



2022/23

PROVINCIAL TREASURY
MPUMALANGA PROVINCE
ANNUAL REPORT
VOTE 3



provincial treasury
MPUMALANGA PROVINCE
REPUBLIC OF SOUTH AFRICA



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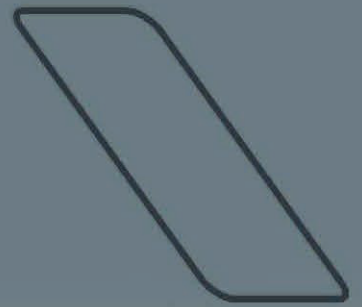
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PART A **GENERAL** **INFORMATION**



1. DEPARTMENT GENERAL INFORMATION



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MPTreasury



Mpumalanga Treasury



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

2. LIST OF ABBREVIATIONS/ACRONYMS

| | |
|--------|---|
| AFS | Annual Financial Statements |
| AGSA | Auditor General of South Africa |
| AIDS | Acquired Immunodeficiency Syndrome |
| AO | Accounting Officer |
| BBBEE | Broad Based Black Economic Empowerment |
| CFO | Chief Financial Officer |
| DORA | Division of Revenue Act |
| DPSA | Department of Public Service and Administration |
| DTI | Department of Trade and Industries |
| EHW | Employee Health and Wellness |
| ERM | Enterprise Risk Management |
| EU | European Union |
| EXCO | Executive Council |
| GIAMA | Government Immovable Asset Management Act |
| HIV | Human Immune Virus |
| HPT | Head: Provincial Treasury |
| HR | Human Resource |
| ICT | Information Communication Technology |
| IT | Information Technology |
| IYM | In-Year Monitoring |
| LED | Local Economic Development |
| LOGIS | Logistical Information System |
| MEC | Member of Executive Council |
| MFMA | Municipal Finance Management Act |
| MPL | Member of Parliament |
| MTEC | Medium Term Expenditure Committee |
| MTEF | Medium Term Expenditure Framework |
| MTSF | Medium Term Strategic Framework |
| NT | National Treasury |
| OHS | Occupational Health and Safety |
| OTP | Office of the Premier |
| PPPFA | Preferential Procurement Policy Framework Act |
| PAIA | Promotion of Access to Information Act |
| PAJA | Promotion of Administrative Justice Act |
| PERSAL | Personnel Salary System |
| PFMA | Public Finance Management Act |
| PILIR | Policy on incapacity and ill health retirement |
| PMDS | Performance Management and Development System |
| PMTCT | Prevention of mother-to-child transmission |
| POPIA | Protection of Personal Information Act |
| PPP | Public Private Partnership |
| PSA | Public Service Act |
| PSA | Public Service Association |
| PSAA | Public Service Administration Act |
| PSCBC | Public Service Commission's Bargaining Council |
| PSWMW | Public Service Women Management Week |
| REMC | Risk and Ethics Management Committee |
| SCA | Supreme Court of Appeal |
| SCM | Supply Chain Management |
| SCOPA | Select Committee on Public Accounts |
| SDIP | Service Delivery Improvement Plan |
| SHEQ | Safety Healthy and Environment Quality |
| SITA | State Information Technology Agency |
| SMME | Small, Medium and Micro Enterprises |
| SMS | Senior Management Services |
| TR | Treasury Regulations |
| TVET | Technical vocational education and training |

3. FOREWORD BY THE MEC



It is with great pleasure that I present this overview of the performance of the Provincial Treasury for the 2022/23 financial year.

This report encapsulates the essence of our collective effort, chronicles our achievements and challenges, and highlights progress in the ongoing endeavour to promote efficient use of public finances.

It acknowledges the restrictions imposed by the low economic growth and constrained fiscal environment during this period.

The Provincial Treasury continued to execute its mandate to produce a budget that meets the legislative muster. During the year under review, we tabled three appropriations bills which were overwhelmingly endorsed by the legislature. We maintained sound systems for disbursement of funds for service delivery in line with cash flow projections provided by institutions. We also monitored and produced reports on spending and provided guidance to institutions within the scope of the legislation.

During the year under review, the Provincial Treasury provided network infrastructure, systems, and end-user support to most departments. We also provided all departments with support on interlinked financial systems, including operationalising electronic leave management, caseware and supplier payment portal.

We recognise that in our environment, success is not merely measured in numbers, but in the totality of systems support and governance values we uphold. We will therefore continue to support public sector institutions in all areas of financial administration and governance. The department will review the operating environment to improve efficiency by deploying and maintaining information technology and finance-related systems that support service delivery.

The municipalities remain the centre of our support programmes as we strive to help them improve their financial position. The Provincial Treasury will provide support to municipalities to strengthen the capacity of the Budget and Treasury Offices and capacitate oversight structures to execute their functions effectively and in line with the regulations. We will also monitor the implementation of the audit improvement plan to ensure that key actions support the objective of clean governance across the public institutions in the Province.

I want to extend my sincere appreciation to the management and the Head Official, Ms Gugu Mashiteng, whose support I relied on to execute the mandate vested in us.

To our dedicated officials in all business units – thank you for carrying out your work with utmost dedication during the year.

I would also like to thank all governance structures for guidance and support to the management in executing the public mandate.

Ms NE HLOPHE, MPL

MEC FOR FINANCE, ECONOMIC DEVELOPMENT AND TOURISM

31 / 07 / 2023

4. REPORT OF THE ACCOUNTING OFFICER



Overview of the operations of the department:

The Provincial Treasury is mandated to prepare the provincial budget, enhance fiscal discipline, and promote sound financial governance.

The Department implemented the 2022/23 annual performance plan in a challenging economic environment. Several global economic realities, such as reduced investment and supply chain disruptions, and domestically the lack of a reliable electricity supply, had a negative impact on our economy. The whole government was called upon to maintain a prudent fiscal stance in the face of a deteriorating medium-term growth outlook. Despite these challenges, the Department continued to provide a well-functioning and coordinated support programme for implementing the treasury mandate.

During the year under review, the Administration component facilitated the recruitment of officials in key positions and supported the rollout of the skills development programme. These processes have assisted in building capacity and improving performance outputs across the department. In addition, the component facilitated a health and wellness programme to ensure that officials can perform their functions amidst social and economic challenges. The Programme continued to embed results-based performance management, ensured that business units were funded to implement the priority programmes, provided organisational communication based on transparency and access to information and ensured the implementation of department-wide audit and risk management strategies.

The role of Sustainable Resource Management is to support revenue generation and ensure effective budget and expenditure management in both PFMA and MFMA institutions. In addition, the programme prepared the provincial budget and adjustments budget to support the province's policy priorities.

As part of the monitoring of budget implementation, the programme processed all in-year monitoring reports from Departments and monitored the infrastructure delivery programmes. Through the support of the programme, the Provincial Government exceeded the revenue collection target for the 2022/23 financial year.

The Department supported nineteen (19) Municipalities in the quest to improve their financial management and governance processes. All newly elected councillors were inducted on key legislation and policy framework in the finance management environment. Special attention was given to the induction of councillors in the municipalities with mandatory financial recovery plans under Section 139(5) of the Constitution to foster understanding and appreciation of Section 139 of the Municipal Finance Management Act No 56 of 2003, which deals with recovery plans.

Assets and Liabilities Management supported public sector institutions in implementing a supply chain management policy framework. In addition, the programme continued to monitor compliance with and coordinated provincial reports on compliance with the legislative requirements for payment of suppliers within 30 days of receipt of a valid invoice.

Technical support was provided to provincial departments to implement business automation and other operating systems. In addition, asset management plans were reviewed, and relevant support was provided to institutions.

The responsibility of the Financial Governance programme is to promote financial reporting and accountability in the Provincial Administration. During the year under review, the programme supported departments, public entities and municipalities with accounting standards and the preparation of financial statements.

Public institutions were also supported in implementing a sustainable risk management framework. Audit Improvement plans were reviewed, and feedback was provided to institutions to facilitate improvement in the audit outcomes.

Overview of the financial results of the department:

Departmental receipts

| Departmental receipts | 2021/2022 | | | 2022/2023 | | |
|--|-----------|-------------------------|-------------------------|-----------|-------------------------|-------------------------|
| | Estimate | Actual Amount Collected | (Over)/Under Collection | Estimate | Actual Amount Collected | (Over)/Under Collection |
| | R'000 | R'000 | R'000 | R'000 | R'000 | R'000 |
| Sale of goods and services other than capital assets | 2 800 | 2 751 | 49 | 2 665 | 713 | 1 952 |
| Transfers received | - | - | - | - | - | - |
| Fines, penalties and forfeits | - | - | - | - | - | - |
| Interest, dividends and rent on land | 129 895 | 143 300 | (13 405) | 143 305 | 188 513 | (45 208) |
| Sale of capital assets | - | 48 | (48) | - | - | - |
| Financial transactions in assets and liabilities | 13 | 252 | (239) | 2 | 111 | (109) |
| Total | 132 708 | 146 331 | (13 643) | 145 972 | 189 337 | (43 365) |

The Provincial Treasury collected R189 337 000, which is 129.7 percent of the planned target of R145 972 000. The over collection is attributed to the interest accrued on the PMG and Revenue Fund accounts due to inadequate spending by the Provincial Treasury and the provincial departments respectively.

Programme Expenditure

| Programme Name | 2021/2022 | | | 2022/2023 | | |
|---------------------------------|---------------------|--------------------|----------------------------|---------------------|--------------------|--------------------------|
| | Final Appropriation | Actual Expenditure | (Over)/ Under Expenditure. | Final Appropriation | Actual Expenditure | (Over)/Under Expenditure |
| | R'000 | R'000 | R'000 | R'000 | R'000 | R'000 |
| Administration | 108 786 | 107 956 | 830 | 131 524 | 131 413 | 111 |
| Sustainable Resource Management | 82 151 | 82 149 | 2 | 70 374 | 70 369 | 5 |
| Assets and Liabilities | 215 859 | 213 539 | 2 320 | 228 598 | 228 579 | 19 |
| Financial Governance | 30 061 | 30 061 | - | 49 522 | 49 436 | 86 |
| Total | 436 857 | 433 705 | 3 152 | 480 018 | 479 797 | 221 |

The Provincial Treasury has spent R479 797 000, which is 99.9 percent of the allocated budget of R480 018 000. The total amount of R221 000 underspending was mainly on payments for capital assets.

Programme 1: Administration

The Programme's budget was increased by R79 000, which was mainly on the allocation for compensation of employees.

Programme 2: Sustainable Resource Management

The Programme's budget was reduced by R11 000 which was mainly on the allocation for transfers and subsidies.

Programme 3: Assets and Liabilities Management

The Programme's budget increased by R2 000 which was mainly on the allocation for payments for financial assets.

Programme 4: Financial Governance

The Programme's budget was reduced by R70 000, which was mainly on the allocation for goods and services

Virements/Roll-Overs

The Provincial Treasury utilised savings accumulated under two main divisions within the vote to defray excess expenditure under another two main divisions within the same vote.

The reasons for the virement were to defray excess expenditure for the two main divisions under goods and services.

Unauthorised, Irregular, Fruitless, and Wasteful Expenditures

The Provincial Treasury did not incur any unauthorised, irregular, fruitless and wasteful expenditure during the financial year under review.

Strategic focus over the short to medium term period

The Provincial Treasury aims to improve its systems to enhance the support to Provincial Departments, Municipalities and Public Entities on sound financial and administrative management. The Provincial Treasury will continue to support Provincial Departments in maximizing collection and generating own revenue through training workshops, the convening of revenue forums, and monitoring of cash offices. The focus of Provincial Treasury is to support municipalities with improvement in the following areas:

- Development of funded budgets
- Improved revenue management
- Improved role of oversight through training of relevant municipal structures and committees
- Improvement of the control environment

The introduction of Financial Management reforms in government entrusts Provincial Treasuries with the responsibility of ensuring that the Government's physical and financial assets, as well as its liabilities, are well managed.

The Provincial Treasury will contribute to efforts aimed at improving service delivery to the people of the Mpumalanga Province. The implementation of appropriate supply chain management practices, including their governance framework, will contribute to poverty alleviation, job creation and economic development, as well as infrastructure development, which includes proper roads, housing, schools, and hospitals, amongst others.

Public Private Partnerships

The Provincial Treasury provided advice and support on Public Private Partnerships to Departments, Public Entities and Municipalities. This support is provided in liaison with the National Treasury's Public Private Partnerships unit.

Discontinued key activities / activities to be discontinued.

There are no discontinued activities to be discontinued.

New or proposed key activities.

There were no new or proposed key activities.

Supply Chain Management

The Provincial Treasury has an approved Supply Chain Management Policy that is aligned to the Preferential Procurement Regulations 2022 (PPR 2022) that came into effect on the 16 January 2023, and all Bid Committees were appointed in line with applicable prescripts and legislation.

All processes and systems are in place to prevent unauthorised, irregular, fruitless and wasteful expenditures. The Provincial Treasury has complied with the Broad-Based Black Economic Empowerment Amendment, 2013 (Act 46 of 2013) in awarding bids during the year under review.

The Provincial Treasury continues to monitor compliance with Local Content Regulations through the 2011 Preferential Procurement Policy Framework Act (PPPFA) as amended. The Local Content Regulations empower the Department of Trade and Industries (DTI) to designate specific industries/sectors for Local Procurement by organs of state.

Gifts and Donations received in kind from non-related parties

The Provincial Treasury did not receive any gifts or donations in kind from non-related parties.

Exemptions and deviations received from the National Treasury

The Provincial Treasury has not applied for exemptions from National Treasury for the financial year under review.

Events after the reporting date

There were no events after the reporting date.

Other

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

Acknowledgement/s or Appreciation

I would like to convey my appreciation to the management and staff in the Provincial Treasury, and the assistance of the Audit Committee, Risk and Ethics Management Committee in the compilation of this Annual Report.

Conclusion

The Provincial Treasury will always strive to improve on performance to realise the objectives set for this administration.

Approval and sign off.

I hereby, in my capacity as the Accounting Officer, approve the Annual Report for the 2022/23 financial year.



MS GUGU MASHITENG

Accounting Officer: Provincial Treasury

Date: 31 May 2023

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 Annual Report as issued by National Treasury.
- The Annual Financial Statements (Part F) 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, 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 2023.

Yours faithfully



Ms GUGU MASHITENG

Accounting Officer: Provincial Treasury

Date: 31 May 2023

6. STRATEGIC OVERVIEW

6.1 Vision

Leading in innovation and service excellence.

6.2 Mission

Enhance fiscal discipline, accountability and effective governance in PFMA and MFMA institutions through:

Capable and professional workforce;

Inter-governmental collaboration; and

Sustainable funding and Equitable allocation and prudent financial management

6.3 Values

We are committing ourselves to serve with;

- Integrity;
- Diligence;
- Commitment;
- Collaboration;
- Transparency;
- Leadership

7. LEGISLATIVE AND OTHER MANDATES

Constitution of the Republic of South Africa, 1996 (the Constitution)

The Constitution is the supreme law of the Republic of South Africa. It provides the legal foundation for the existence of the Republic and no other law may be in conflict with it. It further sets out the rights and duties of its citizens, and defines the structure of the Government

The Department derives its mandate, but not limited, from the following key legislation:

Division of Revenue Act (DORA)

The Act is passed annually to provide for the equitable division of revenue anticipated to be raised nationally among the national, provincial and local spheres of government for that particular financial year; it further makes provision for determination of each Province's equitable share; allocations to Provinces, local government and municipalities from national government's equitable share; provides for the responsibilities of all three spheres and provide for the reporting requirements for allocations pursuant to such division and allocations.

Government Immovable Asset Management Act, 2007 (Act 19 No. of 2009) (GIAMA)

This Act provide for a uniform framework for the management of an immovable asset that is held or used by a National or Provincial Department; to ensure the coordination of the use of an immovable asset with the service delivery objectives of a National or Provincial Department; to provide for issuing of guidelines and minimum standards in respect of immovable asset management by a National or Provincial Department; and to provide for matters incidental thereto.

Mpumalanga Appropriation Act

The Act is passed annually to

- provide for the appropriation of money from the Provincial Revenue Fund for the requirements of the Province for each financial year in question;
- prescribe conditions for the spending of funds withdrawn for the following financial year before the commencement of the Act for each financial year in question; and
- provide for matters incidental thereto.

Mpumalanga Adjustments Appropriation Act

The Act is also passed annually, and it effects adjustments to the appropriation of money from the Provincial Revenue Fund for the requirements of the Province in respect of a financial year in question and to provide for matters incidental thereto.

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

This Act secures sound and sustainable management of the financial affairs of municipalities and other institutions in the local sphere of government; establishes treasury norms and standards for the local sphere of government; and to provide for matters connected therewith.

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

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

Procurement Regulations in terms of the PPPFA were gazetted in November 2000 and repeal the 2017 Regulations. The purpose of the 2022 Regulations is to:

- comply with section 217 of the Constitution on procurement of goods and services by organs of state.
- comply with the PPPFA of 2000; and
- to comply with transitional arrangements in terms of the Constitutional Court judgement of February 2022,

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

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

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

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

Protection of Personnel Information Act, 2013 (Act No. 4 of 2013) (POPIA)

POPIA aims to:

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

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

This Act regulates financial management in the national and provincial spheres of government; it further ensures that all revenue, expenditure, assets and liabilities of those spheres governments are managed efficiently and effectively; also provides for the responsibilities of persons entrusted with financial management in those governments; the Treasury and to provide for matters connected therewith

Public Service Act, 1994 (Act No. 103 of 1994) as amended (PSA)

The Act makes provision for the organisation and administration of the public service of the Republic, the regulation of the conditions of employment, terms of office, discipline, retirement and discharge of members of the public service, and matters connected therewith.

Public Service Regulations, 2016

The Public Service Regulations, 2016 were issued in terms of and in compliance with section 41 of the Public Service Act, No. 103 of 1994.

Public Administration Management Act, 2014 (Act No. 11 of 2014) (PAMA)

PAMA seeks to:

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

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

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

Treasury Regulations

The Treasury Regulations were issued in compliance and in terms of Section 76 of the Public Finance Management Act, No. 1 of 1999.

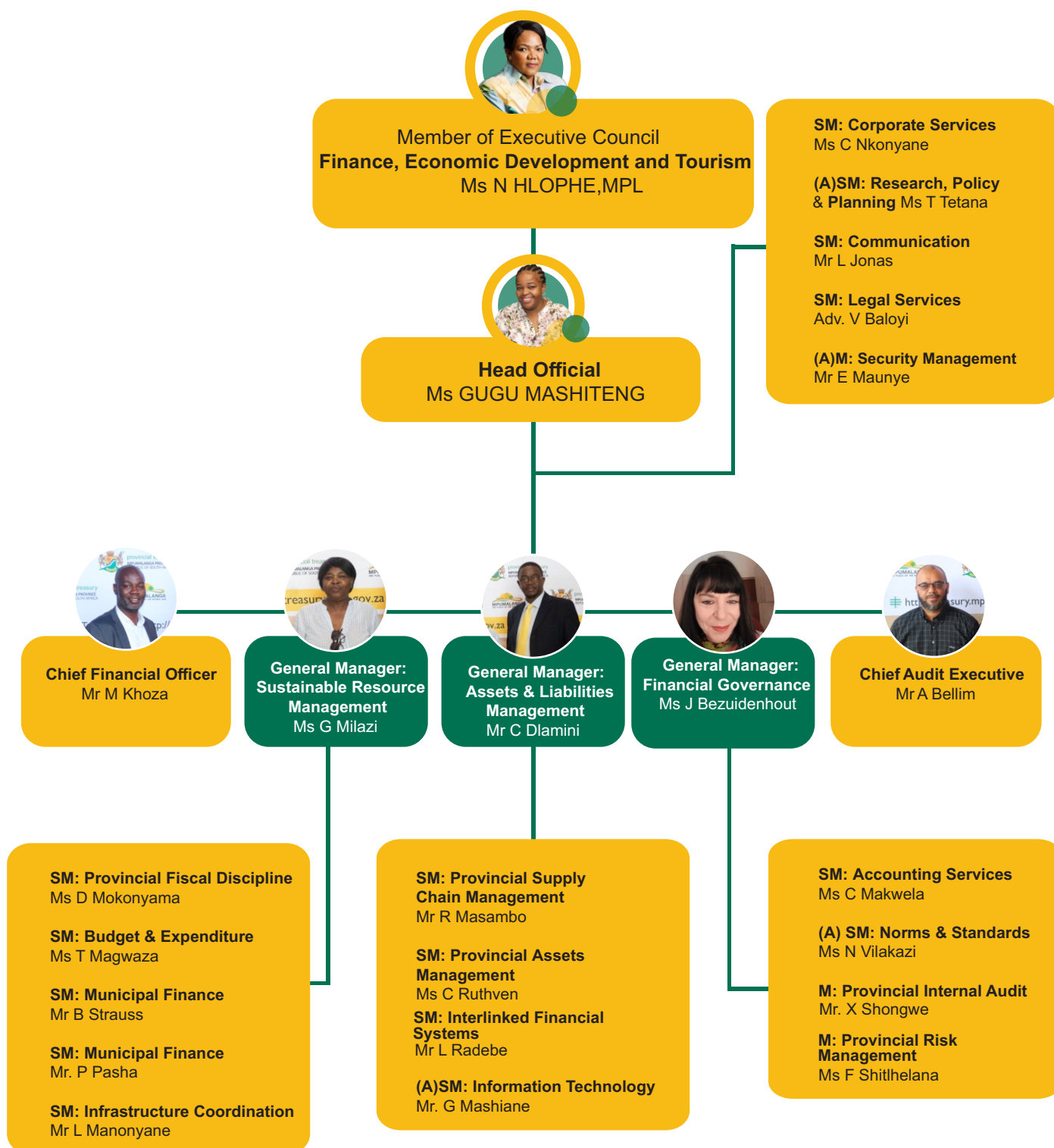
UPDATES TO RELEVANT COURT RULINGS

On 16 February 2022 the Constitutional Court in the case of Minister of Finance v Afribusiness NPC [2022] ZACC 4 handed down judgment in the application for leave to appeal against a judgement and order of the Supreme Court of Appeal (SCA). The application was brought by the Minister of Finance against Afribusiness, and concerned the validity of the Preferential Procurement Regulations, 2017 (the Regulations) made by the Minister in January of 2017, in terms of section 5 of the Preferential Procurement Policy Framework Act, 2000. In this regard, the SCA held that the Minister's promulgation of the Regulations 3(b), 4 and 9 of the 2017 Regulations was unlawful, and further in that the entirety of the 2017 Regulations was declared invalid. The appeal was dismissed and the declaration of invalidity was suspended for 12 months. Following the latter, the National Treasury has since sought for a confirmation in order to establish whether the 2017 Regulations: -

- remain valid until 15 February 2023, unless repealed sooner; or
- are no longer valid from 16 February 2022 (being the date of the Constitutional Court judgment).

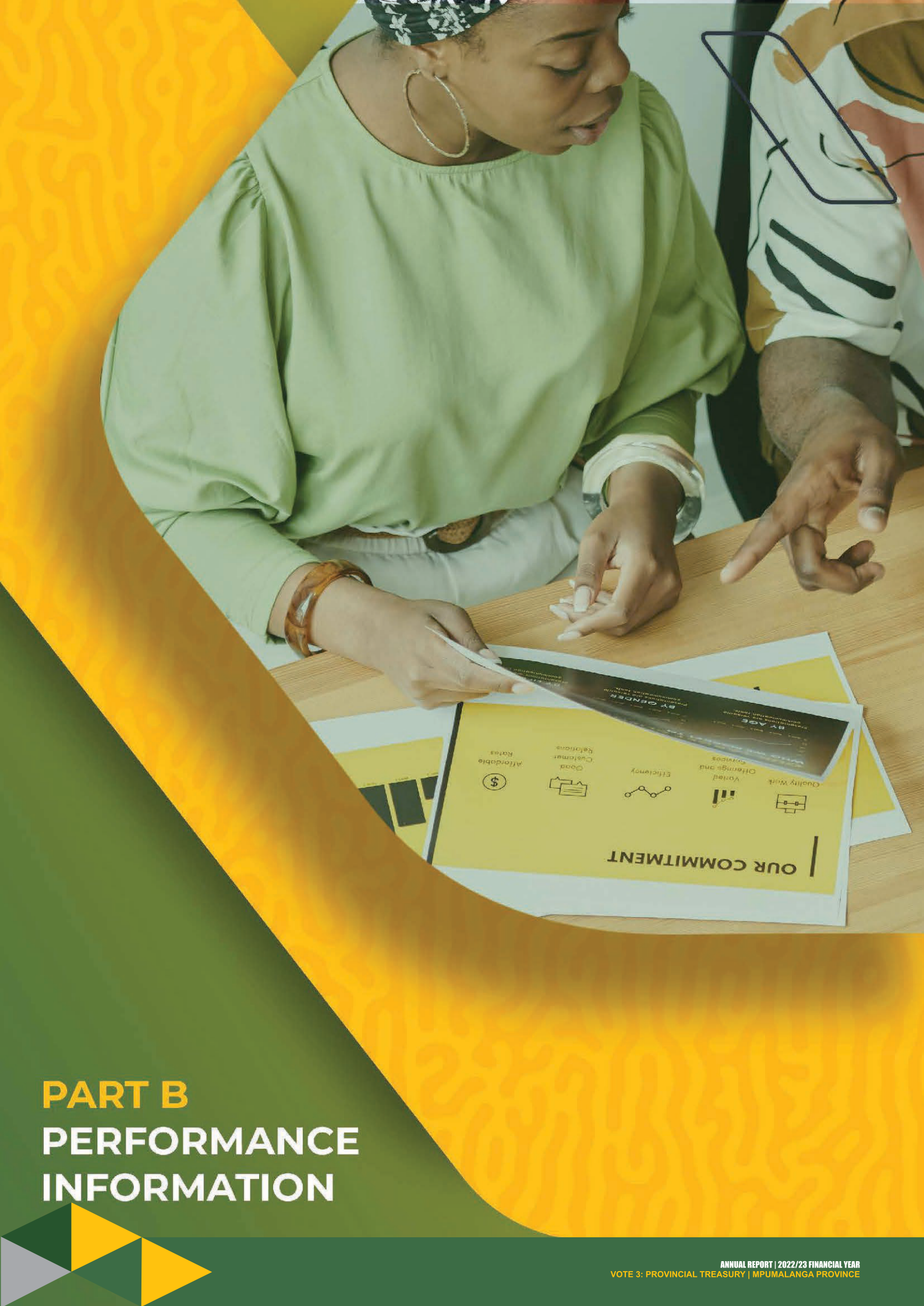
Linked to the above and relevant for the period under review, the Preferential Procurement Regulations, 2022 were issued and section 10 thereof repeals the Preferential Procurement Regulations, 2017 with effect from 16 January 2023. Furthermore, the 2022 Regulations provided as a transitional measure to the effect that, any tender advertised before 16 January 2023 must be dealt with in terms of the Preferential Procurement Regulations, 2017.

8. ORGANISATIONAL STRUCTURE



9. ENTITIES REPORTING TO THE MEC

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



PART B PERFORMANCE INFORMATION

1. AUDITOR GENERAL'S REPORT: PREDETERMINED OBJECTIVES

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

Refer to page 68 of the Report of the Auditor General, published as Part F: Financial Information.

2. OVERVIEW OF DEPARTMENTAL PERFORMANCE

2.1 Service Delivery Environment

The Provincial Treasury monitors the usage of all resources (budgets) allocated to Provincial Departments, Municipalities and Public Entities. The Provincial Treasury's programmes are aligned to the national priorities especially Priority 1 "A Capable, Ethical and Developmental State" with focus on the outcome: "Improved Governance and Accountability".

Eradicating poverty, inequality and unemployment is as urgent today, if not more so, as it was at the dawn of our democracy nearly 30 years ago. In an effort to achieve Priority 1 of "A Capable, Ethical and Developmental State" with focus on the outcome "Improved Governance and, our priorities in 2023 are to:

- Finalize the implementation of the patient record management system for the Department of Health.
- Finalize the implementation of the e-submission system in the Department of Education.
- e-Recruitment system piloted.
- Finalize the development of the Provincial ICT strategy (Appointment of the Service Provider)
- Monitor ESKOM related debt payments

With the planned outputs, the priority will be on awarding of contracts for services of the Provincial Treasury to previously disadvantaged groups with focus on women, youth and people living with disabilities. Through effective and efficient service, the provincial treasury will achieve the planned outcome of improved financial performance and governance within the PFMA and MFMA institutions leading to the impact of financially viable government institutions.

2.2 Service Delivery Improvement Plan

The Provincial Treasury 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 |
|---|--|--|--|---|
| Monitor and support all Departments, Municipalities and Public Entities adhering to compliance on payment of suppliers within 30 days after receipt of an invoice | Provincial Departments, Municipalities and Public Entities | 100% Compliance | 100% Compliance | Monitored 30-day payment of suppliers after receipt of valid invoices |
| Support and monitor all departments, municipalities and public entities adhering to supply chain frameworks on submission of procurement plans and adherence to schedules | Provincial Departments, Municipalities and Public Entities | 100% compliance by Departments (12 Votes, 4 Public Entities and 20 Municipalities) | 100% compliance by Departments (12 Votes, 4 Public Entities and 20 Municipalities) | 100% submission of procurement plans by Departments, Public Entities and Municipalities |

Batho Pele arrangements with beneficiaries (Consultation access, etc.)

| Current /actual information tool | Desired information tools | Actual achievements |
|---|--|--|
| Availability of a Complaints system. | Availability of a Complaints system. | Availability of a Complaints system through submissions in writing. |
| Presentations, Guidelines, policies and procedures and Provincial Treasury circulars. | Presentations, Guidelines, policies and procedures and Provincial Treasury circulars available and utilised. | Made available guidelines, policies and circulars to institutions including publishing such on the Internet and intranet |

Complaints mechanism

| Current/actual complaints mechanism | Desired complaints mechanism | Actual achievements |
|---|--|--|
| Complaints are addressed through telephone and email. | Addressing of all complaints received through telephone and email. | No complaints were received for Provincial Treasury for the period under review. |

2.3 Organisational environment

The Provincial Treasury has an approved organisational structure with 433 posts and the Provincial Treasury operated with a staff compliment of 285 permanent employees and 35 non-permanent employees (which comprise of Interns/Learners).

The overall vacancy rate as per posts in the approved organisational structure was at 34.1% based on the total of 148 vacant posts against the total of 433 posts in the organisational structure. However, in term of the Oversight Report, the Provincial Treasury occupancy rate stands at 73.9% and the vacancy rate stands at 26.1% on the PERSAL establishment. The above figures are informed by the fact that most of the vacant funded posts were abolished, subject to them being resuscitated once an approval has been obtained from the Executive Council, as per the moratorium on filling of vacant funded posts.

The Provincial Treasury filled Nineteen (19) permanent posts and appointed twenty-five (25) contract workers during the period under review, which significantly enhanced capacity in service delivery. A high staff turnover of 5.6% was experienced due to service terminations, voluntary resignations, retirements, deaths, and interdepartmental transfers. A recruitment plan has been developed to fill all the vacant posts over the Medium-Term Expenditure Framework period, dependent on the availability of financial resources.

