compensation of employees	6 323		(44)	6 279	6 264	15	99.8%	7 949	5 422
Salaries and wages	5 825		(117)	5 708	5 708	-	100.0%	7 257	4 874
Social contributions	498		73	571	556	15	97.4%	692	548
Goods and services	3 398		-	3 398	3 371	27	99.2%	7 748	7 748
Administrative fees	60		10	70	70	-	100.0%	46	46
Minor assets	201		(166)	35	25	10	71.4%	128	128
Catering: departmental activities	209		(117)	92	86	6	93.5%	70	70
Consultants: Business and advisory services	317		(317)	-	-	-	0.0%	6 546	6 546
Legal services	-		895	895	895	-	100.0%	-	-
Contractors	15		490	505	505	-	100.0%	2	2
Consumable Supplies	80		(38)	42	42	-	100.0%	30	30
Consumables: Stationery,printing and office supplies	153		(32)	121	110	11	90.9%	65	65
Operating leases	431		(192)	239	239	-	100.0%	192	192
Property payments	-		16	16	16	-	100.0%	-	-
Travel and subsistence	1 832		(1 076)	756	756	-	100.0%	669	669
Training and development	70		(70)	-	-	-	0.0%	-	-
Operating payments	-		122	122	122	-	100.0%	-	-
Venues and facilities	30		475	505	505	-	100.0%	-	-
Transfers and subsidies	-		44	44	44	-	100.0%	35	31
Households	-		44	44	44	-	100.0%	35	31
Social benefits	-		44	44	44	-	100.0%	35	31

APPROPRIATION STATEMENT for the year ended 31 March 2017

SUB PROGRAMME:1.3: DIRECTOR GENERAL		2016/17						2015/16		
		Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000
Payments for capital assets	333		(269)	64	64	64	-	100.0%	361	201
Buildings and other fixed structures	-		-	-	-	-	-	0.0%	-	-
Machinery and equipment	333		(269)	64	64	64	-	100.0%	361	201
Other machinery and equipment	333		(269)	64	64	64	-	100.0%	361	201
Payments for financial assets	-		-	-	-	-	-	0.0%	22	22
Total	10 054		(269)	9 785	9 743	42	99.6%	17 235	17 235	17 235

APPROPRIATION STATEMENT for the year ended 31 March 2017

SUB PROGRAMME:1.4: FINANCIAL MANAGEMENT		2016/17						2015/16	
		Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation
Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000
Current payments	30 405	-	(1 626)	28 779	28 529	250	99.1%	34 358	32 058
Compensation of employees	21 740	-	(1 627)	20 113	20 020	93	99.5%	19 946	18 751
Salaries and wages	18 715	-	(1 036)	17 679	17 659	20	99.9%	17 195	16 517
Social contributions	3 025	-	(591)	2 434	2 3 61	73	97.0%	2 751	2 234
Goods and services	8 665	-	1	8 666	8 509	157	98.2%	14 412	13 307
Administrative fees	202	-	(92)	110	38	72	34.5%	156	141
Advertising	75	-	634	709	706	3	99.6%	140	130

APPROPRIATION STATEMENT for the year ended 31 March 2017

SUB PROGRAMME:1.4: FINANCIAL MANAGEMENT		2016/17							2015/16	
		Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	R'000
Minor assets	272	-	(78)	194	194	-	100.0%	161	101	
Audit costs: External	4 238	-	(691)	3 547	3 547	-	100.0%	5 596	5 538	
Catering: departmental activities	47	-	(40)	7	2	5	28.6%	47	4	
Communication (G&S)	-	-	-	-	-	-	-	-	-	
Computer services	832	-	773	1 605	1 600	5	99.7%	5 103	5 061	
Consultants: Business and advisory services	575	-	(438)	137	137	-	100.0%	625	625	
Contractors	51	-	(37)	14	6	8	42.9%	384	19	
Legal Services	-	-	957	957	957	-	100.0%	-	-	
Consumables supplies	238	-	(152)	86	64	22	74.4%	60	55	
Consumables: stationery, printing & office supplies	786	-	(175)	611	596	15	97.5%	938	915	
Operating leases	412	-	(100)	312	300	12	96.2%	348	272	
Property payments	-	-	10	10	10	-	100.0%	-	-	
Travel and subsistence	858	-	(518)	340	339	1	99.7%	747	446	
Training and development	78	-	(53)	25	12	13	48.0%	60	-	
Operating payments	1	-	-	1	-	1	-	1	-	
Venues and facilities	-	-	1	1	1	-	100.0%	46	-	
Transfers and subsidies	1 064	-	(58)	1 006	934	72	92.8%	1 045	974	
Provinces and municipalities	-	-	-	-	-	-	-	-	-	
Provinces	-	-	-	-	-	-	-	-	-	
Provincial agencies and funds	-	-	-	-	-	-	-	-	-	
Households	1 064	-	(58)	1 006	934	72	92.8%	1 045	974	
Social benefits	1 064	-	(58)	1 006	934	72	92.8%	1 045	974	

APPROPRIATION STATEMENT for the year ended 31 March 2017

SUB PROGRAMME:1.4: FINANCIAL MANAGEMENT		2016/17						2015/16	
		Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation
Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Payments for capital assets	473	-	(224)	249	249	-	100.0%	522	517
Buildings and other fixed Structures	-	-	-	-	-	-	-	-	-
Other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	473	-	(224)	249	249	-	100.0%	375	370
Transport equipment	-	-	-	-	-	-	-	-	-
Other machinery and equipment	473	-	(224)	249	249	-	100.0%	375	370
Land and subsoil assets	-	-	-	-	-	-	-	-	-
Intangible assets	-	-	-	-	-	-	-	147	147
Payments for financial assets	-	-	-	-	-	-	-	2	2
Total	31 942	-	(1 908)	30 034	29 712	322	98.9%	35 927	33 551

APPROPRIATION STATEMENT for the year ended 31 March 2017

Programme 2: INSTITUTIONAL DEVELOPMENT		2016/17						2015/16		
		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	88 166	-	5 484	93 650	93 542	108	99.9%	90 724	88 531
2.	INFORMATION COMMUNICATION TECHNOLOGY	74 439	-	248	74 687	74 530	157	99.8%	64 363	63 100
3.	LEGAL SERVICES	10 569	-	(50)	10 519	10 478	41	99.6%	10 602	10 465
4.	COMMUNICATION SERVICES	49 853	-	(2 181)	47 672	47 626	46	99.9%	66 673	66 672
5.	SPECIAL PROGRAMMES	39 268	-	141	39 409	39 383	26	99.9%	58 441	58 407
6.	INTERGOVERNMENTAL RELATIONS	13 106	-	1 005	14 111	14 016	95	99.3%	12 303	12 303
7.	GAMING AND BETTING	22 474	-	(1 474)	21 000	20 712	288	98.6%	-	-
Total for sub programmes		297 875	-	3 173	301 048	300 287	761	99.7%	303 106	299 478
Economic classification										
Current payments		268 217	-	(4 405)	263 812	263 057	755	99.7%	281 776	279 176
	Compensation of employees	116 824	-	(1 412)	115 412	115 107	305	99.7%	105 643	105 642
	Salaries and wages	103 364	-	(2 477)	100 887	100 800	87	99.9%	92 586	92 586
	Social contributions	13 460	-	1 065	14 525	14 307	218	98.5%	13 057	13 056
	Goods and services	151 393	-	(2 993)	148 400	147 950	450	99.7%	176 133	173 534
	Administrative fees	792	-	(151)	641	622	19	97.0%	648	596
	Advertising	36 988	-	6 964	43 952	43 952	-	100.0%	60 489	60 480
	Minor assets	3 285	-	(2 470)	815	789	26	96.8%	858	629
	Bursaries: Employees	744	-	(414)	330	233	97	70.6%	367	224
	Catering: Departmental activities	3 880	-	1 190	5 070	5 048	22	99.6%	6 169	6 136
	Communication	14 937	-	(6 602)	8 335	8 332	3	100.0%	9 828	9 808
	Computer services	23 381	-	(6 643)	16 738	16 691	47	99.7%	12 052	11 968
	Consultants: Business and advisory services	4 640	-	478	5 118	5 096	22	99.6%	7 312	7 304

APPROPRIATION STATEMENT for the year ended 31 March 2017

	2016/17						2015/16		
	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	2 214	-	1 029	3 243	3 243	-	100.0%	1 942	1 931
Contractors	8 249	-	206	8 455	8 440	15	99.8%	14 331	14 007
Agency and support / outsourced services	4 433	-	(2 048)	2 385	2 385	-	100.0%	844	794
Fleet services	4 174	-	1 947	6 121	6 121	-	100.0%	6 220	6 220
Inventory: clothing, material & accessories	10	-	-	10	-	10	-	-	-
Consumable supplies	505	-	(200)	305	288	17	94.4%	1 968	1 902
Consumable: Stationery, printing and office supplies	3 671	-	(825)	2 846	2 801	45	98.4%	3 889	3 795
Operating leases	7 246	-	2 377	9 623	9 595	28	99.7%	7 035	6 935
Property payments	11 586	-	1 977	13 563	13 562	1	100.0%	11 218	11 217
Transport provided: Departmental activity	1 935	-	1 835	3 770	3 770	-	100.0%	10 816	10 816
Travel and subsistence	12 903	-	(4 951)	7 952	7 900	52	99.3%	8 454	8 069
Training and development	4 459	-	(720)	3 739	3 693	46	98.8%	6 292	5 349
Operating payments	56	-	39	95	95	-	100.0%	148	138
Venues and facilities	1 305	-	3 989	5 294	5 294	-	100.0%	5 253	5 216
Transfers and subsidies	19 786	-	153	19 939	19 937	2	100.0%	668	668
Provinces and municipalities	69	-	56	125	124	1	99.2%	76	76
Provinces	69	-	56	125	124	1	99.2%	76	76
Provincial agencies and funds	69	-	56	125	124	1	99.2%	76	76
Departmental agencies & accounts	19 255	-	-	19 255	19 255	-	100.0%	-	-
Departmental Agencies	19 255	-	-	19 255	19 255	-	100.0%	-	-
Non Profit Institutions	27	-	-	27	27	-	100.0%	-	-
Households	435	-	97	532	531	1	99.8%	592	592

APPROPRIATION STATEMENT for the year ended 31 March 2017

Programme 2: INSTITUTIONAL DEVELOPMENT									
2016/17					2015/16				
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Social benefits	192	-	12	204	203	1	99.5%	497	497
Other transfers to households	243	-	85	328	328	-	100.0%	95	95
Payments for capital assets	9 872	-	7 425	17 297	17 292	5	100.0%	20 642	19 614
Buildings and other fixed structures	766	-	10 139	10 905	10 905	-	100.0%	1 027	-
Buildings	766	-	10 139	10 905	10 905	-	100.0%	1 027	-
Other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	9 041	-	(2 649)	6 392	6 387	5	99.9%	19 615	19 614
Transport equipment	2 897	-	1 421	4 318	4 318	-	100.0%	11 368	11 368
Other machinery and equipment	6 144	-	(4 070)	2 074	2 069	5	99.8%	8 247	8 246
Intangible assets	65	-	(65)	-	-	-	-	-	-
Payments for financial assets	-	-	-	-	1	(1)	-	20	20
Total	297 875	-	3 173	301 048	300 287	761	99.7%	303 106	299 478
SUB PROGRAMME 2.1: STRATEGIC HUMAN RESOURCES									
2016/17					2015/16				
	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	85 289	-	(3 519)	81 770	81 662	108	99.9%	83 545	81 354
Compensation of employees	58 393	-	(912)	57 481	57 466	15	100.0%	53 138	53 137
Salaries and wages	50 732	-	(351)	50 381	50 366	15	100.0%	46 548	46 548

APPROPRIATION STATEMENT for the year ended 31 March 2017

	2016/17						2015/16		
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Social contributions	7 661	-	(561)	7 100	7 100	-	100.0%	6 590	6 589
Goods and services	26 896	-	(2 607)	24 289	24 196	93	99.6%	30 407	28 217
Administration fees	303	-	(108)	195	195	-	100.0%	142	134
Advertising	700	-	57	757	757	-	100.0%	696	687
Minor Assets	903	-	(222)	681	678	3	99.6%	402	202
Bursaries: Employees	700	-	(404)	296	233	63	78.7%	367	224
Catering: Departmental activities	1 072	-	(450)	622	618	4	99.4%	721	720
Communication (G&S)	777	-	(98)	679	679	-	100.0%	931	911
Computer service	1 814	-	(904)	910	905	5	99.5%	888	853
Consultants: business and Advisory	25	-	393	418	407	11	97.4%	28	20
Legal Services	1 900	-	374	2 274	2 274	-	100.0%	241	241
Contractors	1 857	-	(577)	1 280	1 280	-	100.0%	7 564	7 272
Agency and support /outsourced services	4 013	-	(2 152)	1 861	1 861	-	100.0%	394	344
Consumable supplies	355	-	264	91	85	6	93.4%	206	164
Consumables: Stationery, printing & office supplies	1 475	-	(527)	948	948	-	100.0%	2 257	2 203
Operating leases	769	-	(12)	757	757	-	100.0%	741	669
Property payments	2 065	-	2 138	4 203	4 203	-	100.0%	4 449	4 449
Transport provided: depart activity	-	-	1	1	1	-	100.0%	773	773
Travel and subsistence	3 995	-	(1 665)	2 330	2 329	1	100.0%	2 770	2 475
Training and development	3 923	-	(242)	3 681	3 681	-	100.0%	6 182	5 259
Operating payments	-	-	58	58	58	-	100.0%	109	108
Venues and facilities	250	-	1 997	2 247	2 247	-	100.0%	546	509
Transfers and subsidies	74	-	12	86	85	1	98.8%	420	420