Eight (08) officials were appointed to act in higher positions to enhance consistent operations within various units and were paid acting allowance. In addition to the above, the Provincial Treasury coordinated twenty-six (26) skills development programmes, which were facilitated by various training providers, namely:

| No | Training Programmes | Training Service Provider |
|----|---|---|
| 1 | Leadership Management Development Programme | National School of Government |
| 2 | Mentoring and Coaching | National School of Government |
| 3 | Occupational Health and Safety | Accredited Service Provider |
| 4 | Supply Chain Management | National School of Government |
| 5 | Risk Management | National School of Government |
| 6 | Compulsory Induction Programme | National School of Government |
| 7 | Microsoft Office 365 | Trainers without borders |
| 8 | Business Report Writing | National School of Government |
| 9 | CIP (Level 6-12): e-learning | National School of Government |
| 10 | CIP (Level 1-3): | National School of Government |
| 11 | CIP (Level 4-5): | National School of Government |
| 12 | CIP (Level 13-14) Online and Workplace Component | National School of Government |
| 13 | Supply Chain Management for Practitioners: e-learning | National School of Government |
| 14 | SCM: Bid Committees (PFMA) | National School of Government |
| 15 | Breaking Barriers Entry to Public Service (BB2E) | National School of Government |
| 16 | ICDL PowerPoint Intermediate | Trainers without borders |
| 17 | ICDL Word Advanced | Trainers without borders |
| 18 | Microsoft Visio | Trainers without borders |
| 19 | ICDL Excel: Intermediate and advanced | Trainers without borders |
| 20 | Advance Management Development Programme | National School of Government |
| 21 | Executive Leadership and Management Through Coaching | National Treasury/ Price Waters Coopers |
| 22 | TETA SCM Learnership | TETA and Department of Education |
| 23 | Secretaries Training Program | Sparkle Human Capital Development |
| 24 | PSETA Training Programmes (Coordinated by DoE): Service Delivery; | VBS Skills; Tseolopele |
| 25 | PSETA Training Programmes (Coordinated by DoE): Financial Management; | VBS Skills; Tseolopele |
| 26 | PSETA Training Programmes (Coordinated by DoE): Change Management. | VBS Skills; Tseolopele |

The core mandate of the Provincial Treasury is to provide financial and governance support towards effective implementation of the Public Finance Management Act (PFMA) and Municipal Finance Management Act (MFMA).

The organisational structure currently makes provision for four Programmes. Programme 1 is responsible for the financial and administrative management and support. The other three Programmes focus on treasury functions, which are Sustainable Resource Management, Assets and Liabilities Management and Financial Governance.

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

2.4 Key policy developments and legislative changes

Preferential Procurement Regulations, 2022

For the period under review, the Preferential Procurement Regulations, 2022 were issued and regulation 10 thereof repeals the Preferential Procurement Regulations, 2017 with effect from 16 January 2023. Furthermore, the 2022 Regulations provided as a transitional measure to the effect that, any tender advertised before 16 January 2023 must be dealt with in terms of the Preferential Procurement Regulations, 2017.

3. ACHIEVEMENT OF INSTITUTIONAL IMPACTS AND OUTCOMES

The Provincial Treasury supports and monitors the usage of resources allocated to Provincial Departments, Municipalities and Public Entities. The Provincial Treasury's programmes are aligned to the national priorities, specifically Priority 1 "A Capable, Ethical and Developmental State" with focus on the outcome "Improved Governance and Accountability". The Provincial Treasury is making progress on its Strategic target to ensure the achievement of financially viable government institutions.

The audit for PFMA and MFMA audits were finalised during the year. There was a 7.6% (R 4,4 billion of the adjusted budget of R 57,7 billion) for infrastructure investment for the period under review in the Province, and the Provincial Government managed to collect 127% of its revenue target for the period.

4. INSTITUTIONAL PROGRAMME PERFORMANCE INFORMATION

4.1 Programme 1: Administration

The Programme is responsible for political, financial and administrative management of the Provincial Treasury. The Programme provides effective and efficient administrative support to all line functions in the Provincial Treasury.

The Programme consists of the following Sub-Programmes:

- Office of the MEC
- Management Services: Office of the Head: Provincial Treasury
- Financial Management: Office of the CFO
- Internal Audit

List of institutional outcomes

Improved financial performance and governance in PFMA and MFMA institutions.

Outcomes, Outputs, Output Indicators, Targets and Actual Achievements

For the year under review the Administration Programme through the Offices of the Executive Authority and Accounting Officer provided strategic direction to ensure that the Provincial Treasury effectively and efficiently carries out its mandate. The planned outputs and output indicators targets were achieved.

Load shedding has become more persistent and prolonged, impacting on service delivery and threatening the survival on many businesses, the National Disaster Management Centre has classified the energy crisis and its impact as a disaster, and consequently declaring a National State of Disaster to respond to the electricity crisis and its effects. "A crisis of this nature demands a coordinated response, and it demands urgent action, The reality is that the resolution of the energy crisis requires effective coordination across several Departments and Public Entities" (Hon C. Ramaphosa, SONA 2023".

Provincial Treasury is navigating this difficult environment with policies, as a Department we have developed a Business Continuity Plan. The overall objective of plan (BCP) is to mobilise all key government resources to ensure that there is enough capacity to resume critical functions effectively in the event of a disruption. The plan aims to accomplish the following objectives: Operations continuity assurance during disruption; Improved mitigation of risks; and Robust platforms continued operations.

The Provincial Treasury prides itself with an independent, effective and proactive internal audit function which ensures that all emerging issues are identified and addressed accordingly. Through the Office of the Chief Financial Officer, the Provincial Treasury maintained sound financial management. The Planning Unit continued to monitor institutional performance to ensure that spending is in accordance with planned activities.

Table 4.1.1

| Programme 1 : Administration | | | | | | | | |
|---|--|--|--------------------------------------|--------------------------------------|---------------------------------|------------------------------|---|---|
| Outcome | Output | Output Indicator | Audited Actual Performance 2020/2021 | Audited Actual Performance 2021/2022 | Planned Annual Target 2022/2023 | Actual Achievement 2022/2023 | Deviation from planned target to Actual Achievement 2022/2023 | Reasons for deviations |
| Office of the MEC | | | | | | | | |
| Improved financial performance and governance in PFMA and MFMA institution | Policy and political directive in order to achieve provincial objectives | Number of Appropriation Bills tabled | 4 Bills | 3 Bills | 2 Bills | 3 Bills | 1 Bill | Reallocation of resources by National Treasury . |
| | | Number of Policy and Budget Statement tabled | 1 Statement | 1 Statement | 1 Statement | 1 Statement | N/A | N/A |
| Management Services: Office of the Head Provincial Treasury | | | | | | | | |
| Improved financial performance and governance in PFMA and MFMA institutions | Unqualified audit opinion | Unqualified audit opinion on predetermined objectives | New Indicator | 1 Audit Opinion | 1 | 1 | N/A | N/A |
| | | Number of Approved Risk Register | 1 Register | 1 Register | 1 Register | 1 Register | N/A | N/A |
| Financial Management Office of the Chief Financial Officer | | | | | | | | |
| Improved financial performance and governance in PFMA and MFMA institutions | Sound financial management in Provincial Treasury | Unqualified audit opinion on financial information | New Indicator | 1 | 1 | 1 | N/A | N/A |
| | | Percentage of suppliers paid within 30 days of receipt of valid invoices | 100% | 100% | 100% | 99.9% | 0.1 % | Due to a system error, two (2) invoices could not be processed within 30 days |
| Internal Audit | | | | | | | | |
| Improved financial performance and governance in PFMA | Improved risk management, governance, and internal controls | Number of approved Internal Audit Plans | 1 Internal Audit Plan | 1 Internal Audit Plan | 1 Internal Audit Plan | 1 Internal Audit Plan | N/A | N/A |

| Programme 1 : Administration | | | | | | | | |
|------------------------------|--------|------------------|--------------------------------------|--------------------------------------|---------------------------------|------------------------------|---|------------------------|
| Outcome | Output | Output Indicator | Audited Actual Performance 2020/2021 | Audited Actual Performance 2021/2022 | Planned Annual Target 2022/2023 | Actual Achievement 2022/2023 | Deviation from planned target to Actual Achievement 2022/2023 | Reasons for deviations |
| and MFMA institution | | | | | | | | |

Linking performance with budgets

The Programme has spent R131 413 000 which is 99.9 percent of its total budget.

Sub-programme expenditure

| Sub- Programme Name | 2021/22 | | | 2022/23 | | |
|---------------------------------|---------------------|--------------------|--------------------------|---------------------|--------------------|--------------------------|
| | Final Appropriation | Actual Expenditure | (Over)/Under Expenditure | Final Appropriation | Actual Expenditure | (Over)/Under Expenditure |
| | R'000 | R'000 | R'000 | R'000 | R'000 | R'000 |
| Member of the Executive Council | - | - | - | - | - | - |
| Management Services | 46 041 | 46 068 | (27) | 51 176 | 51 168 | 8 |
| Financial Management | 57 585 | 56 728 | 857 | 74 575 | 74 473 | 102 |
| Internal Audit | 5 160 | 5 160 | - | 5 773 | 5 772 | 1 |
| Total | 108 786 | 107 956 | 830 | 131 524 | 131 413 | 111 |

Strategy to overcome areas of underperformance.

Sub Programme: Office of the Chief Financial Officer

Percentage of suppliers paid within 30 days of receipt of valid invoices.

Continuous engagements with SITA technical team to timeously resolve BAS and LOGIS interface.

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

Not Applicable for the Programme.

| Budget Programme | Intervention | Geographic location (Province/ District/local municipality) (Where Possible) | No. of beneficiaries (Where Possible) | Disaggregation of Beneficiaries (Where Possible) | Total budget allocation per intervention (R'000) | Budget spent per intervention | Contribution to the Outputs in the APP (where applicable) | Immediate outcomes |
|------------------|--------------|--|---------------------------------------|--|--|-------------------------------|---|--------------------|
| N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A |

4.2 Programme 2: Sustainable Resource Management

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

The programme consists of the following Sub-Programmes:

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

List of institutional outcomes

Improved financial performance and governance in PFMA and MFMA institutions

Outcomes, outputs, output indicators, targets and actual achievements

The provincial fiscus improved in the 2022/23 financial year due to the review of the risk-adjusted index on the health component. The Province received additional funding to sustain the previous year wage agreement of cash gratuity allowance on compensation of employees to all votes. Also, additional funding for health to fund their response to COVID-19 pandemic as well as essential medical goods and services, and education department to address the shortfall in number of educators. An additional R558 million was received for Presidential Youth Employment Initiative (PYEI), which was only for department of Education.

The Province had to also accommodate increases related to the 3% wage increase for cost-of-living adjustments received during November adjustments.

The Province had to pass the 2nd adjustments because the Department of Human Settlement received additional R300m for their Human Settlement Development Grant (HSDG) & Informal Settlements Upgrading Partnership (ISUP) grant and Department of Health received R13.4m for National Health Insurance (NHI) grant from their respective sector departments due to good performance. Overall, the Province maintained its good performance on the it's expenditure with a 99 percent when compared to previous financial year.

The programme provided support to 12 votes in respect of own revenue collection. The programme achieved all its deliverables as planned. R2, 433, 928 billion was collected against a target of R1, 915, 017 billion. Department of Community Safety Security and Liaison will remain a priority for Provincial Treasury as the department has the biggest potential for own revenue generation. This is more so as more municipal collection services revert to the Province. Special attention will be given to the Mpumalanga Economic Regulator. The programme produced the Annual Financial Statements for the Revenue fund and received an unqualified audit outcome.

Municipal Finance achieved all their planned targets for the period under review. Infrastructure Coordination achieved all its planned targets. The programme planned to support to six infrastructure departments, but in the year under review the Department of Human Settlements was added to report on Infrastructure Reporting Module (IRM). On the Infrastructure Planning, all provincial departments have improved their planning resulting in an overachievement, against the planned target.

Table 4.2.1

| Programme 2 : Sustainable Resource Management | | | | | | | | |
|---|---|--|---|--|---------------------------------|-------------------------------|---|---|
| Outcome | Output | Output Indicator | Audited Actual Performance 2020/2021 | Audited Actual Performance 2021/2022 | Planned Annual Target 2022/2023 | *Actual Achievement 2022/2023 | Deviation from planned target to Actual Achievement 2022/2023 | Reasons for deviations |
| Provincial Administration Fiscal Discipline | | | | | | | | |
| Improved financial performance and governance in PFMA and MFMA institutions | Sustainable Provincial revenue management | Percentage of own revenue collection in the Province | 0.57% achieved. (114% actual own revenue collection Own revenue amounted to R 1,705 billion of the revised budget of R1,491 billion) | 0.7% (120% actual own revenue collection Own revenue amounted to R 2,043 billion of the budget of R1,705 billion) | 100% | 127% | 27% | Over collection is mainly from betting and gambling taxes, as well as motor vehicle licensing fees. |
| | | Unqualified audit opinion on revenue fund financial statements | 1 Set | 1 Set | 1 Set | 1 Set | N/A | N/A |

| Programme 2 : Sustainable Resource Management | | | | | | | | |
|---|--|--|--------------------------------------|--------------------------------------|---------------------------------|-------------------------------|---|--|
| Outcome | Output | Output Indicator | Audited Actual Performance 2020/2021 | Audited Actual Performance 2021/2022 | Planned Annual Target 2022/2023 | *Actual Achievement 2022/2023 | Deviation from planned target to Actual Achievement 2022/2023 | Reasons for deviations |
| Budget and Expenditure Management | | | | | | | | |
| Improved financial performance and governance in PFMA and MFMA institutions | Allocation of Provincial budget | Number of Estimates of Provincial Revenue Expenditure documents Prepared | 4 Documents | 3 Documents | 2 Documents | 3 Documents | 1 Document | Reallocation of resources by National Treasury. |
| | | Number of Appropriation Bills Prepared | 4 Bills | 3 Bills | 2 Bills | 3 Bills | 1 Bill | Reallocation of resources by National Treasury. |
| Municipal Finance | | | | | | | | |
| Improved financial performance and governance in PFMA and MFMA institutions | Financially viable municipalities | Number of Municipalities draft budgets analysed, and feedback provided | 19 Draft Budgets | 19 Municipalities | 19 Municipalities | 19 Municipalities | N/A | N/A |
| | | Number of municipalities issued with feedback on Mid-year Budget performance assessments | 19 Municipalities | 19 Municipalities | 19 Municipalities | 19 Municipalities | N/A | N/A |
| Infrastructure Coordination | | | | | | | | |
| Improved financial performance and governance in PFMA and MFMA institutions | Delivery of infrastructure in the Province coordinated | Number of feedback reports submitted to institutions based on the analysis of Infrastructure Reporting Model | 12 Reports | 12 Reports | 12 Reports | 12 Reports | N/A | N/A |
| | | Number of feedback submitted to institutions based on the analysis of user Asset Management plans | 6 Plans | 9 Plans | 6 Plans | 13 Plans | 7 Plans | More plans were received due to increased awareness sessions |

Linking performance with budgets

The Programme has spent R70 369 000 which is 99.9 percent of its total budget.

Sub programme expenditure

| Sub-Programme Name | 2021/22 | | | 2022/23 | | |
|---|---------------------|--------------------|--------------------------|---------------------|--------------------|--------------------------|
| | Final Appropriation | Actual Expenditure | (Over)/Under Expenditure | Final Appropriation | Actual Expenditure | (Over)/Under Expenditure |
| | R'000 | R'000 | R'000 | R'000 | R'000 | R'000 |
| Programme Support | 1 637 | 1 636 | 1 | 1 851 | 1 848 | 3 |
| Provincial Administration Fiscal Discipline | 9 970 | 9 970 | - | 12 764 | 12 764 | - |
| Budget and Expenditure Management | 12 197 | 12 196 | 1 | 13 470 | 13 469 | 1 |
| Municipal Finance | 52 455 | 52 455 | - | 34 859 | 34 859 | - |
| Infrastructure Co-Ordination | 5 892 | 5 892 | - | 7 430 | 7 429 | 1 |
| Total | 82 151 | 82 149 | 2 | 70 374 | 70 369 | 5 |

Strategy to overcome areas of under performance

All planned targets were achieved.

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

Not Applicable for the Programme

4.3 Programme 3: Assets and Liabilities Management

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

The programme consists of the following Sub-programmes:

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

List of institutional outcomes

Improved financial performance and governance in PFMA and MFMA institutions.

Outcomes, outputs, output indicators, targets and actual achievements

The Programme achieved all its targets for the financial year with regards to provincial supply chain management. All Departments, Public Entities and Municipalities submitted their procurement plans and contract registers on time. The Provincial Treasury monitored the implementation of these plans and provided feedback to the Institutions. The payment of service providers within 30 days remains a challenge mainly at the Department of Health and at Mpumalanga Economic Growth Agency (MEGA). The Programme will continue to support these entities to establish proper internal controls to effect payments within 30 days upon receipt of a valid invoice. During the past year the Provincial Treasury through this programme supported all PFMA and MFMA Institutions with the implementation of the Preferential Procurement Regulations 2022 (PPR 2022) that came into effect on 16 January 2023.

The Provincial Treasury has observed an improvement with regards to the utilisation of the Business Process Automation (BPA) systems implemented during the previous years. These systems include the electronic leave system, invoice tracking and the system for the preparation of financial statements (caseware). The Provincial Treasury will continue to support departments to institutionalise these systems and to effectively utilise the invoice tracking system to address the challenges of paying suppliers within 30 days.

The programme underperformed on the provision of Information Technology services by 6.08%. The target was to provide 95% network connectivity across all Government Departments in the Province. Unfortunately, due to extended hours of loadshedding, 88.92% connectivity was achieved for the year. The Provincial Treasury will continue to engage the Department of Public Works, Roads and Transport as custodians of all government buildings to consider the provision of alternative energy sources to address the challenges of loadshedding, where possible.

Table 4.3.1

| Programme 3: Assets and Liabilities Management | | | | | | | | |
|---|--|--|---|---|---|---|---|------------------------|
| Outcome | Output | Output Indicator | Audited Actual Performance 2020/2021 | Audited Actual Performance 2021/2022 | Planned Annual Target 2022/2023 | *Actual Achievement 2022/2023 | Deviation from planned target to Actual Achievement 2022/2023 | Reasons for deviations |
| Provincial Supply Chain Management | | | | | | | | |
| Improved financial performance and governance in PFMA and MFMA institutions | Adherence to Supply Chain Management Framework | Percentage of institutions issued with feedback for compliance on Procurement plans | 100% | 100% | 100% | 100% | N/A | N/A |
| | | Percentage of institutions monitored on 30 days payment to contracted service providers | 100% | 100% | 100% | 100% | N/A | N/A |
| | | Percentage of institutions monitored on contract management | 100% | 100% | 100% | 100% | N/A | N/A |
| Public Sector Liabilities Management | | | | | | | | |
| Improved financial performance and governance in PFMA and MFMA institutions | Adherence to liability management prescripts | Number of PFMA and MFMA institutions issued with feedback for compliance on liabilities management | 12 Votes, 11 Municipalities and 4 Public Entities | 12 Votes, 10 Municipalities and 4 Public Entities | 12 Votes, 10 Municipalities and 4 Public Entities | 12 Votes, 10 Municipalities and 4 Public Entities | N/A | N/A |
| Physical Assets Management | | | | | | | | |
| Improved financial performance and governance in PFMA and MFMA institutions | Adherence to asset management prescripts | Number of PFMA and MFMA institutions complying to assets management framework | 6 Votes 2 Public Entities 7 Municipalities | 6 Votes 2 Public Entities 8 Municipalities | 6 Votes 2 Public Entities 8 Municipalities | 6 Votes 2 Public Entities 8 Municipalities | N/A | N/A |
| Interlinked Financial Systems | | | | | | | | |
| Improved financial performance and governance in PFMA and MFMA institutions | Business continuity on transversal systems | Number of Votes supported on utilisation of transversal systems | 12 Votes | 12 Votes | 12 Votes | 12 Votes | N/A | N/A |

| Programme 3: Assets and Liabilities Management | | | | | | | | |
|---|--|---|--------------------------------------|--------------------------------------|---------------------------------|-------------------------------|---|---|
| Outcome | Output | Output Indicator | Audited Actual Performance 2020/2021 | Audited Actual Performance 2021/2022 | Planned Annual Target 2022/2023 | *Actual Achievement 2022/2023 | Deviation from planned target to Actual Achievement 2022/2023 | Reasons for deviations |
| Information Technology | | | | | | | | |
| Improved financial performance and governance in PFMA and MFMA institutions | Business continuity on information communication technology services | Percentage of PFMA institutions provided with IT Services | New Indicator | 6 Votes and 9 Municipalities | 95% | 88.92% | 6.08% | Network connectivity affected by increased stages of loadshedding |

Linking performance with budgets

The Programme has spent R228 579 000 which is 99.9 percent of its total budget.

Sub-programme expenditure

| Sub- Programme Name | 2021/22 | | | 2022/23 | | |
|------------------------------------|---------------------|--------------------|--------------------------|---------------------|--------------------|--------------------------|
| | Final Appropriation | Actual Expenditure | (Over)/Under Expenditure | Final Appropriation | Actual Expenditure | (Over)/Under Expenditure |
| | R'000 | R'000 | R'000 | R'000 | R'000 | R'000 |
| Programme Support | 1 303 | 1 303 | - | 1 796 | 1 795 | 1 |
| Provincial Supply Chain Management | 19 646 | 19 819 | (173) | 21 164 | 21 162 | 2 |
| Public Sector Liabilities | 4 721 | 4 721 | - | 4 397 | 4 396 | 1 |
| Physical Assets Management | 5 972 | 5 972 | - | 6 760 | 6 757 | 3 |
| Interlinked Financial Systems | 81 793 | 81 695 | 98 | 84 282 | 84 280 | 2 |
| Information Technology | 102 424 | 100 029 | 2 395 | 110 199 | 110 189 | 10 |
| Total | 215 859 | 213 539 | 2 320 | 228 598 | 228 579 | 19 |

Strategy to overcome areas of underperformance.

Sub Programme: Information Technology

Percentage of PFMA institutions provided with IT Services

The Provincial Treasury is engaging the Department of Public Works Roads and Transport as custodians of government buildings to provide alternative energy sources to address the loadshedding challenges.

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

Not Applicable for the Programme

4.4 Programme 4: Financial Governance

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

The Programme consist of the following Sub-programmes:

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

List of institutional outcomes

Improved financial performance and governance in PFMA and MFMA institutions.

Outcomes, outputs, output indicators, targets and actual achievements

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

The overachievement under Accounting Services Unit, where two (2) more Municipalities' Annual Financial Statements were analysed, was due to the challenges experienced with the previous year's disclosures.

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

The Provincial Internal Audit Unit had overachievements in terms of the evaluation of Audit Committees due to a high number of requests received for the attendance and evaluation of such meetings. Virtual attendance of meetings also contributed to the overachievements.

Table 4.4.1

| Programme 4: Financial Governance | | | | | | | | |
|---|---|--|--|---|---|--|---|--|
| Outcome | Output | Output Indicator | Audited Actual Performance 2020/2021 | Audited Actual Performance 2021/2022 | Planned Annual Target 2022/2023 | *Actual Achievement 2022/2023 | Deviation from planned target to Actual Achievement 2022/2023 | Reasons for revisions to the Outputs / Output indicators / Annual Targets |
| Accounting Services | | | | | | | | |
| Improved financial performance and governance in PFMA and MFMA institutions | Public institutions' AFS complying with legislation and prescriptions | Number of public institutions issued with feedback on financial statements analysed | 12 Votes 4 Public Entities 19 Municipalities | 12 Votes 2 Public Entities 8 Municipalities | 12 Votes 2 Public Entities 8 Municipalities | 12 Votes 2 Public Entities 10 Municipalities | 2 Municipalities | Due to challenges with disclosures experienced during the previous audit cycle |
| Norms and Standards | | | | | | | | |
| Improved financial performance and governance in PFMA and MFMA institutions | Public institutions complying with legislation and prescriptions | Number of public institutions issued with feedback on compliance to financial management legislation | 5 Votes | 6 Votes | 6 Votes | 6 Votes | N/A | N/A |
| | | Number of public institutions issued with feedback on compliance to information management prescriptions | New indicator | 7 Municipalities | 6 Municipalities | 6 Municipalities | N/A | N/A |

| Provincial Risk Management | | | | | | | | |
|--|-------------------------------------|---|---|--|---|---|----------------------------|---|
| Improved financial performance and governance in PFMA and MFMA institutions. | Effective risk management processes | Number of Enterprise Risk Management Frameworks (ERMF) issued to standardize Risk Management processes in public institutions | 1 ERMF | 1 ERMF | 1 ERMF | 1 ERMF | N/A | N/A |
| | | Number of public institutions issued with feedback on risk management processes | 12 Votes 3 Public Entities 12 Municipalities | 6 Votes 2 Public Entities 13 Municipalities | 7 Votes 2 Public Entities 10 Municipalities | 8 Votes 2 Public Entities 12 Municipalities | 1 Vote 2 Municipalities | High number of requests received from stakeholders |
| | | Number of public institutions with increased Risk Maturity levels | New indicator | New indicator | 1 Vote 1 Municipality | 1 Vote 1 Municipality | N/A | N/A |
| Provincial Internal Audit | | | | | | | | |
| Improved financial performance and governance in PFMA and MFMA institution | Effective internal audit processes | Percentage of Internal audit plans for public institutions analysed | 100% of internal audit plans that were received, analysed | 100% of internal audit plans that were received, analysed | 100% of internal audit plans that were received, analysed | 100% of internal audit plans that were received, analysed | N/A | N/A |
| | | Number of evaluations performed on effectiveness of Audit Committees of public institutions | 63 Evaluations | 71 Evaluations 26 Votes 8 Public Entities 37 Municipalities | 25 Evaluations | 72 Evaluations | 47 Evaluations | Most Audit Committee meetings are held virtually, which gave officials flexibility to attend more meetings. |

Linking performance with budgets

The Programme has spent R49 436 000 which is 99.8 percent of its total budget.

| Sub- Programme Name | 2021/2022 | | | 2022/2023 | | |
|----------------------------|---------------------|--------------------|--------------------------|---------------------|--------------------|--------------------------|
| | Final Appropriation | Actual Expenditure | (Over)/Under Expenditure | Final Appropriation | Actual Expenditure | (Over)/Under Expenditure |
| | R'000 | R'000 | R'000 | R'000 | R'000 | R'000 |
| Programme Support | 7 946 | 7 946 | - | 26 635 | 26 626 | 9 |
| Accounting Services | 4 800 | 4 800 | - | 5 751 | 5 718 | 33 |
| Norms and Standards | 10 523 | 10 523 | - | 9 595 | 9 588 | 7 |
| Provincial Risk Management | 3 166 | 3 166 | - | 3 401 | 3 387 | 14 |
| Provincial Internal Audit | 3 626 | 3 626 | - | 4 140 | 4 117 | 23 |
| Total | 30 061 | 30 061 | - | 49 522 | 49 436 | 86 |

Strategy to overcome areas of under performance.

All planned targets were achieved.

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

Not Applicable for the Programme

5. TRANSFER PAYMENTS

5.1 Transfer payments to public entities

There were no transfers made to public entities in the financial year under review.

5.2 Transfer payments to all organisations other than public entities

The Provincial Treasury transferred R15 000 000 to Two (2) Municipalities to assist them with revenue enhancement and audit improvement outcome.

The table below reflects the transfer payments made for the period 1 April 2022 to 31 March 2023

| Name of transferee | Type of organisation | Purpose for which the funds were used | Did the dept. comply with s 38 (1) (j) of the PFMA | Amount transferred (R'000) | Amount spent by the entity | Reasons for the funds unspent by the entity |
|-------------------------------|----------------------|---|--|----------------------------|----------------------------|---|
| Msukaligwa Local Municipality | Local Municipality | Revenue enhancement and audit improvement outcome | Yes | 8 000 | 0 | Municipalities' year end is 30 June 2023 |
| Mkhondo Local Municipality | Local Municipality | Revenue enhancement and audit improvement outcome | Yes | 7 000 | 0 | SCM in progress |

6. CONDITIONAL GRANTS

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

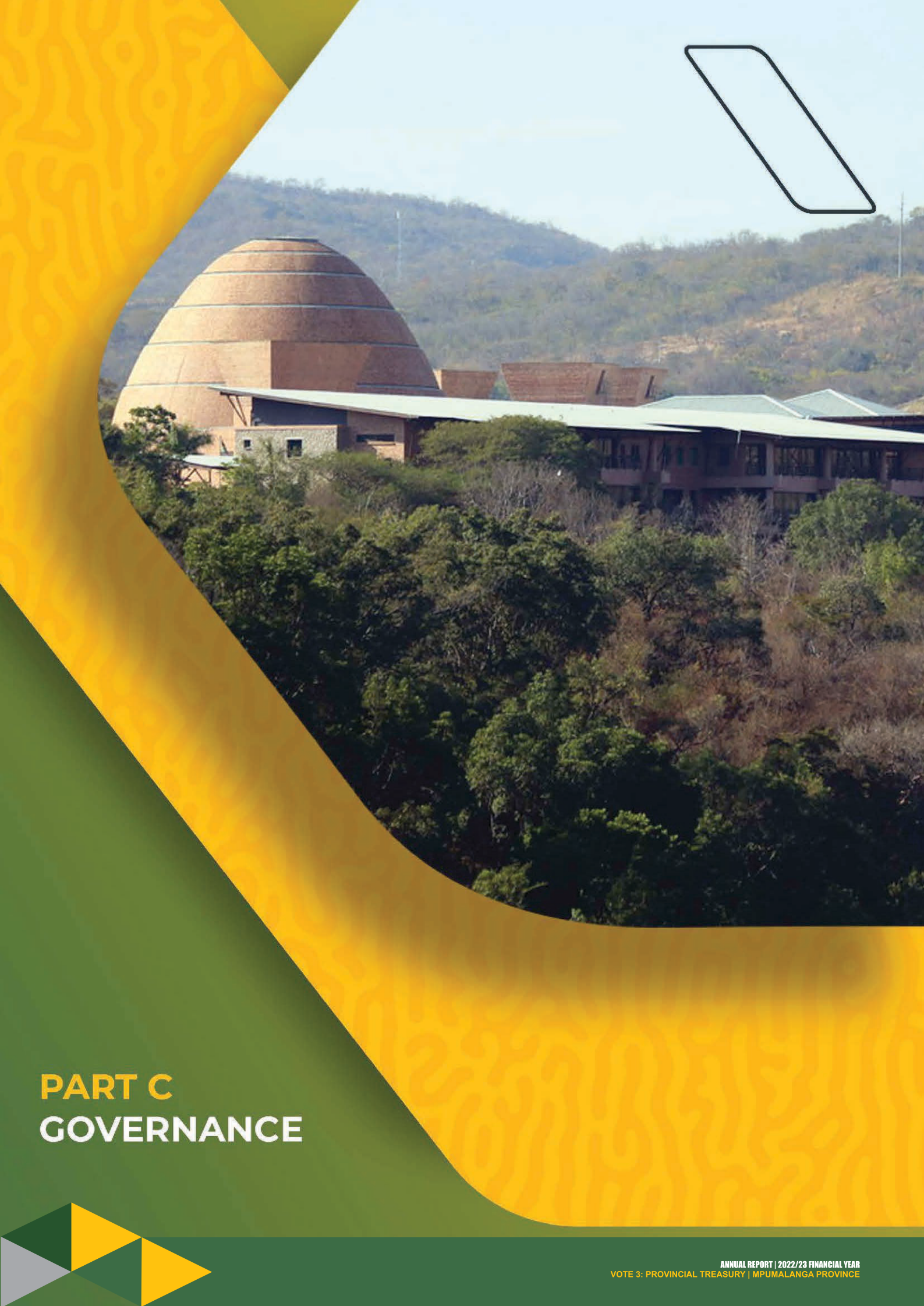
7. DONOR FUNDS

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

8. CAPITAL INVESTMENT

8.1 Capital investment, maintenance, and asset management plan.

| Infrastructure projects | 2021/2022 | | | 2022/2023 | | |
|----------------------------|---------------------|--------------------|--------------------------|---------------------|--------------------|--------------------------|
| | Final Appropriation | Actual Expenditure | (Over)/Under Expenditure | Final Appropriation | Actual Expenditure | (Over)/Under Expenditure |
| | R'000 | R'000 | R'000 | R'000 | R'000 | R'000 |
| New and replacement assets | 24 253 | 18 332 | 5 921 | 47 976 | 47 721 | 255 |
| Total | 24 253 | 18 332 | 5 921 | 47 976 | 47 721 | 255 |



PART C GOVERNANCE



1. INTRODUCTION

Commitment by the Provincial Treasury to maintain the highest standards of governance is fundamental to the management of public finances and resources. Users need assurance that the department has good governance structures in place to effectively, efficiently and economically utilize the state resources, which are funded by the tax-payer. As such and in order keep up with the highest standards as set, the Provincial Treasury has well established governance structures such as the Audit Committee and Risk and Ethics Management Committee, which are tasked with a responsibility to ensure that risks are managed, internal controls are adequate and effective and governance principles are implemented.

2. RISK MANAGEMENT

The Accounting Officer (AO) for Provincial Treasury takes responsibility for implementing Enterprise Risk Management (ERM) in accordance with the National Treasury Public Sector Risk Management Framework. An approved ERM Policy, providing a framework for the embedding of risk management processes within Provincial Treasury and a Strategy and Implementation Plan which monitors the performance of risk management processes throughout the financial year is in place. Provincial Treasury identified risks that could potentially impact the operations.

Provincial Treasury conducts risk assessments and reviews annually in accordance with Treasury Regulations 3.2.1. This enables Provincial Treasury to direct its internal audit effort and prioritize the allocation of resources. Provincial Treasury continued to improve its risk maturity level and application of risk management principles by working closely with Planning, Monitoring and Evaluation unit.

The Risk and Ethics Management Committee (REMC) is the structure responsible for adoption, implementation and oversight of Enterprise Risk Management (ERM) policies and processes. The Risk and Ethics Management Committee is chaired by an external member and comprises selected members of the senior management team. In line with its approved terms of reference, the Committee meets on a quarterly basis to evaluate the effectiveness of mitigating strategies to address the material risks. Key existing and emerging risks are discussed where various Programme managers and Heads of sections were required to provide feedback on progress made on the implementation of action plans.

The Audit Committee provided oversight over the risk management processes, as risk management is a standing agenda item through the quarterly Audit Committee meetings.

The Business Continuity Management (BCM) processes has been established and a Business Continuity Plan aligned with the Disaster Recovery Plan has been developed. Business continuity Management processes were strengthened through a Business Impact Analysis to enable continuity of operations during business disruption.

3. FRAUD AND CORRUPTION

As part of effective enterprise-wide risk management, the department has established fraud and corruption risk management measures. In terms of the Risk and Ethics Management Committee meetings there were no cases of fraud and corruption that were identified during the year under review.

4. MINIMISING CONFLICT OF INTEREST

In order to minimise conflict of interest, the Provincial Treasury derives guidance from relevant prescripts dealing with but not limited to the following: -

Disclosure of Financial Interest: The Provincial Treasury continued its program on minimising conflict of interest by raising awareness amongst officials on the importance of disclosing their interests and placed emphasis especially on designated officials. For the period under review, the department obtained a 100% compliance level for all categories of designated officials. CIPC and CSD checks were conducted for all officials in order to check if there are no officials conducting business with Government.

Remunerative Work Outside their Employment in the Public Service: Annual reminders were sent to officials to seek permission from the Executive Authority before any remunerative work outside their employment in the Public Service was performed including advocacy on the Public Service Regulations which came into effect from 1 August 2016. For the period under review, all SMS Members accordingly declared their financial interests through the e-disclosure system, including officials in the Office of the Chief Financial Officer, Provincial Supply Chain and Officials a salary levels 11 and 12. For the period under review, 4 officials were granted permission to perform work outside the Public Service.

With the introduction of the structured approach to Ethics Management within the Public Service, matters relating to conflict of interests are now dealt within the ambit of Ethics Management. As a result of the latter, the Risk Management function has now been merged with the Ethics Management function and therefore aligns to the DPSA generic structure and also ensuring compliance.

5. CODE OF CONDUCT

The Code of Conduct is a guide to employees to what is expected of them from an ethical point of view, in their individual conduct, relationship with others and the State as the employer. Compliance with the Code of Conduct enhances professionalism and ensures confidence in the Public Service and the promotion of exemplary conduct. The Provincial Treasury adheres to the Code of Conduct and promotes high standard of professional ethics.

Breach of the Code of Conduct for employees, is handled in terms of the Public Service Co-ordination Bargaining Council Resolution 1 of 2003 Disciplinary Code and Procedure (applicable to employees on salary levels 1 to 12) and the SMS Handbook (applicable to employees on salary levels 13 to 16).

During the period under review, the Provincial Treasury received and processed one (1) misconduct and one (1) grievance case, which are still in progress. These cases could not be concluded in the year under review.

Coordinated two (2) awareness workshops on Code of Conduct, targeting all employees as well as the newly appointed employees as part of the Induction Programme, and a copy of Code of Conduct was issued to all employees.

6. HEALTH SAFETY AND ENVIRONMENTAL ISSUES

The Occupational Health and Safety Act, 1993 (Act No. 85 of 1993) as amended, imposes the responsibility on the employer to provide and maintain, as far as is reasonably practical, a healthy working environment that is safe and without risk to the health of its employees.

The Provincial Treasury developed and monitored the OHS Action Plan to monitor occupational health and safety hazards in all the workstations of the Provincial Treasury. OHS representatives were officially appointed in the various workstations with a responsibility to identify possible occupational hazards/risks that might affect operations and escalate accordingly where necessary for intervention.

OHS Committee meetings inclusive of labour stakeholders were convened quarterly to mitigate identified occupational hazards through regular workplace inspections including Regional and Satellite Offices. The state-owned office buildings occupied by Provincial Treasury are reliant on DPWRT for maintenance services to mitigate any occupational health and safety hazards. The Provincial Treasury will continue to collaborate with DPWRT to improve maintenance of offices to optimally mitigate occupational health and safety hazards.

7. PORTFOLIO COMMITTEES

Meeting dates of the Portfolio Committee

1st Quarter Performance Report 2022/23: 26 August 2022

2nd Quarter Performance Report 2022/23: 17 November 2022

SCOPA: 10 February 2022

| Resolution No | Resolutions | Response by Provincial Treasury |
|---|--|---|
| 1st Quarter Performance Report 2022/23 meeting held on 26 August 2022 | | |
| i | The department must allocate time frames on the filling of the two funded vacant (02) posts and ensure that the process adheres to the stipulated time. | It is envisaged that the vacant posts will be filled by February 2023. |
| ii | The department must ensure that it has enough resources to implement the proposed organisational structure once approval has been granted | Once the revised organizational structure is approved, the filling of the posts will be done incrementally within the available resources. |
| iii | The department must be persistent and exhaust all avenues in trying to offer the much-needed support to the Emalahleni Local Municipality in order to provide feedback report for compliance. | Provincial Treasury and CoGTA assisted by DBSA, are supporting Emalahleni LM through capacity building on Financial Management, Revenue and expenditure management, implementation of the Financial Recovery plan and budget funding plan as adopted by Municipal Council |
| 2nd Quarter Performance Report 2022/23 meeting held on 17 November 2022 | | |
| i | The department must ensure that municipalities are given the necessary support and training on the various systems to be procured; and that a progress report must be submitted on the progress of the procurement and implementation at the various | Municipalities are responsible for procuring and implementing systems that are mSCOA compliant ensure that they report according to the requirements. Provincial Treasury does not provide transversal systems to municipalities but provides training on mSCOA, etc. |

| Resolution No | Resolutions | Response by Provincial Treasury | | | | | | | | | | | | | | | | | | |
|-------------------|--|--|------------|----------------------------------|------------------------|-------------------|---|---|-------------------|---|----|------------------|---|---|-------------------|---|----|-------|----|----|
| | municipalities. | Through the support of National Treasury, municipalities are trained through the MSCOA masterclasses to improve their capacity with full implementation and compliance of MSCOA. Full implementation of MSCOA by municipalities will assist in improvement of financial management, through correct transacting which will improve accuracy of reporting by municipalities. E-learning classes are provided through the School of Governance towards capacitation of municipal officials for improvement of skills levels. | | | | | | | | | | | | | | | | | | |
| ii | The department should finalise all recruitment processes by February 2023 to ease human capital pressures and be in a position to properly spend the allocated budget for Compensation of Employees. | <p>Provincial Treasury's progress:</p> <table border="1"> <thead> <tr> <th>Post Level</th><th>Total Number of Advertised Posts</th><th>Number of posts filled</th></tr> </thead> <tbody> <tr> <td>SMS Posts (13-16)</td><td>3</td><td>0</td></tr> <tr> <td>MMS Posts (11-12)</td><td>6</td><td>03</td></tr> <tr> <td>Salary Levels 10</td><td>7</td><td>0</td></tr> <tr> <td>Salary Levels 1-8</td><td>7</td><td>02</td></tr> <tr> <td>Total</td><td>23</td><td>05</td></tr> </tbody> </table> <p>Provincial Treasury's progress:</p> <ul style="list-style-type: none"> Further, Provincial Treasury acknowledges delays in finalizing the recruitment processes of the twenty-three (23) posts advertised in 2022, however, the shortlisting, interviews, and competency assessments where applicable and personnel suitability checks are in progress with an intention to finalize filling of these posts. Thus far only two posts were concluded, namely: Deputy Director: Labour Relations and Deputy Director: IT End User Support and appointed officials are expected to assume duty on 01 March 2023 | Post Level | Total Number of Advertised Posts | Number of posts filled | SMS Posts (13-16) | 3 | 0 | MMS Posts (11-12) | 6 | 03 | Salary Levels 10 | 7 | 0 | Salary Levels 1-8 | 7 | 02 | Total | 23 | 05 |
| Post Level | Total Number of Advertised Posts | Number of posts filled | | | | | | | | | | | | | | | | | | |
| SMS Posts (13-16) | 3 | 0 | | | | | | | | | | | | | | | | | | |
| MMS Posts (11-12) | 6 | 03 | | | | | | | | | | | | | | | | | | |
| Salary Levels 10 | 7 | 0 | | | | | | | | | | | | | | | | | | |
| Salary Levels 1-8 | 7 | 02 | | | | | | | | | | | | | | | | | | |
| Total | 23 | 05 | | | | | | | | | | | | | | | | | | |
| iii | The department must put mechanisms in place to ensure that all invoices are paid within thirty (30) days. | The Provincial Treasury has controls to ensure invoices are paid within 30 days in line with the prescripts, the current challenge of load shedding has a negative impact, and however, the department adheres to the prescripts at all times | | | | | | | | | | | | | | | | | | |

8. SCOPA RESOLUTIONS

| Resolution No | Subject | Details | Response by Provincial Treasury | Resolved (Yes/No) |
|---------------|--|---|---|-------------------|
| i | Implementation of previous SCOPA resolutions on AR 2021/22 | The Accounting Officer must ensure that the departmental officials are well versed with Treasury Regulations to avoid future findings. | Departmental officials are trained continuously on current legislation as well as new reforms to ensure compliance | Yes |
| ii | | The Accounting Officer must ensure that advisors deployed to assist municipalities are equipped with the relevant skills that particularly deals with municipal finance, to ensure that municipalities are given adequate advice to improve in their audit opinion. | Advisors and Treasury officials supporting municipalities are specialists in their fields of expertise in order to ensure value adding is achieved when providing advice. | Yes |
| iii | | The Accounting Officer must ensure that PFMA institutions are trained on how to process requests for condonation to avoid | The Provincial Treasury established a Technical Committee that reviews | Yes |

| Resolution No | Subject | Details | Response by Provincial Treasury | Resolved (Yes/No) |
|---------------|---------|--------------------------|---|-------------------|
| | | delays with the process. | submissions for condonation and should any challenges be identified, one-on-one meetings are arranged with a Department / Public Entity and the Irregular Expenditure Guideline requirements are clarified. Furthermore, training was provided on National Treasury Instruction No. 4 of 2022/23 that includes new guidelines for Unauthorised, Irregular, Fruitless and Wasteful expenditure. Condonation requests are also discussed in detail during the CFO Forum meetings which are held on a Quarterly basis. | |

9. PRIOR MODIFICATIONS TO AUDIT REPORTS

There were no prior modifications to the audit reports.

10. INTERNAL CONTROL UNIT

The Provincial Treasury does not have a formalised Internal Control Unit however, the Office of the CFO has assigned the various internal control checks to the responsible managers whilst the organisational structure is being reviewed.

11. INTERNAL AUDIT AND AUDIT COMMITTEES

The Internal Audit Unit and Audit Committee derive their mandate from the Internal Audit Charter and Audit Committee Charter.

Key activities and objectives of the internal audit:

The Internal Audit Unit conducts its activities as per the Internal Audit Plan that is based on the risk assessment and approved by the Audit Committee.

The Internal Audit Unit exists to provide assurance and consulting activity to the Provincial Treasury to add value and improve operations to enable the Provincial Treasury to achieve its strategic goals and objectives.

Summary of audit work done:

The Internal Audit Unit reports quarterly to the Audit Committee on the progress of work conducted in accordance with the approved Internal Audit Plan.

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

- Performance Information and Financial Statement Reviews
- Regional Offices
- Control Environment
- Key Controls
- Asset Management
- Information Technology and Interlinked Financial Systems
- Financial and Supply Chain Management
- Follow-up Reviews

Key activities and objectives of the Audit Committee:

The Audit Committee fulfils a vital role in corporate governance to ensure the integrity of integrated reporting and internal controls and the identification and management of risks. The Audit Committee assists management in carrying out its responsibilities relating financial management and other reporting practices, internal controls and management of risks as well as compliance with laws, regulations and ethics.

The table below discloses relevant information on the Audit Committee members:

| Name | Qualifications | Internal or external | If internal, position in the department | Date appointed | Date Resigned | No. of Meetings attended |
|---|--|----------------------|---|----------------|---------------|--------------------------|
| Ms Jane Sedie Masite Chairperson from 1 November 2022 | Certified Internal Auditor, (CIA) Certified Internal Control Professional (CICP) Chartered Internal Auditor, (CMIIA) Certified Fraud Examiner (CFE), Qualification in Internal Audit Leadership, (QIAL) Chartered Government Internal Auditor. (CGIA) B Com Degree | External | N/A | 01/11/2019 | N/A | 5 |
| Mr Trevor Boltman | Certified Internal Auditor Certified Government Auditing Professional Certification in Control Self-Assessment Certificate in Forensic Examination Post Graduate Diploma Internal Auditing B Tech Internal Auditing | External | N/A | 01/11/2022 | N/A | 1 |
| Mr Mike Khathushelo Ramukumba | Master of Business Administration CA (SA) B Comm Honours (CTA) B Comm | External | N/A | 01/11/2022 | N/A | 0 |
| Dr Machiniba Sylvia Sathekge | Doctor of Business Administration Master of Business Leadership Master of Science specialisation in Technology Management Bachelor Science B Tech Information Technology | External | N/A | 01/11/2022 | N/A | 1 |
| Ms Ntombizakithi Pearl Zwane | B Comm: Accounting Post Grad Diploma: Business Management Certificate Programme in Management Development for Municipal Finance Procurement Professional Chartered Institute of Procurement and Supply (CIPS) | External | N/A | 01/11/2022 | N/A | 1 |
| Ms Thabsile Idah Ranape Chairperson until 31/10/2022 | B Tech: Public Management National Diploma: Public Management and Administration Diploma: State Finance | External | N/A | 01/04/2017 | 31/10/2022 | 6 |
| Mr Mpaku Mathabathe | B Tech Internal Auditing, Post Grad Diploma Internal Auditing, Certified Internal Auditor, Certified Information Systems Auditor | External | N/A | 01/11/2019 | 31/10/2022 | 4 |

| Name | Qualifications | Internal or external | If internal, position in the department | Date appointed | Date Resigned | No. of Meetings attended |
|-----------------------------|---|----------------------|---|----------------|---------------|--------------------------|
| Mr Dingane Johannes Ngobeni | B Com Degree Post Grad Diploma Applied Accounting Science | External | N/A | 01/11/2020 | 31/10/2022 | 5 |
| Ms Thelma Khoza | B Com Degree Post Grad Diploma Applied Accounting Science CA (SA) | External | N/A | 01/11/2020 | 31/10/2022 | 3 |

12. AUDIT COMMITTEE REPORT

Report of the Audit Committee

We are pleased to present our report for the financial year ended 31 March 2023.

Audit Committee Responsibility

The Audit Committee reports that it has complied with its responsibilities arising from Section 38(1) (a) (ii) of the Public Finance Management Act, Act 1 of 1999 and Treasury Regulation 3.1.13. The Audit Committee also reports that it has adopted appropriate formal terms of reference as its Audit Committee Charter. We have regulated our affairs in compliance with this charter and have discharged all responsibilities as contained therein, except that we have not reviewed changes in accounting policies and practices.

The Effectiveness of Internal Control

Our review of the findings of the Internal Audit work, which was based on the risk assessments conducted in the Provincial Treasury revealed certain weaknesses, which were then raised with management.

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

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

The following were areas of concern:

- Failure by the Department of Public Works, Roads and Transport to attend timeously to Occupational Health and Safety matters impacting the Provincial Treasury.
- Non-adherence to the timelines in the procurement plan.
- Movement of assets not timeously reflected on LOGIS and disposal of assets from the asset register; and
- Inadequate monitoring, supervision, and review of the usage of government vehicles.

From the various reports from the Internal Audit unit, some matters were reported indicating deficiencies in the system of internal control. In order to address deficiencies noted, the Audit Committee will monitor progress made by management with implementing action plans to address those deficiencies.

In-Year Management and Monthly and Quarterly Reports

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

Evaluation of Financial Statements

We have reviewed the Annual Financial Statements prepared by the Provincial Treasury.

Auditor-General South Africa's Report

We have reviewed the Provincial Treasury's implementation plan regarding audit issues raised in the previous year and are satisfied that the matters have been adequately resolved.

The Audit Committee concurs and accepts the conclusion of the Auditor-General on the Annual Financial Statements and Annual Performance Report and is of the opinion that the Audited Annual Financial Statements and Annual Performance Report be read together with the report of the Auditor-General.

Independence of the Audit Committee

The Audit Committee is independent of management in the execution of its duties.

Internal Audit

The Audit Committee is satisfied that the Internal Audit function is operating effectively and that it has addressed the risks pertinent to the Provincial Treasury in its audits.

Risk Management

Quarterly reports by the Chairperson of the Risk and Ethics Management Committee highlighted the implementation of the combined assurance plan on risk and ethics management. Both the Audit Committee and Risk and Ethics Management Committee provided assurance and advised management on improvement on effectiveness of governance, risk management and internal controls.

Appreciation

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

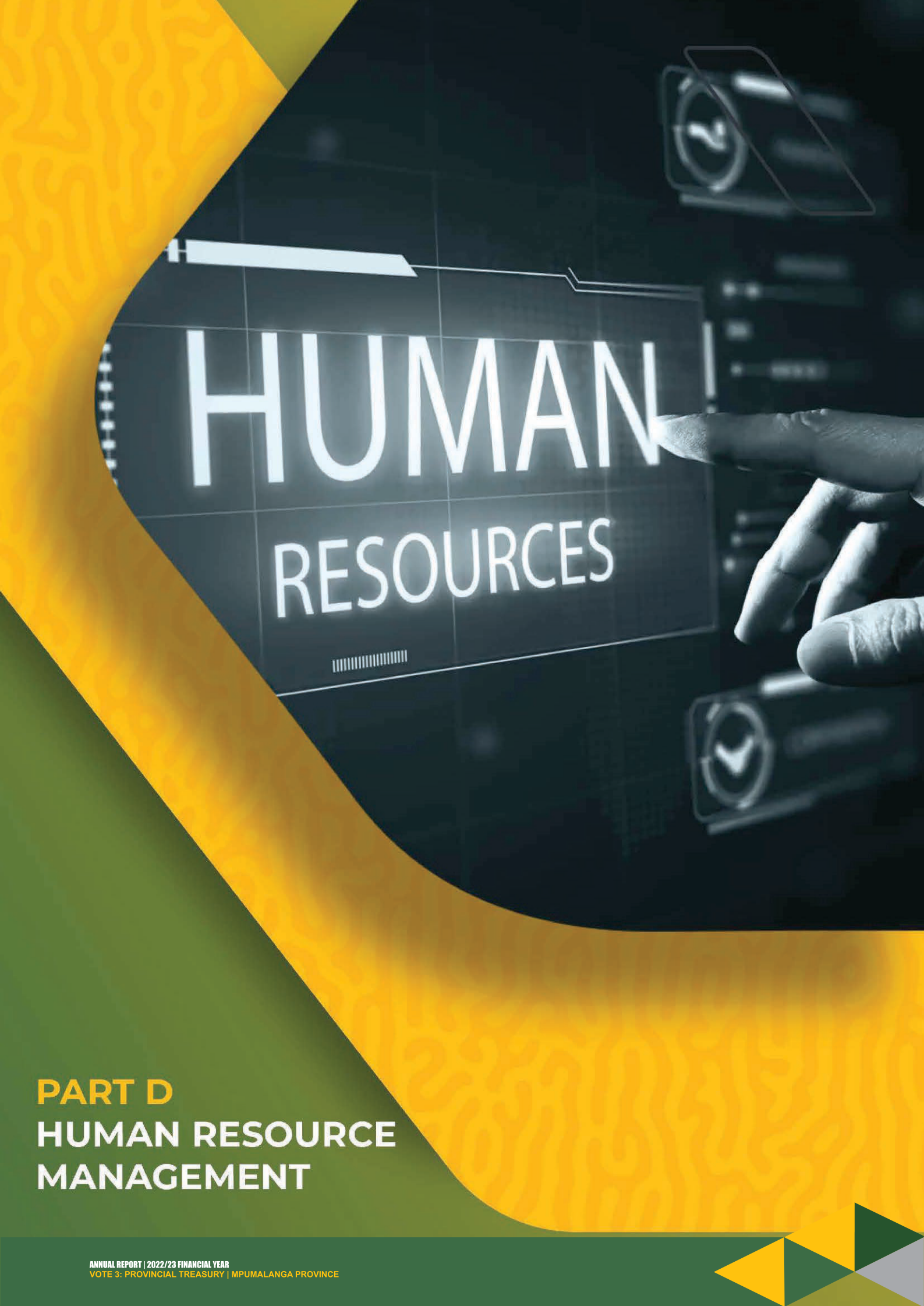


Jane Sedie Masite, CIA,CFE,CISP
Chairperson of the Audit Committee
Mpumalanga Provincial Treasury
Date: 31/07/2023

13. B-BBEE COMPLIANCE PERFORMANCE INFORMATION

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

| Has the Department / Public Entity applied any relevant Code of Good Practice (B-BBEE Certificate Levels 1 – 8) with regards to the following: | | |
|--|-------------------|--|
| Criteria | Response Yes / No | Discussion (include a discussion on your response and indicate what measures have been taken to comply) |
| Determining qualification criteria for the issuing of licences, concessions or other authorisations in respect of economic activity in terms of any law? | No | Provincial Treasury does not have the criteria for issuing of licences, concessions, and any other economic activity as this does not form part of Provincial Treasury's mandate |
| Developing and implementing a preferential procurement policy? | Yes | The Provincial Treasury has a Supply Chain Management Policy and currently implement the Preferential Procurement Regulations as promulgated in January 2023. |
| Determining qualification criteria for the sale of state-owned enterprises? | No | The Provincial Treasury does not sell any state owned enterprises. |
| Developing criteria for entering into partnerships with the private sector? | No | The Provincial Treasury does not enter into any PPP (Private Public Partnerships) only provided support to other stakeholders in the application process to the National Treasury. |
| Determining criteria for the awarding of incentives, grants and investment schemes in support of Broad Based Black Economic Empowerment? | No | Provincial Treasury does not award incentives, grants and investment schemes in support of Broad –Based Black Economic Empowerment. |



HUMAN RESOURCES

PART D **HUMAN RESOURCE MANAGEMENT**

1. INTRODUCTION

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

2. OVERVIEW OF HUMAN RESOURCES

The Provincial Treasury had three hundred and twenty (320) staff complement as at 31 March 2023. The high standard of performance in the Provincial Treasury emanates from the commitment, diligence and often-selfless efforts of its employees despite human capacity challenges. The modern people management landscape has shifted significantly in recent years and requires complex navigation between ranges of competing variables.

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

The Provincial Treasury has capable human capital who are expected to have a positive impact in rendering quality service delivery to the Province. Corporate Services continued to monitor the implementation of people management, compliance indicators and provided management with regular updates on various accurate people management information to enable sound decision-making. These indicators include among others, staff establishment information, headcount, leave liability, status on labour related cases, employee health and wellness related cases, vacancy rates, staff mobility, records management, employment equity issues and performance management compliance within the Provincial Treasury

Human Resource Priorities for the year under review and the impact thereof;

| Human Resource Priorities | The impact |
|---|--|
| Attracting and recruiting the best and skilled workforce | Improved organizational performance |
| Retaining and developing a modern responsive and professional workforce | Reduced personnel turnover |
| Ensure proper implementation of exit interviews | Improved retention strategy |
| Provision of accurate HR information | Informed decision-making |
| Proper management of leave | Maximum performance and reduced leave liability Reduced absenteeism rate. Healthy and productive workforce |
| Implement the code of conduct | Disciplined employees |
| Ensure capacity building for all employees | Improved operational efficiency. Enhanced employee performance. Achievement of organizational targets. |
| Proper implementation and management of Performance Management and Development System | Improved organizational performance. |

a) Workforce Planning and key strategies to attract and recruit skilled and capable workforce.

The Provincial Treasury has acquired personnel with requisite skills, knowledge and attributes to perform the work through the workforce planning process. Through this process, the Provincial Treasury assesses its workforce profile against the supply and demand of the organization. The main purpose of the assessment is to identify the extent of the current workforce in addressing key people management outcomes, that would guarantee service continuity and value of the workforce. The workforce planning/ human resource planning is aligned to the vision and mission of the departmental strategic objectives.

The Provincial Treasury identified and funded a number of vacant positions to be filled during 2022/2023 in order to improve the workforce capacity of the organization and enhance performance thereof. Alignment with National Treasury guidelines on job requirements for Treasury posts, is one of the strategies which the department uses to attract requisite skills.

b) Employee Performance Management

The purpose of performance management is to monitor and enhance performance by encouraging individual commitment, accountability and motivation. All employees are expected to enter into performance agreement by 31 May each year. The performance agreement is actually a binding contract between the employer and employee containing the projects, programmes, activities expectations and standards of the required delivery. Performance management process requires that mid-term review and annual assessment be conducted within the stipulated period; the operational targets and achievements must be linked to the performance agreement entered into between both parties. This is an ongoing consultative process to be managed properly to enhance performance.

The process is developmental in nature, however, those that have been identified as poor performers in terms of the legislative framework are required to be subjected to a developmental intervention or alternatively to disciplinary action. All employees at salary level 2-12 and senior management employees were assessed in accordance with the Performance Management and Development System and those who qualified for performance rewards were paid accordingly.

c) Employee Health and Wellness Programmes

The Employee Health and Wellness Programme (EHW) follows a holistic approach to manage employee well-being and is largely preventative in nature, offering both primary and secondary services. The Employee Health and Wellness Committee convened quarterly meetings to monitor compliance to strategic framework on health and wellness and to recommend support programmes aimed at promoting health and productivity.

The Provincial Treasury conducted Employee Health and Wellness programmes which includes among others:

- Occupational Health and Safety Awareness
- Women's Health
- Mental Health Awareness (Bullying in the Workplace)
- Pre-Retirement Planning
- Management of Personal Finances
- Physically Wellness programme
- Employee Wellness Management Programme
- HIV/AIDS and TB Management
- Commemoration of World AIDS Day through exhibition
- Eye Screening
- Promotion of Healthy Life Style

d) Gender Focal Point

The Gender Focal Point unit coordinated programmes to intensify gender mainstreaming in the Department and identified vulnerable communities. The following programmes were implemented during the period under review:

- Men's Summit
- Gender Based Violence and Femicide
- Gender Equality
- Public Service Women Management Week (PSWMW)
- Provincial Sanitary Dignity Towels Campaign.
- Participated in legacy projects and donated households items.

Highlights of Achievements

- Developed and submitted MTEF Human Resource Plan and the Human Resource Plan Implementation Progress Report in compliance with the Public Service Regulations, 2016 as amended.
- Developed and implemented the Workplace Skills Plan for 2022/23 financial year in terms of the Skills Development Act, 1998 (Act No. 97 of 1998).
- Hosted and monitored seven (7) Interns and Learners participating in the youth developmental programmes.
- Implemented and monitored twenty-eight (28) Trainee Accountants in a three-year learnership programme in collaboration with SAIPA towards attaining certificates as Professional Accountants. The Trainee Accountants are placed in various participating Departments, Public Entities and Municipalities to gain workplace experience.
- Implemented service conditions and benefits to employees of the Provincial Treasury, this includes among others hosting and celebrating long service awards to all long serving employees of 10,20,30 and 40 years in the public service.
- Employee Health and Wellness programmes were implemented to provide wellness and psychotherapy support to employees where necessary. Referrals to professionals were coordinated and affected employees were supported accordingly.