APPROPRIATION STATEMENT for the year ended 31 March 2017

Programme 2: INSTITUTIONAL DEVELOPMENT		2016/17						2015/16	
	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
Provinces and municipalities									
Households	74	-	12	86	85	1	98.8%	420	420
Social benefits	74	-	12	86	85	1	98.8%	325	325
Other transfers to households	-	-	-	-	-	-	-	95	95
Payments for capital assets	2 803	-	8 991	11 794	11 794	-	100.0%	6 753	6 751
Buildings and other fixed structures	-	-	10 905	10 905	10 905	-	100.0%	-	-
Buildings	-	-	10 905	10 905	10 905	-	100.0%	-	-
Other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	2 803	-	(1 914)	889	889	-	100.0%	6 753	6 751
Other machinery and equipment	2 803	-	(1 914)	889	889	-	100.0%	6 753	6 751
Payments for financial assets	-	-	-	-	1	(1)	-	6	6
Total	88 167	-	5 484	93 651	93 542	108	99.9%	90 724	88 531
SUB PROGRAMME 2.2: INFORMATION TECHNOLOGY									
Current payments	69 662	-	(301)	69 361	69 210	151	99.8%	52 249	52 012
Compensation of employees	12 659	-	-	12 659	12 659	-	100.0%	11 027	11 027
Salaries and wages	11 233	-	(536)	10 697	10 697	-	100.0%	9 340	9 340
Social contributions	1 426	-	536	1 962	1 962	-	100.0%	1 687	1 687
Goods and services	57 003	-	(301)	56 702	56 551	151	99.7%	41 222	40 985
Administration	13	-	-	13	7	6	53.8%	18	7
Advertising	-	-	3 098	3 098	3 098	-	100.0%	-	-
Minor assets	245	-	(190)	55	50	5	90.9%	109	81
Bursaries: Employees	20	-	-	20	-	20	0.0%	15	-
Catering: Departmental activities	266	-	(104)	162	157	5	96.9%	8 874	8 874

APPROPRIATION STATEMENT for the year ended 31 March 2017

	2016/17						2015/16		
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Communication (G&S)	13 988	-	(6 385)	7 603	7 603	-	100.0%	10 927	10 881
Computer services	17 119	-	(1 295)	15 824	15 786	38	99.8%	140	140
Consultants: business and Advisory	200	-	(190)	10	-	10	0.0%	1 739	1 733
Contractors	5 203	-	(356)	4 847	4 847	-	100.0%	-	-
Agency & support/outourced services	-	-	182	182	182	-	100.0%	6 220	6 220
Fleet Services	4 174	-	1 947	6 121	6 121	-	100.0%	-	-
Inventory: clothing, material and accessories	10	-	-	10	-	10	0.0%	34	17
Consumable supplies	30	-	12	42	41	1	97.6%	213	199
Consumables: stationery, printing & office supplies	28	-	600	628	628	-	100.0%	5 925	5 897
Operating leases	5 883	-	2 530	8 413	8 410	3	100.0%	6 762	6 762
Property payments	9 498	-	(228)	9 270	9 270	-	100.0%	187	144
Travel and subsistence	246	-	(82)	164	116	48	70.7%	20	-
Training and development	55	-	(50)	5	-	5	0.0%	39	30
Operating payments	25	-	8	33	33	-	100.0%	-	-
Venues and Facilities	-	-	202	202	202	-	100.0%	-	-
Transfers and subsidies	69	-	56	125	124	1	99.2%	158	158
Provinces and municipalities	69	-	56	125	124	1	99.2%	76	76
Provinces	69	-	56	125	124	1	99.2%	76	76
Provincial agencies and funds	69	-	56	125	124	1	99.2%	76	76
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-
Households	-	-	-	-	-	-	-	82	82
Social benefits	-	-	-	-	-	-	-	82	82

APPROPRIATION STATEMENT for the year ended 31 March 2017

Programme 2: INSTITUTIONAL DEVELOPMENT	2016/17						2015/16		
	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	4 708	-	493	5 201	5 196	5	99.9%	11 942	10 916
Buildings and other fixed structures	766	-	(766)	-	-	-	-	1 027	-
Buildings	766	-	(766)	-	-	-	-	1 027	-
Machinery and equipment	3 942	-	1 259	5 201	5 196	5	99.9%	10 915	10 916
Transport equipment	2 897	-	1 421	4 318	4 318	-	100.0%	10 867	10 867
Other machinery and equipment	1 045	-	(162)	883	878	5	99.4%	48	49
Payments for financial assets	-	-	-	-	-	-	-	14	14
Total	74 439	-	248	74 687	74 530	157	99.8%	64 363	63 100

APPROPRIATION STATEMENT for the year ended 31 March 2017

SUB PROGRAMME 2.3: LEGAL SERVICES	2016/17						2015/16		
	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	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments	10 492	-	(85)	10 407	10 366	41	99.6%	10 523	10 386
Compensation of employees	9 495	-	-	9 495	9 494	1	100.0%	9 623	9 623
Salaries and wages	8 894	-	(474)	8 420	8 419	1	100.0%	8 478	8 478
Social contributions	601	-	474	1 075	1 075	-	100.0%	1 145	1 145
Goods and services	997	-	(85)	912	872	40	95.6%	900	763

APPROPRIATION STATEMENT for the year ended 31 March 2017

SUB PROGRAMME 2.3: LEGAL SERVICES		2016/17							2015/16	
		Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000
Administration	5	-	-	5	1	4	20.0%	-	-	
Advertising	-	-	-	-	-	-	-	15	15	
Minor assets	6	-	-	6	-	6	0.0%	7	6	
Catering: Departmental activities	10	-	-	10	-	10	0.0%	20	5	
Computer services	3	-	-	3	-	3	0.0%	3	-	
Legal services	262	-	13	275	275	-	100.0%	160	149	
Contractors	38	-	(38)	-	-	-	0.0%	27	1	
Consumable supplies	14	-	-	14	11	3	78.6%	14	7	
Consumables: stationery, printing & office supplies	406	-	(20)	386	384	2	99.5%	330	304	
Operating leases	117	-	-	117	109	8	93.2%	103	103	
Property payments	1	-	-	1	-	1	0.0%	1	-	
Travel and subsistence	135	-	(40)	95	92	3	96.8%	101	54	
Venues and facilities	-	-	-	-	-	-	-	119	119	
Transfers and subsidies	27	-	85	112	112	-	100.0%	48	48	
Provinces and municipalities	-	-	-	-	-	-	-	-	-	
Non Profit Institutions	27	-	-	27	27	-	100.0%	-	-	
Households	-	-	85	85	85	-	100.0%	48	48	
Social benefits	-	-	-	-	-	-	-	48	48	
Other transfers to households	-	-	85	85	85	-	100.0%	-	-	
Payments for capital assets	50	-	(50)	-	-	-	0.0%	31	31	
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-	

APPROPRIATION STATEMENT for the year ended 31 March 2017

SUB PROGRAMME 2.3: LEGAL SERVICES		2016/17						2015/16		
		Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000
Machinery and equipment	50	-	(50)	-	-	-	-	0.0%	31	31
Other machinery and equipment	50	-	(50)	-	-	-	-	0.0%	31	31
Payments for financial assets	-	-	-	-	-	-	-	-	-	-
Total	10 569	-	(50)	10 519	10 478	41	99.6%	10 602	10 465	

APPROPRIATION STATEMENT for the year ended 31 March 2017

SUB PROGRAMME 2.4: COMMUNICATION SERVICES		2016/17						2015/16	
		Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation
Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000
Current payments	48 038	-	(500)	47 538	47 492	46	99.9%	66 114	66 113
Compensation of employees	7 747	-	(500)	7 247	7 242	5	99.9%	8 007	8 007
Salaries and wages	6 846	-	(324)	6 522	6 517	5	99.9%	7 203	7 203
Social contributions	901	-	(176)	725	-	-	100.0%	804	804
Goods and services	40 291	-	-	40 291	40 250	41	99.9%	58 107	58 106
Administration	80	-	29	109	109	-	100.0%	91	91
Advertising	35 966	-	1 844	37 810	37 810	-	100.0%	55 249	55 249
Minor assets	490	-	(482)	8	8	-	100.0%	38	38
Catering: Departmental activities	200	-	(40)	160	160	-	100.0%	112	111

APPROPRIATION STATEMENT for the year ended 31 March 2017

SUB PROGRAMME 2.4: COMMUNICATION SERVICES		2016/17						2015/16		
		Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Communication (G&S)	150	-	(119)	31	31	-	100.0%	23	23	
Computer services	20	-	(20)	-	-	-	-	7	7	
Consultants: Business and Advisory services	-	-	-	-	-	-	-	120	120	
Contractors	-	-	43	43	43	-	100.0%	719	719	
Consumable supplies	80	-	(75)	5	5	-	100.0%	9	9	
Consumables: stationery, printing & office supplies	735	-	(300)	435	424	11	97.5%	264	264	
Operating leases	200	-	(139)	61	61	-	100.0%	72	72	
Property payments	-	-	5	5	5	-	100.0%	6	6	
Travel and subsistence	2 270	-	(1 060)	1 210	1 210	-	100.0%	1 397	1 397	
Training and development	100	-	(58)	42	12	-	28.6%	-	-	
Venues and facilities	-	-	372	372	372	30	100.0%	-	-	
Transfers and subsidies	118	-	-	118	118	-	100.0%	-	-	
Households	118	-	-	118	118	-	100.0%	-	-	
Social benefits	118	-	-	118	118	-	100.0%	-	-	
Other transfers to households	-	-	-	-	-	-	-	-	-	
Payments for capital assets	1 697	-	(1 681)	16	16	-	100.0%	559	559	
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-	
Machinery and equipment	1 697	-	(1 681)	16	16	-	100.0%	559	559	
Other machinery and equipment	1 697	-	(1 681)	16	16	-	100.0%	559	559	
Payments for financial assets	-	-	-	-	-	-	-	-	-	
Total	49 853	-	(2 181)	47 672	47 626	46	99.9%	66 673	66 672	

APPROPRIATION STATEMENT for the year ended 31 March 2017

SUB PROGRAMME 2.5: SPECIAL PROGRAMMES		2016/17						2015/16		
		Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments	38 894	-	204	39 098	39 072	26	99.9%	58 391	58 357	
Compensation of employees	16 142	-	204	16 346	16 346	-	100.0%	15 317	15 317	
Salaries and wages	14 332	-	(122)	14 210	14 210	-	100.0%	13 390	13 390	
Social contributions	1 810	-	326	2 136	2 136	-	100.0%	1 927	1 927	
Goods and services	22 752	-	-	22 752	22 726	26	99.9%	43 074	43 040	
Administrative fees	320	-	(83)	237	228	9	96.2%	297	264	
Advertising	250	-	1 941	2 191	2 191	-	100.0%	4 515	4 515	
Minor assets	1 575	-	(1 560)	15	15	-	100.0%	26	26	
Bursaries: Employees	24	-	(10)	14	-	14	0.0%	-	-	
Catering: Departmental activities	2 132	-	1 795	3 927	3 927	-	100.0%	4 921	4 920	
Computer services	4 420	-	(4 420)	-	-	-	0.0%	225	225	
Consultants: Business and Advisory services	4 311	-	368	4 679	4 678	1	100.0%	7 024	7 024	
Legal Services	-	-	-	-	-	-	-	1 541	1 541	
Contractors	1 000	-	1 192	2 192	2 192	-	100.0%	4 052	4 052	
Agency & support/outsourced services	420	-	(78)	342	342	-	100.0%	450	450	
Consumable supplies	-	-	134	134	134	-	100.0%	1 698	1 698	
Consumables: stationery, printing & office supplies	650	-	(503)	147	147	-	100.0%	619	619	
Operating leases	130	-	38	168	166	2	98.8%	111	111	
Property payments	-	-	57	57	57	-	100.0%	-	-	
Transport: Departmental Activities	1 935	-	1 824	3 759	3 759	-	100.0%	10 043	10 043	
Travel and subsistence	4 435	-	(1 988)	2 447	2 447	-	100.0%	2 941	2 941	

APPROPRIATION STATEMENT for the year ended 31 March 2017

SUB PROGRAMME 2.5: SPECIAL PROGRAMMES		2016/17						2015/16	
Economic classification	Adjusted Appropriation R'000	Shifting of Funds R'000	Virement R'000	Final Appropriation R'000	Actual Expenditure R'000	Variance R'000	Expenditure as % of final appropriation %	Final Appropriation R'000	Actual expenditure R'000
Training and development	300	-	(300)	-	-	-	0.0%	90	90
Venues and facilities	850	-	1 593	2 443	2 443	-	100.0%	4 521	4 521
Transfers and subsidies	243	-	-	243	243	-	100.0%	42	42
Provinces and municipalities	-	-	-	-	-	-	-	-	-
Households	243	-	-	243	243	-	100.0%	42	42
Social benefits	-	-	-	-	-	-	-	-	-
Other transfers to households	243	-	-	243	243	-	100.0%	-	-
Payments for capital assets	131	-	(63)	68	68	-	100.0%	8	8
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	66	-	2	68	68	-	100.0%	8	8
Other machinery and equipment	66	-	2	68	68	-	100.0%	8	8
Intangible assets	65	-	(65)	-	-	-	0.0%	-	-
Payments for financial assets	-	-	-	-	-	-	-	-	-
Total	39 268		141	39 409	39 383	26	99.9%	58 441	58 407

APPROPRIATION STATEMENT for the year ended 31 March 2017

SUB PROGRAMME 2.6: INTERGOVERNMENTAL RELATIONS		2016/17						2015/16	
Economic classification	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments	12 623	-	1 270	13 893	13 798	95	99.3%	10 954	10 954
Compensation of employees	10 064	-	1 270	11 334	11 334	-	100.0%	8 531	8 531
Salaries and wages	9 363	-	734	10 097	10 097	-	100.0%	7 627	7 627
Social contributions	701	-	536	1 237	1 237	-	100.0%	904	904
Goods and services	2 559	-	-	2 559	2 464	95	96.3%	2 423	2 423
Administration	50	-	32	82	82	-	100.0%	100	100
Advertising	57	-	39	96	96	-	100.0%	14	14
Minor assets	50	-	-	50	38	12	76.0%	276	276
Catering: Departmental activities	200	-	(11)	189	186	3	98.4%	380	380
Computer services	-	-	-	-	-	-	-	2	2
Consultants: Business and Advisory services	-	-	11	11	11	-	100.0%	-	-
Contractors	130	-	(39)	91	76	15	83.5%	(230)	(230)
Consumable supplies	12	-	-	12	5	7	41.7%	7	7
Consumables: stationery, printing & office supplies	213	-	(32)	181	149	32	82.3%	206	206
Operating leases	100	-	(10)	90	75	15	83.3%	83	83
Transport provided: Departmental activity	-	-	10	10	10	-	100.0%	-	-
Travel and subsistence	1 470	-	236	1 706	1 706	-	100.0%	1 058	1 058
Training and development	72	-	(61)	11	-	11	0.0%	-	-
Venues and facilities	205	-	(175)	30	30	-	100.0%	67	67
Payments for capital assets	483	-	(265)	218	218	-	100.0%	1 349	1 349
Buildings and other fixed structures									
Machinery and equipment	483	-	(265)	218	218	-	100.0%	1 349	1 349