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:

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

Table 3.1.1 Personnel expenditure by programme for the period 1 April 2022 and 31 March 2023

| Programme | Total expenditure | Personnel expenditure | Training expenditure | Professional and special services expenditure | Personnel expenditure as a % of total expenditure | Average personnel cost per employee |
|-----------------------------------|-------------------|-----------------------|----------------------|---|---|-------------------------------------|
| | (R'000) | (R'000) | (R'000) | (R'000) | | (R'000) |
| Administration | 131 413 | 66 736 | 1 072 | 275 | 50.8 | 430 |
| Sustainable Resource Management | 70 369 | 49 630 | 10 | 390 | 70.5 | 936 |
| Assets and Liabilities Management | 228 579 | 60 866 | 258 | 0 | 26.6 | 692 |
| Financial Governance | 49 436 | 21 388 | 128 | 24 481 | 43.3 | 891 |
| Total | 479 797 | 198 620 | 1 468 | 25 146 | 41.4 | 620 |

Table 3.1.2 Personnel costs by salary band for the period 1 April 2022 and 31 March 2023

| Salary band | Personnel expenditure | % of total personnel cost | No. of employees | Average personnel cost per employee |
|--|-----------------------|---------------------------|------------------|-------------------------------------|
| | (R'000) | | | (R'000) |
| Lower skilled (Levels 1-2) | 4 387 | 2.2 | 23 | 191 |
| Skilled (level 3-5) | 5 423 | 2.7 | 19 | 285 |
| Highly skilled production (levels 6-8) | 41 802 | 21.0 | 91 | 459 |
| Highly skilled supervision (levels 9-12) | 119 146 | 60.0 | 134 | 889 |
| Senior and Top management (levels 13-16) | 25 055 | 12.6 | 18 | 1 392 |
| Contract (Level 6-8) | 406 | 0.2 | 5 | 81 |
| Contract (Level 9-12) | 0 | 0 | 0 | 0 |
| Contract Other | 2 401 | 1.2 | 30 | 80 |
| Total | 198 620 | 100 | 320 | 620 |

Table 3.1.3 Salaries, Overtime, Home Owners Allowance and Medical Aid by programme for the period 1 April 2022 and 31 March 2023

| Programme | Salaries | | Overtime | | Home Owners Allowance | | Medical Aid | |
|---------------------------------------|----------------|------------------------------------|----------------|------------------------------------|-----------------------|-------------------------------|----------------|---------------------------------------|
| | Amount (R'000) | Salaries as a % of personnel costs | Amount (R'000) | Overtime as a % of personnel costs | Amount (R'000) | HOA as a % of personnel costs | Amount (R'000) | Medical aid as a % of personnel costs |
| PR1 Administration | 55 575 | 77.9 | 382 | 0.5 | 1 810 | 2.5 | 3 744 | 5.3 |
| PR2 Sustainable Resource Management | 43 640 | 81.9 | 9 | 0.0 | 683 | 1.3 | 1 056 | 2.0 |
| PR3 Assets and Liabilities Management | 51 277 | 76.9 | 1 | 0.0 | 1 378 | 2.1 | 2 883 | 4.3 |
| PR4 Financial Governance | 18 215 | 77.4 | 21 | 0.1 | 347 | 1.5 | 840 | 3.6 |
| Total | 168 707 | 78.5 | 413 | 0.2 | 4 218 | 2.0 | 8 523 | 4.0 |

Table 3.1.4 Salaries, Overtime, Home Owners Allowance and Medical Aid by salary band for the period 1 April 2022 and 31 March 2023

| 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 |
| Skilled (level 1-2) | 3 132 | 69.5 | 50 | 1.1 | 273 | 6.1 | 620 | 13.8 |
| Skilled (level 3-5) | 4 028 | 72.0 | 63 | 1.1 | 341 | 6.1 | 614 | 11.0 |
| Highly skilled production (levels 6-8) | 33 494 | 75.5 | 138 | 0.3 | 1 497 | 3.4 | 2 971 | 6.7 |
| Highly skilled supervision (levels 9-12) | 102 640 | 78.9 | 126 | 0.1 | 1 667 | 1.3 | 4 069 | 3.1 |
| Senior management (levels 13-16) | 22 608 | 82.8 | 0 | 0 | 440 | 1.6 | 249 | 0.9 |
| Contract, (levels 6-8) | 406 | 96.2 | 1 | 0.2 | 0 | 0 | 0 | 0 |
| Contract, (levels 9-12) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Contract, Other | 2 399 | 97.4 | 36 | 1.5 | 0 | 0 | 0 | 0 |
| Total | 168 707 | 78.5 | 413 | 0.2 | 4 218 | 2.0 | 8 523 | 4.0 |

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 2023

| Programme | Number of posts on approved establishment | Number of posts filled | Vacancy Rate | Number of employees additional to the establishment |
|---------------------------------------|---|------------------------|--------------|---|
| PR1 Administration | 166 | 155 | 6.6 | 35 |
| PR2 Sustainable Resource Management | 59 | 53 | 10.2 | 0 |
| PR3 Assets and Liabilities Management | 157 | 88 | 43.9 | 0 |
| PR4 Financial Governance | 51 | 24 | 52.9 | 0 |
| Total | 433 | 320 | 26.1 | 35 |

Table 3.2.2 Employment and vacancies by salary band as on 31 March 2023

| Salary band | Number of posts on approved establishment | Number of posts filled | Vacancy Rate | Number of employees additional to the establishment |
|--|---|------------------------|--------------|---|
| Lower skilled (1-2) | 23 | 23 | 0 | 0 |
| Skilled (3-5) | 70 | 19 | 72.9 | 0 |
| Highly skilled production (6-8) | 129 | 91 | 29.5 | 0 |
| Highly skilled supervision (9-12) | 190 | 134 | 29.5 | 0 |
| Senior management (13-16) | 21 | 18 | 14.3 | 0 |
| Highly skilled production Contract (6-8) | 0 | 30 | 0 | 30 |
| Skilled Contract (3-5) | 0 | 5 | 0 | 5 |
| Total | 433 | 320 | 26.1 | 35 |

Table 3.2.3 Employment and vacancies by critical occupations as on 31 March 2023

| Critical occupation | Number of posts on approved establishment | Number of posts filled | Vacancy Rate | Number of employees additional to the establishment |
|--|---|------------------------|--------------|---|
| Administrative Related, Permanent | 94 | 62 | 34.0 | 0 |
| Cleaners in Offices Workshops Hospitals etc., Permanent | 18 | 11 | 38. | 0 |
| Communication and Information Related, Permanent | 6 | 3 | 50.0 | 0 |
| Finance and Economics Related, Permanent | 45 | 24 | 46.7 | 0 |
| Financial and Related Professionals, Permanent | 38 | 38 | 0 | 0 |
| Financial Clerks and Credit Controllers, Permanent | 3 | 3 | 0 | 0 |
| Human Resources Related, Permanent | 18 | 14 | 22.2 | 5 |
| Information Technology Related, Permanent | 40 | 32 | 20.0 | 0 |
| Legal Related, Permanent | 3 | 3 | 0 | 0 |
| Light Vehicle Drivers, Permanent | 5 | 3 | 40.0 | 0 |
| Logistical Support Personnel, Permanent | 53 | 34 | 35.8 | 0 |
| Material-Recording and Transport Clerks, Permanent | 5 | 1 | 80.0 | 0 |
| Administrative Policy and Related Officers, Permanent | 1 | 1 | 0 | 0 |
| Other Occupations, Permanent | 52 | 41 | 21.2 | 0 |
| Risk Management and Security Services, Permanent | 2 | 1 | 50.0 | 0 |
| Secretaries & Other Keyboard Operating Clerks, Permanent | 29 | 9 | 69.0 | 0 |
| Senior Managers, Permanent | 21 | 10 | 52.4 | 0 |
| Youth Workers, Permanent | 0 | 30 | 0 | 30 |
| Total | 433 | 320 | 26.1 | 35 |

Notes

The CORE classification, as prescribed by the DPSA, should be used for completion of this table.

Critical occupations are defined as occupations or sub-categories within an occupation –

- (a) in which there is a scarcity of qualified and experienced persons currently or anticipated in the future, either because such skilled persons are not available or they are available but do not meet the applicable employment criteria;

- (b) for which persons require advanced knowledge in a specified subject area or science or learning field and such knowledge is acquired by a prolonged course or study and/or specialised instruction.
- (c) where the inherent nature of the occupation requires consistent exercise of discretion and is predominantly intellectual in nature; and
- (d) in respect of which a department experiences a high degree of difficulty to recruit or retain the services of employees.

3.3 Filling of SMS Posts

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

Table 3.3.1 SMS post information as on 31 March 2023

| 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 | 1 | 100 | 0 | 0 |
| Salary Level 16 | 0 | 0 | 0 | 0 | 0 |
| Salary Level 15 | 0 | 0 | 0 | 0 | 0 |
| Salary Level 14 | 3 | 3 | 100 | 0 | 0 |
| Salary Level 13 | 17 | 14 | 82.4 | 3 | 17.6 |
| Total | 21 | 18 | 85.7 | 3 | 14.3 |

Table 3.3.2 SMS post information as at 30 September 2022

| SMS Level | Total number of funded SMS posts | Total number of SMS posts filled | % of SMS posts filled | Total number of SMS posts vacant | % of SMS posts vacant |
|--------------------------------------|----------------------------------|----------------------------------|-----------------------|----------------------------------|-----------------------|
| Director-General/ Head of Department | 1 | 1 | 100 | 0 | 0 |
| Salary Level 16 | 0 | 0 | 0 | 0 | 0 |
| Salary Level 15 | 0 | 0 | 0 | 0 | 0 |
| Salary Level 14 | 3 | 3 | 100 | 0 | 0 |
| Salary Level 13 | 17 | 14 | 82.4 | 3 | 17.6 |
| Total | 21 | 18 | 85.7 | 3 | 14.3 |

Table 3.3.3 Advertising and filling of SMS posts for the period 1 April 2022 and 31 March 2023

| SMS Level | Advertising | Filling of Posts | |
|--------------------------------------|---|---|--|
| | Number of vacancies per level advertised in 6 months of becoming vacant | Number of vacancies per level filled in 6 months of becoming vacant | Number of vacancies per level not filled in 6 months but filled in 12 months |
| Director-General/ Head of Department | 0 | 0 | 0 |
| Salary Level 16 | 0 | 0 | 0 |
| Salary Level 15 | 0 | 0 | 0 |
| Salary Level 14 | 0 | 0 | 0 |
| Salary Level 13 | 3 | 0 | 0 |
| Total | 3 | 0 | 0 |

Table 3.3.4 Reasons for not having complied with the filling of funded vacant SMS - Advertised within 6 months and filled within 12 months after becoming vacant for the period 1 April 2022 and 31 March 2023

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

Reasons for vacancies not filled within twelve months

Delays were experienced in the recruitment process.

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 2022 and 31 March 2023

Reasons for vacancies not advertised within six months

Posts were advertised within six months.

Reasons for vacancies not filled within six months

Delays were experienced in the recruitment process.

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 2022 and 31 March 2023

| 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) | 23 | 0 | 0 | 0 | 0 | 0 | 0 |
| Skilled (Levels 3-5) | 70 | 0 | 0 | 0 | 0 | 0 | 0 |
| Highly skilled production (Levels 6-8) | 129 | 0 | 0 | 0 | 0 | 0 | 0 |
| Highly skilled supervision (Levels 9-12) | 190 | 0 | 0 | 0 | 0 | 0 | 0 |
| Senior Management Service Band A | 16 | 0 | 0 | 0 | 0 | 0 | 0 |
| Senior Management Service Band B | 4 | 0 | 0 | 0 | 0 | 0 | 0 |
| Senior Management Service Band C | 1 | 0 | 0 | 0 | 0 | 0 | 0 |
| Senior Management Service Band D | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Highly skilled production Contract (6-8) | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Skilled Contract (3-5) | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Total | 433 | 0 | 0 | 0 | 0 | 0 | 0 |

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

Table 3.4.2 Profile of employees whose positions were upgraded due to their posts being upgraded for the period 1 April 2022 and 31 March 2023

| 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 | None |
|-----------------------------|------|

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 2022 and 31 March 2023

| Occupation | Number of employees | Job evaluation level | Remuneration level | Reason for deviation |
|--|---------------------|----------------------|--------------------|----------------------|
| Senior Manager | 0 | 0 | 0 | N/A |
| Total number of employees whose salaries exceeded the level determined by job evaluation | | | | 0 |
| Percentage of total employed | | | | 0 |

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

Table 3.4.4 Profile of employees who have salary levels higher than those determined by job evaluation for the period 1 April 2022 and 31 March 2023

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

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

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 2022 and 31 March 2023

| Salary band | Number of employees at beginning of period-1 April 2022 | Appointments and transfers into the department | Terminations and transfers out of the department | Turnover rate |
|--|---|--|--|---------------|
| Lower skilled (Levels 1-2) | 22 | 0 | 1 | 4.5 |
| Skilled (Levels 3-5) | 21 | 2 | 1 | 4.8 |
| Highly skilled production (Levels 6-8) | 93 | 8 | 1 | 1.1 |
| Highly skilled supervision (Levels 9-12) | 134 | 4 | 4 | 3.0 |
| Senior Management Service Bands A | 12 | 0 | 1 | 8.3 |
| Senior Management Service Bands B | 6 | 0 | 0 | 0 |
| Senior Management Service Bands C | 1 | 0 | 0 | 0 |
| Senior Management Service Bands D | 0 | 0 | 0 | 0 |
| Contracts (Levels 3-5) | 7 | 25 | 3 | 42.9 |
| Contracts (Levels 6-8) | 6 | 5 | 6 | 100 |
| Contracts (Levels 9-12) | 0 | 0 | 0 | 0 |
| Total | 302 | 44 | 17 | 5.6 |

Table 3.5.2 Annual turnover rates by critical occupation for the period 1 April 2022 and 31 March 2023

| Critical occupation | Number of employees at the beginning of period-April 2022 | Appointments and transfers into the department | Terminations and transfers out of the department | Turnover rate |
|---|---|--|--|---------------|
| Administrative Related Permanent | 63 | 1 | 2 | 3.2 |
| Cleaners in offices workshops Hospitals etc. Permanent | 12 | 1 | 2 | 16.7 |
| Communication and Information Related Permanent | 3 | 0 | 0 | 0 |
| Engineers and Related Professionals Permanent | 1 | 0 | 0 | 0 |
| Finance and Economics Related Permanent | 20 | 2 | 1 | 5.0 |
| Financial and Related Professionals Permanent | 40 | 4 | 1 | 2.5 |
| Financial Clerks and Credit Controllers Permanent | 3 | 0 | 0 | 0 |
| Human Resources Related Permanent | 14 | 5 | 6 | 42.9 |
| Information Technology Related Permanent | 33 | 3 | 0 | 0 |
| Legal Related Permanent | 2 | 0 | 0 | 0 |
| Light Vehicle Drivers Permanent | 1 | 0 | 0 | 0 |
| Logistical Support Personnel Permanent | 34 | 2 | 1 | 2.90 |
| Material-Recording and Transport Clerks Permanent | 1 | 0 | 0 | 0 |
| Messengers Porters and Deliverers Permanent | 2 | 1 | 0 | 0 |
| Administrative Policy and Related Officers Permanent | 1 | 0 | 0 | 0 |
| Other Occupations Permanent | 36 | 0 | 1 | 2.8 |
| Risk Management and Security Services Permanent | 1 | 0 | 0 | 0 |
| Secretaries & Other Keyboard Operating Clerks Permanent | 9 | 0 | 0 | 0 |
| Senior Managers Permanent | 19 | 0 | 0 | 0 |
| Youth Workers Contract | 7 | 25 | 3 | 42.9 |
| TOTAL | 302 | 44 | 17 | 5.6 |

Notes

The CORE classification, as prescribed by the DPSA, should be used for completion of this table.

Critical occupations are defined as occupations or sub-categories within an occupation –

- in which there is a scarcity of qualified and experienced persons currently or anticipated in the future, either because such skilled persons are not available, or they are available but do not meet the applicable employment criteria;
- for which persons require advanced knowledge in a specified subject area or science or learning field and such knowledge is acquired by a prolonged course or study and/or specialised instruction;
- where the inherent nature of the occupation requires consistent exercise of discretion and is predominantly intellectual in nature; and
- in respect of which a department experiences a high degree of difficulty to recruit or retain the services of employees.

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

Table 3.5.3 Reasons why staff left the department for the period 1 April 2022 and 31 March 2023

| Termination Type | Number | % of Total Resignations |
|---------------------------------|--------|-------------------------|
| Death | 2 | 11.8 |
| Resignation | 1 | 5.9 |
| Expiry of contract | 8 | 47.1 |
| Dismissal – operational changes | 0 | 0 |
| Dismissal – misconduct | 0 | 0 |
| Dismissal – inefficiency | 0 | 0 |
| Discharged due to ill-health | 2 | 12.5 |
| Retirement | 4 | 23.5 |

| Termination Type | Number | % of Total Resignations |
|---|--------|-------------------------|
| Transfer to other Public Service Departments | 0 | 0 |
| Other | 0 | 0 |
| Total | 17 | |
| Total number of employees who left as a % of total employment | | 5.3 |

Table 3.5.4 Promotions by critical occupation for the period 1 April 2022 and 31 March 2023

| Occupation | Employees 1 April 2022 | Promotions to another salary level | Salary level promotions as a % of employees by occupation | Progressions to another notch within a salary level | Notch progression as a % of employees by occupation |
|--|------------------------------|--|--|--|--|
| Administrative Related Permanent | 63 | 0 | 0 | 25 | 39.7 |
| Cleaners in offices workshops Hospitals ETC. Permanent | 12 | 0 | 0 | 9 | 75.0 |
| Communication and Information Related Permanent | 3 | 0 | 0 | 2 | 66.7 |
| Engineers and Related Professionals Permanent | 1 | 0 | 0 | 0 | 0 |
| Finance and Economics Related Permanent | 20 | 0 | 0 | 9 | 45.0 |
| Financial and Related Professionals Permanent | 40 | 0 | 0 | 10 | 25.0 |
| Financial Clerks and Credit Controllers Permanent | 3 | 0 | 0 | 2 | 66.7 |
| Human Resources Related Permanent | 14 | 1 | 6.7 | 8 | 57.10 |
| Information Technology Related Permanent | 33 | 1 | 3.0 | 12 | 36.4 |
| Legal Related Permanent | 2 | 0 | 0 | 0 | 0 |
| Light Vehicle Drivers Permanent | 1 | 0 | 0 | 1 | 100 |
| Logistical Support Personnel Permanent | 34 | 3 | 8.8 | 16 | 47.1 |
| Material-Recording and Transport Clerks Permanent | 1 | 0 | 0 | 1 | 100 |
| Messengers, Porters and Deliverers Permanent | 2 | 0 | 0 | 0 | 0 |
| Administrative Policy and Related Officers Permanent | 1 | 0 | 0 | 0 | 0 |
| Other Occupations Permanent | 36 | 0 | 0 | 14 | 38.9 |
| Risk Management and Security Services Permanent | 1 | 0 | 0 | 0 | 0 |
| Secretaries & Other Keyboard Operating Clerks Permanent | 9 | 1 | 11.1 | 7 | 77.8 |
| Senior Managers Permanent | 19 | 0 | 0 | 4 | 21.1 |
| Youth Workers Contract | 7 | 0 | 0 | 7 | 100 |
| TOTAL | 302 | 6 | 2.0 | 127 | 42.1 |

Table 3.5.5 Promotions by salary band for the period 1 April 2022 and 31 March 2023

| Salary Band | Employees 1 April 2022 | 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) | 22 | 0 | 0 | 4 | 18.2 |
| Skilled (Levels 3-5) | 21 | 0 | 0 | 14 | 66.7 |
| Highly skilled production (Levels 6- 8) | 93 | 2 | 2.20 | 42 | 45.2 |
| Highly skilled supervision (Levels 9) | 134 | 4 | 3.0 | 47 | 35.1 |

| Salary Band | Employees 1 April 2022 | 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 |
|--|------------------------------|--|---|--|--|
| -12) | | | | | |
| Senior Management (Level 13-16) | 19 | 0 | 0 | 8 | 42.1 |
| Skilled (Levels 3-5), Contract | 7 | 0 | 0 | 7 | 100 |
| Highly skilled production (Levels 6- 8), Contract | 6 | 0 | 0 | 5 | 83.3 |
| Highly skilled supervision (Levels 9-12), Contract | 0 | 0 | 0 | 0 | 0 |
| Total | 302 | 6 | 2.0 | 127 | 42.1 |

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 2023

| Occupational category | Male | | | | Female | | | | Total |
|--|---------|----------|--------|-------|---------|----------|--------|-------|-------|
| | African | Coloured | Indian | White | African | Coloured | Indian | White | |
| Legislators, senior officials and managers | 7 | 0 | 1 | 1 | 7 | 0 | 0 | 2 | 18 |
| Professionals | 50 | 2 | 0 | 5 | 80 | 0 | 0 | 0 | 137 |
| Technicians and associate professionals | 38 | 0 | 0 | 0 | 57 | 0 | 1 | 0 | 96 |
| Clerks | 4 | 0 | 0 | 0 | 9 | 0 | 0 | 0 | 13 |
| Service and sales workers | 0 | 0 | 0 | 0 | 1 | 0 | 0 | 0 | 1 |
| 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 | 26 | 0 | 0 | 1 | 28 | 0 | 0 | 0 | 55 |
| Total | 125 | 2 | 1 | 7 | 182 | 0 | 1 | 2 | 320 |
| Employees with disabilities | 3 | 0 | 0 | 1 | 1 | 0 | 0 | 0 | 5 |

Table 3.6.2 Total number of employees (including employees with disabilities) in each of the following occupational bands as on 31 March 2023

| Occupational band | Male | | | | Female | | | | Total |
|----------------------|---------|----------|--------|-------|---------|----------|--------|-------|-------|
| | African | Coloured | Indian | White | African | Coloured | Indian | White | |
| Top Management | 0 | 0 | 0 | 0 | 1 | 0 | 0 | 0 | 1 |
| Senior Management | 7 | 0 | 1 | 1 | 6 | 0 | 0 | 2 | 17 |

| Occupational band | Male | | | | Female | | | | Total |
|---|---------|----------|--------|-------|---------|----------|--------|-------|-------|
| | African | Coloured | Indian | White | African | Coloured | Indian | White | |
| Professionally qualified and experienced specialists and mid-management | 64 | 1 | 0 | 6 | 63 | 0 | 0 | 0 | 134 |
| Skilled technical and academically qualified workers, junior management, supervisors, foreman and superintendents | 34 | 1 | 0 | 0 | 55 | 0 | 1 | 0 | 91 |
| Semi-skilled and discretionary decision making | 7 | 0 | 0 | 0 | 12 | 0 | 0 | 0 | 19 |
| Unskilled and defined decision making | 6 | 0 | 0 | 0 | 17 | 0 | 0 | 0 | 23 |
| Contract (Skilled Technical), | 7 | 0 | 0 | 0 | 28 | 0 | 0 | 0 | 35 |
| Total | 125 | 2 | 1 | 7 | 182 | 0 | 1 | 2 | 320 |

Table 3.6.3 Recruitment for the period 1 April 2022 and 31 March 2023

| Occupational band | Male | | | | Female | | | | Total |
|---|---------|----------|--------|-------|---------|----------|--------|-------|-------|
| | African | Coloured | Indian | White | African | Coloured | Indian | White | |
| Top Management | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Senior Management | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Professionally qualified and experienced specialists and mid-management SL 11-12 | 2 | 0 | 0 | 0 | 2 | 0 | 0 | 0 | 4 |
| Skilled technical and academically qualified workers, junior management, supervisors, foreman and superintendents SL 9-10 | 3 | 0 | 0 | 0 | 5 | 0 | 0 | 0 | 8 |
| Semi-skilled and discretionary decision-making SL 4-8 | 1 | 0 | 0 | 0 | 1 | 0 | 0 | 0 | 2 |
| Unskilled and defined decision-making SL 1-3 | 6 | 0 | 0 | 0 | 24 | 0 | 0 | 0 | 30 |
| Total | 12 | 0 | 0 | 0 | 32 | 0 | 0 | 0 | 44 |
| Employees with disabilities | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |

Table 3.6.4 Promotions for the period 1 April 2022 and 31 March 2023

| Occupational band | Male | | | | Female | | | | Total |
|---|---------|----------|--------|-------|---------|----------|--------|-------|-------|
| | African | Coloured | Indian | White | African | Coloured | Indian | White | |
| Top Management | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Senior Management | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Professionally qualified and experienced specialists and mid-management | 1 | 0 | 0 | 0 | 3 | 0 | 0 | 0 | 4 |
| Skilled technical and academically qualified workers, junior management, supervisors, foreman and superintendents | 0 | 0 | 0 | 0 | 2 | 0 | 0 | 0 | 2 |
| Semi-skilled and discretionary decision making | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Unskilled and defined decision making | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Total | 1 | 0 | 0 | 0 | 5 | 0 | 0 | 0 | 6 |
| Employees with disabilities | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |

Table 3.6.5 Terminations for the period 1 April 2022 and 31 March 2023

| Occupational band | Male | | | | Female | | | | Total |
|---|---------|----------|--------|-------|---------|----------|--------|-------|-------|
| | African | Coloured | Indian | White | African | Coloured | Indian | White | |
| Top Management | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Senior Management | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 1 | 1 |
| Professionally qualified and experienced specialists and mid-management | 1 | 0 | 0 | 0 | 1 | 0 | 0 | 1 | 3 |
| Skilled technical and academically qualified workers, junior management, supervisors, foreman and superintendents | 2 | 0 | 0 | 0 | 1 | 0 | 0 | 0 | 3 |
| Semi-skilled and discretionary decision making | 0 | 0 | 0 | 0 | 8 | 0 | 0 | 0 | 8 |
| Unskilled and defined decision making | 1 | 0 | 0 | 0 | 1 | 0 | 0 | 0 | 2 |
| Total | 4 | 0 | 0 | 0 | 11 | 0 | 0 | 2 | 17 |
| Employees with Disabilities | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |

Table 3.6.6 Disciplinary action for the period 1 April 2022 and 31 March 2023

| Disciplinary action | Male | | | | Female | | | | Total |
|-----------------------|---------|----------|--------|-------|---------|----------|--------|-------|-------|
| | African | Coloured | Indian | White | African | Coloured | Indian | White | |
| Final written warning | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |

Table 3.6.7 Skills development for the period 1 April 2022 and 31 March 2023

| Occupational category | Male | | | | Female | | | | Total |
|--|---------|----------|--------|-------|---------|----------|--------|-------|-------|
| | African | Coloured | Indian | White | African | Coloured | Indian | White | |
| Legislators, senior officials and managers | 6 | 0 | 1 | 0 | 6 | 0 | 0 | 1 | 14 |
| Professionals | 34 | 0 | 0 | 0 | 32 | 0 | 0 | 0 | 66 |
| Technicians and associate professionals | 18 | 1 | 0 | 0 | 19 | 0 | 0 | 0 | 38 |
| Clerks | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Service and sales | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |

| Occupational category | Male | | | | Female | | | | Total |
|--|---------|----------|--------|-------|---------|----------|--------|-------|-------|
| | African | Coloured | Indian | White | African | Coloured | Indian | White | |
| workers | | | | | | | | | |
| 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 | 7 | | | | 15 | | | | 22 |
| Elementary Occupations (Leaners and Interns) | 6 | 0 | 0 | 0 | 35 | 0 | 0 | 0 | 41 |
| Total | 71 | 1 | 1 | 0 | 107 | 0 | 0 | 1 | 181 |
| Employees with disabilities | 1 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 1 |

3.7 Signing of Performance Agreements by SMS Members

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

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

| SMS Level | Total number of funded SMS posts | Total number of SMS members | Total number of signed performance agreements | Signed performance agreements as % of total number of SMS members |
|--------------------------------------|----------------------------------|-----------------------------|---|---|
| Director-General/ Head of Department | 1 | 1 | 1 | 100% |
| Salary Level 16 | 0 | 0 | 0 | 0 |
| Salary Level 15 | 0 | 0 | 0 | 0 |
| Salary Level 14 | 3 | 3 | 3 | 100% |
| Salary Level 13 | 17 | 15 | 15 | 100% |
| Total | 21 | 19 | 19 | 100% |

Notes

In the event of a National or Provincial election occurring within the first three months of a financial year all members of the SMS must conclude and sign their performance agreements for that financial year within three months following the month in which the elections took place. For example, if elections took place in April, the reporting date in the heading of the table above should change to 31 July 2022

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

| Reasons |
|---------|
| N/A |

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 2022

| Reasons |
|---------|
| None |

Notes

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

3.8 Performance Rewards

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

Table 3.8.1 Performance Rewards by race, gender and disability for the period 1 April 2022 to 31 March 2023

| Race and Gender | Beneficiary Profile | | | Cost | |
|------------------------|-------------------------|---------------------|-------------------------|--------------|---------------------------|
| | Number of beneficiaries | Number of employees | % of total within group | Cost (R'000) | Average cost per employee |
| African | | | | | |
| Male | 0 | 125 | 0 | 0 | 0 |
| Female | 0 | 182 | 0 | 0 | 0 |
| Asian | | | | | |
| Male | 0 | 1 | 0 | 0 | 0 |
| Female | 0 | 1 | 0 | 0 | 0 |
| Coloured | | | | | |
| Male | 0 | 2 | 0 | 0 | 0 |
| Female | 0 | 0 | 0 | 0 | 0 |
| White | | | | | |
| Male | 0 | 7 | 0 | 0 | 0 |
| Female | 0 | 2 | 0 | 0 | 0 |
| People with disability | 0 | 5 | 0 | 0 | 0 |
| Total | 0 | 320 | 0 | 0 | 0 |

Table 3.8.2 Performance Rewards by salary band for personnel below Senior Management Service for the period 1 April 2022 and 31 March 2023

| 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 | 23 | 0 | 0 | 0 | 0 |
| Skilled (level 3-5) | 0 | 19 | 0 | 0 | 0 | 0 |
| Highly skilled production (level 6-8) | 0 | 91 | 0 | 0 | 0 | 0 |
| Highly skilled supervision (level 9-12) | 0 | 134 | 0 | 0 | 0 | 0 |
| Contract (level 3-5) | 0 | 5 | 0 | 0 | 0 | 0 |
| Contract (level 6-8) | 0 | 30 | 0 | 0 | 0 | 0 |
| Total | 0 | 302 | 0 | 0 | 0 | 0 |

Table 3.8.3 Performance Rewards by critical occupation for the period 1 April 2022 and 31 March 2023

| Critical occupation | Beneficiary Profile | | | Cost | |
|---|-------------------------|---------------------|------------------------------|--------------------|---------------------------|
| | Number of beneficiaries | Number of employees | % of total within occupation | Total Cost (R'000) | Average cost per employee |
| Financial Clerks and Credit Controllers | 0 | 3 | 0 | 0 | 0 |
| Messengers Porters and Deliverers | 0 | 2 | 0 | 0 | 0 |
| Risk Management and Security Services | 0 | 1 | 0 | 0 | 0 |
| Finance and Economics Related | 0 | 20 | 0 | 0 | 0 |
| Logistical Support Personnel | 0 | 34 | 0 | 0 | 0 |
| Other Occupations | 0 | 36 | 0 | 0 | 0 |
| Legal Related | 0 | 2 | 0 | 0 | 0 |

| Critical occupation | Beneficiary Profile | | | Cost | |
|---|-------------------------|---------------------|------------------------------|--------------------|---------------------------|
| | Number of beneficiaries | Number of employees | % of total within occupation | Total Cost (R'000) | Average cost per employee |
| Financial and Related Professionals | 0 | 42 | 0 | 0 | 0 |
| Administrative Related | 0 | 60 | 0 | 0 | 0 |
| Communication and Information Related | 0 | 3 | 0 | 0 | 0 |
| Secretaries & Other Keyboard Operating Clerks | 0 | 9 | 0 | 0 | 0 |
| Cleaners in Offices Workshops Hospitals | 0 | 11 | 0 | 0 | 0 |
| Human Resources Related | 0 | 14 | 0 | 0 | 0 |
| Material-Recording and Transport Clerks | 0 | 1 | 0 | 0 | 0 |
| Youth Workers | 0 | 30 | 0 | 0 | 0 |
| Senior Managers | 0 | 18 | 0 | 0 | 0 |
| Engineers and Related Professionals | 0 | 1 | 0 | 0 | 0 |
| Light Vehicle Drivers | 0 | 1 | 0 | 0 | 0 |
| Information Technology Related | 0 | 32 | 0 | 0 | 0 |
| TOTAL | 0 | 320 | 0 | 0 | 0 |

Notes

The CORE classification, as prescribed by the DPSA, should be used for the completion of this table.

Critical occupations are defined as occupations or sub-categories within an occupation –

- in which there is a scarcity of qualified and experienced persons currently or anticipated in the future, either because such skilled persons are not available or they are available but do not meet the applicable employment criteria;
- for which persons require advanced knowledge in a specified subject area or science or learning field, and such knowledge is acquired by a prolonged course or study and/or specialised instruction;
- where the inherent nature of the occupation requires consistent exercise of discretion and is predominantly intellectual in nature; and
- in respect of which a department experiences a high degree of difficulty to recruit or retain the services of employees.

Table 3.8.4 Performance-related rewards (cash bonus), by salary band for Senior Management Service for the period 1 April 2022 and 31 March 2023

| Salary band | Beneficiary Profile | | | Cost | | Total cost as a % of the total personnel expenditure |
|-------------|-------------------------|---------------------|--------------------------------|--------------------|---------------------------|--|
| | Number of beneficiaries | Number of employees | % of total within salary bands | Total Cost (R'000) | Average cost per employee | |
| Band A | 0 | 11 | 0 | 0 | 0 | 0 |
| Band B | 0 | 6 | 0 | 0 | 0 | 0 |
| Band C | 0 | 1 | 0 | 0 | 0 | 0 |
| Band D | 0 | 0 | 0 | 0 | 0 | 0 |
| Total | 0 | 18 | 0 | 0 | 0 | 0 |

3.9 Foreign Workers

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

Table 3.9.1 Foreign workers by salary band for the period 1 April 2022 and 31 March 2023

| Salary band | 01 April 2022 | | 31 March 2023 | | Change | |
|--|---------------|------------|---------------|------------|--------|----------|
| | Number | % of total | Number | % of total | Number | % Change |
| Lower skilled | 0 | 0 | 0 | 0 | 0 | 0 |
| Highly skilled production (Lev. 6-8) | 0 | 0 | 0 | 0 | 0 | 0 |
| Highly skilled supervision (Lev. 9-12) | 0 | 0 | 0 | 0 | 0 | 0 |

| Salary band | 01 April 2022 | | 31 March 2023 | | Change | |
|------------------------|---------------|------------|---------------|------------|--------|----------|
| | Number | % of total | Number | % of total | Number | % Change |
| 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 2022 and 31 March 2023

| Major occupation | 01 April 2022 | | 31 March 2023 | | Change | |
|------------------|---------------|------------|---------------|------------|--------|----------|
| | Number | % of total | Number | % of total | Number | % Change |
| N/A | 0 | 0 | 0 | 0 | 0 | 0 |
| Total | 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 2022 to 31 December 2022

| 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) | 146 | 87.7 | 14 | 8.5 | 10 | 86 |
| Skilled (levels 3-5) | 152 | 87.5 | 13 | 7.9 | 12 | 127 |
| Highly skilled production (levels 6-8) | 363 | 83.7 | 53 | 32. | 7 | 606 |
| Highly skilled supervision (levels 9 -12) | 452 | 90.3 | 68 | 41.2 | 7 | 1 481 |
| Top and Senior management (levels 13-16) | 78 | 96.2 | 11 | 6.7 | 7 | 420 |
| Contract, Highly skilled production (levels 6-8) | 3 | 100.0 | 1 | 0.6 | 3 | 1 |
| Contract, Skilled (levels 3-5) | 22 | 86.4 | 5 | 3.0 | 4 | 6 |
| Total | 1 216 | 88.0 | 165 | 100 | 7 | 2 727 |

Table 3.10.2 Disability leave (temporary and permanent) for the period 1 January 2022 to 31 December 2022

| 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) | 84 | 100 | 1 | 20 | 84 | 50 |
| Skilled (Levels 3-5) | 90 | 100 | 1 | 20 | 90 | 62 |
| Highly skilled production (Levels 6-8) | 62 | 100 | 1 | 20 | 62 | 123 |
| Highly skilled supervision (Levels 9-12) | 141 | 100 | 1 | 20 | 141 | 416 |
| Senior management (Levels 13-16) | 17 | 100 | 1 | 20 | 17 | 99 |
| Total | 394 | 100 | 5 | 100 | 79 | 751 |

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 2022 to 31 December 2022

| Salary band | Total days taken | Number of Employees using annual leave | Average per employee |
|--|------------------|--|----------------------|
| Lower skilled (Levels 1-2) | 510 | 23 | 22 |
| Skilled Levels 3-5) | 513 | 19 | 27 |
| Highly skilled production (Levels 6-8) | 2 367 | 99 | 24 |
| Highly skilled supervision (Levels 9-12) | 3 485 | 137 | 25 |
| Senior management (Levels 13-16) | 451 | 19 | 24 |

| Salary band | Total days taken | Number of Employees using annual leave | Average per employee |
|------------------------|------------------|--|----------------------|
| Contract (Levels 6-8) | 88 | 7 | 13 |
| Contract (Levels 9-12) | 0 | 0 | 0 |
| Contract (Levels 3-5) | 321 | 36 | 9 |
| Total | 7 735 | 340 | 23 |

Table 3.10.4 Capped leave for the period 1 January 2022 to 31 December 2022

| Salary band | Total days of capped leave taken | Number of Employees using capped leave | Average number of days taken per employee | Average capped leave per employee as on 31 March 2022 |
|--|----------------------------------|--|---|---|
| Lower skilled (Levels 1-2) | 0 | 0 | 0 | 0 |
| Skilled Levels 3-5) | 0 | 0 | 0 | 56 |
| Highly skilled production (Levels 6-8) | 0 | 0 | 0 | 47 |
| Highly skilled supervision (Levels 9-12) | 0 | 0 | 0 | 54 |
| Senior management (Levels 13-16) | 0 | 0 | 0 | 58 |
| Total | 0 | 0 | 0 | 53 |

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 2022 and 31 March 2023

| Reason | Total amount (R'000) | Number of employees | Average per employee (R'000) |
|---|----------------------|---------------------|------------------------------|
| Annual - Discounting with Resignation (Work Days) | 89 | 1 | 89 |
| Annual - Discounting: Contract Expiry (Work Days) | 15 | 3 | 5 |
| Annual - Gratuity: Death/Retirement/Medical Retirement (Work) | 838 | 11 | 76 |
| Capped - Gratuity: Death/Retirement/Medical Retirement (Work) | 599 | 8 | 75 |
| Total | 1 541 | 15 | 103 |

3.11 HIV/AIDS & Health Promotion Programmes

Table 3.11.1 Steps taken to reduce the risk of occupational exposure.

| Units/categories of employees identified to be at high risk of contracting HIV & related diseases (if any) | Key steps taken to reduce the risk |
|--|------------------------------------|
| None | N/A |

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

| Question | Yes | No | Details, if yes |
|--|-----|----|---|
| 1. Has the department designated a member of the SMS to implement the provisions contained in Part VI E of Chapter 1 of the Public Service Regulations, 2001? If so, provide her/his name and position. | x | | Ms C Nkonyane Senior Manager: Corporate Services |
| 2. Does the department have a dedicated unit or has it designated specific staff members to promote the health and well-being of your employees? If so, indicate the number of employees who are involved in this task and the annual budget that is available for this purpose. | X | | Only two officials are responsible for Employee Health and Wellness after the resignation of the Assistant Manager EHW. Budget: R683 000.00 |
| 3. Has the department introduced an Employee Assistance or Health Promotion Programme for your employees? If so, indicate the key elements/services of this Programme. | x | | OHS Awareness Employee Wellness Management Mental Health Awareness HIV/AIDS & TB Management Awareness Physical Wellness Program World AIDS Day Exhibitions |

| Question | Yes | No | Details, if yes |
|---|-----|----|---|
| | | | Referrals of employees to professionals where necessary. Pre-Retirement Planning Management of Personal Finances |
| 4. Has the department established (a) committee(s) as contemplated in Part VI E.5 (e) of Chapter 1 of the Public Service Regulations, 2001? If so, please provide the names of the members of the committee and the stakeholder(s) that they represent. | x | | The Provincial Treasury has established an OHS Committee and members were officially appointed as follows: Ms C Nkonyane- Snr Manager Corporate Services and Chairperson of the Committee. Members: Mr E Maunye -- Security Management Ms P Myanga—OHS Rep Security Management Mr BJ Hlatshwayo—OHS Rep Gert Sibande Regional Office Mr FM Mathebula—OHS Rep Ermelo Satellite Office Ms EY Mnisi—OHS Rep Head Office (EHW) Ms S Ndala —OHS Rep Head Office (Program 3) Mr A Zulu—OHS Rep Transversal Services- Head Office Mr MW Gama—OHS Rep Head Office (Program 1) Mr MB Dube—OHS Rep Head Office (Program 1) Mr S Msimango—OHS Rep Head Office (Program 3) Mr J Sithole—OHS Rep Building 9 Mr R Ngomane—OHS Rep (Program 4) Mr S Sibitane—OHS Rep Mbombela Square Ms M Mhlongo—OHS Rep Mbombela Square Ms Z Masango Magagule—Nkangala Regional Office Ms M Ntamane—OHS Labour Rep (Nehawu) Ms NG Gabela—OHS Rep Communications Head Office (Program 1) Mr MJ Ntimane—OHS Rep Ehlanzeni Regional Office Mr C Maponyane—OHS Rep Labour Rep (PSA) Ms SG Zitha—OHS Rep Head Office (Program 3) Ms S Mphahlele—OHS Rep Head Office (Program 2) Ms LT Nethenonda—OHS Rep Nkangala Regional Office Mr MP Mathebula—OHS Rep Ehlanzeni Regional Office Mr T Mabena—OHS Rep Nkangala Regional Office Ms NF Khoza—OHS Rep Risk Management |
| 5. Has the department reviewed its employment policies and practices to ensure that these do not unfairly discriminate against employees on the basis of their HIV status? If so, list the employment policies/practices so reviewed. | x | | The Provincial Treasury implemented the approved HIV/AIDS & TB Management policy, conducted HIV/AIDS and TB Management awareness, and hosted the |

| Question | Yes | No | Details, if yes |
|--|-----|----|---|
| | | | World AIDS Day exhibition for all staff. |
| 6. Has the department introduced measures to protect HIV-positive employees or those perceived to be HIV-positive from discrimination? If so, list the key elements of these measures. | x | | The Provincial Treasury, in its approved HIV/AIDS policy, strongly condemns the discrimination of HIV positive employees and regards it as a punishable offence with disciplinary measures in place to be taken should it be established. Additionally, the EHW coordinates closed support group sessions for HIV positive employees. |
| 7. Does the department encourage its employees to undergo Voluntary Counselling and Testing? If so, list the results that you have achieved. | x | | The Provincial Treasury coordinated the awareness sessions on VCT for all staff, and the 3rd quarter GEMS report confirmed that only 24% of employees tested for HIV. |
| 8. Has the department developed measures/indicators to monitor & evaluate the impact of its health promotion programme? If so, list these measures/indicators. | | x | N/A |

3.12 Labour Relations

Table 3.12.1 Collective agreements for the period 1 April 2022 and 31 March 2023

| Subject matter | Date |
|----------------|------|
| None | N/A |

Notes

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

| | |
|---------------------------------------|-----|
| Total number of Collective agreements | N/A |
|---------------------------------------|-----|

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 2022 and 31 March 2023

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

Notes

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

| | |
|---|-----|
| Total number of Disciplinary hearings finalised | N/A |
|---|-----|

Table 3.12.3 Types of misconduct addressed at disciplinary hearings for the period 1 April 2022 and 31 March 2023

| Type of misconduct | Number | % of total |
|--|--------|------------|
| Alleged abuse of power and failure to disclose interests | 1 | 100 |
| Total | 1 | 100 |

Table 3.12.4 Grievances logged for the period 1 April 2022 and 31 March 2023

| Grievances | Number | % of Total |
|-----------------------------------|--------|------------|
| Number of grievances resolved | 1 | 100 |
| Number of grievances not resolved | 0 | 0 |
| Total number of grievances lodged | 1 | 100 |

Table 3.12.5 Disputes logged with Councils for the period 1 April 2022 and 31 March 2023

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

Table 3.12.6 Strike actions for the period 1 April 2022 and 31 March 2023

| | |
|--|---|
| 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 2022 and 31 March 2023

| | |
|--|---|
| Number of people suspended | 0 |
| Number of people whose 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 2022 and 31 March 2023

| Occupational category | Gender | Number of employees as at 1 April 2022 | Training needs identified at the start of the reporting period | | | |
|--|--------|--|--|---|-------------------------|-------|
| | | | Learnerships | Skills Programmes & other short courses | Other forms of training | Total |
| Senior officials and managers | Female | 10 | 0 | 9 | 0 | 9 |
| | Male | 9 | 0 | 9 | 0 | 9 |
| Professionals | Female | 33 | 0 | 9 | 0 | 9 |
| | Male | 24 | 0 | 9 | 0 | 9 |
| Technicians and associate professionals | Female | 42 | 0 | 9 | 0 | 9 |
| | Male | 57 | 0 | 9 | 0 | 9 |
| Clerks | Female | 45 | 0 | 0 | 0 | 0 |
| | Male | 18 | 0 | 0 | 0 | 0 |
| 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 | 44 | 0 | 6 | 0 | 6 |
| | Male | 20 | 0 | 6 | 0 | 6 |
| Sub Total | Female | 174 | 0 | 0 | 0 | 0 |
| | Male | 128 | 0 | 0 | 0 | 0 |
| Total | | 302 | 0 | 66 | 0 | 66 |

Table 3.13.2 Training provided for the period 1 April 2022 and 31 March 2023

| Occupational category | Gender | Number of employees as at 1 April 2022 | Training provided within the reporting period | | | |
|--|--------|--|---|---|-------------------------|-------|
| | | | Learnerships | Skills Programmes & other short courses | Other forms of training | Total |
| Legislators, senior officials and managers | Female | 10 | 0 | 3 | 0 | 3 |
| | Male | 9 | 0 | 3 | 0 | 3 |
| Professionals | Female | 33 | 0 | 4 | 0 | 4 |
| | Male | 24 | 0 | 4 | 0 | 4 |
| Technicians and associate professionals | Female | 42 | 0 | 4 | 0 | 4 |
| | Male | 57 | 0 | 4 | 0 | 4 |
| Clerks | Female | 45 | 0 | 0 | 0 | 0 |

| Occupational category | Gender | Number of employees as at 1 April 2022 | Training provided within the reporting period | | | |
|--|--------|--|---|---|-------------------------|-------|
| | | | Learnerships | Skills Programmes & other short courses | Other forms of training | Total |
| | Male | 18 | 0 | 0 | 0 | 0 |
| 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 | 44 | 0 | 3 | 0 | 3 |
| | Male | 20 | 0 | 3 | 0 | 3 |
| Sub Total | Female | 174 | 0 | 0 | 0 | 0 |
| | Male | 128 | 0 | 0 | 0 | 0 |
| Total | | 302 | 0 | 28 | 0 | 28 |

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 2022 and 31 March 2023

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

3.15 Utilisation of Consultants

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

- 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 2022 and 31 March 2023

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

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

Table 3.15.2 Analysis of consultant appointments using appropriated funds, in terms of Historically Disadvantaged Individuals (HDIs) for the period 1 April 2022 and 31 March 2023

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

Table 3.15.3 Report on consultant appointments using Donor funds for the period 1 April 2022 and 31 March 2023

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

| | | Workdays | |
|------|------|----------|------|
| None | None | None | None |

Table 3.15.4 Analysis of consultant appointments using Donor funds, in terms of Historically Disadvantaged Individuals (HDIs) for the period 1 April 2022 and 31 March 2023

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

3.16 Severance Packages

Table 3.16.1 Granting of employee-initiated severance packages for the period 1 April 2022 and 31 March 2023

| 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 |



REGULATION COMPLIANCE

PART E PFMA COMPLIANCE REPORT

1. IRREGULAR, FRUITLESS AND WASTEFUL, UNAUTHORISED EXPENDITURE AND MATERIAL LOSSES

1.1 Irregular expenditure

a) Reconciliation of irregular expenditure

| Description | 2021/2022 | 2022/2023 |
|--------------------------------------|-----------|-----------|
| | R'000 | R'000 |
| Opening balance | | 807 |
| Add: Irregular expenditure confirmed | 807 | 427 |
| Less: Irregular expenditure condoned | | (1,234) |
| Closing balance | 807 | 0 |

Irregular relates to advertisement and training expenditure without following supply chain processes

Reconciling notes

| Description | 2021/2022 | 2022/2023 |
|---|-----------|-----------|
| | R'000 | R'000 |
| Irregular expenditure that was under assessment in 2022/23 | - | - |
| Irregular expenditure that relates to 2021/22 and identified in 2022/23 | 807- | - |
| Irregular expenditure for the current year | - | 427 |
| Total | 807 | 427 |

b) Details of current and previous year irregular expenditure condoned.

| Description | 2021/2022 | 2022/2023 |
|--------------------------------|-----------|-----------|
| | R'000 | R'000 |
| Irregular expenditure condoned | - | 1,234 |
| Total | - | 1,234 |

Irregular relates to advertisement and training expenditure without following supply chain processes

2. LATE AND/OR NON-PAYMENT OF SUPPLIERS

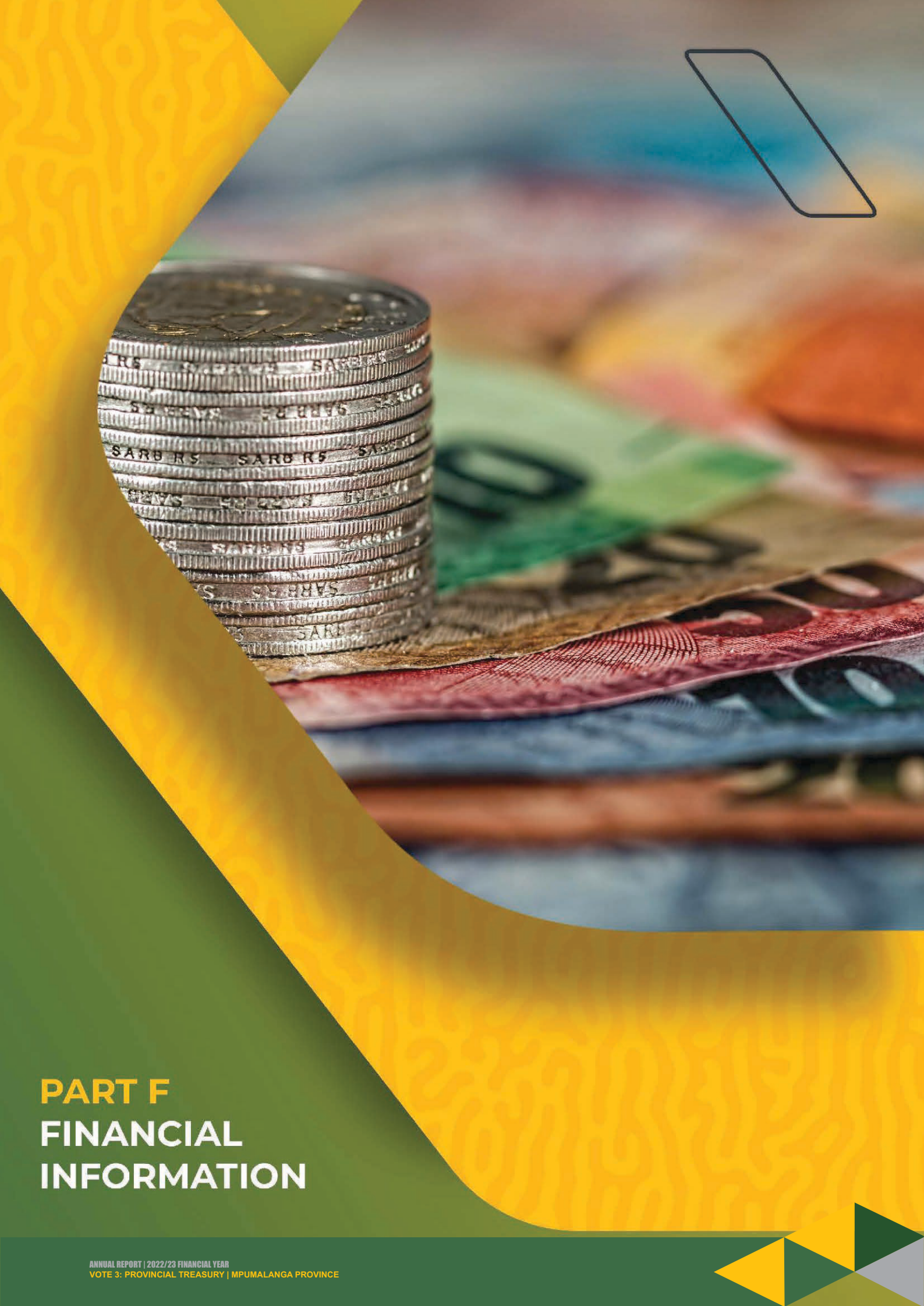
| Description | Number of invoices | Consolidated Value |
|---|--------------------|--------------------|
| | | R'000 |
| Valid invoices received | 2 108 | 445,082 |
| Invoices paid within 30 days or agreed period | 2 106 | 444,664 |
| Invoices paid after 30 days or agreed period | 2 | 418 |

Due to a system error, two (2) invoices could not be processed within 30 days

3. SUPPLY CHAIN MANAGEMENT

3.1 Procurement by other means

| Project description | Name of supplier | Type of procurement by other means | Contract number | Value of contract R'000 |
|---------------------|------------------|------------------------------------|-----------------|-------------------------|
| N /A | N /A | N /A | N /A | N /A |
| Total | | | | |



PART F

FINANCIAL INFORMATION

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1. REPORT OF THE AUDITOR-GENERAL TO THE MPUMALANGA PROVINCIAL LEGISLATURE ON VOTE NO.3: MPUMALANGA PROVINCIAL TREASURY

Report on the audit of the financial statements

Opinion

1. I have audited the financial statements of the Mpumalanga Provincial Treasury set out on pages 75 to 141 which comprise the appropriation statement, statement of financial position as at 31 March 2023, statement of financial performance, statement of changes in net assets, and cash flow statement for the year then ended, as well as notes to the financial statements, including a summary of significant accounting policies.
2. In my opinion, the financial statements present fairly, in all material respects, the financial position of the Mpumalanga Provincial Treasury as at 31 March 2023, and its financial performance and cash flows for the year then ended in accordance with the Modified Cash Standard and the requirements of the Public Finance Management Act 1 of 1999 (PFMA) and the Division of Revenue Act 5 of 2022 (Dora).

Basis for opinion

3. I conducted my audit in accordance with the International Standards on Auditing (ISAs). My responsibilities under those standards are further described in the responsibilities of the auditor-general for the audit of the financial statements section of my report.
4. I am independent of the department in accordance with the International Ethics Standards Board for Accountants' *International code of ethics for professional accountants (including International Independence Standards)* (IESBA code) as well as other ethical requirements that are relevant to my audit in South Africa. I have fulfilled my other ethical responsibilities in accordance with these requirements and the IESBA code.
5. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Other matters

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

Unaudited irregular expenditure and fruitless and wasteful expenditure

7. On 23 December 2022, the National Treasury issued Instruction Note 4 of 2022-23, which came into effect on 3 January 2023, in terms of section 76(1)(b), (e) and (f), 2(e) and (4)(a) and (c) of the PFMA. The instruction note deals with the PFMA compliance and reporting framework and addresses, amongst others, the disclosure of unauthorised expenditure, irregular expenditure and fruitless and wasteful expenditure. Irregular expenditure and fruitless and wasteful expenditure incurred in prior financial years and not yet addressed no longer need to be disclosed in either the annual report or the disclosure notes to the annual financial statements. Only the current year and prior year figures are disclosed in note 21 to the financial statements of the provincial legislature. Movements in respect of irregular expenditure and fruitless and wasteful expenditure also no longer need to be disclosed in the notes to the annual financial statements. The disclosure of these movements (e.g. condoned, recoverable, removed, written off, under assessment, under determination and under investigation) is now included as part of the other information in the annual report of the provincial legislature. I do not express an opinion on the disclosure of irregular expenditure and fruitless and wasteful expenditure in the annual report.
8. I do not express an opinion on the disclosure of irregular expenditure and fruitless and wasteful expenditure in the annual report.

Responsibilities of the accounting officer for the financial statements

9. The accounting officer is responsible for the preparation and fair presentation of the financial statements in accordance with the Modified Cash Standard and the requirements of the PFMA and DORA and for such internal control as the accounting officer determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

REPORT OF THE AUDITOR-GENERAL TO THE MPUMALANGA PROVINCIAL LEGISLATURE ON VOTE NO.3: MPUMALANGA PROVINCIAL TREASURY

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

Responsibilities of the auditor-general for the audit of the financial statements

11. My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error; and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with the ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.
12. A further description of my responsibilities for the audit of the financial statements is included in the annexure to this auditor's report.

Report on the audit of the annual performance report

13. In accordance with the Public Audit Act 25 of 2004 (PAA) and the general notice issued in terms thereof, I must audit and report on the usefulness and reliability of the reported performance against predetermined objectives for selected programmes presented in the annual performance report. The accounting officer is responsible for the preparation of the annual performance report.
14. I selected the following programmes presented in the annual performance report for the year ended 31 March 2023 for auditing. I selected programmes that measure the department's performance on its primary mandated functions and that are of significant national, community or public interest.

| Programme | Page numbers | Purpose |
|---|--------------|--|
| Programme 2 – Sustainable Resource Management | 22 - 25 | The programme exists to promote optimal and effective provincial and municipal fiscal policy in line with applicable financial management prescripts. |
| Programme 3 – Assets and Liabilities Management | 25 - 27 | The programme is responsible for monitoring and support of assets, liabilities, supply chain management, as well as provisioning of transversal systems and information technology services to departments, public entities and municipalities in the Mpumalanga province. |
| Programme 4 – Financial Governance | 27 - 30 | This programme serves to facilitate, monitor, support and provide professional advice to ensure good governance in the province. |

15. I evaluated the reported performance information for the selected programmes against the criteria developed from the performance management and reporting framework, as defined in the general notice. When an annual performance report is prepared using these criteria, it provides useful and reliable information and insights to users on the department's planning and delivery on its mandate and objectives.
16. I performed procedures to test whether:
- the indicators used for planning and reporting on performance can be linked directly to the department's mandate and the achievement of its planned objectives.

REPORT OF THE AUDITOR-GENERAL TO THE MPUMALANGA PROVINCIAL LEGISLATURE ON VOTE NO.3: MPUMALANGA PROVINCIAL TREASURY

- the indicators are well defined and verifiable to ensure that they are easy to understand and apply consistently and that I can confirm the methods and processes to be used for measuring achievements.
 - the targets can be linked directly to the achievement of the indicators and are specific, time bound and measurable to ensure that it is easy to understand what should be delivered and by when, the required level of performance as well as how performance will be evaluated.
 - the indicators and targets reported on in the annual performance report are the same as what was committed to in the approved initial or revised planning documents.
 - the reported performance information is presented in the annual performance report in the prescribed manner
 - there is adequate supporting evidence for the achievements reported and for the reasons provided for any over - or underachievement of targets.
17. I performed the procedures for the purpose of reporting material findings only; and not to express an assurance opinion.
18. I did not identify any material findings on the reported performance information for the selected programmes.

Achievement of planned targets

19. The annual performance report includes information on reported achievements against planned targets and provides explanations for over- and underachievements.

Report on compliance with legislation

20. In accordance with the PAA and the general notice issued in terms thereof, I must audit and report on compliance with applicable legislation relating to financial matters, financial management and other related matters. The accounting officer is responsible for the department's compliance with legislation.
21. I performed procedures to test compliance with selected requirements in key legislation in accordance with the findings engagement methodology of the Auditor-General of South Africa (AGSA). This engagement is not an assurance engagement. Accordingly, I do not express an assurance opinion or conclusion.
22. Through an established AGSA process, I selected requirements in key legislation for compliance testing that are relevant to the financial and performance management of the department, clear to allow consistent measurement and evaluation, while also sufficiently detailed and readily available to report in an understandable manner. The selected legislative requirements are included in the annexure to this auditor's report.
23. I did not identify any material non-compliance with the selected legislative requirements.

Other information in the annual report

24. The accounting officer is responsible for the other information included in the annual report. The other information referred to does not include the financial statements, the auditor's report and those selected programmes presented in the annual performance report that have been specifically reported on in this auditor's report.
25. My opinion on the financial statements, the report on the audit of the annual performance report and the report on compliance with legislation, do not cover the other information included in the annual report and I do not express an audit opinion or any form of assurance conclusion on it.
26. My responsibility is to read this other information and, in doing so, consider whether it 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, I conclude that there is a material misstatement in this other information; I am required to report that fact.
28. I have nothing to report in this regard.

REPORT OF THE AUDITOR-GENERAL TO THE MPUMALANGA PROVINCIAL LEGISLATURE ON VOTE NO.3: MPUMALANGA PROVINCIAL TREASURY

Internal control deficiencies

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

Auditor-General

Auditor-General

Mbombela

31 July 2023



AUDITOR - GENERAL
SOUTH AFRICA

Auditing to build public confidence

REPORT OF THE AUDITOR-GENERAL TO THE MPUMALANGA PROVINCIAL LEGISLATURE ON VOTE NO.3: MPUMALANGA PROVINCIAL TREASURY

Annexure to the Auditor's report

The annexure includes the following:

- the Auditor-General's responsibility for the audit
- the selected legislative requirements for compliance testing.

■ Auditor-General's responsibility for the audit

Professional judgement and professional scepticism

As part of an audit in accordance with the ISAs, I exercise professional judgement and maintain professional scepticism throughout my audit of the financial statements and the procedures performed on reported performance information for selected programmes and on the department's compliance with selected requirements in key legislation.

Financial statements

In addition to my responsibility for the audit of the financial statements as described in this auditor's report, I also:

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error; design and perform audit procedures responsive to those risks; and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the department's internal control
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made
- conclude on the appropriateness of the use of the going concern basis of accounting in the preparation of the financial statements. I also conclude, based on the audit evidence obtained, whether a material uncertainty exists relating to events or conditions that may cast significant doubt on the ability of the department to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements about the material uncertainty or, if such disclosures are inadequate, to modify my opinion on the financial statements. My conclusions are based on the information available to me at the date of this auditor's report. However, future events or conditions may cause a department to cease operating as a going concern
- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and determine whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Communication with those charged with governance.

I communicate with the accounting officer regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

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

REPORT OF THE AUDITOR-GENERAL TO THE MPUMALANGA PROVINCIAL LEGISLATURE ON VOTE NO.3: MPUMALANGA PROVINCIAL TREASURY

■ Compliance with legislation – selected legislative requirements.