APPROPRIATION STATEMENT for the year ended 31 March 2017

SUB PROGRAMME 2.6: INTERGOVERNMENTAL RELATIONS									
2016/17							2015/16		
	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	R'000	R'000	R'000	R'000	R'000	R'000		R'000	R'000
Transport equipment	-	-	-	-	-	-	-	501	501
Other machinery and equipment	483	-	(265)	218	218	-	100.0%	848	848
Heritage assets	-	-	-	-	-	-	-	-	-
Payments for financial assets	-	-	-	-	-	-	-	-	-
Total	13 106	-	1 005	14 111	14 016	95	99.3%	12 303	12 303

APPROPRIATION STATEMENT for the year ended 31 March 2017

SUB PROGRAMME 2.7: GAMING AND BETTING									
2016/17							2015/16		
	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	R'000	R'000	R'000	R'000	R'000	R'000		R'000	R'000
Current payments	3 219	-	(1 474)	1 745	1 457	288	83.5%	-	-
Compensation of employees	2 324	-	(1 474)	850	566	284	66.6%	-	-
Salaries and wages	1 964	-	(1 404)	560	494	66	88.2%	-	-
Social contributions	360	-	(70)	290	72	218	24.8%	-	-
Goods and services	895	-	-	895	891	4	99.6%	-	-
Administration	21	-	(21)	-	-	-	0.0%	-	-
Advertising	15	-	(15)	-	-	-	0.0%	-	-
Minor assets	16	-	(16)	-	-	-	0.0%	-	-

APPROPRIATION STATEMENT for the year ended 31 March 2017

SUB PROGRAMME 2.7: GAMING AND BETTING	2016/17							2015/16		
	Economic classification	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Communication	22	-	-	-	22	19	3	86.4%	-	-
Computer services	5	-	(4)	-	1	-	1	0.0%	-	-
Consultants: Business and Advisory services	104	-	(104)	-	-	-	-	0.0%	-	-
Legal Services	52	-	642	-	694	694	-	100.0%	-	-
Contractors	21	-	(19)	-	2	2	-	100.0%	-	-
Consumable supplies	14	-	(7)	-	7	7	-	100.0%	-	-
Consumables: stationery, printing & office supplies	164	-	(43)	-	121	121	-	100.0%	-	-
Operating leases	47	-	(30)	-	17	17	-	100.0%	-	-
Property payments	22	-	5	-	27	27	-	100.0%	-	-
Travel and subsistence	352	-	(352)	-	-	-	-	0.0%	-	-
Training and development	9	-	(9)	-	-	-	-	0.0%	-	-
Operating payments	31	-	(27)	-	4	4	-	100.0%	-	-
Transfers and subsidies	19 255	-	-	-	19 255	19 255	-	100.0%	-	-
Departmental agencies and accounts	19 255	-	-	-	19 255	19 255	-	100.0%	-	-
Departmental agencies (non business entities)	19 255	-	-	-	19 255	19 255	-	100.0%	-	-
Households	-	-	-	-	-	-	-	-	-	-
Social benefits	-	-	-	-	-	-	-	-	-	-
Other transfers to households	-	-	-	-	-	-	-	-	-	-
Payments for capital assets	-	-	-	-	-	-	-	-	-	-
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-	-
Machinery and equipment	-	-	-	-	-	-	-	-	-	-

APPROPRIATION STATEMENT for the year ended 31 March 2017

SUB PROGRAMME 2.7: GAMING AND BETTING		2016/17						2015/16		
		Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
Economic classification		R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000
Transport equipment		-	-	-	-	-	-	-	-	-
Other machinery and equipment		-	-	-	-	-	-	-	-	-
Heritage assets		-	-	-	-	-	-	-	-	-
Payments for financial assets		-	-	-	-	-	-	-	-	-
Total		22 474	-	(1 474)	21 000	20 712	288	98.6%	-	-

APPROPRIATION STATEMENT for the year ended 31 March 2017

Programme 3: POLICY AND GOVERNANCE		2016/17						2015/16		
		Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
Sub programme		R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000
1. PROVINCIAL POLICY MANAGEMENT		43 814	-	(2 945)	40 869	40 746	123	99.7%	41 899	34 153
2. PREMIER'S PRIORITY PROGRAMMES		128 280	-	6 967	135 247	132 835	2 412	98.2%	152 751	141 382
3. ROYAL HOUSEHOLD		74 474	-	973	75 447	71 152	4 295	94.3%	76 286	59 702
4. HERITAGE		55 958	-	(3 578)	52 380	52 328	52	99.9%	64 320	64 277
Total for sub programmes		302 526	-	1 417	303 943	297 061	6 882	97.7%	335 256	299 514
Economic classification										
Current payments		200 507	-	(3 294)	197 213	194 711	2 502	98.7%	221 816	204 666

APPROPRIATION STATEMENT for the year ended 31 March 2017

Programme 3: POLICY AND GOVERNANCE	2016/17						2015/16		
	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
Compensation of employees	89 800	-	(2 500)	87 300	86 285	1 015	98.8%	71 210	69 474
Salaries and wages	81 777	-	(2 936)	78 841	77 986	855	98.9%	63 887	62 592
Social contributions	8 023	-	436	8 459	8 299	160	98.1%	7 323	6 882
Goods and services	110 707	-	(794)	109 913	108 426	1 487	98.6%	150 606	135 192
Administrative fees	1 346	-	5	1 351	1 348	3	99.8%	1 665	1 453
Advertising	3 360	-	(240)	3 120	2 915	205	93.4%	3 948	3 633
Minor assets	5 827	-	(3 867)	1 960	1 576	384	80.4%	792	537
Audit costs: External	40	-	(12)	28	-	28	0.0%	646	646
Bursaries: Employees	350	-	(300)	50	-	50	0.0%	-	-
Catering: Departmental activities	6 595	-	4 580	11 175	11 157	18	99.8%	16 496	16 323
Communication	548	-	140	688	564	124	82.0%	506	352
Computer services	9 765	-	676	10 441	10 436	5	100.0%	12 121	12 036
Consultants: Business and advisory services	13 752	-	(2 954)	10 798	10 798	-	100.0%	17 137	12 591
Legal services	80	-	-	80	-	80	-	-	-
Contractors	12 774	-	14 182	26 956	26 953	3	100.0%	46 952	46 640
Agency and support / outsourced services	3 786	-	(2 661)	1 125	1 109	16	98.6%	1 249	1 216
Fleet services	480	-	1 292	1 772	1 772	-	100.0%	508	508
Consumable supplies	2 987	-	(1 444)	1 543	1 503	40	97.4%	2 393	2 150
Consumable: Stationery, printing & office supplies	4 225	-	(1 455)	2 770	2 615	155	94.4%	2 575	2 011
Operating leases	1 915	-	(733)	1 182	1 087	95	92.0%	954	675
Property payments	2 662	-	(2 361)	301	274	27	91.0%	132	132
Transport provided: Departmental activity	7 201	-	(1 089)	6 112	6 112	-	100.0%	10 719	10 027

APPROPRIATION STATEMENT for the year ended 31 March 2017

	2016/17						2015/16		
	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	19 177	-	(6 001)	13 176	13 126	50	99.6%	12 354	11 037
Training and development	800	-	(539)	261	198	63	75.9%	130	25
Operating payments	842	-	(104)	738	693	45	93.9%	686	472
Venues and facilities	12 195	-	2 091	14 286	14 190	96	99.3%	18 643	12 743
Transfers and subsidies	80 270	-	8 714	88 984	88 983	1	100.0%	84 465	79 804
Provinces and municipalities	11	-	1	12	12	-	100.0%	10	-
Provinces	11	-	1	12	12	-	100.0%	10	-
Provincial agencies and funds	11	-	1	12	12	-	100.0%	10	-
Municipalities	-	-	-	-	-	-	-	-	-
Municipal agencies and funds	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	56 005	-	-	56 005	56 005	-	100.0%	62 392	58 979
Departmental agencies	56 005	-	-	56 005	56 005	-	100.0%	62 392	58 979
Households	24 254	-	8 713	32 967	32 966	1	100.0%	22 063	20 825
Social benefits	82	-	228	310	310	-	100.0%	190	189
Other transfers to households	24 172	-	8 485	32 657	32 656	1	100.0%	21 873	20 636
Payments for capital assets	19 509	-	(4 003)	15 506	13 322	2 184	85.9%	26 250	12 319
Buildings and other fixed structures	9 171	-	(1 171)	8 000	5 918	2 082	74.0%	10 271	2 271
Buildings	9 171	-	(1 171)	8 000	5 918	2 082	74.0%	-	-
Other fixed structures	-	-	-	-	-	-	-	10 271	2 271
Machinery and equipment	5 838	-	863	6 701	6 599	102	98.5%	12 297	6 366
Transport equipment	1 878	-	1 163	3 041	3 041	-	100.0%	6 233	3 407
Other machinery and equipment	3 960	-	(300)	3 660	3 558	102	97.2%	6 064	2 959
Heritage assets	4 500	-	(3 695)	805	805	-	100.0%	3 682	3 682

APPROPRIATION STATEMENT for the year ended 31 March 2017

	2016/17						2015/16		
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Payments for financial assets	2 240	-	-	2 240	45	2 195	2.0%	2 275	2 725
Total	302 526	-	1 417	303 943	297 061	6 882	97.7%	335 256	299 514

APPROPRIATION STATEMENT for the year ended 31 March 2017

	2016/17						2015/16		
	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	42 563	-	(2 227)	40 336	40 213	123	99.7%	41 127	34 034
Compensation of employees	18 645	-	(1 700)	16 945	16 922	23	99.9%	14 528	14 009
Salaries and wages	17 256	-	(1 976)	15 280	15 257	23	99.8%	12 710	12 632
Social contributions	1 389	-	276	1 665	1 665	-	100.0%	1 818	1 377
Goods and services	23 918	-	(527)	23 391	23 291	100	99.6%	26 599	20 025
Administration	73	-	24	97	97	-	100.0%	340	147
Advertising	490	-	(469)	21	15	6	71.4%	683	368
Minor assets	483	-	(331)	152	138	14	90.8%	281	26
Catering: Departmental activities	650	-	(434)	216	208	8	96.3%	345	172
Communication (G&S)	98	-	(67)	31	6	25	19.4%	82	2

APPROPRIATION STATEMENT for the year ended 31 March 2017

SUB PROGRAMME 3.1: PROVINCIAL POLICY MANAGEMENT		2016/17							2015/16	
		Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Computer services	9 660	-	558	10 218	10 218	-	100.0%	12 082	12 012	
Consultants: Business and Advisory services	1 090	-	1 970	3 060	3 060	-	100.0%	6 445	3 378	
Contractors	1 540	-	(1 184)	356	353	3	99.2%	712	434	
Fleet Services	-	-	-	-	-	-	-	1	1	
Consumable supplies	1 175	-	(667)	508	496	12	97.6%	579	496	
Consumables: stationery, printing & office supplies	1 765	-	(241)	1 524	1 508	16	99.0%	899	481	
Operating leases	500	-	(281)	219	211	8	96.3%	454	175	
Transport: Department activities	60	-	-	60	60	-	100.0%	45	45	
Travel and subsistence	4 433	-	(2 986)	1 447	1 443	4	99.7%	2 463	1 859	
Training and development	450	-	(450)	-	-	-	0.0%	130	25	
Operating payments	797	-	(140)	657	657	-	100.0%	438	404	
Venues and facilities	654	-	4 171	4 825	4 821	4	99.9%	620	-	
Transfers and subsidies	-	-	-	-	-	-	-	5	6	
Households	-	-	-	-	-	-	-	5	6	
Social benefits	-	-	-	-	-	-	-	5	4	
Other transfers to households	-	-	-	-	-	-	-	-	2	
Payments for capital assets	1 251	-	(718)	533	533	-	100.0%	763	109	
Buildings and other fixed structures										
Machinery and equipment	1 251	-	(718)	533	533	-	100.0%	763	109	
Other machinery and equipment	1 251	-	(718)	533	533	-	100.0%	763	109	

APPROPRIATION STATEMENT for the year ended 31 March 2017

SUB PROGRAMME 3.1: PROVINCIAL POLICY MANAGEMENT									
2016/17				2015/16					
	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									
Payments for financial assets	-	-	-	-	-	-	-	4	4
Total	43 814	-	(2 945)	40 869	40 746	123	99.7%	41 899	34 153

APPROPRIATION STATEMENT for the year ended 31 March 2017

SUB PROGRAMME 3.2: PREMIER'S PRIORITY PROGRAMMES									
2016/17					2015/16				
	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	101 933	-	(1 346)	100 587	98 278	2 309	97.7%	123 151	115 037
Compensation of employees	41 140	-	(1 346)	39 794	38 851	943	97.6%	31 292	30 075
Salaries and wages	38 078	-	(1 300)	36 778	35 995	783	97.9%	28 778	27 561
Social contributions	3 062	-	(46)	3 016	2 856	160	94.7%	2 514	2 514
Goods and services	60 793	-	-	60 793	59 427	1 366	97.8%	91 859	84 962
Administration	770	-	(49)	721	718	3	99.6%	886	867
Advertising	2 670	-	(151)	2 519	2 320	199	92.1%	2 486	2 486
Minor assets	4 526	-	(2 842)	1 684	1 314	370	78.0%	463	463
Audit costs: External	40	-	(12)	28	-	28	0.0%	-	-
Bursaries: Employees	50	-	-	50	-	50	0.0%	-	-
Catering: Departmental activities	4 124	-	3 332	7 456	7 446	10	99.9%	11 159	11 159