The selected legislative requirements are as follows:

| Legislation | Sections or regulations |
|--|---|
| Public Finance Management Act No.1 of 1999 (PFMA) | Section 1 Section 38(1)(a)(iv); 38(1)(b);38(1)(c);38(1)(c)(i); 38(1)(c)(ii); 38(1)(d); 38(1)(h)(iii); Section 39(1)(a); 39(2)(a); Section 40(1)(a); 40(1)(b); 40(1)(c)(i) Section 43(4); 44; 44 (1) and (2) ; 45(b); Section 50(3); 50(3)(a) |
| Treasury Regulations for departments, trading entities, constitutional institutions and public entities (TR) | Treasury Regulation 4.1.1; 4.1.3 Treasury Regulation 5.1.1; 5.2.1; 5.2.3(a); 5.2.3(d); 5.3.1 Treasury Regulation 6.3.1(a); 6.3.1(b); 6.3.1(c'); 6.3.1(d); 6.4.1(b) Treasury Regulation 7.2.1 Treasury Regulation 8.1.1; 8.2.1; 8.2.2; 8.2.3; 8.4.1 Treasury Regulation 9.1.1; 9.1.4 Treasury Regulation 10.1.1(a); 10.1.2 Treasury Regulation 11.4.1; 11.4.2; 11.5.1 Treasury Regulation 12.5.1 Treasury Regulation 15.10.1.2(c') Treasury Regulation 16A3.1 ; 16A 3.2; 16A 3.2(a); 16A 6.1; 16A6.2(a) ,(b) & (e) ; 16A 6.3(a); 16A 6.3(a)(i);16A 6.3(b); 16A 6.3(c);16A6.3(d) ; 16A 6.3(e); 16A 6.4; 16A 6.5; 16A 6.6; 16A7.1; 16A.7.3; 16A.7.6; 16A.7.7; TR 16A8.2 (1) and (2); 16A 8.3 16A8.3 (d); 16A 8.4; 16A9; 16A9.1; 16A9.1(b)(ii);16A9.1 (c); 16A 9.1(d); 16A 9.1(e); 116A9.2; 16A9.2(a)(ii) &(iii); 16A9.1(f). Treasury regulation 17.1.1 Treasury regulation 18.2 Treasury regulation 19.8. |
| Division of Revenue Act No. 5 of 2022 | Dora 11(6)(a) Dora 12(5) Dora 16(1) Dora 16(3) Dora 16(3)(a)(i) Dora 16(3)(a)(ii)(bb) |
| Public service regulation | Public service regulation 13(c);18; 18 (1) and (2); 25(1)(e)(i); 25(1)(e)(iii) |
| Prevention and Combating of Corrupt Activities Act No.12 of 2004 (PRECCA) | Section 29 Section 34(1) |
| Construction Industry Development Board Act No.38 of 2000 (CIDB) | Section 18(1) |
| Construction Industry Development Board Regulations | CIDB regulation 17; 25(1); 25 (5) & 25(7A) |
| PPPFA | Section 1(i); 2.1(a); 2.1(b); 2.1(f) |
| PPR 2017 | Paragraph 4.1; 4.2 Paragraph 5.1; 5.3; 5.6; 5.7 Paragraph 6.1; 6.2; 6.3; 6.5; 6.6; 6.8 Paragraph 7.1; 7.2; 7.3; 7.5; 7.6; 7.8 Paragraph 8.2; 8.5 Paragraph 9.1; 9.2 Paragraph 10.1; 10.2 Paragraph 11.1; 11.2 Paragraph 12.1 and 12.2 |
| PPR 2022 | Paragraph 3.1 Paragraph 4.1; 4.2; 4.3; 4.4 |

| Legislation | Sections or regulations |
|---|--|
| | Paragraph 5.1; 5.2; 5.3; 5.4 |
| SITA ACT | Section 7(3) Section 7(6)(b) Section 20(1)(a)(l) |
| SITA regulations | Regulation 8.1.1 (b); 8.1.4; 8.1.7 Regulation 9.6; 9.4 Regulation 12.3 Regulation 13.1 (a) Regulation 14.1; 14.2 |
| PFMA SCM Instruction no. 09 of 2022/2023 | Paragraph 3.1; 3.3 (b); 3.3 (c); 3.3 (e); 3.6 |
| National Treasury Instruction No.1 of 2015/16 | Paragraph 3.1; 4.1; 4.2 |
| NT SCM Instruction Note 03 2021/22 | Paragraph 4.1; 4.2 (b); 4.3; 4.4; 4.4 (a); 4.4 (c) -(d); 4.6 Paragraph 5.4 Paragraph 7.2; 7.6 |
| NT SCM Instruction 4A of 2016/17 | Paragraph 6 |
| NT SCM Instruction Note 03 2019/20 | Par 5.5.1(vi); Paragraph 5.5.1(x); |
| NT SCM Instruction Note 11 2020/21 | Paragraph 3.1; 3.4 (a) and (b); 3.9; 6.1; 6.2; 6.7 |
| NT SCM Instruction note 2 of 2021/22 | Paragraph 3.2.1; 3.2.2; 3.2.4(a) and (b) ; 3.3.1; 3.2.2 Paragraph 4.1 |
| PFMA SCM Instruction 04 of 2022/23 | Paragraph 4(1); 4(2); 4(4) |
| Practice Note 5 of 2009/10 | Paragraph 3.3 |
| PFMA SCM instruction 08 of 2022/23 | Paragraph 3.2 Paragraph 4.3.2 and 4.3.3 |
| NT instruction note 4 of 2015/16 | Paragraph 3.4 |
| NT instruction 3 of 2019/20 - Annexure A | Section 5.5.1 (iv) and (x) |
| Second amendment of NTI 05 of 2020/21 | Paragraph 4.8; 4.9 ; 5.1 ; 5.3 |
| Erratum NTI 5 of 202/21 | Paragraph 1 |
| Erratum NTI 5 of 202/21 | Paragraph 2 |
| Practice note 7 of 2009/10 | Paragraph 4.1.2 |
| Practice note 11 of 2008/9 | Paragraph 3.1 Paragraph 3.1 (b) |
| NT instruction note 1 of 2021/22 | Paragraph 4.1 |
| Public Service Act | Section 30 (1) |

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Appropriation Statement

for the year ended 31 March 2023

| Figures in Rand thousand | | 2022/2023 | | | | 2021/2022 | | | |
|--|------------------------|-------------------|--------------|---------------------|--------------------|-------------|---|---------------------|--------------------|
| | Adjusted Appropriation | Shifting of Funds | Virement | Final Appropriation | Actual Expenditure | Variance | Expenditure as % of final appropriation | Final Appropriation | Actual Expenditure |
| Appropriation per economic classification (continued) | | | | | | | | | |
| Venues and facilities | 2,107 | - | (11) | 2,096 | 1,925 | 171 | 91.84 % | 831 | 831 |
| | 216,168 | - | (70) | 216,098 | 216,140 | (42) | 100.02 % | 183,773 | 186,448 |
| Compensation of employees | 198,620 | - | - | 198,620 | 198,620 | - | 100.00 % | 190,647 | 190,646 |
| Goods and services | 216,168 | - | (70) | 216,098 | 216,140 | (42) | 100.02 % | 183,773 | 186,448 |
| Total current payments | 414,788 | - | (70) | 414,718 | 414,760 | (42) | 100.01 % | 374,420 | 377,094 |
| Transfers and subsidies | | | | | | | | | |
| Provinces and municipalities | | | | | | | | | |
| Provincial Revenue Funds | 7 | - | 18 | 25 | 26 | (1) | 104.00 % | 23 | 23 |
| Municipalities | | | | | | | | | |
| Municipal bank accounts | 15,300 | - | (292) | 15,008 | 15,000 | 8 | 99.95 % | 34,571 | 34,571 |
| Provinces | 7 | - | 18 | 25 | 26 | (1) | 104.00 % | 23 | 23 |
| Municipalities | 15,300 | - | (292) | 15,008 | 15,000 | 8 | 99.95 % | 34,571 | 34,571 |
| Provinces and municipalities subtotal | 15,307 | - | (274) | 15,033 | 15,026 | 7 | 99.95 % | 34,594 | 34,594 |
| Departmental agencies and accounts | | | | | | | | | |
| Departmental agencies (non-business entities) | 672 | - | - | 672 | 672 | - | 100.00 % | 646 | 646 |
| Households | | | | | | | | | |
| Provinces and municipalities | 1,270 | - | 274 | 1,544 | 1,544 | - | 100.00 % | 2,944 | 3,039 |
| Departmental agencies and accounts | 15,307 | - | (274) | 15,033 | 15,026 | 7 | 99.95 % | 34,594 | 34,594 |
| Households | 672 | - | - | 672 | 672 | - | 100.00 % | 646 | 646 |
| | 1,270 | - | 274 | 1,544 | 1,544 | - | 100.00 % | 2,944 | 3,039 |
| Total transfers and subsidies | 17,249 | - | - | 17,249 | 17,242 | 7 | 99.96 % | 38,184 | 38,279 |

Appropriation Statement

for the year ended 31 March 2023

| Figures in Rand thousand | | 2022/2023 | | | | 2021/2022 | | | |
|--|------------------------|-------------------|----------------|---------------------|--------------------|------------|---|---------------------|--------------------|
| | Adjusted Appropriation | Shifting of Funds | Virement | Final Appropriation | Actual Expenditure | Variance | Expenditure as % of final appropriation | Final Appropriation | Actual Expenditure |
| Appropriation per economic classification (continued) | | | | | | | | | |
| Payments for capital assets | | | | | | | | | |
| Machinery and equipment | | | | | | | | | |
| Transport equipment | 4,369 | - | (377) | 3,992 | 3,992 | - | 100.00 % | 876 | 876 |
| Other machinery and equipment | 31,223 | - | (5,642) | 25,581 | 25,326 | 255 | 99.00 % | 23,377 | 17,456 |
| | 35,592 | - | (6,019) | 29,573 | 29,318 | 255 | 99.14 % | 24,253 | 18,332 |
| Software and other intangible assets | 12,384 | - | 6,019 | 18,403 | 18,403 | - | 100.00 % | - | - |
| Machinery and equipment | 35,592 | - | (6,019) | 29,573 | 29,318 | 255 | 99.14 % | 24,253 | 18,332 |
| Intangible assets | 12,384 | - | 6,019 | 18,403 | 18,403 | - | 100.00 % | - | - |
| Total payments for capital assets | 47,976 | - | - | 47,976 | 47,721 | 255 | 99.47 % | 24,253 | 18,332 |
| Payments for financial assets | 5 | - | 70 | 75 | 74 | 1 | 98.67 % | - | - |
| Total current payments | 414,788 | - | (70) | 414,718 | 414,760 | (42) | 100.01 % | 374,420 | 377,094 |
| Total transfers and subsidies | 17,249 | - | - | 17,249 | 17,242 | 7 | 99.96 % | 38,184 | 38,279 |
| Total payments for capital assets | 47,976 | - | - | 47,976 | 47,721 | 255 | 99.47 % | 24,253 | 18,332 |
| Total payments for financial assets | 5 | - | 70 | 75 | 74 | 1 | 98.67 % | - | - |
| T total | 480,018 | - | - | 480,018 | 479,797 | 221 | 99.95 % | 436,857 | 433,705 |

Appropriation Statement

for the year ended 31 March 2023

| Figures in Rand thousand | | 2022/2023 | | | | 2021/2022 | | | | |
|-------------------------------|-----|------------------------|-------------------|----------|---------------------|--------------------|----------|---|---------------------|--------------------|
| | | Adjusted Appropriation | Shifting of Funds | Virement | Final Appropriation | Actual Expenditure | Variance | Expenditure as % of final appropriation | Final Appropriation | Actual Expenditure |
| 1. Programme 1-Administration | | | | | | | | | | |
| Sub programme | | | | | | | | | | |
| Management services | 1.1 | 51,172 | - | 4 | 51,176 | 51,168 | 8 | 99.98 % | 46,041 | 46,068 |
| Financial Management | 1.2 | 74,466 | - | 109 | 74,575 | 74,473 | 102 | 99.86 % | 57,585 | 56,728 |
| Internal Audit | 1.3 | 5,807 | - | (34) | 5,773 | 5,772 | 1 | 99.98 % | 5,160 | 5,160 |
| Subtotal | | 131,445 | - | 79 | 131,524 | 131,413 | 111 | 99.92 % | 108,786 | 107,956 |

Economic classification

Current payments

Compensation of employees

| | | | | | | | | | | |
|----------------------|---------------|----------|------------|--|---------------|---------------|----------|-----------------|---------------|---------------|
| Salaries and wages | 57,154 | - | 216 | | 57,370 | 57,370 | - | 100.00 % | 54,664 | 54,665 |
| Social contributions | 9,437 | - | (71) | | 9,366 | 9,366 | - | 100.00 % | 9,201 | 9,201 |
| | 66,591 | - | 145 | | 66,736 | 66,736 | - | 100.00 % | 63,865 | 63,866 |

Goods and services

| | | | | | | | | | | |
|--|-------|---|------|--|-------|-------|-------|----------|-------|-------|
| Administrative fees | 574 | - | (4) | | 570 | 469 | 101 | 82.28 % | 282 | 282 |
| Advertising | 995 | - | - | | 995 | 1,362 | (367) | 136.88 % | 731 | 730 |
| Minor assets | 652 | - | - | | 652 | 456 | 196 | 69.94 % | 149 | 146 |
| Audit costs: External | 6,021 | - | 79 | | 6,100 | 6,636 | (536) | 108.79 % | 4,477 | 4,477 |
| Catering: Departmental activities | 456 | - | - | | 456 | 486 | (30) | 106.58 % | 229 | 229 |
| Communication | 3,324 | - | - | | 3,324 | 3,748 | (424) | 112.76 % | 3,354 | 3,353 |
| Computer services | 25 | - | - | | 25 | 24 | 1 | 96.00 % | 22 | 22 |
| Consultants: Business and advisory services | 394 | - | (13) | | 381 | 276 | 105 | 72.44 % | 457 | 457 |
| Contractors | 1,692 | - | (1) | | 1,691 | 1,680 | 11 | 99.35 % | 1,272 | 1,273 |
| Agency and support / outsourced services | - | - | - | | - | - | - | - % | 12 | 12 |
| Fleet services | 2,992 | - | - | | 2,992 | 2,874 | 118 | 96.06 % | 2,548 | 2,549 |
| Consumable supplies | 1,925 | - | 3 | | 1,928 | 1,889 | 39 | 97.98 % | 1,669 | 1,669 |
| Consumable: Stationery, printing and office supplies | 1,476 | - | (10) | | 1,466 | 1,192 | 274 | 81.31 % | 1,784 | 1,783 |

Appropriation Statement

for the year ended 31 March 2023

| Figures in Rand thousand | 2022/2023 | | | | | 2021/2022 | | | |
|---|------------------------|-------------------|-------------|---------------------|--------------------|--------------|---|---------------------|--------------------|
| | Adjusted Appropriation | Shifting of Funds | Virement | Final Appropriation | Actual Expenditure | Variance | Expenditure as % of final appropriation | Final Appropriation | Actual Expenditure |
| Operating leases | 7,707 | - | - | 7,707 | 7,875 | (168) | 102.18 % | 7,649 | 7,649 |
| Property payments | 4,883 | - | - | 4,883 | 4,824 | 59 | 98.79 % | 6,406 | 6,406 |
| Transport provided: Departmental activity | 47 | - | - | 47 | 20 | 27 | 42.55 % | - | - |
| Travel and subsistence | 6,225 | - | (308) | 5,917 | 5,769 | 148 | 97.50 % | 2,680 | 2,680 |
| Training and development | 1,120 | - | 130 | 1,250 | 1,073 | 177 | 85.84 % | 724 | 723 |
| Operating payments | 840 | - | 42 | 882 | 942 | (60) | 106.80 % | 360 | 361 |
| Venues and facilities | 1,098 | - | - | 1,098 | 919 | 179 | 83.70 % | 458 | 458 |
| | 42,446 | - | (82) | 42,364 | 42,514 | (150) | 100.35 % | 35,263 | 35,259 |
| Compensation of employees | 66,591 | - | 145 | 66,736 | 66,736 | - | 100.00 % | 63,865 | 63,866 |
| Goods and services | 42,446 | - | (82) | 42,364 | 42,514 | (150) | 100.35 % | 35,263 | 35,259 |
| Total current payments | 109,037 | - | 63 | 109,100 | 109,250 | (150) | 100.14 % | 99,128 | 99,125 |
| Transfers and subsidies | | | | | | | | | |
| Provinces and municipalities | 7 | - | 18 | 25 | 26 | (1) | 104.00 % | 23 | 23 |
| Departmental agencies and accounts | 672 | - | - | 672 | 672 | - | 100.00 % | 646 | 646 |
| Households | 514 | - | (2) | 512 | 505 | 7 | 98.63 % | 1,449 | 1,467 |
| Provinces and municipalities | 7 | - | 18 | 25 | 26 | (1) | 104.00 % | 23 | 23 |
| Departmental agencies and accounts | 672 | - | - | 672 | 672 | - | 100.00 % | 646 | 646 |
| Households | 514 | - | (2) | 512 | 505 | 7 | 98.63 % | 1,449 | 1,467 |
| Total transfers and subsidies | 1,193 | - | 16 | 1,209 | 1,203 | 6 | 99.50 % | 2,118 | 2,136 |
| Payments for capital assets | | | | | | | | | |
| Machinery and equipment | 21,210 | - | - | 21,210 | 20,955 | 255 | 98.80 % | 7,541 | 6,695 |
| Machinery and equipment | 21,210 | - | - | 21,210 | 20,955 | 255 | 98.80 % | 7,541 | 6,695 |
| Payments for financial assets | 5 | - | - | 5 | 5 | - | 100.00 % | - | - |
| Total current payments | 109,037 | - | 63 | 109,100 | 109,250 | (150) | 100.14 % | 99,128 | 99,125 |
| Total transfers and subsidies | 1,193 | - | 16 | 1,209 | 1,203 | 6 | 99.50 % | 2,118 | 2,136 |
| Total payments for capital assets | 21,210 | - | - | 21,210 | 20,955 | 255 | 98.80 % | 7,541 | 6,695 |
| Total payments for financial assets | 5 | - | - | 5 | 5 | - | 100.00 % | - | - |
| Total | 131,445 | - | 79 | 131,524 | 131,413 | 111 | 99.92 % | 108,787 | 107,956 |

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Appropriation Statement

for the year ended 31 March 2023

| Figures in Rand thousand | | 2022/2023 | | | | 2021/2022 | | | |
|--|------------------------|-------------------|----------|---------------------|--------------------|-----------|---|---------------------|--------------------|
| | Adjusted Appropriation | Shifting of Funds | Virement | Final Appropriation | Actual Expenditure | Variance | Expenditure as % of final appropriation | Final Appropriation | Actual Expenditure |
| 1.1 Management services (continued) | | | | | | | | | |
| Total current payments | 50,254 | - | 4 | 50,258 | 50,257 | 1 | 100.00 % | 44,650 | 44,658 |
| Transfers and subsidies | | | | | | | | | |
| Departmental agencies and accounts | 668 | - | - | 668 | 668 | - | 100.00 % | 646 | 646 |
| Households | 245 | - | - | 245 | 238 | 7 | 97.14 % | 745 | 764 |
| Departmental agencies and accounts | 668 | - | - | 668 | 668 | - | 100.00 % | 646 | 646 |
| Households | 245 | - | - | 245 | 238 | 7 | 97.14 % | 745 | 764 |
| Total transfers and subsidies | 913 | - | - | 913 | 906 | 7 | 99.23 % | 1,391 | 1,410 |
| Payments for financial assets | 5 | - | - | 5 | 5 | - | 100.00 % | - | - |
| Total current payments | 50,254 | - | 4 | 50,258 | 50,257 | 1 | 100.00 % | 44,650 | 44,658 |
| Total transfers and subsidies | 913 | - | - | 913 | 906 | 7 | 99.23 % | 1,391 | 1,410 |
| Total payments for financial assets | 5 | - | - | 5 | 5 | - | 100.00 % | - | - |
| T total | 51,172 | - | 4 | 51,176 | 51,168 | 8 | 99.98 % | 46,041 | 46,068 |

Appropriation Statement

for the year ended 31 March 2023

| Figures in Rand thousand | | 2022/2023 | | | | 2021/2022 | | | |
|--|------------------------|-------------------|-----------|---------------------|--------------------|--------------|---|---------------|--------------------|
| | Adjusted Appropriation | Shifting of Funds | Virement | Final Appropriation | Actual Expenditure | Variance | Expenditure as % of final appropriation | Appropriation | Actual Expenditure |
| 1.2 Financial Management | | | | | | | | | |
| Economic classification | | | | | | | | | |
| Current payments | | | | | | | | | |
| Compensation of employees | | | | | | | | | |
| Salaries and wages | 18,879 | - | 47 | 18,926 | 18,926 | - | 100.00 % | 17,740 | 17,734 |
| Social contributions | 3,429 | - | (36) | 3,393 | 3,393 | - | 100.00 % | 3,387 | 3,385 |
| | 22,308 | - | 11 | 22,319 | 22,319 | - | 100.00 % | 21,127 | 21,119 |
| Goods and services | | | | | | | | | |
| Administrative fees | 166 | - | 1 | 167 | 135 | 32 | 80.84 % | 196 | 196 |
| Minor assets | 652 | - | - | 652 | 456 | 196 | 69.94 % | 149 | 146 |
| Audit costs: External | 6,021 | - | 79 | 6,100 | 6,636 | (536) | 108.79 % | 4,477 | 4,477 |
| Catering: Departmental activities | 58 | - | - | 58 | 33 | 25 | 56.90 % | 41 | 41 |
| Communication | 2,811 | - | - | 2,811 | 3,255 | (444) | 115.80 % | 2,920 | 2,920 |
| Consultants: Business and advisory services | 39 | - | - | 39 | 39 | - | 100.00 % | 65 | 65 |
| Contractors | 48 | - | 9 | 57 | 57 | - | 100.00 % | 90 | 90 |
| Fleet services | 2,992 | - | - | 2,992 | 2,874 | 118 | 96.06 % | 2,548 | 2,549 |
| Consumable supplies | 1,545 | - | - | 1,545 | 1,462 | 83 | 94.63 % | 1,626 | 1,626 |
| Consumable: Stationery, printing and office supplies | 1,418 | - | - | 1,418 | 1,145 | 273 | 80.75 % | 1,729 | 1,728 |
| Operating leases | 7,707 | - | - | 7,707 | 7,875 | (168) | 102.18 % | 7,649 | 7,649 |
| Property payments | 4,599 | - | - | 4,599 | 4,540 | 59 | 98.72 % | 5,068 | 5,068 |
| Travel and subsistence | 1,776 | - | (9) | 1,767 | 1,691 | 76 | 95.70 % | 1,372 | 1,372 |
| Training and development | 140 | - | - | 140 | 15 | 125 | 10.71 % | 71 | 71 |
| Operating payments | 636 | - | - | 636 | 703 | (67) | 110.53 % | 175 | 175 |
| Venues and facilities | 180 | - | - | 180 | 104 | 76 | 57.78 % | 15 | 15 |
| | 30,788 | - | 80 | 30,868 | 31,020 | (152) | 100.49 % | 28,191 | 28,188 |
| Compensation of employees | 22,308 | - | 11 | 22,319 | 22,319 | - | 100.00 % | 21,127 | 21,119 |
| Goods and services | 30,788 | - | 80 | 30,868 | 31,020 | (152) | 100.49 % | 28,191 | 28,188 |
| Total current payments | 53,096 | - | 91 | 53,187 | 53,339 | (152) | 100.29 % | 49,318 | 49,307 |

Appropriation Statement

for the year ended 31 March 2023

| Figures in Rand thousand | | 2022/2023 | | | | 2021/2022 | | | |
|---|------------------------|-------------------|------------|---------------------|--------------------|------------|---|---------------------|--------------------|
| | Adjusted Appropriation | Shifting of Funds | Virement | Final Appropriation | Actual Expenditure | Variance | Expenditure as % of final appropriation | Final Appropriation | Actual Expenditure |
| 1.2 Financial Management (continued) | | | | | | | | | |
| Transfers and subsidies | | | | | | | | | |
| Provinces and municipalities | | | | | | | | | |
| Provinces | | | | | | | | | |
| Provincial Revenue Funds | 7 | - | 18 | 25 | 26 | (1) | 104.00 % | 23 | 23 |
| Provinces | 7 | - | 18 | 25 | 26 | (1) | 104.00 % | 23 | 23 |
| Departmental agencies and accounts | | | | | | | | | |
| Departmental agencies (non-business entities) | 4 | - | - | 4 | 4 | - | 100.00 % | - | - |
| Households | | | | | | | | | |
| Provinces and municipalities | 149 | - | - | 149 | 149 | - | 100.00 % | 703 | 703 |
| Departmental agencies and accounts | 7 | - | 18 | 25 | 26 | (1) | 104.00 % | 23 | 23 |
| Households | 4 | - | - | 4 | 4 | - | 100.00 % | - | - |
| Households | 149 | - | - | 149 | 149 | - | 100.00 % | 703 | 703 |
| Total transfers and subsidies | 160 | - | 18 | 178 | 179 | (1) | 100.56 % | 726 | 726 |
| Payments for capital assets | | | | | | | | | |
| Machinery and equipment | | | | | | | | | |
| Transport equipment | 4,369 | - | (377) | 3,992 | 3,992 | - | 100.00 % | 876 | 876 |
| Other machinery and equipment | 16,841 | - | 377 | 17,218 | 16,963 | 255 | 98.52 % | 6,665 | 5,819 |
| Machinery and equipment | 21,210 | - | - | 21,210 | 20,955 | 255 | 98.80 % | 7,541 | 6,695 |
| Total current payments | 53,096 | - | 91 | 53,187 | 53,339 | (152) | 100.29 % | 49,318 | 49,307 |
| Total transfers and subsidies | 160 | - | 18 | 178 | 179 | (1) | 100.56 % | 726 | 726 |
| Total payments for capital assets | 21,210 | - | - | 21,210 | 20,955 | 255 | 98.80 % | 7,541 | 6,695 |
| Total | 74,466 | - | 109 | 74,575 | 74,473 | 102 | 99.86 % | 57,585 | 56,728 |

Appropriation Statement

for the year ended 31 March 2023

| Figures in Rand thousand | | 2022/2023 | | | | 2021/2022 | | | |
|--|------------------------|-------------------|-------------|---------------------|--------------------|-----------|---|---------------|--------------------|
| | Adjusted Appropriation | Shifting of Funds | Virement | Final Appropriation | Actual Expenditure | Variance | Expenditure as % of final appropriation | Appropriation | Actual Expenditure |
| 1.3 Internal Audit | | | | | | | | | |
| Economic classification | | | | | | | | | |
| Current payments | | | | | | | | | |
| Compensation of employees | | | | | | | | | |
| Salaries and wages | 4,275 | - | (6) | 4,269 | 4,269 | - | 100.00 % | 3,950 | 3,950 |
| Social contributions | 677 | - | (11) | 666 | 666 | - | 100.00 % | 626 | 626 |
| | 4,952 | - | (17) | 4,935 | 4,935 | - | 100.00 % | 4,576 | 4,576 |
| Goods and services | | | | | | | | | |
| Administrative fees | 13 | - | (5) | 8 | 7 | 1 | 87.50 % | 2 | 2 |
| Communication | 70 | - | - | 70 | 66 | 4 | 94.29 % | 53 | 53 |
| Computer services | 25 | - | - | 25 | 24 | 1 | 96.00 % | 22 | 22 |
| Consultants: Business and advisory services | 244 | - | (13) | 231 | 199 | 32 | 86.15 % | 235 | 235 |
| Consumable: Stationery, printing and office supplies | 10 | - | (10) | - | - | - | - % | - | - |
| Travel and subsistence | 221 | - | (29) | 192 | 261 | (69) | 135.94 % | 85 | 85 |
| Training and development | 110 | - | - | 110 | 79 | 31 | 71.82 % | 164 | 164 |
| Operating payments | 42 | - | 42 | 84 | 83 | 1 | 98.81 % | 23 | 23 |
| | 735 | - | (15) | 720 | 719 | 1 | 99.86 % | 584 | 584 |
| Compensation of employees | 4,952 | - | (17) | 4,935 | 4,935 | - | 100.00 % | 4,576 | 4,576 |
| Goods and services | 735 | - | (15) | 720 | 719 | 1 | 99.86 % | 584 | 584 |
| Total current payments | 5,687 | - | (32) | 5,655 | 5,654 | 1 | 99.98 % | 5,160 | 5,160 |
| Transfers and subsidies | | | | | | | | | |
| Households | | | | | | | | | |
| Households | 120 | - | (2) | 118 | 118 | - | 100.00 % | - | - |
| | 120 | - | (2) | 118 | 118 | - | 100.00 % | - | - |
| Total current payments | 5,687 | - | (32) | 5,655 | 5,654 | 1 | 99.98 % | 5,160 | 5,160 |
| Total transfers and subsidies | 120 | - | (2) | 118 | 118 | - | 100.00 % | - | - |
| Total | 5,807 | - | (34) | 5,773 | 5,772 | 1 | 99.98 % | 5,160 | 5,160 |

Appropriation Statement

for the year ended 31 March 2023

| Figures in Rand thousand | | | | | | | | | | |
|--------------------------|--|--|--|--|--|--|--|--|--|--|
| 2022/2023 | | | | | | | | | | |
| 2021/2022 | | | | | | | | | | |
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Appropriation Statement

for the year ended 31 March 2023

| Figures in Rand thousand | | 2022/2023 | | | | 2021/2022 | | | |
|--------------------------------------|------------------------|-------------------|--------------|---------------------|--------------------|-----------|---|---------------------|--------------------|
| | Adjusted Appropriation | Shifting of Funds | Virement | Final Appropriation | Actual Expenditure | Variance | Expenditure as % of final appropriation | Final Appropriation | Actual Expenditure |
| Transfers and subsidies | | | | | | | | | |
| Provinces and municipalities | | | | | | | | | |
| Municipalities | | | | | | | | | |
| Municipal bank accounts | 15,300 | - | (292) | 15,008 | 15,000 | 8 | 99.95 % | 34,571 | 34,571 |
| Municipalities | 15,300 | - | (292) | 15,008 | 15,000 | 8 | 99.95 % | 34,571 | 34,571 |
| Households | | | | | | | | | |
| Social benefits | - | - | (4) | (4) | 4 | (8) | (100.00)% | 483 | - |
| Provinces and municipalities | 15,300 | - | (292) | 15,008 | 15,000 | 8 | 99.95 % | 34,571 | 34,571 |
| Households | - | - | (4) | (4) | 4 | (8) | (100.00)% | 483 | - |
| Total transfers and subsidies | 15,300 | - | (296) | 15,004 | 15,004 | - | 100.00 % | 35,054 | 34,571 |
| Total current payments | 55,085 | - | 285 | 55,370 | 55,365 | 5 | 99.99 % | 47,580 | 47,578 |
| Total transfers and subsidies | 15,300 | - | (296) | 15,004 | 15,004 | - | 100.00 % | 35,054 | 34,571 |
| Total | 70,385 | - | (11) | 70,374 | 70,369 | 5 | 99.99 % | 82,634 | 82,149 |

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Appropriation Statement

for the year ended 31 March 2023

| Figures in Rand thousand | | 2022/2023 | | | | 2021/2022 | | | |
|---|------------------------|-------------------|-------------|---------------------|--------------------|-----------|---|---------------|-------------------|
| | Adjusted Appropriation | Shifting of Funds | Virement | Final Appropriation | Actual Expenditure | Variance | Expenditure as % of final appropriation | Appropriation | Final Expenditure |
| 2.4 Municipal Finance | | | | | | | | | |
| Economic classification | | | | | | | | | |
| Current payments | | | | | | | | | |
| Compensation of employees | | | | | | | | | |
| Salaries and wages | 15,195 | - | - | 15,195 | 15,194 | 1 | 99.99 % | 14,434 | 14,434 |
| Social contributions | 2,070 | - | (23) | 2,047 | 2,048 | (1) | 100.05 % | 1,901 | 1,901 |
| | 17,265 | - | (23) | 17,242 | 17,242 | - | 100.00 % | 16,335 | 16,335 |
| Goods and services | | | | | | | | | |
| Administrative fees | 30 | - | - | 30 | 22 | 8 | 73.33 % | 3 | 3 |
| Catering: Departmental activities | 107 | - | - | 107 | 79 | 28 | 73.83 % | - | - |
| Communication | 257 | - | - | 257 | 247 | 10 | 96.11 % | 226 | 226 |
| Consultants: Business and advisory services | 250 | - | 145 | 395 | 390 | 5 | 98.73 % | 600 | 600 |
| Travel and subsistence | 1,780 | - | (254) | 1,526 | 1,577 | (51) | 103.34 % | 720 | 720 |
| Operating payments | - | - | 291 | 291 | 291 | - | 100.00 % | - | - |
| Venues and facilities | 7 | - | - | 7 | 7 | - | 100.00 % | - | - |
| | 2,431 | - | 182 | 2,613 | 2,613 | - | 100.00 % | 1,549 | 1,549 |
| Compensation of employees | 17,265 | - | (23) | 17,242 | 17,242 | - | 100.00 % | 16,335 | 16,335 |
| Goods and services | 2,431 | - | 182 | 2,613 | 2,613 | - | 100.00 % | 1,549 | 1,549 |
| Total current payments | 19,696 | - | 159 | 19,855 | 19,855 | - | 100.00 % | 17,884 | 17,884 |
| Transfers and subsidies | | | | | | | | | |
| Provinces and municipalities | | | | | | | | | |
| Municipalities | | | | | | | | | |
| Municipal bank accounts | 15,300 | - | (292) | 15,008 | 15,000 | 8 | 99.95 % | 34,571 | 34,571 |
| Municipalities | 15,300 | - | (292) | 15,008 | 15,000 | 8 | 99.95 % | 34,571 | 34,571 |
| Households | | | | | | | | | |
| Social benefits | - | - | (4) | (4) | 4 | (8) | (100.00)% | - | - |
| Provinces and municipalities | 15,300 | - | (292) | 15,008 | 15,000 | 8 | 99.95 % | 34,571 | 34,571 |

Appropriation Statement

for the year ended 31 March 2023

| Figures in Rand thousand | | 2022/2023 | | | | 2021/2022 | | | |
|--|------------------------|-------------------|--------------|---------------------|--------------------|-----------|---|---------------------|--------------------|
| | Adjusted Appropriation | Shifting of Funds | Virement | Final Appropriation | Actual Expenditure | Variance | Expenditure as % of final appropriation | Final Appropriation | Actual Expenditure |
| 2.4 Municipal Finance (continued) | | | | | | | | | |
| Households | - | - | (4) | (4) | 4 | (8) | (100.00)% | - | - |
| Total transfers and subsidies | 15,300 | - | (296) | 15,004 | 15,004 | - | 100.00 % | 34,571 | 34,571 |
| Total current payments | 19,696 | - | 159 | 19,855 | 19,855 | - | 100.00 % | 17,884 | 17,884 |
| Total transfers and subsidies | 15,300 | - | (296) | 15,004 | 15,004 | - | 100.00 % | 34,571 | 34,571 |
| Total | 34,996 | - | (137) | 34,859 | 34,859 | - | 100.00 % | 52,455 | 52,455 |

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Appropriation Statement

for the year ended 31 March 2023

| Figures in Rand thousand | | | | 2022/2023 | | | 2021/2022 | | | |
|---|-----|---------------------------|----------------------|-----------|------------------------|-----------------------|-----------|---|------------------------|-----------------------|
| | | Adjusted Appropriation | Shifting of Funds | Virement | Final Appropriation | Actual Expenditure | Variance | Expenditure as % of final appropriation | Final Appropriation | Actual Expenditure |
| 3. Programme 3- Assets and Liabilities | | | | | | | | | | |
| Sub programme | | | | | | | | | | |
| Programme Support | 3.1 | 1,773 | - | 23 | 1,796 | 1,795 | 1 | 99.94 % | 1,303 | 1,303 |
| Provincial Supply Chain Management | 3.2 | 21,221 | - | (57) | 21,164 | 21,162 | 2 | 99.99 % | 19,646 | 19,819 |
| Public Sector Liabilities | 3.3 | 4,397 | - | - | 4,397 | 4,396 | 1 | 99.98 % | 4,721 | 4,721 |
| Physical Assets Management | 3.4 | 6,739 | - | 21 | 6,760 | 6,757 | 3 | 99.96 % | 5,972 | 5,972 |
| Interlinked Financial Systems | 3.5 | 84,034 | - | 248 | 84,282 | 84,280 | 2 | 100.00 % | 81,793 | 81,695 |
| Information Technology | 3.6 | 110,432 | - | (233) | 110,199 | 110,189 | 10 | 99.99 % | 102,424 | 100,029 |
| Subtotal | | 228,596 | - | 2 | 228,598 | 228,579 | 19 | 99.99 % | 215,859 | 213,539 |

Economic classification

Current payments

Compensation of employees

| | | | | | | | | | |
|----------------------|---------------|----------|--------------|---------------|---------------|----------|-----------------|---------------|---------------|
| Salaries and wages | 52,521 | - | (197) | 52,324 | 52,324 | - | 100.00 % | 51,588 | 51,586 |
| Social contributions | 8,703 | - | (161) | 8,542 | 8,542 | - | 100.00 % | 8,500 | 8,500 |
| | 61,224 | - | (358) | 60,866 | 60,866 | - | 100.00 % | 60,088 | 60,086 |

Goods and services

| | | | | | | | | | |
|---|---------|---|-------|---------|---------|-------|----------|---------|---------|
| Administrative fees | 221 | - | - | 221 | 194 | 27 | 87.78 % | 54 | 54 |
| Minor assets | - | - | - | - | 221 | (221) | - % | - | - |
| Catering: Departmental activities | 250 | - | - | 250 | 266 | (16) | 106.40 % | 76 | 76 |
| Communication | 756 | - | 1 | 757 | 698 | 59 | 92.21 % | 622 | 622 |
| Computer services | 131,259 | - | (467) | 130,792 | 131,172 | (380) | 100.29 % | 131,762 | 134,441 |
| Contractors | 369 | - | - | 369 | 369 | - | 100.00 % | 1,385 | 1,386 |
| Consumable supplies | 44 | - | - | 44 | 25 | 19 | 56.82 % | 1,118 | 1,118 |
| Transport provided: Departmental activity | 58 | - | - | 58 | - | 58 | - % | - | - |
| Travel and subsistence | 6,372 | - | 10 | 6,382 | 5,925 | 457 | 92.84 % | 2,762 | 2,762 |
| Training and development | 364 | - | (1) | 363 | 258 | 105 | 71.07 % | 242 | 242 |
| Operating payments | 32 | - | 467 | 499 | 695 | (196) | 139.28 % | 4 | 4 |

Appropriation Statement

for the year ended 31 March 2023

| Figures in Rand thousand | | 2022/2023 | | | | 2021/2022 | | | |
|--|------------------------|-------------------|--------------|---------------------|--------------------|-----------|---|---------------------|--------------------|
| | Adjusted Appropriation | Shifting of Funds | Virement | Final Appropriation | Actual Expenditure | Variance | Expenditure as % of final appropriation | Final Appropriation | Actual Expenditure |
| Venues and facilities | 406 | - | - | 406 | 301 | 105 | 74.14 % | 128 | 128 |
| | 140,131 | - | 10 | 140,141 | 140,124 | 17 | 99.99 % | 138,153 | 140,833 |
| Compensation of employees | 61,224 | - | (358) | 60,866 | 60,866 | - | 100.00 % | 60,088 | 60,086 |
| Goods and services | 140,131 | - | 10 | 140,141 | 140,124 | 17 | 99.99 % | 138,153 | 140,833 |
| Total current payments | 201,355 | - | (348) | 201,007 | 200,990 | 17 | 99.99 % | 198,241 | 200,919 |
| Transfers and subsidies | | | | | | | | | |
| Households | 475 | - | 280 | 755 | 754 | 1 | 99.87 % | 906 | 983 |
| Households | 475 | - | 280 | 755 | 754 | 1 | 99.87 % | 906 | 983 |
| Payments for capital assets | | | | | | | | | |
| Machinery and equipment | | | | | | | | | |
| Other machinery and equipment | 14,382 | - | (6,019) | 8,363 | 8,363 | - | 100.00 % | 16,712 | 11,637 |
| Software and other intangible assets | 12,384 | - | 6,019 | 18,403 | 18,403 | - | 100.00 % | - | - |
| Machinery and equipment | 14,382 | - | (6,019) | 8,363 | 8,363 | - | 100.00 % | 16,712 | 11,637 |
| Intangible assets | 12,384 | - | 6,019 | 18,403 | 18,403 | - | 100.00 % | - | - |
| Total payments for capital assets | 26,766 | - | - | 26,766 | 26,766 | - | 100.00 % | 16,712 | 11,637 |
| Payments for financial assets | - | - | 70 | 70 | 69 | 1 | 98.57 % | - | - |
| Total current payments | 201,355 | - | (348) | 201,007 | 200,990 | 17 | 99.99 % | 198,241 | 200,919 |
| Total transfers and subsidies | 475 | - | 280 | 755 | 754 | 1 | 99.87 % | 906 | 983 |
| Total payments for capital assets | 26,766 | - | - | 26,766 | 26,766 | - | 100.00 % | 16,712 | 11,637 |
| Total payments for financial assets | - | - | 70 | 70 | 69 | 1 | 98.57 % | - | - |
| Total | 228,596 | - | 2 | 228,598 | 228,579 | 19 | 99.99 % | 215,859 | 213,539 |

Appropriation Statement

for the year ended 31 March 2023

| Figures in Rand thousand | | 2022/2023 | | | | 2021/2022 | | | |
|----------------------------------|------------------------|-------------------|-----------|---------------------|--------------------|-----------|---|---------------------|--------------------|
| | Adjusted Appropriation | Shifting of Funds | Virement | Final Appropriation | Actual Expenditure | Variance | Expenditure as % of final appropriation | Final Appropriation | Actual Expenditure |
| 3.1 Programme Support | | | | | | | | | |
| Economic classification | | | | | | | | | |
| Current payments | | | | | | | | | |
| Compensation of employees | | | | | | | | | |
| Salaries and wages | 1,454 | - | 21 | 1,475 | 1,475 | - | 100.00 % | 1,140 | 1,140 |
| Social contributions | 145 | - | 2 | 147 | 147 | - | 100.00 % | 111 | 111 |
| | 1,599 | - | 23 | 1,622 | 1,622 | - | 100.00 % | 1,251 | 1,251 |
| Goods and services | | | | | | | | | |
| Administrative fees | 3 | - | - | 3 | 4 | (1) | 133.33 % | 1 | 1 |
| Communication | 31 | - | - | 31 | 28 | 3 | 90.32 % | 26 | 26 |
| Travel and subsistence | 68 | - | - | 68 | 54 | 14 | 79.41 % | 25 | 25 |
| Training and development | 16 | - | - | 16 | 16 | - | 100.00 % | - | - |
| Venues and facilities | 56 | - | - | 56 | 71 | (15) | 126.79 % | - | - |
| | 174 | - | - | 174 | 173 | 1 | 99.43 % | 52 | 52 |
| Compensation of employees | 1,599 | - | 23 | 1,622 | 1,622 | - | 100.00 % | 1,251 | 1,251 |
| Goods and services | 174 | - | - | 174 | 173 | 1 | 99.43 % | 52 | 52 |
| Total current payments | 1,773 | - | 23 | 1,796 | 1,795 | 1 | 99.94 % | 1,303 | 1,303 |
| Total current payments | 1,773 | - | 23 | 1,796 | 1,795 | 1 | 99.94 % | 1,303 | 1,303 |
| Total | 1,773 | - | 23 | 1,796 | 1,795 | 1 | 99.94 % | 1,303 | 1,303 |

Appropriation Statement

for the year ended 31 March 2023

| Figures in Rand thousand | | 2022/2023 | | | | 2021/2022 | | | |
|---|------------------------|-------------------|-------------|---------------------|--------------------|-----------|---|---------------------|--------------------|
| | Adjusted Appropriation | Shifting of Funds | Virement | Final Appropriation | Actual Expenditure | Variance | Expenditure as % of final appropriation | Final Appropriation | Actual Expenditure |
| 3.2 Provincial Supply Chain Management | | | | | | | | | |
| Economic classification | | | | | | | | | |
| Current payments | | | | | | | | | |
| Compensation of employees | | | | | | | | | |
| Salaries and wages | 15,875 | - | (31) | 15,844 | 15,844 | - | 100.00 % | 15,562 | 15,560 |
| Social contributions | 2,643 | - | (26) | 2,617 | 2,617 | - | 100.00 % | 2,728 | 2,728 |
| | 18,518 | - | (57) | 18,461 | 18,461 | - | 100.00 % | 18,290 | 18,288 |
| Goods and services | | | | | | | | | |
| Administrative fees | 58 | - | - | 58 | 54 | 4 | 93.10 % | 29 | 29 |
| Catering: Departmental activities | 214 | - | - | 214 | 214 | - | 100.00 % | 22 | 22 |
| Communication | 195 | - | - | 195 | 185 | 10 | 94.87 % | 166 | 166 |
| Contractors | - | - | - | - | - | - | - % | 49 | 49 |
| Transport provided: Departmental activity | 58 | - | - | 58 | - | 58 | - % | - | - |
| Travel and subsistence | 1,750 | - | - | 1,750 | 1,685 | 65 | 96.29 % | 677 | 677 |
| Training and development | 1 | - | - | 1 | 1 | - | 100.00 % | 68 | 68 |
| Operating payments | 22 | - | - | 22 | 217 | (195) | 986.36 % | - | - |
| Venues and facilities | 228 | - | - | 228 | 168 | 60 | 73.68 % | 120 | 120 |
| | 2,526 | - | - | 2,526 | 2,524 | 2 | 99.92 % | 1,131 | 1,131 |
| Compensation of employees | 18,518 | - | (57) | 18,461 | 18,461 | - | 100.00 % | 18,290 | 18,288 |
| Goods and services | 2,526 | - | - | 2,526 | 2,524 | 2 | 99.92 % | 1,131 | 1,131 |
| Total current payments | 21,044 | - | (57) | 20,987 | 20,985 | 2 | 99.99 % | 19,421 | 19,419 |
| Transfers and subsidies | | | | | | | | | |
| Households | | | | | | | | | |
| Households | 177 | - | - | 177 | 177 | - | 100.00 % | 225 | 400 |
| | 177 | - | - | 177 | 177 | - | 100.00 % | 225 | 400 |
| Total current payments | 21,044 | - | (57) | 20,987 | 20,985 | 2 | 99.99 % | 19,421 | 19,419 |
| Total transfers and subsidies | 177 | - | - | 177 | 177 | - | 100.00 % | 225 | 400 |
| Total | 21,221 | - | (57) | 21,164 | 21,162 | 2 | 99.99 % | 19,646 | 19,819 |

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Appropriation Statement

for the year ended 31 March 2023

| Figures in Rand thousand | | 2022/2023 | | | | 2021/2022 | | | |
|---------------------------------------|------------------------|-------------------|-----------|---------------------|--------------------|-----------|---|---------------------|--------------------|
| | Adjusted Appropriation | Shifting of Funds | Virement | Final Appropriation | Actual Expenditure | Variance | Expenditure as % of final appropriation | Final Appropriation | Actual Expenditure |
| 3.4 Physical Assets Management | | | | | | | | | |
| Economic classification | | | | | | | | | |
| Current payments | | | | | | | | | |
| Compensation of employees | | | | | | | | | |
| Salaries and wages | 5,055 | - | 20 | 5,075 | 5,075 | - | 100.00 % | 4,830 | 4,830 |
| Social contributions | 657 | - | 1 | 658 | 658 | - | 100.00 % | 623 | 623 |
| | 5,712 | - | 21 | 5,733 | 5,733 | - | 100.00 % | 5,453 | 5,453 |
| Goods and services | | | | | | | | | |
| Administrative fees | 50 | - | - | 50 | 40 | 10 | 80.00 % | 4 | 4 |
| Communication | 107 | - | - | 107 | 100 | 7 | 93.46 % | 93 | 93 |
| Travel and subsistence | 819 | - | - | 819 | 844 | (25) | 103.05 % | 422 | 422 |
| Venues and facilities | 51 | - | - | 51 | 40 | 11 | 78.43 % | - | - |
| | 1,027 | - | - | 1,027 | 1,024 | 3 | 99.71 % | 519 | 519 |
| Compensation of employees | 5,712 | - | 21 | 5,733 | 5,733 | - | 100.00 % | 5,453 | 5,453 |
| Goods and services | 1,027 | - | - | 1,027 | 1,024 | 3 | 99.71 % | 519 | 519 |
| Total current payments | 6,739 | - | 21 | 6,760 | 6,757 | 3 | 99.96 % | 5,972 | 5,972 |
| Total current payments | 6,739 | - | 21 | 6,760 | 6,757 | 3 | 99.96 % | 5,972 | 5,972 |
| Total | 6,739 | - | 21 | 6,760 | 6,757 | 3 | 99.96 % | 5,972 | 5,972 |

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Appropriation Statement

for the year ended 31 March 2023

| Figures in Rand thousand | 2022/2023 | | | | | 2021/2022 | | | | |
|--|------------------------|-------------------|--------------|---------------------|--------------------|-----------|---|----------------|----------------|--------------------|
| | Adjusted Appropriation | Shifting of Funds | Virement | Final Appropriation | Actual Expenditure | Variance | Expenditure as % of final appropriation | Appropriation | Final | Actual Expenditure |
| Payments for capital assets | | | | | | | | | | |
| Machinery and equipment | | | | | | | | | | |
| Software and other intangible assets | 14,382 | - | (6,019) | 8,363 | 8,363 | - | 100.00 % | 16,712 | 16,712 | 11,637 |
| Machinery and equipment | 12,384 | - | 6,019 | 18,403 | 18,403 | - | 100.00 % | - | - | - |
| Intangible assets | 14,382 | - | (6,019) | 8,363 | 8,363 | - | 100.00 % | 16,712 | 16,712 | 11,637 |
| | 12,384 | - | 6,019 | 18,403 | 18,403 | - | 100.00 % | - | - | - |
| Total payments for capital assets | 26,766 | - | - | 26,766 | 26,766 | - | 100.00 % | 16,712 | 16,712 | 11,637 |
| Payments for financial assets | - | - | 70 | 70 | 69 | 1 | 98.57 % | - | - | - |
| Total current payments | 83,524 | - | (391) | 83,133 | 83,124 | 9 | 99.99 % | 85,709 | 85,709 | 88,389 |
| Total transfers and subsidies | 142 | - | 88 | 230 | 230 | - | 100.00 % | 3 | 3 | 3 |
| Total payments for capital assets | 26,766 | - | - | 26,766 | 26,766 | - | 100.00 % | 16,712 | 16,712 | 11,637 |
| Total payments for financial assets | - | - | 70 | 70 | 69 | 1 | 98.57 % | - | - | - |
| Total | 110,432 | - | (233) | 110,199 | 110,189 | 10 | 99.99 % | 102,424 | 102,424 | 100,029 |

Appropriation Statement

for the year ended 31 March 2023

| Figures in Rand thousand | | 2022/2023 | | | | | 2021/2022 | | | |
|---|-----|------------------------|-------------------|--------------|---------------------|--------------------|-----------|---|---------------|--------------------|
| | | Adjusted Appropriation | Shifting of Funds | Virement | Final Appropriation | Actual Expenditure | Variance | Expenditure as % of final appropriation | Appropriation | Actual Expenditure |
| 4. Programme 4- Financial Governance | | | | | | | | | | |
| Sub programme | | | | | | | | | | |
| Programme Support | 4.1 | 26,641 | - | (6) | 26,635 | 26,626 | 9 | 99.97 % | 7,946 | 7,946 |
| Accounting Services | 4.2 | 5,694 | - | 57 | 5,751 | 5,718 | 33 | 99.43 % | 4,800 | 4,800 |
| Norms and Standards | 4.3 | 9,610 | - | (15) | 9,595 | 9,588 | 7 | 99.93 % | 10,523 | 10,523 |
| Risk Management | 4.4 | 3,431 | - | (30) | 3,401 | 3,387 | 14 | 99.59 % | 3,166 | 3,166 |
| Provincial Internal Audit | 4.5 | 4,216 | - | (76) | 4,140 | 4,117 | 23 | 99.44 % | 3,626 | 3,626 |
| Subtotal | | 49,592 | - | (70) | 49,522 | 49,436 | 86 | 99.83 % | 30,061 | 30,061 |
| Economic classification | | | | | | | | | | |
| Current payments | | | | | | | | | | |
| Compensation of employees | | | | | | | | | | |
| Salaries and wages | | 18,522 | - | 61 | 18,583 | 18,583 | - | 100.00 % | 18,926 | 18,927 |
| Social contributions | | 2,793 | - | 12 | 2,805 | 2,805 | - | 100.00 % | 2,734 | 2,735 |
| | | 21,315 | - | 73 | 21,388 | 21,388 | - | 100.00 % | 21,660 | 21,662 |
| Goods and services | | | | | | | | | | |
| Administrative fees | | 100 | - | - | 100 | 80 | 20 | 80.00 % | 53 | 53 |
| Catering: Departmental activities | | 41 | - | - | 41 | 29 | 12 | 70.73 % | 65 | 65 |
| Communication | | 268 | - | (6) | 262 | 257 | 5 | 98.09 % | 237 | 236 |
| Consultants: Business and advisory services | | 24,491 | - | (8) | 24,483 | 24,480 | 3 | 99.99 % | 5,857 | 5,857 |
| Travel and subsistence | | 2,463 | - | (79) | 2,384 | 2,370 | 14 | 99.41 % | 1,120 | 1,120 |
| Training and development | | 177 | - | (34) | 143 | 127 | 16 | 88.81 % | 193 | 193 |
| Operating payments | | 157 | - | (5) | 152 | 144 | 8 | 94.74 % | 66 | 66 |
| Venues and facilities | | 299 | - | (11) | 288 | 280 | 8 | 97.22 % | 220 | 220 |
| | | 27,996 | - | (143) | 27,853 | 27,767 | 86 | 99.69 % | 7,811 | 7,810 |
| Compensation of employees | | 21,315 | - | 73 | 21,388 | 21,388 | - | 100.00 % | 21,660 | 21,662 |
| Goods and services | | 27,996 | - | (143) | 27,853 | 27,767 | 86 | 99.69 % | 7,811 | 7,810 |
| Total current payments | | 49,311 | - | (70) | 49,241 | 49,155 | 86 | 99.83 % | 29,471 | 29,472 |

Appropriation Statement

for the year ended 31 March 2023

| Figures in Rand thousand | | 2022/2023 | | | | 2021/2022 | | | |
|--------------------------------|------------------------|-------------------|-------------|---------------------|--------------------|-----------|---|---------------------|--------------------|
| | Adjusted Appropriation | Shifting of Funds | Virement | Final Appropriation | Actual Expenditure | Variance | Expenditure as % of final appropriation | Final Appropriation | Actual Expenditure |
| Transfers and subsidies | | | | | | | | | |
| Households | | | | | | | | | |
| Households | 281 | - | - | 281 | 281 | - | 100.00 % | 589 | 589 |
| | 281 | - | - | 281 | 281 | - | 100.00 % | 589 | 589 |
| Total current payments | 49,311 | - | (70) | 49,241 | 49,155 | 86 | 99.83 % | 29,471 | 29,472 |
| Total transfers and subsidies | 281 | - | - | 281 | 281 | - | 100.00 % | 589 | 589 |
| Total | 49,592 | - | (70) | 49,522 | 49,436 | 86 | 99.83 % | 30,060 | 30,061 |

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Appropriation Statement

for the year ended 31 March 2023

| Figures in Rand thousand | | 2022/2023 | | | | 2021/2022 | | | |
|----------------------------------|------------------------|-------------------|-------------|---------------------|--------------------|-----------|---|---------------------|--------------------|
| | Adjusted Appropriation | Shifting of Funds | Virement | Final Appropriation | Actual Expenditure | Variance | Expenditure as % of final appropriation | Final Appropriation | Actual Expenditure |
| 4.3 Norms and Standards | | | | | | | | | |
| Economic classification | | | | | | | | | |
| Current payments | | | | | | | | | |
| Compensation of employees | | | | | | | | | |
| Salaries and wages | 7,120 | - | (8) | 7,112 | 7,112 | - | 100.00 % | 8,216 | 8,216 |
| Social contributions | 1,251 | - | - | 1,251 | 1,251 | - | 100.00 % | 1,360 | 1,361 |
| | 8,371 | - | (8) | 8,363 | 8,363 | - | 100.00 % | 9,576 | 9,577 |
| Goods and services | | | | | | | | | |
| Administrative fees | 15 | - | - | 15 | 11 | 4 | 73.33 % | - | - |
| Communication | 103 | - | (7) | 96 | 96 | - | 100.00 % | 87 | 87 |
| Travel and subsistence | 814 | - | - | 814 | 811 | 3 | 99.63 % | 270 | 270 |
| Training and development | 26 | - | - | 26 | 26 | - | 100.00 % | - | - |
| | 958 | - | (7) | 951 | 944 | 7 | 99.26 % | 357 | 357 |
| Compensation of employees | 8,371 | - | (8) | 8,363 | 8,363 | - | 100.00 % | 9,576 | 9,577 |
| Goods and services | 958 | - | (7) | 951 | 944 | 7 | 99.26 % | 357 | 357 |
| Total current payments | 9,329 | - | (15) | 9,314 | 9,307 | 7 | 99.92 % | 9,933 | 9,934 |
| Transfers and subsidies | | | | | | | | | |
| Households | | | | | | | | | |
| Households | 281 | - | - | 281 | 281 | - | 100.00 % | 590 | 589 |
| | 281 | - | - | 281 | 281 | - | 100.00 % | 590 | 589 |
| Total current payments | 9,329 | - | (15) | 9,314 | 9,307 | 7 | 99.92 % | 9,933 | 9,934 |
| Total transfers and subsidies | 281 | - | - | 281 | 281 | - | 100.00 % | 590 | 589 |
| T total | 9,610 | - | (15) | 9,595 | 9,588 | 7 | 99.93 % | 10,523 | 10,523 |

Appropriation Statement

for the year ended 31 March 2023

| Figures in Rand thousand | | 2022/2023 | | | | 2021/2022 | | | |
|----------------------------------|------------------------|-------------------|-------------|---------------------|--------------------|-----------|---|---------------------|--------------------|
| | Adjusted Appropriation | Shifting of Funds | Virement | Final Appropriation | Actual Expenditure | Variance | Expenditure as % of final appropriation | Final Appropriation | Actual Expenditure |
| 4.4 Risk Management | | | | | | | | | |
| Economic classification | | | | | | | | | |
| Current payments | | | | | | | | | |
| Compensation of employees | | | | | | | | | |
| Salaries and wages | 2,312 | - | - | 2,312 | 2,312 | - | 100.00 % | 2,269 | 2,269 |
| Social contributions | 321 | - | - | 321 | 321 | - | 100.00 % | 304 | 304 |
| | 2,633 | - | - | 2,633 | 2,633 | - | 100.00 % | 2,573 | 2,573 |
| Goods and services | | | | | | | | | |
| Administrative fees | 27 | - | - | 27 | 22 | 5 | 81.48 % | 15 | 15 |
| Communication | 35 | - | - | 35 | 34 | 1 | 97.14 % | 35 | 35 |
| Travel and subsistence | 638 | - | (20) | 618 | 613 | 5 | 99.19 % | 456 | 456 |
| Training and development | 80 | - | (10) | 70 | 67 | 3 | 95.71 % | 73 | 73 |
| Operating payments | 8 | - | - | 8 | 8 | - | 100.00 % | 14 | 14 |
| Venues and facilities | 10 | - | - | 10 | 10 | - | 100.00 % | - | - |
| | 798 | - | (30) | 768 | 754 | 14 | 98.18 % | 593 | 593 |
| Compensation of employees | 2,633 | - | - | 2,633 | 2,633 | - | 100.00 % | 2,573 | 2,573 |
| Goods and services | 798 | - | (30) | 768 | 754 | 14 | 98.18 % | 593 | 593 |
| Total current payments | 3,431 | - | (30) | 3,401 | 3,387 | 14 | 99.59 % | 3,166 | 3,166 |
| Total current payments | 3,431 | - | (30) | 3,401 | 3,387 | 14 | 99.59 % | 3,166 | 3,166 |
| T total | 3,431 | - | (30) | 3,401 | 3,387 | 14 | 99.59 % | 3,166 | 3,166 |

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Notes to the Appropriation Statement

for the year ended 31 March 2023

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

Details 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):

Details of these transactions can be viewed in note 1 Annual appropriation to the Annual Financial Statements.

3. Detail on payments for financial assets

Details 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

Figures in Rand thousand

| | Final Appropriation | Actual Expenditure | Variance | Variance as a % of Final Appropriation |
|--|------------------------|-----------------------|----------|--|
| Programme 1-Administration | 131,524 | 131,413 | 111 | 99.0 % |
| Programme 2- Sustainable Resource Management | 70,374 | 70,369 | 5 | 99.0 % |
| Programme 3- Assets and Liabilities | 228,598 | 228,579 | 19 | 99.0 % |
| Programme 4- Financial Governance | 49,522 | 49,436 | 86 | 99.0 % |

4.2 Per economic classification

Figures in Rand thousand

| | Final Appropriation | Actual Expenditure | Variance | Variance as a % of Final Appropriation |
|--------------------------------------|------------------------|-----------------------|----------|--|
| Current payments | | | | |
| Compensation of employees | 198,620 | 198,620 | - | 100 % |
| Goods and services | 216,098 | 216,140 | (42) | 99 % |
| Transfers and subsidies | | | | |
| Provinces and municipalities | 15,008 | 15,000 | 8 | 100 % |
| Departmental agencies and accounts | 697 | 698 | (1) | 100 % |
| Households | 1,544 | 1,544 | - | 99 % |
| Payments for capital assets | | | | |
| Machinery and equipment | 29,573 | 29,318 | 255 | 99 % |
| Intangible assets | 18,403 | 18,403 | - | 100 % |
| Payments for financial assets | 75 | 74 | 1 | 100 % |

Statement of Financial Performance

for the year ended 31 March 2023

| Figures in Rand thousand | Note(s) | 2022/2023 | 2021/2022 |
|---|---------|----------------|----------------|
| Revenue | | | |
| Annual appropriation | 1 | 480,018 | 436,857 |
| Departmental revenue | 2 | 178,357 | 135,904 |
| Total revenue | | 658,375 | 572,761 |
| Expenditure | | | |
| Current expenditure | | 414,760 | 377,094 |
| Transfers and subsidies | | 17,242 | 38,279 |
| Expenditure for capital assets | | 47,721 | 18,332 |
| Payments for financial assets | | 74 | - |
| Current expenditure | | | |
| Compensation of employees | 3 | 198,620 | 190,646 |
| Goods and services | 4 | 216,140 | 186,448 |
| Total current expenditure | | 414,760 | 377,094 |
| Transfers and subsidies | | | |
| Transfers and subsidies | 6 | 17,242 | 38,279 |
| Expenditure for capital assets | | | |
| Tangible assets | 7 | 29,318 | 18,332 |
| Intangible assets | 7 | 18,403 | - |
| Total expenditure for capital assets | | 47,721 | 18,332 |
| Payments for financial assets | 5 | 74 | - |
| Total current expenditure | | 414,760 | 377,094 |
| Total transfers and subsidies | | 17,242 | 38,279 |
| Total expenditure for capital assets | | 47,721 | 18,332 |
| Total payments for financial assets | | 74 | - |
| Total revenue fund expenditure | | - | - |
| Total expenditure | | 479,797 | 433,705 |
| Total revenue | | 658,375 | 572,761 |
| Total expenditure | | (479,797) | (433,705) |
| Surplus for the year | | 178,578 | 139,056 |
| Reconciliation of Net Surplus/(Deficit) for the year | | | |
| Voted funds | | | |
| Annual appropriation | | 221 | 3,152 |
| | | 178,578 | 139,056 |
| | | (178,357) | (135,904) |
| | | 221 | 3,152 |
| Voted funds | | 221 | 3,152 |
| Departmental revenue and NRF Receipts | 11 | 178,357 | 135,904 |
| Surplus for the year | | 178,578 | 139,056 |

Statement of Financial Position

as at 31 March 2023

| Figures in Rand thousand | Note(s) | 2022/2023 | 2021/2022 |
|---|---------|--------------|--------------|
| Assets | | | |
| Current Assets | | | |
| Cash and cash equivalents | 8 | 600 | 5,752 |
| Receivables | 9 | 631 | 832 |
| | | 1,231 | 6,584 |
| Non-Current Assets | | - | - |
| Current Assets | | 1,231 | 6,584 |
| Total Assets | | 1,231 | 6,584 |
| Liabilities | | | |
| Current Liabilities | | | |
| Voted funds to be surrendered to the Revenue Fund | 10 | 221 | 3,152 |
| Departmental revenue and NRF Receipts to be surrendered to the Revenue Fund | 11 | 376 | 2,642 |
| Payables | 12 | 16 | 40 |
| | | 613 | 5,834 |
| Non-Current Liabilities | | - | - |
| Current Liabilities | | 613 | 5,834 |
| Total Liabilities | | 613 | 5,834 |
| Assets | | 1,231 | 6,584 |
| Liabilities | | (613) | (5,834) |
| | | 618 | 750 |
| Represented by: | | | |
| Recoverable revenue | | 618 | 750 |

Statement of Changes in Net Assets

as at 31 March 2023

| Figures in Rand thousand | Note | 2022/2023 | 2021/2022 |
|---|------|------------|------------|
| Recoverable revenue | | | |
| Opening balance | | 750 | 735 |
| Transfers: | | | |
| Irrecoverable amounts written off | 5.1 | (74) | - |
| Debts recovered (incl in dept receipts) | | (58) | 15 |
| Closing balance | | 618 | 750 |

Cash Flow Statement

for the year ended 31 March 2023

| Figures in Rand thousand | Note(s) | 2022/2023 | 2021/2022 |
|--|-----------|-----------------|-----------------|
| Cash flows from operating activities | | | |
| Receipts | | | |
| Annual appropriated funds received | 1.1 | 480,018 | 436,857 |
| Departmental revenue received | 2 | 824 | 3,003 |
| Interest received | 2.2 | 188,513 | 143,300 |
| | | 669,355 | 583,160 |
| Net (increase)/ decrease in working capital | | 177 | (40) |
| Surrendered to Revenue Fund | | (194,755) | (145,733) |
| Current payments | | (414,760) | (377,094) |
| Payments for financial assets | | (74) | - |
| Transfers and subsidies paid | | (17,242) | (38,279) |
| Total receipts | | 669,355 | 583,160 |
| Total payments | | (626,654) | (561,146) |
| Net cash flow available from operating activities | 13 | 42,701 | 22,014 |
| Cash flows from investing activities | | | |
| Payments for capital assets | 7 | (47,721) | (18,332) |
| Proceeds from sale of capital assets | 2.3 | - | 48 |
| Net cash flows from investing activities | | (47,721) | (18,284) |
| Cash flows from financing activities | | | |
| Increase/ (decrease) in net assets | | (132) | 15 |
| Net increase/ (decrease) in cash and cash equivalents | | (5,152) | 3,745 |
| Cash and cash equivalents at beginning of year | | 5,752 | 2,007 |
| Cash and cash equivalents at the end of the year | 14 | 600 | 5,752 |

Accounting Policies

for the year ended 31 March 2023

Summary of Significant Accounting Policies

The annual 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 annual 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 annual 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 annual financial statements have been prepared in accordance with the Modified Cash Standard.