APPROPRIATION STATEMENT for the year ended 31 March 2017

SUB PROGRAMME 3.2: PREMIER'S PRIORITY PROGRAMMES		2016/17						2015/16	
Economic classification	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Communication (G&S)	300	-	(97)	203	120	83	59.1%	77	5
Computer services	100	-	12	112	112	-	100.0%	27	21
Consultants: Business and Advisory services	9 421	-	(2 335)	7 086	7 086	-	100.0%	7 733	6 254
Legal Services	80	-	-	80	-	80	0.0%	-	-
Contractors	8 178	-	13 655	21 833	21 833	-	100.0%	40 479	40 446
Agency support / outsourced serv	3 316	-	(2 504)	812	796	16	98.0%	773	773
Fleet Services	280	-	(280)	-	-	-	0.0%	-	-
Consumable supplies	1 137	-	(642)	495	467	28	94.3%	1 428	1 428
Consumables: stationery, printing & office supplies	1 600	-	(703)	897	758	139	84.5%	1 198	1 198
Operating leases	1 140	-	(473)	667	580	87	87.0%	247	247
Property payments	200	-	101	301	274	27	91.0%	48	48
Transport: Departmental activity	4 998	-	(211)	4 787	4 787	-	100.0%	7 281	7 273
Travel and subsistence	8 527	-	(2 765)	5 762	5 716	46	99.2%	4 636	4 636
Training and development	250	-	11	261	198	63	75.9%	-	-
Operating payments	45	-	-	45	-	45	0.0%	68	68
Venues and facilities	9 041	-	(4 047)	4 994	4 902	92	98.2%	12 870	7 590
Interest and rent on land									
Transfers and subsidies	24 172	-	8 485	32 657	32 656	1	100.0%	21 874	20 635
Provinces	-	-	-	-	-	-	-	-	-
Provinces and municipalities	-	-	-	-	-	-	-	-	-
Provincial agencies and funds	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-

APPROPRIATION STATEMENT for the year ended 31 March 2017
SUB PROGRAMME 3.2: PREMIER'S PRIORITY PROGRAMMES

	2016/17					2015/16				
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure	
Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	
Departmental agencies(non business entities)	-	-	-	-	-	-	-	-	-	
Households	24 172	-	8 485	32 657	32 656	1	100.0%	21 874	20 635	
Social benefits	-	-	-	-	-	-	-	2	2	
Other transfers to households	24 172	-	8 485	32 657	32 656	1	100.0%	21 872	20 633	
Payments for capital assets	2 130	-	(172)	1 958	1 856	102	94.8%	7 505	5 489	
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-	
Other fixed structures	-	-	-	-	-	-	-	-	-	
Machinery and equipment	2 130	-	(172)	1 958	1 856	102	94.8%	7 505	5 489	
Transport equipment	486	-	(486)	-	-	-	0.0%	2 912	2 912	
Other machinery and equipment	1 644	-	314	1 958	1 856	102	94.8%	4 593	2 577	
Payments for financial assets	45	-	-	45	45	-	100.0%	221	221	
Total	128 280	-	6 967	135 247	132 835	2 412	98.2%	152 751	141 382	

APPROPRIATION STATEMENT for the year ended 31 March 2017
SUB PROGRAMME 3.3: ROYAL HOUSEHOLD

	2016/17					2015/16				
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure	
Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	
Current payments	37 589	-	279	37 868	37 850	18	100.0%	31 930	30 030	
Compensation of employees	24 756	-	546	25 302	25 284	18	99.9%	20 317	20 317	

APPROPRIATION STATEMENT for the year ended 31 March 2017

SUB PROGRAMME 3.3: ROYAL HOUSEHOLD	2016/17							2015/16		
	Economic classification	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Salaries and wages	21 675	-	458	22 133	22 115	18	99.9%	17 833	17 833	17 833
Social contributions	3 081	-	88	3 169	3 169	-	100.0%	2 484	2 484	2 484
Goods and services	12 833	-	(267)	12 566	12 566	-	100.0%	11 613	11 613	9 713
Administration fees	500	-	(104)	396	396	-	100.0%	370	370	370
Advertising	200	-	(200)	-	-	-	0.0%	-	-	-
Minor Assets	460	-	(347)	113	113	-	100.0%	13	13	13
Audit costs: External	-	-	-	-	-	-	-	-	646	646
Bursaries: Employees	250	-	(250)	-	-	-	0.0%	-	-	-
Catering: Department activities	1 485	-	161	1 646	1 646	-	100.0%	2 119	2 119	2 119
Communication	-	-	438	438	438	-	100.0%	347	347	345
Computer services	-	-	106	106	106	-	100.0%	-	-	-
Contractors	1 036	-	68	1 104	1 104	-	100.0%	299	299	299
Fleet Services	200	-	1 572	1 772	1 772	-	100.0%	507	507	507
Consumable supplies	500	-	(13)	487	487	-	100.0%	370	370	210
Consumables: stationery, printing & office supplies	520	-	(465)	55	55	-	100.0%	261	261	115
Operating leases	100	-	133	233	233	-	100.0%	204	204	204
Property payments	2 407	-	(2 407)	-	-	-	0.0%	84	84	84
Transport: Departmental activity	843	-	(606)	237	237	-	100.0%	917	917	233
Travel and subsistence	3 732	-	737	4 469	4 469	-	100.0%	4 161	4 161	3 433
Training and development	100	-	(100)	-	-	-	0.0%	-	-	-
Operating payments	-	-	36	36	36	-	100.0%	180	180	-
Venues and facilities	500	-	974	1 474	1 474	-	100.0%	1 135	1 135	1 135

APPROPRIATION STATEMENT for the year ended 31 March 2017

SUB PROGRAMME 3.3: ROYAL HOUSEHOLD		2016/17							2015/16	
		Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000
Transfers and subsidies	23 070	-	128	23 198	23 198	23 198	-	100.0%	27 597	24 174
Provinces and municipalities	11	-	1	12	12	12	-	100.0%	10	-
Provinces	11	-	1	12	12	12	-	100.0%	10	-
Provincial agencies and funds	11	-	1	12	12	12	-	100.0%	10	-
Municipalities	-	-	-	-	-	-	-	-	-	-
Municipal agencies and funds	-	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	22 977	-	-	22 977	22 977	22 977	-	100.0%	27 415	24 002
Departmental agencies(non business entities)	22 977	-	-	22 977	22 977	22 977	-	100.0%	27 415	24 002
Households	82	-	127	209	209	209	-	100.0%	172	172
Social benefits	82	-	127	209	209	209	-	100.0%	171	171
Other transfers to households	-	-	-	-	-	-	-	-	1	1
Payments for capital assets	11 620	-	566	12 186	10 104	10 104	2 082	82.9%	14 259	2 998
Buildings and other fixed structures	9 171	-	(1 171)	8 000	5 918	5 918	2 082	74.0%	10 271	2 271
Buildings	9 171	-	(1 171)	8 000	5 918	5 918	2 082	74.0%	-	-
Other fixed structures	-	-	-	-	-	-	-	-	10 271	2 271
Machinery and equipment	2 449	-	1 737	4 186	4 186	4 186	-	100.0%	3 988	727
Transport equipment	1 392	-	1 649	3 041	3 041	3 041	-	100.0%	3 321	495
Other machinery and equipment	1 057	-	88	1 145	1 145	1 145	-	100.0%	667	232
Payments for financial assets	2 195	-	-	2 195	-	-	2 195	0.0%	2 500	2 500
Total	74 474	-	973	75 447	71 152	71 152	4 295	94.3%	76 286	59 702

APPROPRIATION STATEMENT for the year ended 31 March 2017										
SUB PROGRAMME 3.4: HERITAGE										
Economic classification	2016/17					2015/16				
	Adjusted Appropriation R'000	Shifting of Funds R'000	Virement R'000	Final Appropriation R'000	Actual Expenditure R'000	Variance R'000	Expenditure as % of final appropriation %	Final Appropriation R'000	Actual expenditure R'000	
Current payments	18 422	-	-	18 422	18 370	52	99.7%	25 608	25 565	
Compensation of employees	5 259	-	-	5 259	5 228	31	99.4%	5 073	5 073	
Salaries and wages	4 768	-	(118)	4 650	4 619	31	99.3%	4 566	4 566	
Social contributions	491	-	118	609	609	-	100.0%	507	507	
Goods and services	13 163	-	-	13 163	13 142	21	99.8%	20 535	20 492	
Administration fees	3	-	134	137	137	-	100.0%	69	69	
Advertising	-	-	580	580	580	-	100.0%	779	779	
Minor Assets	358	-	(347)	11	11	-	100.0%	35	35	
Bursaries: Employees	50	-	(50)	-	-	-	0.0%	-	-	
Catering: Department activities	336	-	1 521	1 857	1 857	-	100.0%	2 873	2 873	
Communication (G&S)	150	-	(134)	16	-	16	0.0%	-	-	
Computer services	5	-	-	5	-	5	0.0%	12	3	
Consultants: Business and Advisory services	3 241	-	(2 589)	652	652	-	100.0%	2 959	2 959	
Contractors	2 020	-	1 643	3 663	3 663	-	100.0%	5 462	5 461	
Agency support / outsourced serv	470	-	(157)	313	313	-	100.0%	476	443	
Consumable supplies	175	-	(122)	53	53	-	100.0%	16	16	
Consumables: stationery, printing & office supplies	340	-	(46)	294	294	-	100.0%	217	217	
Operating leases	175	-	(112)	63	63	-	100.0%	49	49	

APPROPRIATION STATEMENT for the year ended 31 March 2017									
SUB PROGRAMME 3.4: HERITAGE									
Economic classification	2016/17					2015/16			
	Adjusted Appropriation R'000	Shifting of Funds R'000	Virement R'000	Final Appropriation R'000	Actual Expenditure R'000	Variance R'000	Expenditure as % of final appropriation %	Final Appropriation R'000	Actual expenditure R'000
Property payments	55	-	(55)	-	-	-	0.0%	-	-
Transport: Departmental activity	1 300	-	(272)	1 028	1 028	-	100.0%	2 476	2 476
Travel and subsistence	2 485	-	(987)	1 498	1 498	-	100.0%	1 094	1 094
Venues and facilities	2 000	-	993	2 993	2 993	-	100.0%	4 018	4 018
Transfers and subsidies	33 028	-	101	33 129	33 129	-	100.0%	34 989	34 989
Provinces and municipalities	-	-	-	-	-	-	-	-	-
Provinces	-	-	-	-	-	-	-	-	-
Provincial agencies and funds	-	-	-	-	-	-	-	-	-
Municipalities	-	-	-	-	-	-	-	-	-
Municipal agencies and funds	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	33 028	-	-	33 028	33 028	-	100.0%	34 977	34 977
Departmental agencies(non business entities)	33 028	-	-	33 028	33 028	-	100.0%	34 977	34 977
Households	-	-	101	101	101	-	100.0%	12	12
Social benefits	-	-	101	101	101	-	100.0%	12	12
Other transfers to households	-	-	-	-	-	-	-	-	-
Payments for capital assets	4 508	-	(3 679)	829	829	-	100.0%	3 723	3 723
Machinery and equipment	8	-	16	24	24	-	100.0%	41	41
Other machinery and equipment	8	-	16	24	24	-	100.0%	41	41
Heritage assets	4 500	-	(3 695)	805	805	-	100.0%	3 682	3 682

APPROPRIATION STATEMENT for the year ended 31 March 2017									
SUB PROGRAMME 3.4: HERITAGE									
	2016/17					2015/16			
	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									
Payments for financial assets									
Total	55 958	-	(3 578)	52 380	52 328	52	99.9%	64 320	64 277

**NOTES TO THE APPROPRIATION STATEMENT
for the year ended 31 March 2017**

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	Variance as a % of Final Appropriation
		R'000	R'000	R'000	
	Programme 1: Administration	85 327	84 867	460	0.5%
	The total underspending for Programme 1 amounted to R460 000. This amount is made up of R199 000 for Compensation of Employees; R187 000 for Goods and Services and R74 000 for Transfers and Subsidies. The underspending against Compensation of Employees was in respect of staff exits as well as posts that were not filled as originally anticipated. Provincial Treasury imposed a moratorium to only fill critical posts as a turnaround strategy to contain costs within the Province. The approval process was also only subjected to the Premier and the MEC for Finance and this impacted on the recruitment process within the Department as delays were encountered to proceed with the filling of posts due to queries raised by Provincial Treasury. The underspending against Goods and Services was mainly due to reduced travel expenses as a result of key posts such as the Director-General that was not filled. Transfers and Subsidies was underspent due to reduced claims for post-retirement benefits.				
	Programme 2: Institutional Development	301 048	300 287	761	0.3%
	The total underspending for Programme 2 amounted to R761 000. This underspending emanated mainly from Compensation of Employees (R300 000) and Goods and Services (R450 000). The underspending against Compensation of Employees was in respect of staff exits as well as posts not being filled according to the HR provisioning plan due to the approval to fill posts being limited to the Premier and the MEC for Finance resulting in delays in the recruitment processes. Goods and Services was also underspent mainly due to the challenge of obtaining suitable office accommodation to meet the requirements of the Department.				
	Programme 3: Policy and Governance	303 943	297 061	6 882	2.3%

The total underspending for Programme 3 amounted to R6,882 million. This amount is made up of R1,015 million against Compensation of Employees; R1,487 million against Goods and Services, R2,184 million for Payments for Capital Assets and R2,195 million in respect of unauthorised expenditure approved without funding. The underspending against Compensation of Employees was mainly due to staff exits in respect of the Poverty Eradication unit. The underspending against Goods and Services was mainly due to the Poverty Eradication Implementation Programmes that were not launched in five municipalities due to the changes in leadership arising from the Municipal Elections. Negotiations had to be revisited with the new stakeholders on how to proceed with the implementation of the Poverty Eradication Programmes. The underspending against Payments for Capital Assets was mainly due to delays encountered with service providers for the renovations at the Royal Palaces. An amount of R1,313 million was requested as a rollover of funds for the completion of the renovations at the Royal Palaces during the 2017/18 financial year.

**NOTES TO THE APPROPRIATION STATEMENT
for the year ended 31 March 2017**

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	255 955	254 441	1 514	0.6%
Goods and services	286 621	284 492	2 129	0.7%
Interest and rent on land	-	-	-	-
Transfers and subsidies				
Provinces and municipalities	137	136	1	0.7%
Departmental agencies and accounts	75 260	75 260	-	0.0%
Non-Profit Institutions	27	27	-	0.0%
Households	36 059	35 983	76	0.2%
Payments for capital assets				
Buildings and other fixed structures	18 905	16 823	2 082	11.0%
Machinery and equipment	14 309	14 202	107	0.7%
Heritage assets	805	805	-	0.0%
Intangible assets	-	-	-	-
Payments for financial assets	2 240	2 240	-	0.0%

Compensation of Employees:

The underspending of R1,514 million is mainly attributed to the moratorium on the filling of posts that was implemented by Provincial Treasury. The moratorium imposed by Provincial Treasury was a turnaround strategy to contain costs within the Province by restricting the filling of posts, to that of only critical posts, and also by subjecting the approval process to the Premier and the MEC for Finance. This impacted on the recruitment process in the Department thereby resulting in the underspending of funds against Compensation of Employees. A number of staff exits as a result of resignations and promotional transfers also contributed to the underspending.

Goods and Services:

The under spending of R2,129 million is mainly attributed to the following: a) The challenge to obtain suitable office accommodation to meet the requirements of the Department. b) The Poverty Eradication Master Plan programmes that were not launched in the municipalities due to negotiations that had to be revisited with new stakeholders that emanated from changes in leadership during the Municipal Elections. c) Travel expenses were also greatly reduced as a result of key posts such as the Director-General, Chief of Staff and General Managers that were not filled during the year.

Provinces and Municipalities:

The expenditure of R136 000 is in respect of motor vehicle licences.

Departmental Agencies and Accounts:

Funds were transferred to the following Public Entities: KwaZulu-Natal Gaming and Betting Board: R19,255 million. The Royal Household Trust: R22,977 million. Amafa aKwazulu-Natali: R33,028 million

**NOTES TO THE APPROPRIATION STATEMENT
for the year ended 31 March 2017**

Households:

The saving of R76 000 is mainly due to the reduction in claims for post-retirement benefits.

Buildings and other Fixed Structures:

The underspending of R2,082 million was mainly due to delays encountered with service providers for the renovations at the Royal Palaces. An amount of R1,313 million was requested as a rollover of funds for the completion of the renovations at the Royal Palaces during the 2017/18 financial year.

Machinery and Equipment:

The underspending of R107 000 is mainly due to office furniture and equipment requirements for the Poverty Eradication that was not utilized due the delays in filling posts. As these funds are ring-fenced, this amount will remain as underspent at the financial year end.

STATEMENT OF FINANCIAL PERFORMANCE
for the year ended 31 March 2017

	Note	2016/17 R'000	2015/16 R'000
REVENUE			
Annual appropriation	1	690 318	737 794
Departmental revenue	2	466	1 130
Aid assistance	3	8 870	12 577
TOTAL REVENUE		699 654	751 501
EXPENDITURE			
Current expenditure			
Compensation of employees	4	254 441	229 950
Goods and services	5	284 492	344 465
Total current expenditure		538 933	574 415
Transfers and subsidies			
Transfers and subsidies	7	111 406	81 572
Aid assistance	3	13 824	4 983
Total transfers and subsidies		125 230	86 555
Expenditure for capital assets			
Tangible assets	8	31 830	33 146
Intangible assets	8		147
Total expenditure for capital assets		31 830	33 293
Unauthorised expenditure approved without funding	9	2 193	2 500
Payments for financial assets	6	46	271
TOTAL EXPENDITURE		698 232	697 034
SURPLUS/(DEFICIT) FOR THE YEAR		1 422	54 467

**STATEMENT OF FINANCIAL PERFORMANCE
for the year ended 31 March 2017**

Reconciliation of Net Surplus/(Deficit) for the year

Voted funds		5 910	45 743
Annual appropriation		5 910	45 743
Conditional grants			
Departmental revenue and NRF Receipts	14	466	1 130
Aid assistance	3	(4 954)	7 594
SURPLUS/(DEFICIT) FOR THE YEAR		1 422	54 467

STATEMENT OF FINANCIAL POSITION
as at 31 March 2017

	Note	2016/17 R'000	2015/16 R'000
ASSETS			
Current assets		9 039	46 568
Unauthorised expenditure	9	-	4 820
Cash and cash equivalents	10	8 803	29 588
Prepayments and advances	11		10 913
Receivables	12	236	1 247
Non-current assets		8 330	8 483
Receivables	12	8 330	8 483
TOTAL ASSETS		17 369	55 051
LIABILITIES			
Current liabilities		14 106	53 889
Voted funds to be surrendered to the Revenue Fund	13	5 910	45 743
Departmental revenue and NRF Receipts to be surrendered to the Revenue Fund	14	5 244	(5)
Bank overdraft	15		-
Payables	16	324	569
Aid assistance unutilised	3	2 628	7 582
Non-Current Liabilities			
Payables		1 784	
TOTAL LIABILITIES		15 890	53 889
NET ASSETS		1 479	1 162
	Note	2016/17 R'000	2015/16 R'000
Represented by:			
Recoverable revenue		1 479	1 162
TOTAL		1 479	1 162

**STATEMENT OF CHANGES IN NET ASSETS
for the year ended 31 March 2017**

	Note	2016/17 R'000	2015/16 R'000
Recoverable revenue			
Opening balance		1 162	1 050
Transfers:		317	112
Irrecoverable amounts written off			
Debts revised			
Debts recovered (included in departmental receipts)		-36	-128
Debts raised		353	240
Closing balance		<u>1 479</u>	<u>1 162</u>
TOTAL		<u><u>1 479</u></u>	<u><u>1 162</u></u>

CASH FLOW STATEMENT
for the year ended 31 March 2017

	Note	2016/17 R'000	2015/16 R'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts		699 654	750 966
Annual appropriated funds received	1.1	690 318	737 794
Departmental revenue received	2	458	572
Interest received	2.2	8	23
Aid assistance received	3	8 870	12 577
Net (increase)/decrease in working capital		16 652	4 040
Surrendered to Revenue Fund		(40 958)	(40 095)
Current payments		(541 126)	(576 915)
Payments for financial assets		(46)	(271)
Transfers and subsidies paid		(125 230)	(86 557)
Net cash flow available from operating activities	17	8 946	51 168
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for capital assets	8	(31 830)	(33 293)
Proceeds from sale of capital assets	2		535
Net cash flows from investing activities		(31 830)	(32 758)
CASH FLOWS FROM FINANCING ACTIVITIES			
Increase/(decrease) in net assets		317	112
Increase/ (decrease)in net assets		1 784	-
Net cash flows from financing activities		2 101	112
Net increase/(decrease) in cash and cash equivalents		(20 783)	18 522
Cash and cash equivalents at beginning of period		29 586	11 064
Unrealised gains and losses within cash and cash equivalents			-
Cash and cash equivalents at end of period	10	8 803	29 586

ACCOUNTING POLICIES for the year ended 31 March 2017

Summary of significant accounting policies

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

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

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

- 1 Basis of preparation**
The financial statements have been prepared in accordance with the Modified Cash Standard.
- 2 Going concern**
The financial statements have been prepared on a going concern basis.
- 3 Presentation currency**
Amounts have been presented in the currency of the South African Rand (R) which is also the functional currency of the department.
- 4 Rounding**
Unless otherwise stated financial figures have been rounded to the nearest one thousand Rand (R'000).
- 5 Foreign currency translation**
Cash flows arising from foreign currency transactions are translated into South African Rands using the spot exchange rates prevailing at the date of payment / receipt.
- 6 Comparative information**
 - 6.1 Prior period comparative information**
Prior period comparative information has been presented in the current year's financial statements. Where necessary figures included in the prior period financial statements have been reclassified to ensure that the format in which the information is presented is consistent with the format of the current year's financial statements.
 - 6.2 Current year comparison with budget**
A comparison between the approved, final budget and actual amounts for each programme and economic classification is included in the appropriation statement.
- 7 Revenue**

ACCOUNTING POLICIES
for the year ended 31 March 2017

7.1 Appropriated funds

Appropriated funds comprises of departmental allocations as well as direct charges against the revenue fund (i.e. statutory appropriation).

Appropriated funds are recognised in the statement of financial performance on the date the appropriation becomes effective. Adjustments made in terms of the adjustments budget process are recognised in the statement of financial performance on the date the adjustments become effective.

The net amount of any appropriated funds due to / from the relevant revenue fund at the reporting date is recognised as a payable / receivable in the statement of financial position.

7.2 Departmental revenue

Departmental revenue is recognised in the statement of financial performance when received and is subsequently paid into the relevant revenue fund, unless stated otherwise.

Any amount owing to the relevant revenue fund at the reporting date is recognised as a payable in the statement of financial position.

7.3 Accrued departmental revenue

Accruals in respect of departmental revenue (excluding tax revenue) are recorded in the notes to the financial statements when:

- it is probable that the economic benefits or service potential associated with the transaction will flow to the department; and
- the amount of revenue can be measured reliably.

The accrued revenue is measured at the fair value of the consideration receivable.

Accrued tax revenue (and related interest and / penalties) is measured at amounts receivable from collecting agents.

8 Expenditure

8.1 Compensation of employees

8.1.1 Salaries and wages

Salaries and wages are recognised in the statement of financial performance on the date of payment.

8.1.2 Social contributions

Social contributions made by the department in respect of current employees are recognised in the statement of financial performance on the date of payment.

Social contributions made by the department in respect of ex-employees are classified as transfers to households in the statement of financial performance on the date of payment.

8.2 Other expenditure

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.

ACCOUNTING POLICIES for the year ended 31 March 2017

8.3 Accrued expenditure payable

Accrued expenditure payable is recorded in the notes to the financial statements when the goods are received or, in the case of services, when they are rendered to the department. Accrued expenditure payable is measured at cost.

The definition of Accruals has been amended in the 2015/16 Financial year to distinguish between Accruals and Accruals-Payables. Accruals refers to goods and services ordered and received, for which no invoice has been received as at 31 March 2016. Accruals Payables refers to those goods and services which have been ordered and received, for which invoices have been received before 31 March 2016, but not paid as at 31 March 2016.

8.4 Leases

8.4.1 Operating leases

Operating lease payments made during the reporting period are recognised as current expenditure in the statement of financial performance on the date of payment.

The operating lease commitments are recorded in the notes to the financial statements.

8.4.2 Finance leases

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:

- 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

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

Aid assistance paid is recognised in the statement of financial performance on the date of payment. Aid assistance payments made prior to the receipt of funds are recognised as a receivable in the statement of financial position.

10 Cash and cash equivalents

Cash and cash equivalents are stated at cost in the statement of financial position.

Bank overdrafts are shown separately on the face of the statement of financial position as a current liability.

For the purposes of the cash flow statement, cash and cash equivalents comprise cash on hand, deposits held, other short-term highly liquid investments and bank overdrafts.

ACCOUNTING POLICIES
for the year ended 31 March 2017

11 Prepayments and advances

Prepayments and advances are recognised in the statement of financial position when the department receives or disburses the cash.

Prepayments and advances are initially and subsequently measured at cost.

<Indicate when prepayments are expensed and under what circumstances.>

12 Loans and receivables

Loans and receivables are recognised in the statement of financial position at cost plus accrued interest, where interest is charged, less amounts already settled or written-off. Write-offs are made according to the department's write-off policy.

13 Investments

Investments are recognised in the statement of financial position at cost.

14 Financial assets

14.1 Financial assets (not covered elsewhere)

A financial asset is recognised initially at its cost plus transaction costs that are directly attributable to the acquisition or issue of the financial.

At the reporting date, a department shall measure its financial assets at cost, less amounts already settled or written-off, except for recognised loans and receivables, which are measured at cost plus accrued interest, where interest is charged, less amounts already settled or written-off.

14.2 Impairment of financial assets

Where there is an indication of impairment of a financial asset, an estimation of the reduction in the recorded carrying value, to reflect the best estimate of the amount of the future economic benefits expected to be received from that asset, is recorded in the notes to the financial statements.

15 Payables

Loans and payables are recognised in the statement of financial position at cost.

16 Capital Assets

16.1 Immovable capital assets

Immovable capital assets are initially recorded in the notes to the financial statements at cost. Immovable capital assets acquired through a non-exchange transaction is measured at fair value as at the date of acquisition.

Where the cost of immovable capital assets cannot be determined reliably, the immovable capital assets are measured at R1 unless the fair value of the asset has been reliably estimated, in which case the fair value is used.

All assets acquired prior to 1 April 2002 (or a later date as approved by the OAG) may be recorded at R1.

Immovable capital assets are subsequently carried at cost and are not subject to depreciation or impairment.

Subsequent expenditure that is of a capital nature is added to the cost of the asset at the end of the capital project unless the immovable asset is recorded by another department in which case the completed project costs are transferred to that department.

ACCOUNTING POLICIES for the year ended 31 March 2017

16.2 Movable capital assets

Movable capital assets are initially recorded in the notes to the financial statements at cost. Movable capital assets acquired through a non-exchange transaction is measured at fair value as at the date of acquisition.

Where the cost of movable capital assets cannot be determined reliably, the movable capital assets are measured at fair value and where fair value cannot be determined; the movable assets are measured at R1.

All assets acquired prior to 1 April 2002 (or a later date as approved by the OAG) may be recorded at R1.

Movable capital assets are subsequently carried at cost and are not subject to depreciation or impairment.

Biological assets are subsequently carried at fair value. Subsequent expenditure that is of a capital nature is added to the cost of the asset at the end of the capital project unless the movable asset is recorded by another department/entity in which case the completed project costs are transferred to that department.

16.3 Intangible assets

Intangible assets are initially recorded in the notes to the financial statements at cost. Intangible assets acquired through a non-exchange transaction are measured at fair value as at the date of acquisition.

Internally generated intangible assets are recorded in the notes to the financial statements when the department commences the development phase of the project.

Where the cost of intangible assets cannot be determined reliably, the intangible capital assets are measured at fair value and where fair value cannot be determined; the intangible assets are measured at R1.

All assets acquired prior to 1 April 2002 (or a later date as approved by the OAG) may be recorded at R1.

Intangible assets are subsequently carried at cost and are not subject to depreciation or impairment.

Subsequent expenditure that is of a capital nature is added to the cost of the asset at the end of the capital project unless the intangible asset is recorded by another department/entity in which case the completed project costs are transferred to that department.

17 Provisions and Contingents

17.1 Provisions

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.

17.2 Contingent liabilities

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.

17.3 Contingent assets

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.

ACCOUNTING POLICIES for the year ended 31 March 2017

17.4 Commitments

Commitments are recorded at cost in the notes to the financial statements when there is a contractual arrangement or an approval by management in a manner that raises a valid expectation that the department will discharge its responsibilities thereby incurring future expenditure that will result in the outflow of cash.

18 Unauthorised expenditure

Unauthorised expenditure is recognised in the statement of financial position until such time as the expenditure is either:

- approved by Parliament or the Provincial Legislature with funding and the related funds are received; or
- approved by Parliament or the Provincial Legislature without funding and is written off against the appropriation in the statement of financial performance; or
- transferred to receivables for recovery.

Unauthorised expenditure is measured at the amount of the confirmed unauthorised expenditure.

19 Fruitless and wasteful expenditure

Fruitless and wasteful expenditure is recorded in the notes to the financial statements when confirmed. The amount recorded is equal to the total value of the fruitless and or wasteful expenditure incurred.

Fruitless and wasteful expenditure is removed from the notes to the financial statements when it is resolved or transferred to receivables for recovery.

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.

20 Irregular expenditure

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.

Irregular expenditure is removed from the note when it is either condoned by the relevant authority, transferred to receivables for recovery or not condoned and is not recoverable.

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.

21 Changes in accounting policies, accounting estimates and errors

Changes in accounting policies that are effected by management have been applied retrospectively in accordance with MCS requirements, except to the extent that it is impracticable to determine the period-specific effects or the cumulative effect of the change in policy. In such instances the department shall restate the opening balances of assets, liabilities and net assets for the earliest period for which retrospective restatement is practicable.

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.

ACCOUNTING POLICIES for the year ended 31 March 2017

- 22 Events after the reporting date**
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.
- 23 Principal-Agent arrangements**
The department is party to a principal-agent arrangement for [include details here]. In terms of the arrangement the department is the [principal / agent] and is responsible for [include details here]. All related revenues, expenditures, assets and liabilities have been recognised or recorded in terms of the relevant policies listed herein. Additional disclosures have been provided in the notes to the financial statements where appropriate.
- 24 Departures from the MCS requirements**
[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.]
- 25 Capitalisation reserve**
The capitalisation reserve comprises of financial assets and/or liabilities originating in a prior reporting period but which are recognised in the statement of financial position for the first time in the current reporting period. Amounts are recognised in the capitalisation reserves when identified in the current period and are transferred to the National/Provincial Revenue Fund when the underlying asset is disposed and the related funds are received.
- 26 Recoverable revenue**
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.
- 27 Related party transactions**
A related party transaction is a transfer of resources, services or obligations between the reporting entity and a related party. Related party transactions within the Minister's portfolio are recorded in the notes to the financial statements when the transaction is not at arm's length.
- Key management personnel are those persons having the authority and responsibility for planning, directing and controlling the activities of the department. The number of individuals and their full compensation is recorded in the notes to the financial statements.
- 28 Inventories**
At the date of acquisition, inventories are recorded at cost price in the notes to the financial statements
- Where inventories are acquired as part of a non-exchange transaction, the cost of inventory is its fair value at the date of acquisition.
- Inventories are subsequently measured at the lower of cost and net realisable value or the lower of cost and current replacement value.

**NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2017**

29 Public-Private Partnerships

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.

30 Heritage Assets

Heritage assets are assets that have cultural, historical, environmental, natural, scientific or technological significance that are held indefinitely for the benefit of present and future generations.

Heritage assets are initially recorded in the notes to the financial statements at cost.

Heritage assets acquired through a non-exchange transaction is measured at fair value as at the date of acquisition.

Where the cost of the Heritage assets cannot be measured accurately, the Heritage assets are measured at R1 unless the fair value of the assets has been reliably estimated, in which case the fair value is used.

Heritage assets are subsequently carried at cost and are not subject to depreciation or impairment.

31 Financial Assets:

Debts Written Off

Recommendations to write off identified debts must be made to the Accounting Officer in terms of the Department's policy.

Irrecoverable debts may only be written off against available funds, and in the main division where the debt originated.

**NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2017**

1. Annual Appropriation

1.1 Annual Appropriation

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

	Final Approp- riation	Actual Funds Re- ceived	2016/17 Funds not requested/ not re- ceived	Final Approp- riation	2015/16 Appropria- tion received
	R'000	R'000	R'000	R'000	R'000
ADMINISTRATION	85 327	85 327	-	99 432	99 432
INSTITUTIONAL DEVELOPMENT	301 049	301 049	-	303 106	303 106
POLICY AND GOVERNANCE	303 942	303 942	-	335 256	335 256
Total	690 318	690 318	-	737 794	737 794

2. Departmental revenue

		2016/17 R'000	2015/16 R'000
Sales of goods and services other than capital assets	2.1	191	149
Interest, dividends and rent on land	2.2	8	23
Sales of capital assets	29.2	-	535
Transactions in financial assets and liabilities	2.4	267	423
Total revenue collected		466	1 130
Departmental revenue collected		466	1 130

2.1 Sales of goods and services other than capital assets

	2016/17 R'000	2015/16 R'000
Sales of goods and services produced by the department	191	149
Sales by market establishment	11	7
Other sales	145	142
Sales of scrap, waste and other current goods	35	
Total	191	149

2.2 Interest, dividends and rent on land

	2016/17 R'000	2015/16 R'000
Interest	8	23
Total	8	23

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2017

2.3 Sale of capital assets

	Note	2016/17 R'000	2015/16 R'000
Tangible assets			535
Machinery and equipment	29.2	-	535
Total			535

2.4 Transactions in financial assets and liabilities

	2016/17 R'000	2015/16 R'000
Stale cheques written back	8	-
Receivables		423
Other receipts including Recoverable Revenue	259	
Total	267	423

2.5 Cash received not recognised (not included in the main note)

Name of Entity	Amount Received	Amount paid to Revenue Fund	Balance
Gambling board	295 888	290 659	5 229
Total	295 888	290 659	5 229

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2017

3. Aid assistance

	2016/17 R'000	2015/16 R'000
Opening Balance	7 582	(12)
As restated	7 582	(12)
Transferred from statement of financial performance	(4 954)	7 594
Paid during the year		-
Closing Balance	2 628	7 582

3.1 Analysis of balance by source

	2016/17 R'000	2015/16 R'000
Aid assistance from other sources	2 628	7 582
Closing balance	2 628	7 582

3.2 Analysis of balance

	2016/17 R'000	2015/16 R'000
Aid assistance unutilised	2 628	7 582
Closing balance	2 628	7 582

4. Compensation of employees

4.1 Salaries and Wages

	2016/17 R'000	2015/16 R'000
Basic salary	171 600	153 386
Performance award	3 860	4 274
Service Based	501	191
Compensative/circumstantial	4 871	5 160
Periodic payments	1 102	1 425
Other non-pensionable allowances	44 697	40 434
Total	226 631	204 870

4.2 Social contributions

	2016/17 R'000	2015/16 R'000
Employer contributions		
Pension	19 601	17 859
Medical	8 168	7 185
Bargaining council	41	36
Total	27 810	25 080
Total compensation of employees	254 441	229 950

Average number of employees	589	556
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NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2017

Goods and services

	Note	2016/17 R'000	2015/16 R'000
Administrative fees		2 488	2 686
Advertising		47 573	64 243
Minor assets	5.1	2 661	1 460
Bursaries (employees)		233	224
Catering		18 099	24 810
Communication		9 072	10 262
Computer services	5.2	28 726	29 129
Consultants: Business and advisory services		17 169	27 395
Legal services		5 094	1 931
Contractors		40 139	61 932
Agency and support / outsourced services		3 494	2 010
Audit cost – external	5.3	3 547	6 185
Fleet services		7 895	6 728
Consumables	5.4	10 007	11 841
Operating leases		11 739	8 573
Property payments	5.5	14 133	11 655
Transport provided as part of the departmental activities		10 045	21 294
Travel and subsistence	5.6	26 903	27 723
Venues and facilities		20 661	18 401
Training and development		3 904	5 374
Other operating expenditure	5.7	910	609
Total		284 492	344 465

5.1 Minor assets

	2016/17 R'000	2015/16 R'000
Tangible assets		
Machinery and equipment	2 661	1 460
Total	2 661	1 460

5.2 Computer services

	2016/17 R'000	2015/16 R'000
SITA computer services	15 682	12 133
External computer service providers	13 044	16 996
Total	28 726	29 129

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2017

5.3 Audit cost – External

	2016/17	2015/16
	R'000	R'000
Regularity audits	3 547	6 185
Total	3 547	6 185

5.4 Consumables

	2016/17	2015/16
	R'000	R'000
Consumable supplies	2 715	4 295
Uniform and clothing	5	35
Household supplies	2 205	3 379
Communication accessories	15	17
Other consumables	490	864
Stationery, printing and office supplies	7 292	7 546
Total	10 007	11 841

5.5 Property payments

	2016/17	2015/16
	R'000	R'000
Municipal services	5 686	5 182
Property maintenance and repairs	1 511	142
Other	6 936	6 331
Total	14 133	11 655

5.6 Travel and subsistence

	2016/17	2015/16
	R'000	R'000
Local	24 495	25 863
Foreign	2 408	1 860
Total	26 903	27 723

5.7 Other operating expenditure

	2016/17	2015/16
	R'000	R'000
Professional bodies, membership and subscription fees	703	386
Resettlement costs	159	208
Other	48	15
Total	910	609

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2017

6. Payments for financial assets

	2016/17 R'000	2015/16 R'000
Other material losses written off		
Debts written off	46	271
Total	46	271

6.1 Debts written off

	2016/17 R'000	2015/16 R'000
Staff Debts written off	46	271
Total	46	271

7. Transfers and subsidies

	2016/17 R'000	2015/16 R'000
	Note	
Provinces and municipalities	Annex 1A 136	78
Departmental agencies and accounts	Annex 1B 75 260	58 979
Non-profit institutions	Annex 1C 27	-
Households	Annex 1D 35 983	22 515
Total	111 406	81 572

8. Expenditure for capital assets

	Note	2016/17 R'000	2015/16 R'000
Tangible assets		31 830	33 146
Buildings and other fixed structures	31.1	16 822	2 271
Heritage assets	29.1	805	3 682
Machinery and equipment	29	14 203	27 193
Intangible assets		-	147
Software	30	-	147
Total		31 830	33 293

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2017

8.1 Analysis of funds utilised to acquire capital assets – 2016/17

	Voted funds R'000	Aid assistance R'000	Total R'000
Tangible assets	31 830	-	31 830
Buildings and other fixed structures	16 822		16 822
Heritage assets	805		805
Machinery and equipment	14 203		14 203
	<u>31 830</u>	<u>-</u>	<u>31 830</u>

8.2 Analysis of funds utilised to acquire capital assets – 2015/16

	Voted funds R'000	Aid assistance R'000	Total R'000
Tangible assets	33 146	-	33 146
Buildings and other fixed structures	2 271	-	2 271
Heritage assets	3 682	-	3 682
Machinery and equipment	27 193	-	27 193
Intangible assets	147		147
Software	147		147
Total	<u>33 293</u>		<u>33 293</u>

9. Unauthorised expenditure

9.1 Reconciliation of unauthorised expenditure

	2016/17 R'000	2015/16 R'000
Opening balance	4 820	7 320
As restated	4 820	7 320
Unauthorised expenditure – discovered in current year (as restated)		
Less: Amounts approved by Parliament/Legislature with funding	(2 627)	(2 500)
Less: Amounts approved by Parliament/Legislature without funding		
Current	(2 193)	(2 500)
Less: Amounts transferred to receivables for recovery	-	-
Closing balance	<u>-</u>	<u>4 820</u>

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2017

9.2 Analysis of unauthorised expenditure awaiting authorisation per economic classification

	2016/17 R'000	2015/16 R'000
Current	-	4 820
Total	<u>-</u>	<u>4 820</u>

9.3 Analysis of unauthorised expenditure awaiting authorisation per type

	2016/17 R'000	2015/16 R'000
Unauthorised expenditure relating to overspending of the vote or a main division within a vote	-	4 820
Total	<u>-</u>	<u>4 820</u>

10. Cash and cash equivalents

	2016/17 R'000	2015/16 R'000
Consolidated Paymaster General Account	8 803	29 593
Disbursements		(7)
Cash on hand		2
Total	<u>8 803</u>	<u>29 588</u>

11. Prepayments and advances

	Note	2016/17 R'000	2015/16 R'000
Prepayments (Not expensed)	Anex6	-	10 913
Advances paid			-
Total		<u>-</u>	<u>10 913</u>

11.1 Advances paid

	2016/17 R'000	2015/16 R'000
Other entities	-	-
Total	<u>-</u>	<u>-</u>

11.2 Prepayments (Not expensed)

	2016/17 R'000	2015/16 R'000
Goods and services		10 913
Total	<u>-</u>	<u>10 913</u>

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2017

12. Receivables

	Note	2016/17			2015/16		
		Current R'000	Non- R'000	Total R'000	Current R'000	Non- R'000	Total R'000
Claims recoverable	12.1	50	3 249	3 299	946	3 899	4 845
Recoverable expenditure	12.2	115	456	571	1	492	493
Staff debt	12.3	68	999	1067	145	838	983
Other debtors	12.4	3	3 626	3 629	155	3 254	3 409
Total		236	8 330	8 566	1 247	8 483	9 730

12.1 Claims recoverable

	Note 12 and Annex 4	2016/17 R'000	2015/16 R'000
Provincial departments		50	1 596
Public entities		3 249	3 249
Total		3 299	4 845

12.2 Recoverable expenditure (disallowance accounts)

	Note 12	2016/17 R'000	2015/16 R'000
Disallowance Damages & Losses		453	987
Disallowance Damages & Losses: Recovery		(453)	(987)
Disallowance Payment Fraud		439	439
Salary Reversal Control		58	37
Salary Tax Debt		55	14
Salary Deduction Disallowance		3	3
Sal Income Tax (Due by Sars)		16	-
Total		571	493

12.3 Staff debt

	Note 12	2016/17 R'000	2015/16 R'000
Employee		142	122
Ex-Employee		796	736
Breach of Contract		74	67
Other Staff Debt		55	58
Other (R/H)			
Staff Debt (R/H)			
Total		1 067	983

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2017

12.4 Other debtors

	Note	2016/17	2015/16
	12	R'000	R'000
Supplier Debt		3 626	3 409
T & S Advance: Dom		3	
Total		3 629	3 409

12.5 Impairment of receivables

	2016/17	2015/16
	R'000	R'000
Estimate of impairment of receivables	3 989	3 357
Total	3 989	3 357

13. Voted funds to be surrendered to the Revenue Fund

	2016/17	2015/16
	R'000	R'000
Opening balance	45 741	38 906
Prior period error	-	-
As restated	45 741	38 906
Transfer from statement of financial performance (as restated)	5 910	45 741
Add: Unauthorised expenditure for current year	-	-
Paid during the year	(45 741)	(38 906)
Closing balance	5 910	45 741

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

	2016/17	2015/16
	R'000	R'000
Opening balance	(5)	54
As restated	(5)	54
Transfer from Statement of Financial Performance (as restated)	466	1 130
Paid during the year	4 783	(1 189)
Closing balance	5 244	(5)

15. Bank Overdraft

	2016/17	2015/16
	R'000	R'000
Consolidated Paymaster General Account	-	-
Total	-	-

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2017

16. Payables – current

	2016/17 R'000	2015/16 R'000
Advances received		183
Clearing accounts	324	386
Other payables	-	-
Total	324	569

16.1 Advances received

	2016/17 R'000	2015/16 R'000
Public entities		183
Other institutions	-	-
Total	-	183

16.2 Clearing accounts

	2016/17 R'000	2015/16 R'000
Bargaining Council	1	1
Sal: Income Tax	-	55
Sal: Finance other Institutions	15	16
Sal: Pension Fund	29	28
Sal: Insurance Deductions	1	-
Sal: Medical Aid	1	-
Sal: ACB Recalls	154	163
Pensionable Recoverable Acc	123	123
Total	324	386

16.3 Other payables

	2016/17 R'000	2015/16 R'000
Conversion Account	-	-
Total	-	-

17 Payables – non-current

	One to two years	Two to three years	More than three years	Total
Advances received	1 601	183	-	1 784
Total	1 601	183	-	1 784

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2017

17.1 Advances received

	2016/17 R'000	2015/16 R'000
Public entities	1 784	-
Total	1 784	-

18. Net cash flow available from operating activities

	2016/17 R'000	2015/16 R'000
Net surplus/(deficit) as per Statement of Financial Performance	1 422	54 467
Add back non cash/cash movements not deemed operating	7 524	(3 297)
(Increase)/decrease in receivables – current	1 164	(682)
(Increase)/decrease in prepayments and advances	10 913	4 095
(Increase)/decrease in other current assets	4 820	2 500
Increase/(decrease) in payables – current	(245)	(1 873)
Proceeds from sale of capital assets	-	(535)
Expenditure on capital assets	31 830	33 293
Surrenders to Revenue Fund	(40 958)	(40 095)
Net cash flow generated by operating activities	8 946	51 168

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

	2016/17 R'000	2015/16 R'000
Consolidated Paymaster General account	8 803	29 593
Disbursements	-	(7)
Cash on hand	-	2
Total	8 803	29 586

20. Contingent liabilities and contingent assets**20.1 Contingent liabilities**

	Note	2016/17 R'000	2015/16 R'000
Liable to			
Housing loan guarantees			
Nature			
Employees			
Claims against the department	Annex 3	34 488	8 086
Intergovernmental payables (unconfirmed balances)	Annex 5	7 212	931
Total		41 700	9 017

**NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2017**

20.2 Contingent assets

	2016/17 R'000	2015/16 R'000
Nature of contingent asset		
Royal Household take-on balance iro Jacks B Construction	362	362
Total	362	362

21. Commitments

	2016/17 R'000	2015/16 R'000
Current expenditure		
Approved and contracted	13 292	39 106
Approved but not yet contracted	-	56
	13 292	39 162
Capital expenditure		
Approved and contracted	4 184	11 945
	4 184	11 945
Total Commitments	17 476	51 107

22. Accruals and payables not recognised

22.1 Accruals

	2016/17 R'000			2015/16 R'000
Listed by economic classification	30 Days	30+ Days	Total	Total
Goods and services	2 648	3 397	6 045	3 376
Total	2 648	3 397	6 045	3 376
			2016/17 R'000	2015/16 R'000
Listed by programme level				
Administration			2 151	889
Institutional Development			3 358	652
Policy & Governance			536	1 835
Total			6 045	3 376

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2017

22.2 Payables not recognised

			2016/17 R'000	2015/16 R'000
Listed by economic classification				
	30 Days	30+ Days	Total	Total
Goods and services	1 208	1 369	2 577	10 014
Interest and rent on land				82
Transfers and subsidies				1 159
Capital assets				447
Other				
Total	1 208	1 369	2 577	11 702

		2016/17 R'000	2015/16 R'000
Listed by programme level			
Administration		434	538
Institutional Development		915	4 840
Policy & Governance		1 228	6 324
Total		2 577	11 702

	Note	2016/17 R'000	2015/16 R'000
Included in the above totals are the following:			
Confirmed balances with other departments	Annex 5	352	2 405
Total		352	2 405

23. Employee benefits

	2016/17 R'000	2015/16 R'000
Leave entitlement	17 308	2 011
Service bonus (Thirteenth cheque)	5 295	4 890
Capped leave commitments	14 402	23
Performance awards	3 828	-
Total	40 833	6 924

The provision for long service awards cannot be disclosed as it cannot be reliably measured at this point in time.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2017

24. Lease commitments

24.1 Operating leases expenditure

2016/17	Specialised military equipment R'000	Land R'000	Buildings and other fixed structures R'000	Machinery and equipment R'000	Total R'000
Not later than 1 year			7 885	1 409	9 294
Later than 1 year and not Later than five years			8 524	1 387	9 911
Total lease commitments	-	-	16 409	2 796	19 205

2015/16	Specialised military equipment R'000	Land R'000	Buildings and other fixed structures R'000	Machinery and equipment R'000	Total R'000
Not later than 1 year	-	-	7 311	1 213	8 524
Later than 1 year and not later than 5 years	-	-	3 451	782	4 233
Total lease commitments	-	-	10 762	1 995	12 757

Leases iro Office buildings, parkades and photocopier machines

24.2 Finance leases expenditure**

2016/17	Specialised military equipment R'000	Land R'000	Buildings and other fixed structures R'000	Machinery and equipment R'000	Total R'000
Not later than 1 year				4 605	4 605
Later than 1 year and not later than 5 years				4 009	4 009
Total lease commitments	-	-	-	8 614	8 614

2015/16	Specialised military equipment R'000	Land R'000	Buildings and other fixed structures R'000	Machinery and equipment R'000	Total R'000
Not later than 1 year	-	-	-	1 570	1 570
Later than 1 year and not later than 5 years	-	-	-	735	735
Total lease commitments	-	-	-	2 305	2 305

Leases iro MTN and VODACOM for official use

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2017

25. Accrued departmental revenue

	2016/17 R'000	2015/16 R'000
Sales of capital assets	-	-
Total	<u>-</u>	<u>-</u>

25.1 Analysis of accrued departmental revenue

	2016/17 R'000	2015/16 R'000
Opening balance		80
Less: amounts received		(80)
Add: amounts recognised		
Closing balance	<u>-</u>	<u>-</u>

26. Irregular expenditure

26.1 Reconciliation of irregular expenditure

	2016/17 R'000	2015/16 R'000
Opening balance	50 720	47 832
Prior period error		-
As restated	50 720	47 832
Add: Irregular expenditure – relating to current year	6 485	17 950
Less: Prior year amounts condoned		-
Less: Amounts not condoned and not recoverable		(15 062)
Irregular expenditure awaiting condonation	<u>57 205</u>	<u>50 720</u>

Analysis of awaiting condonation per age classification

Current year	6 485	17 950
Prior years	50 720	32 770
Total	<u>57 205</u>	<u>50 720</u>

26.2 Details of irregular expenditure – current year

Incident	Disciplinary steps taken/criminal proceedings	2016/17 R'000
No prior Treasury approval iro events		4 839
As per 2015/16 audit adj & over paid cc		224
No tax clearance		43
Quote submitted after deadline		3
Over paid contracts		331
Deviations above 1 million not submitted to AGSA		1 000
No 3 quotes		45
Total		<u>6 485</u>

**NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2017**

27 Fruitless and wasteful expenditure

27.1 Reconciliation of fruitless and wasteful expenditure

	2016/17 R'000	2015/16 R'000
Opening balance	549	525
As restated	549	525
Fruitless and wasteful expenditure – relating to current year	15	24
Closing balance	564	549

27.2 Analysis of Current year's fruitless and wasteful expenditure

Incident	Disciplinary steps taken/criminal proceedings	2016/17 R'000
Current	Interest on Telkom Accounts	15
Total		15

27.3 Details of Fruitless and wasteful expenditure under investigation (Not in the main note)

Incident	2016/17 R'000
Sculpture	665
Total	665

28 Key management personnel

	No. of	2016/17 R'000	2015/16 R'000
Political office bearers (provide detail below)	1	2 151	2 082
Officials:			
Level 15 to 16	9	12 539	12 423
Level 14 (incl. CFO if at a lower level)	16	16 042	17 355
Family members of key management personnel	2	435	825
Total		31 167	32 685

29 Provisions

	2016/17 R'000	2015/16 R'000
Dept of Public Works - Retention	-	24
Total	-	24

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2017

29.1 Reconciliation of movement in provisions – 2016/17

	Provision 1 R'000	Provision 2 R'000	Provision 3 R'000	Total R'000
Opening Balance	24			24
Increase in provision				
Closing balance	24	-	-	24

The provisions is for the upgrading and additions to Parkside.

30 Movable Tangible Capital Assets

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

	Opening balance R'000	Value adjustments R'000	Additions R'000	Disposals R'000	Closing Balance R'000
HERITAGE ASSETS	21 247	-	805	-	22 052
Heritage assets	21 247	-	805	-	22 052
MACHINERY AND EQUIPMENT	112 389	-	14 203	1 076	125 516
Transport assets	40 070	-	7 359	-	47 429
Computer equipment	42 799	-	4 353	1 047	46 105
Furniture and office equipment	19 349	-	2 347	29	21 667
Other machinery and equipment	10 171	-	144	-	10 315
BIOLOGICAL ASSETS	84				84
Biological assets	84	-	-	-	84
TOTAL MOVABLE TANGIBLE CAPITAL ASSETS	133 720	-	15 008	1 076	147 652

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2017

30.1 Additions

ADDITIONS TO MOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2017

	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	805				805
Heritage assets	805	-	-	-	805
MACHINERY AND EQUIPMENT	14 203				14 203
Transport assets	7 359	-	-	-	7359
Computer equipment	4 353	-	-	-	4353
Furniture and office equipment	2 347	-	-	-	2347
Other machinery and equipment	144	-	-	-	144
TOTAL ADDITIONS TO MOVABLE TANGIBLE CAPITAL ASSETS	15 008	-	-	-	15 008

30.2 Disposals

DISPOSALS OF MOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2017

	Sold for cash	Non-cash disposal	Total disposals	Cash Received Actual
	R'000	R'000	R'000	R'000
MACHINERY AND EQUIPMENT		1 076	1 076	
Transport assets		-	-	
Computer equipment		1 047	1 047	
Furniture and office equipment		29	29	
Other machinery and equipment		-	-	
TOTAL DISPOSAL OF MOVABLE TANGIBLE CAPITAL ASSETS		1 076	1 076	

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2017

30.3 Movement for 2015/16

MOVEMENT IN TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2016

	Opening balance R'000	Prior period error R'000	Additions R'000	Disposals R'000	Closing Balance R'000
HERITAGE ASSETS	17 565	-	3 682	-	21 247
Heritage assets	17 565	-	3 682	-	21 247
MACHINERY AND EQUIPMENT	88 369	(783)	27 629	2 826	112 389
Transport assets	26 210	-	15 211	1 351	40 070
Computer equipment	34 601	(85)	9 354	1 071	42 799
Furniture and office equipment	17 670	(656)	2 739	404	19 349
Other machinery and equipment	9 888	(42)	325	-	10 171
BIOLOGICAL ASSETS	84	-	-	-	84
Biological assets	84	-	-	-	84
TOTAL MOVABLE TANGIBLE CAPITAL ASSETS	106 018	(783)	31 311	2 826	133 720

30.3.1 Prior Period Error

	2016/17 R'000
Nature of prior period error	(783)
Asset misallocation journals relating to 2015/16	(85)
processed in 2016/17 year	(656)
	(42)
Total	(783)

30.4 Minor assets

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

	Specialised military assets R'000	Intangible assets R'000	Heritage assets R'000	Machinery and equipment R'000	Biological assets R'000	Total R'000
Opening balance	-	75	-	11 548	-	11 623
	-	-	-	-	-	-
Additions	-	-	-	2 661	-	2 661
Disposals	-	-	-	1 102	-	1 102
TOTAL MINOR ASSETS	-	75	-	13 107	-	13 182

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2017

	Specialised military assets R'000	Intangible assets R'000	Heritage assets R'000	Machinery and equipment R'000	Biological assets R'000	Total R'000
No of R1 minor assets	-	-	-	5 998	-	5 998
	-	-	-	-	-	-
TOTAL MINOR ASSETS	-	-	-	5 998	-	5 998

R1.00 value assets: Made up of donated assets received with no documents on their value. The fair value of 5 937 assets acquired prior to 01 April 2002 cannot be determined. National Treasury guidelines of MCS (page 29) states that such assets may be recorded with no need to determine fair value. Please also refer to Practice Note 30 on Movable Assets.

MOVEMENT IN MINOR ASSETS PER THE ASSET REGISTER FOR THE YEAR ENDED AS AT 31 MARCH 2016

	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	-	12 331	-	12 406
Additions	-	-	-	(783)	-	(783)
Disposals	-	-	-	-	-	-
TOTAL MINOR ASSETS	-	75	-	11 548	-	11 623

30.4.1 Prior Period Error

	2015/16 R'000
Nature of Prior Period Error	(783)
Total	(783)

31 Intangible Capital Assets

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

	Opening balance R'000	Value adjustments R'000	Additions R'000	Disposals R'000	Closing Balance R'000
SOFTWARE	30 991	-			30 991
TOTAL INTANGIBLE CAPITAL ASSETS	30 991	-			30 991

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2017

31.1 Additions

Movement for 2015/16

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

	Opening balance	Prior period error	Additions	Disposals	Closing Balance
	R'000	R'000	R'000	R'000	R'000
SOFTWARE	30 844	-	147	-	30 991
TOTAL INTANGIBLE CAPITAL ASSETS	30 844	-	147	-	30 991

32 Immovable Tangible Capital Assets

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

	Opening balance	Value adjustments	Additions	Disposals	Closing Balance
	R'000	R'000	R'000	R'000	R'000
BUILDINGS AND OTHER FIXED STRUCTURES	-	-	16 822		16 822
Dwellings	-	-	5 917	-	5 917
Non-residential	-	-	10 905	-	10 905
LAND AND SUBSOIL ASSETS					
Land	-	-	-	-	-
TOTAL IMMOVABLE TANGIBLE CAPITAL ASSETS	-	-	16 822	-	16 822

**NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2017**

32.1 Additions

ADDITIONS TO IMMOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2017

	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			16 822		16 822
Dwellings	-	-	5 917	-	5 917
Non-residential buildings	-	-	10 905	-	10 905
Other fixed structures	-	-	-	-	-
TOTAL ADDITIONS TO IMMOVABLE TANGIBLE CAPITAL ASSETS	-	-	16 822	-	16 822

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2017

33. Transfer of functions

The transfer of the Gaming & Betting function from Provincial Treasury to Office of the Premier, as per Premier's minute No 2/2016 dated 28/09/2016

33.1 Notes

Note	Bal per dept 2016/17AFS before transfer 2016/17Y R'000	Functions per dept (transferred) / received 2016/17 R'000	Functions per dept (transferred) / received 2016/17 R'000	Functions per dept (transferred) / received 2016/17 R'000	2016/17Bal after transfer R'000
Contingent liabilities	9 573	24 915			34 488
Movable tangible capital assets	147 370	282			147 652
Immovable tangible capital assets					

Provide a description of actions taken to ensure compliance with the PFMA S42

Meetings were held with Provincial Treasury and arrangements made to identify transactions and assets for transfer.

Provide a reference to the proclamation or declaration giving effect to the transfer or receipt of functions

Premier's Minute No 2/2016

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2017

ANNEXURE 1A
STATEMENT OF TRANSFERS TO DEPARTMENTAL AGENCIES AND ACCOUNTS

DEPARTMENT/ AGENCY/ ACCOUNT	TRANSFER ALLOCATION			TRANSFER		2014/15 Appropriation Act R'000	
	Adjusted Appropriation Act	Roll Overs	Adjustments	Total Available	Actual Transfer		% of Available funds Transferred
	R'000	R'000	R'000	R'000	R'000		%
KZN Amafa Akwazulu Natali Gaming & Betting Board	33 028	-	-	33 028	33 028	100%	
Royal Household Trust	19 255	-	-	19 255	19 255	100%	
	22 977	-	-	22 977	22 977	100%	
TOTAL	75 260	-	-	75 260	75 260		

ANNEXURE 1B
STATEMENT OF TRANSFERS TO NON-PROFIT INSTITUTIONS

Non-Profit Institutions	TRANSFER ALLOCATION			EXPENDITURE		2015/16 Appropriation Act R'000	
	Adjusted Appropriation Act	Roll overs	Adjustments	Total Available	Actual Transfer		% of Available funds transferred
	R'000	R'000	R'000	R'000	R'000		%
Transfers	27	-	-	27	-	100%	
NPI: KZN Law Society (Gifts / Donations)							
TOTAL	27	-	-	27	-	-	

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2017

ANNEXURE 1C
STATEMENT OF TRANSFERS TO HOUSEHOLDS

HOUSEHOLDS	TRANSFER ALLOCATION				EXPENDITURE		2015/16 Appropriation Act R'000
	Adjusted Appropriation Act R'000	Roll Overs	Adjustments R'000	Total Available R'000	Actual Transfer R'000	% of Available funds Transferred	
Transfers							
PST Retirement Benefits	934	-	-	934	934	100%	
Leave Gratuities	2 064	-	-	2 064	2 064	100%	
Bursaries	32 657	-	-	32 657	32 657	100%	
Claims against the state (Cash)	328	-	-	328	328	100%	
TOTAL	35 983	-	-	35 983	35 983		

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2017

ANNEXURE 1D
STATEMENT OF GIFTS, DONATIONS AND SPONSORSHIPS RECEIVED

NAME OF ORGANISATION	NATURE OF GIFT, DONATION OR SPONSORSHIP	2016/17	2015/16
		R'000	R'000
Received in cash			
Gugu Pruri	Cash		4
Media Communications SA	Cash	5	
ABSA Bank	Cash	350	
PSCBC	Cash	42	
Subtotal		397	4
Received in kind			
City Press	50 pens and newspapers		5
Adams book store	2 books		1
SMG Durban	Use of BMW for 2 days, 3 USB's, 1 bag & 15 caps		38
Penguin SA	10 books		2
Palgrave McMillan	4 books		3
Juta	3 mini labour law libraries		2
Times Media	45c Notepads, pens, water bottles & newspapers		26
Independent Newspaper	Spar grocery vouchers, 300 copies of Isoleswe newspapers		4
Thandile	450 lanyards		3
SA Board of People & Practices	400 hard copies-HR Audit, 360 copies of women report		30
SANLAM	430 Golf shirts		6
GEMS	450 Conference bags (won't disclose amount)		-
Old Mutual	450 T-Shirts		12
CAPITEC	Evening Entertainment		8
Old Mutual	Bottled water		4
	Aquella flavoured water		4
Toyota South African Motors	Quantum	427	
PSCBC	Accom MJ Khumalo	99	
Black Cubans Investment	School uniforms	11	
Asty Plastics Machinery	School Uniforms	7	
Giving Healthy Pty Ltd	School Uniforms	7	
SANTACO, ICC UNFA Nootel Jhb, etc	Magazines, books, pictures of Premier Support, etc	12	
SUB-TOTAL		563	588
TOTAL		960	592

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2017

ANNEXURE 1E
STATEMENT OF AID ASSISTANCE RECEIVED

NAME OF DONOR	PURPOSE	OPENING BALANCE R'000	REVENUE R'000	EXPENDI- TURE R'000	CLOSING BALANCE R'000
Received in cash					
MERSETA	Apprenticeships	13 841	5 908	7 473	12 276
NATIONAL SKILLS FUND	KZN Literacy Project	(6 260)	2 962	6 350	(9 648)
Subtotal		7 581	8 870	13 823	2 628
TOTAL		7 581	8 870	13 823	2 628

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2017

ANNEXURE 1F
STATEMENT OF GIFTS, DONATIONS AND SPONSORSHIPS MADE

NATURE OF GIFT, DONATION OR SPONSORSHIP (Group major categories but list material items including name of organisation)	2016/17 R'000	2015/16 R'000
Made in kind		
Donations of furniture & Computer equipment to war rooms		1 475
Fruit basket to 10 injured school kids		4
Flowers for PA's and secretaries		3
Bath towel to OTP employees & staff		97
Trophies, trophy plaque & other gifts in respect of Service Excellence Awards		467
Trophies in respect Mr XC Zuma		217
Wheelchair in respect of Dr Joseph Shabalala		50
Trophies in respect of Indondo Awards		30
Marquees that accommodate 250 people in respect of High Tea on 8 September 2015		25
Registration for conference in respect of Delegates for SA Aids Conference		298
Lenovo laptop + mini luxury blanket + leather sling bag iro farewell gift to the ex DG, Mr Ngidi		8
Hair products and branded gift bags		20
Warthog Tusk, Ostrich Egg Stand, Ostrich Eggs & packaging (5 each)		14
Warthog Tusk, Ostrich Egg Stand, Ostrich Eggs & packaging (3 each)		9
Wine glasses with full tribal/African Stems (pairs male & female packaging 10 each)		14
Donations of minor assets to war rooms		766
Donations to Local churches for Easter Celebrations (Groceries)		311
Mandela Photo	3	
Bereved Sithole, Joshua and Xaba Family	1	
Courtesy gift: Diplomatic corp & International engagements	88	
Donations of minor assets to war rooms	1 015	
Donations of Capital assets to war rooms	1 047	
TOTAL	2 154	3 807

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2017

ANNEXURE 3
STATEMENT OF CONTINGENT LIABILITIES AS AT 31 MARCH 2017

NATURE OF LIABILITY	Opening Balance 1 April 2016 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 2017 R'000
Claims against the department					
1. M Parry vs MEC for Education	5 400	-	-	-	5 400
2. Emerald Fire Trading as De La Sol Cocktail Bar vs Office of the Premier	2 266	-	-	-	2 266
3. North Coast Times vs The Premier	188	-	188	-	-
4. Inyanga Motors vs Department of the Royal Household	70	-	70	-	-
5. Safura Auto Sales vs Premier [7420/16p]	-	1 215	-	-	1 215
6. Poppy Ice Trading vs The Premier & two others [7120/16p]	-	24 915	-	-	24 915
7. Lindi April vs Premier [D1169/16]	-	293	-	-	293
8. RH Hotels Ridgeside vs DG OTP KZN [875/17]	-	80	-	-	80
9. Matt Engineering CC vs The Premier	-	319	-	-	319
SUB-TOTAL	7 924	26 822	258	-	34 488
1. Unconfirmed Inter Departmental Payables	-	5 260	-	-	5 260
2. KZN Prov Govt – Public Works	-	1 946	-	-	1 946
3. KZN Prov Govt – Transport	-	4	-	-	4
4. Government Printing Works	-	2	-	-	2
5. National Transport	-	-	-	-	-
SUB -TOTAL	-	7 212	-	-	7 212
TOTAL	7 924	34 034	258	-	41 700

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2017

ANNEXURE 4
CLAIMS RECOVERABLE

GOVERNMENT ENTITY	Confirmed balance outstanding		Unconfirmed balance outstanding		Total		Cash in transit at year end 2016/17 *	
	31/03/2017	31/03/2016	31/03/2017	31/03/2016	31/03/2017	31/03/2016	Receipt date up to six (6) working days after year end	Amount
	R'000	R'000	R'000	R'000	R'000	R'000		R'000
Department								
KZN PROV GOVT: Transport	-		27		27		-	-
KZN PROV GOVT: Social Development	-		23		23		-	-
KZN PROV GOVT: SOCIAL DEV	-							
KZN PROV GOVT: PROVINCIAL TREASURY								
			50		50		-	-
Other Government Entities								
ROYAL HOUSEHOLD TRUST	-		3 249		3 249		-	-
	-		3 249		3 249		-	-
TOTAL			3 299		3 299		-	-

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2017

ANNEXURE 5
INTER-GOVERNMENT PAYABLES

GOVERNMENT ENTITY	Confirmed balance outstanding		Unconfirmed balance outstanding		TOTAL		Cash in transit at year end 2016/17 *	
	31/03/2017	31/03/2016	31/03/2017	31/03/2016	31/03/2017	31/03/2016	Payment date up to six (6) working days before year end	Amount
	R'000	R'000	R'000	R'000	R'000	R'000		R'000
DEPARTMENTS								
Current:								
Department of Health	84				84		-	-
KZN Provincial Legislature	263		5 260		5 523		5/04/2017	6 555
Department of Public Works			1 946		1 946		5/04/2017	1 844
Department of Transport	5						5/04/2017	79
Provincial Treasury	-							
KZN Government Printing Works	-		4		5		5/04/2017	1 330
National Transport			2		4		-	-
					2		-	-
TOTAL	352		7 212		7 564			9 808

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2017

ANNEXURE 6
MOVEMENT IN CAPITAL WORK IN PROGRESS

MOVEMENT IN CAPITAL WORK IN PROGRESS FOR THE YEAR ENDED 31 MARCH 20ZZ

	Opening balance R'000	Current Year Capital WIP R'000	Completed Assets R'000	Closing balance R'000
		16 822		16 822
Dwellings		5 917		5 917
Non-residential buildings		10 905		10 905
Other fixed structures				

BUILDINGS AND OTHER FIXED STRUCTURES

	Number of projects		2016/17 Total R'000
	Planned, Construction not started	Planned, Construction started	
Age analysis on ongoing projects			
0 to 1 Year – Khangella and Nyokeni Palaces		2	18 122
1 to 3 Years			
3 to 5 Years			
Longer than 5 Years			
Total		2	18 122

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2017

ANNEXURE 7
INTER-ENTITY ADVANCES RECEIVED (note 14)

ENTITY	Confirmed balance outstanding		Unconfirmed balance outstanding		TOTAL	
	31/03/2017	31/03/2016	31/03/2017	31/03/2016	31/03/2017	31/03/2016
	R'000	R'000	R'000	R'000	R'000	R'000
PUBLIC ENTITIES						
Gaming & Betting Advance Account	1 784				1 784	
TOTAL	1 784				1 784	



"through unity in action we can move KZN to a prosperous future"



premier

Department:
Office Of The Premier
PROVINCE OF KWAZULU-NATAL

Provincial Government Communication

Private Bag X9037, PIETERMARITZBURG, 3200
Moses Mabhida Building, 300 Langalibalele Street, Pietermaritzburg, 3200

Tel: +27 (0) 33 341 3470 / **Fax:** +27 (0) 33 345 8490

Website: www.kznpremier.gov.za

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