2. Going concern

The annual 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 ('000).

5. Foreign currency translation

Cash flows arising from foreign currency transactions are translated into South African Rand 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 annual financial statements. Where necessary figures included in the prior period annual 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 annual financial statements.

6.2 Current year comparison with budget

A comparison between the approved, final budget and actual amounts for each programme and economic classification is included in the appropriation statement.

7. Revenue

7.1 Appropriated funds

Appropriated funds comprise 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.

Appropriated funds are measured at the amounts receivable.

The net amount of any appropriated funds due to/from the relevant revenue fund at the reporting date is recognised as 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.

Departmental revenue is measured at the cash amount received.

In-kind donations received are recorded in the notes to the annual financial statements on the date of receipt and are measured at fair value.

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 annual financial statements when:

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

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

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

Write-offs are made according to the department's debt write-off policy.

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.

Accounting Policies

for the year ended 31 March 2023

8. Expenditure (continued)

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.

Donations made in kind are recorded in the notes to the annual financial statements on the date of transfer and are measured at cost or fair value.

8.3 Accruals and payables not recognised

Accruals and payables not recognised are recorded in the notes to the annual financial statements at cost or fair value at the reporting date.

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. Operating lease payments received are recognised as departmental revenue.

The operating lease commitments are recorded in the notes to the annual 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. Finance lease payments received are recognised as departmental revenue.

The finance lease commitments are recorded in the notes to the annual 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 annual financial statements on the date of receipt and is measured at fair value.

CARA Funds are recognised when receivable and measured at the amounts receivable.

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.

10. Cash and cash equivalents (continued)

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

11. Prepayments and advances

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.

12. Loans and receivables

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

13. Investments

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

14. Financial assets

14.1 Financial assets (not covered elsewhere)

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

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

14.2 Impairment of financial assets

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

15. Payables

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

16. Capital assets

16.1 Immovable capital assets

Immovable assets reflected in the asset register of the department are recorded in the notes to the annual financial statements at cost or fair value where the cost cannot be determined reliably. Immovable assets acquired in a non-exchange transaction are recorded at fair value at the date of acquisition. Immovable assets are subsequently carried in the asset register at cost and are not currently subject to depreciation or impairment.

Subsequent expenditure of a capital nature forms part of the cost of the existing asset when ready for use.

Additional information on immovable assets not reflected in the assets register is provided in the notes to annual financial statements.

16. Capital assets (continued)

16.2 Movable capital assets

Movable capital assets are initially recorded in the notes to the annual 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 -.

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

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

Subsequent expenditure that is of a capital nature forms part of the cost of the existing asset when ready for use.

16.3 Intangible assets

Intangible assets are initially recorded in the notes to the annual 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 annual 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 -.

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

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

Subsequent expenditure of a capital nature forms part of the cost of the existing asset when ready for use.

16.4 Project costs: Work-in-progress

Expenditure of a capital nature is initially recognised in the statement of financial performance at cost when paid.

Amounts paid towards capital projects are separated from the amounts recognised and accumulated in work-in-progress until the underlying asset is ready for use. Once ready for use, the total accumulated payments are recorded in an asset register. Subsequent payments to complete the project are added to the capital asset in the asset register.

Where the department is not the custodian of the completed project asset, the asset is transferred to the custodian subsequent to completion.

17. Provisions and contingents

17.1 Provisions

Provisions are recorded in the notes to the annual 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 annual 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. Provisions and contingents (continued)

17.3 Contingent assets

Contingent assets are recorded in the notes to the annual 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.

17.4 Capital commitments

Commitments (other than for transfers and subsidies) are recorded at cost in the notes to the annual 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 measured at the amount of the confirmed unauthorised expenditure.

Unauthorised expenditure is recognised in the statement of changes in net assets 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 recorded in the notes to the annual financial statements comprise of:

- unauthorised expenditure that was under assessment in the previous financial year;
- unauthorised expenditure relating to previous financial year and identified in the current year; and
- unauthorised expenditure incurred in the current year.

19. Fruitless and wasteful expenditure

Fruitless and wasteful expenditure receivables are recognised in the statement of financial position when recoverable. The receivable is measured at the amount that is expected to be recovered and is de-recognised when settled or subsequently written-off as irrecoverable.

Fruitless and wasteful expenditure is recorded in the notes to the annual financial statements when and at amounts confirmed, and comprises of:

- fruitless and wasteful expenditure that was under assessment in the previous financial year;
- fruitless and wasteful expenditure relating to previous financial year and identified in the current year; and
- fruitless and wasteful expenditure incurred in the current year.

20. Irregular expenditure

Losses emanating from irregular expenditure are recognised as a receivable in the statement of financial position when recoverable. The receivable is measured at the amount that is expected to be recovered and is de-recognised when settled or subsequently written-off as irrecoverable.

Irregular expenditure is recorded in the notes to the annual financial statements when and at amounts confirmed and comprises of:

- irregular expenditure that was under assessment in the previous financial year;
- irregular expenditure relating to previous financial year and identified in the current year; and
- irregular expenditure incurred in the current year.

21. Changes in accounting estimates and errors

Changes in accounting estimates are applied prospectively in accordance with MCS requirements.

21. Changes in accounting estimates and errors (continued)

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.

22. Events after the reporting date

Events after the reporting date that are classified as adjusting events have been accounted for in the annual 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 annual 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 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 annual financial statements where appropriate.

24. Departures from the MCS requirements

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

Related party transactions within the Minister/MEC's portfolio are recorded in the notes to the annual financial statements when the transaction is not at arm's length.

The number of individuals and the full compensation of key management personnel is recorded in the notes to the annual financial statements.

28. Inventories

At the date of acquisition, inventories are recognised at cost in the statement of financial performance.

Where inventories are acquired as part of a non-exchange transaction, the inventories are measured at fair value as at the date of acquisition.

Inventories are subsequently measured at the lower of cost and net realisable value or where intended for distribution (or consumed in the production of goods for distribution) at no or a nominal charge, the lower of cost and current replacement value.

The cost of inventories is assigned by using the weighted average cost basis.

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.

Accounting Policies

for the year ended 31 March 2023

29. Public-Private Partnerships (continued)

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 annual financial statements.

30. Employee benefits

The value of each major class of employee benefit obligation (accruals, payables not recognised and provisions) is recorded in the employee benefits note.

Accruals and payables not recognised for employee benefits are measured at cost or fair value at the reporting date.

The provision for employee benefits is measured as the best estimate of the funds required to settle the present obligation at the reporting date.

31. Transfers of functions

Transfers of functions are accounted for by the acquirer by recognising or recording assets acquired and liabilities assumed at their carrying amounts at the date of transfer.

32. Mergers

Mergers are accounted for by the combined department by recognising or recording assets acquired and liabilities assumed at their carrying amounts at the date of the merger.

Notes to the Annual Financial Statements

for the year ended 31 March 2023

| Figures in Rand thousand | Note | 2022/2023 | 2021/2022 |
|--------------------------|------|-----------|-----------|
|--------------------------|------|-----------|-----------|

1. Annual appropriation

1.1 Annual appropriation

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

| Figures in Rand thousand | 2022/2023 | | 2021/2022 | |
|--|----------------|-----------------------|----------------|------------------------|
| | Final budget | Actual funds received | Final budget | Appropriation received |
| Programmes | | | | |
| Programme 1-Administration | 131,524 | 131,524 | 108,786 | 108,786 |
| Programme 2- Sustainable Resource Management | 70,374 | 70,374 | 82,151 | 82,151 |
| Programme 3- Assets and Liabilities | 228,598 | 228,598 | 215,859 | 215,859 |
| Programme 4- Financial Governance | 49,522 | 49,522 | 30,061 | 30,061 |
| Total | 480,018 | 480,018 | 436,857 | 436,857 |

2. Departmental revenue

| | | | |
|---|-----|----------------|----------------|
| Sales of goods and services other than capital assets | 2.1 | 824 | 2,751 |
| Interest, dividends and rent on land | 2.2 | 188,513 | 143,300 |
| Sales of capital assets | 2.3 | - | 48 |
| Transactions in financial assets and liabilities | 2.4 | - | 252 |
| Total revenue collected | | 189,337 | 146,351 |
| Less: Own revenue included in appropriation | 11 | 10,980 | 10,447 |
| Departmental revenue collected | | 178,357 | 135,904 |

The Departmental Revenue collected includes interest from the Paymaster General Account and the Inter-Governmental Cash Coordination (IGCC) account that the department received. The Departmental Revenue includes the own revenue included in the main appropriation amounting to R10 980 million.

2.1 Sales of goods and services other than capital assets

| | | |
|---|------------|--------------|
| Sales by market establishment | 11 | 11 |
| Administrative fees | 111 | 109 |
| Other sales | 702 | 2,631 |
| Sales of goods and services produced by the department | 824 | 2,751 |

Other sales refer to the sale of tender documents.

2.2 Interest, dividends and rent on land

| | | |
|----------|---------|---------|
| Interest | 188,513 | 143,300 |
|----------|---------|---------|

These are the interest received from the Inter-Governmental Cash Coordination Account and the Paymaster General Account for the under review.

2.3 Sales of capital assets

Tangible assets

| | | |
|-------------------------|---|----|
| Machinery and equipment | - | 48 |
|-------------------------|---|----|

The Sale of Capital Assets is mainly revenue collected from the Auction of Obsolete assets (Computer Hardwares and Systems and Office Furniture)

Notes to the Annual Financial Statements

for the year ended 31 March 2023

| Figures in Rand thousand | Note(s) | 2022/2023 | 2021/2022 |
|--------------------------|---------|-----------|-----------|
|--------------------------|---------|-----------|-----------|

2. Departmental revenue (continued)

2.4 Transactions in financial assets and liabilities

| | | | |
|--|----------|----------|------------|
| Receivables | | - | 87 |
| Other receipts including recoverable revenue | | - | 165 |
| Total | 2 | - | 252 |

3. Compensation of employees

3.1 Salaries and wages

| | | |
|----------------------------------|----------------|----------------|
| Basic salary | 139,551 | 132,669 |
| Performance award | - | 1,069 |
| Service based | 181 | 142 |
| Compensative/circumstantial | 931 | 572 |
| Other non-pensionable allowances | 31,563 | 30,613 |
| Total | 172,226 | 165,065 |

Other Non-Pensionable allowances includes salaries of Interns and Learnership who are on contract basis.

3.2 Social contributions

Employer contributions

| | | |
|--------------------|---------------|---------------|
| Pension | 17,830 | 17,021 |
| Medical | 8,531 | 8,332 |
| Bargaining council | 33 | 31 |
| Insurance | - | 197 |
| Total | 26,394 | 25,581 |

| | | |
|--|----------------|----------------|
| Total compensation of employees | 198,620 | 190,646 |
|--|----------------|----------------|

| | | |
|-----------------------------|-----|-----|
| Average number of employees | 320 | 296 |
|-----------------------------|-----|-----|

The total number of employees is 320 that includes 35 Interns and learnership

Notes to the Annual Financial Statements

for the year ended 31 March 2023

| Figures in Rand thousand | Note(s) | 2022/2023 | 2021/2022 |
|---|---------|----------------|----------------|
| 4. Goods and services | | | |
| Administrative fees | | 808 | 401 |
| Advertising | | 1,362 | 730 |
| Minor assets | 4.1 | 677 | 146 |
| Catering | | 968 | 370 |
| Communication | | 5,367 | 4,806 |
| Computer services | 4.2 | 131,196 | 134,463 |
| Consultants: Business and advisory services | | 25,146 | 6,914 |
| Contractors | | 2,049 | 2,659 |
| Agency and support / outsourced services | | - | 12 |
| Audit cost - external | 4.3 | 6,636 | 4,477 |
| Fleet services | | 2,874 | 2,549 |
| Consumables | 4.4 | 3,106 | 4,570 |
| Operating leases | | 7,875 | 7,649 |
| Property payments | 4.5 | 4,824 | 6,406 |
| Transport provided as part of the departmental activities | | 20 | - |
| Travel and subsistence | 4.6 | 17,580 | 7,757 |
| Venues and facilities | | 1,925 | 831 |
| Training and development | | 1,468 | 1,171 |
| Other operating expenditure | 4.7 | 2,259 | 537 |
| Total | | 216,140 | 186,448 |

Verification projects that the Mpumalanga Provincial Treasury is implementing on behalf of the Mpumalanga Provincial Government. Agency and Support the department did not have projects that required outsourcing during the year hence the decline in spending. Fleet Services increased due to over-utilisation of the GG Vehicles and the maintenance of the vehicles. Consumables increased during the year since the department had to replenish the stores and procure cleaning materials, Stationery and Toiletries for the financial year. Property Payments decreased due to Office Accommodation that expired mainly in the Ehlanzeni Regional Office, that is currently in the procurement process with the client department. Travel and Subsistence increased due to engagements the department had to provide to its clients (Municipalities, Departments and Public Entities). Under Venues and Facilities, the department had to conduct workshops, awareness campaigns and stakeholder engagements, hence the increase in the Venues and Facilities for conference packages. Training and Development increased during the financial year due to the high volume of trainings provided for the departmental officials. Other Operating Expenditure includes Courier services and Professional bodies.

4.1 Minor assets

Tangible assets

| | | |
|-------------------------|-----|-----|
| Machinery and equipment | 677 | 146 |
|-------------------------|-----|-----|

4.2 Computer services

| | | |
|-------------------------------------|----------|----------------|
| SITA computer services | 54,571 | 58,886 |
| External computer service providers | 76,625 | 75,577 |
| Total | 4 | 131,196 |

The External Computer Services includes the payments for Business Process Automation systems (E Leave, Annual Financial Statements and Tracking Invoices) and the payments made to Microsoft for the operating systems.

4.3 Audit cost - external

| | | |
|-------------------|-------|-------|
| Regularity audits | 6,636 | 4,477 |
|-------------------|-------|-------|

Notes to the Annual Financial Statements

for the year ended 31 March 2023

| Figures in Rand thousand | Note(s) | 2022/2023 | 2021/2022 |
|--|----------|--------------|--------------|
| 4. Goods and services (continued) | | | |
| 4.4 Consumables | | | |
| Uniform and clothing | | 571 | 180 |
| Household supplies | | 1,302 | 1,465 |
| Building material and supplies | | 11 | - |
| IT consumables | | 30 | 1,137 |
| Other consumables | | - | 5 |
| Consumable supplies | | 1,914 | 2,787 |
| Stationery, printing and office supplies | | 1,192 | 1,783 |
| Total | 4 | 3,106 | 4,570 |

Other consumables refer to gifts procured for ex-employees

4.5 Property payments

| | | | |
|--------------------|----------|--------------|--------------|
| Municipal services | | 4,506 | 5,068 |
| Other | | 318 | 1,338 |
| Total | 4 | 4,824 | 6,406 |

Other refers to cleaning and fumigation services

4.6 Travel and subsistence

| | | | |
|--------------|----------|---------------|--------------|
| Local | | 17,550 | 7,757 |
| Foreign | | 30 | - |
| Total | 4 | 17,580 | 7,757 |

4.7 Other operating expenditure

| | | | |
|---|----------|--------------|------------|
| Professional bodies, membership and subscription fees | | 255 | 118 |
| Resettlement costs | | 37 | 4 |
| Other | | 1,967 | 415 |
| Total | 4 | 2,259 | 537 |

Other relates to payments of insurances for subsidies vehicles, Courier services, printing and publications.

4.8 Remuneration of members of a commission or committee (Included in Consultant: Business and advisory services)

5. Payments for financial assets

| | | | |
|-------------------|-----|----|---|
| Debts written off | 5.1 | 74 | - |
|-------------------|-----|----|---|

5.1 Debts written off

Nature of debts written off

Recoverable revenue written off

| | | | |
|------------------------------------|--|----|---|
| Recovery for loss/damage to assets | | 74 | - |
|------------------------------------|--|----|---|

5.2 Details of theft

The payment for financial assets is mainly related to staff debts written off during the financial year.

Notes to the Annual Financial Statements

for the year ended 31 March 2023

| Figures in Rand thousand | Note(s) | 2022/2023 | 2021/2022 |
|------------------------------------|-------------|---------------|---------------|
| 6. Transfers and subsidies | | | |
| Provinces and municipalities | | 15,000 | 34,571 |
| Departmental agencies and accounts | Annexure 1B | 698 | 669 |
| Households | Annexure 1G | 1,544 | 3,039 |
| Total | | 17,242 | 38,279 |

The Transfers and Subsidies increased due to the transfers made to Support Municipalities during the financial year and the increase in the payments of Leave Gratuities for ex-employees.

6.1 Donations made in kind (not included in the main note)

| | | | |
|-------------------|--------------------|------------|----------|
| Legacy Projects | | 106 | - |
| Retired Officials | | 88 | - |
| Total | Annexure 1J | 194 | - |

The above donations/Gifts are items given to retiring officials and families that the Mpumalanga Provincial Government is offering housing as part of legacy projects.

7. Expenditure for capital assets

| | | | |
|--------------------------|----|---------------|---------------|
| Tangible assets | | | |
| Machinery and equipment | 24 | 29,318 | 18,332 |
| Intangible assets | | | |
| Software | 25 | 18,403 | - |
| Total | | 47,721 | 18,332 |

The Payments for Capital Assets increased due to the procurement of Computer Hardware and Systems (Servers and Computers); Office Furniture and Motor Vehicles. Software was procured for antivirus, manage engine and sep sesam.

7.1 Analysis of funds utilised to acquire capital assets - 2022/2023

| Figures in Rand thousand | Voted funds | Total |
|--------------------------|---------------|---------------|
| Tangible assets | | |
| Machinery and equipment | 29,318 | 29,318 |
| Intangible assets | | |
| Software | 18,403 | 18,403 |
| Total | 47,721 | 47,721 |

The payments for Capital Assets increased due to the procurement of Computer Hardware and Systems (Servers and Computers), Office Furniture and Motor Vehicles. The software was procured for antivirus, manage engine and sep sesam.

7.2 Analysis of funds utilised to acquire capital assets - 2021/2022

| Figures in Rand thousand | Voted funds | Total |
|--------------------------|-------------|--------|
| Tangible assets | | |
| Machinery and equipment | 18,332 | 18,332 |

Notes to the Annual Financial Statements

for the year ended 31 March 2023

| Figures in Rand thousand | Note(s) | 2022/2023 | 2021/2022 |
|--------------------------|---------|-----------|-----------|
|--------------------------|---------|-----------|-----------|

8. Cash and cash equivalents

| | | | |
|--|--|-----|-------|
| Consolidated paymaster general account | | 600 | 5,752 |
|--|--|-----|-------|

The Cash and Cash Equivalent include the Voted Funds to be surrendered and Revenue Accrual to be paid to Provincial Revenue Funds.

9. Receivables

| Figures in Rand thousand | | 2022/2023 | | 2021/2022 | |
|--------------------------|------|------------|------------|------------|------------|
| | Note | Current | Total | Current | Total |
| Claims recoverable | 9.1 | - | - | 18 | 18 |
| Staff debt | 9.2 | 74 | 74 | 193 | 193 |
| Other receivables | 9.3 | 557 | 557 | 621 | 621 |
| Total | | 631 | 631 | 832 | 832 |

Other Receivables relate to Ex-Employees that are indebted to Provincial Treasury. The Claims Recoverable is money owed by the South African Revenue Services.

9.1 Claims recoverable

| | | | |
|------------------------|--|---|----|
| Provincial departments | | - | 18 |
|------------------------|--|---|----|

The Claims Recoverable is money owed by the South African Revenue Services.

9.2 Staff debt

| | | | |
|------------------------------------|--|----------|------------|
| Recovery for loss/Damage to assets | | 69 | 165 |
| Salary Overpayment | | 5 | 26 |
| Subsistence Overpayment | | - | 2 |
| Total | | 9 | 193 |

9.3 Other receivables

| | | | |
|---|--|----------|------------|
| Ex-employees: Tax Debts | | 1 | 3 |
| Amount to be recovered from Irregular Expenditure | | 530 | 530 |
| Ex-employees: Salary Overpayment | | 15 | 78 |
| Recovery for loss/Damage to assets | | 11 | 10 |
| Total | | 9 | 621 |

Other Receivables relate to Ex-Employees that are debted to Provincial Treasury.

10. Voted funds to be surrendered to the Revenue Fund

| | | |
|---|------------|--------------|
| Opening balance | 3,152 | 252 |
| Transferred from statement of financial performance (as restated) | 221 | 3,152 |
| Paid during the year | (3,152) | (252) |
| Closing balance | 221 | 3,152 |

Notes to the Annual Financial Statements

for the year ended 31 March 2023

| Figures in Rand thousand | Note(s) | 2022/2023 | 2021/2022 |
|--|---------------|---------------|---------------|
| 11. Departmental revenue and NRF Receipts to be surrendered to the Revenue Fund | | | |
| Opening balance | | 2,642 | 1,772 |
| Transferred from statement of financial performance (as restated) | | 178,357 | 135,904 |
| Own revenue included in appropriation | 2 | 10,980 | 10,447 |
| Paid during the year | | (191,603) | (145,481) |
| Closing balance | | 376 | 2,642 |
| 12. Payables - current | | | |
| Other payables | 12.2 | 16 | 40 |
| Other refers to GEHS Refund for employee and Income Tax Refund for employee | | | |
| 12.1 Clearing accounts | | | |
| 12.2 Other payables | | | |
| Income Tax refund | | 16 | 40 |
| Other refers to GEHS Refund for employee and Income Tax Refund for employee | | | |
| 13. Net cash flow available from operating activities | | | |
| Net surplus as per Statement of Financial Performance | | 178,578 | 139,056 |
| Add back non cash/ cash movements not deemed operating activities | | | |
| (Increase)/ decrease in receivables | | 201 | (46) |
| Increase/ (decrease) in payables – current | | (24) | 6 |
| Proceeds from sale of capital assets | | - | (48) |
| Expenditure on capital assets | | 47,721 | 18,332 |
| Surrenders to Revenue Fund | | (194,755) | (145,733) |
| Own revenue included in appropriation | | 10,980 | 10,447 |
| Net cash flow generated by operating activities | | 42,701 | 22,014 |
| 14. Reconciliation of cash and cash equivalents for cash flow purposes | | | |
| Consolidated paymaster general account | | 600 | 5,752 |
| Under Cash and Cash equivalents is the funds to be surrendered and Revenue Accrual due to Provincial revenue Fund. | | | |
| 15. Contingent liabilities and contingent assets | | | |
| 15.1 Contingent liabilities | | | |
| Liable to | Nature | | |
| Claims against the department | Annexure 3B | - | 3,962 |
| The department was advised by the State Attorney to remove the litigation since it has been dormant since 2019. | | | |
| 16. Capital commitments | | | |
| Machinery and equipment | | 2,184 | 972 |

The Capital Commitments for the year is mainly the Motor Vehicles that were not delivered by the year end.

Notes to the Annual Financial Statements

for the year ended 31 March 2023

| Figures in Rand thousand | Note(s) | 2022/2023 | 2021/2022 |
|--------------------------|---------|-----------|-----------|
|--------------------------|---------|-----------|-----------|

17. Accruals and payables not recognised

17.1 Accruals

| Figures in Rand thousand | 2022/2023 | | 2021/2022 |
|-----------------------------------|--------------|--------------|--------------|
| Listed by economic classification | 30 Days | Total | Total |
| Goods and services | 1,096 | 1,096 | 5,105 |
| Other | 713 | 713 | 1,746 |
| Total | 1,809 | 1,809 | 6,851 |

Listed by programme level

| | | | |
|----------------------------------|--|--------------|--------------|
| Administration | | 1,487 | 1,612 |
| Sustainable Resources Management | | 73 | 209 |
| Asset and Liabilities Management | | 189 | 4,612 |
| Financial Governance | | 60 | 418 |
| Total | | 1,809 | 6,851 |

Other Accruals relate to Salary-related submissions for the financial year under review.

17.2 Payables not recognised

| Figures in Rand thousand | 2022/2023 | | 2021/2022 |
|-----------------------------------|-----------|-------|-----------|
| Listed by economic classification | 30 Days | Total | Total |
| Goods and services | 143 | 143 | 417 |

Listed by programme level

| | | | |
|----------------|--|-----|-----|
| Administration | | 143 | 417 |
|----------------|--|-----|-----|

Included in the above totals are the following:

| | | | |
|---|------------|----|-----|
| Confirmed balances with other departments | Annexure 5 | 98 | 290 |
|---|------------|----|-----|

18. Employee benefits

| | | |
|-----------------------------------|---------------|---------------|
| Leave entitlement | 12,188 | 14,193 |
| Service bonus (Thirteenth cheque) | 5,601 | 5,393 |
| Capped leave commitments | 5,560 | 5,847 |
| Other | 211 | 160 |
| Total | 23,560 | 25,593 |

Other is a Provision of Long Service award for officials that will complete 20, 30 and 40 years of service in the coming twelve months. Currently, at this stage, the department is not able to reliably measure the long-term portion of the long service awards as the amounts are determined by DPSA each Financial Year. Included in the leave entitlement is a negative Leave balances amounting to R139 316.52. The Performance Awards are not provided for since the DPSA has withdrawn the Performance Incentives for the year under review.

Notes to the Annual Financial Statements

for the year ended 31 March 2023

| Figures in Rand thousand | Note(s) | 2022/2023 | 2021/2022 |
|--------------------------|---------|-----------|-----------|
|--------------------------|---------|-----------|-----------|

19. Lease commitments

19.1 Operating leases

2022/2023

Figures in Rand thousand

| | Buildings and other fixed structures | Machinery and equipment | Total |
|--|--------------------------------------|-------------------------|---------------|
| Not later than 1 year | 6,744 | 1,203 | 7,947 |
| Later than 1 year and not later than 5 years | 28,726 | 726 | 29,452 |
| Later than five years | 10,794 | - | 10,794 |
| Total lease commitments | 46,264 | 1,929 | 48,193 |

2021/2022

Figures in Rand thousand

| | Buildings and other fixed structures | Machinery and equipment | Total |
|--|--------------------------------------|-------------------------|---------------|
| Not later than 1 year | 6,221 | 1,381 | 7,602 |
| Later than 1 year and not later than 5 years | 27,851 | 973 | 28,824 |
| Later than five years | 18,318 | - | 18,318 |
| Total lease commitments | 52,390 | 2,354 | 54,744 |

The aforementioned rental shall escalate at a rate of seven (07) and (06) percent per annum on the first anniversary of the lease and in accordance with the period of occupation and every anniversary thereafter until termination of the agreement or continued occupation of the premises.

20. Accrued departmental revenue

| | | |
|--|-----|-----|
| Transactions in financial assets and liabilities | 744 | 744 |
|--|-----|-----|

20.1 Analysis of accrued departmental revenue

| | | |
|-------------------------|------------|------------|
| Opening balance | 744 | 715 |
| Add: Amounts recognised | - | 29 |
| Total | 744 | 744 |

21. Unauthorised, Irregular and Fruitless and wasteful expenditure

| | | |
|-----------------------|-----|-----|
| Irregular expenditure | 427 | 807 |
|-----------------------|-----|-----|

Information on any criminal or disciplinary steps taken as a result of unauthorised expenditure, irregular expenditure and fruitless and wasteful expenditure is included in the annual report under the PFMA Compliance Report.

Notes to the Annual Financial Statements

for the year ended 31 March 2023

| Figures in Rand thousand | Note(s) | 2022/2023 | 2021/2022 |
|--------------------------|---------|-----------|-----------|
|--------------------------|---------|-----------|-----------|

22. Related party transactions

The Department is related to the Mpumalanga Department of Economic Development and Tourism as the two departments are within the same MEC's portfolio.

In-kind goods and services provided/received.

During the financial year 2022/2023, the Provincial Treasury occupied building number four (4) upper and lower grounds in the Riverside Government Complex, a service provided by the Department of Public Works, Roads and Transport free of charge. During the financial year, the Provincial Treasury provided Information Technology services free of charge (Information Technology support, Network and Governance) to the following departments: Office of the Premier, Co-Operative Governance and Traditional Affairs, Culture, Sport and Recreation, Human Settlements, Agriculture, Rural Development, Land and Environmental Affairs, Economic Development and Tourism, Education, Community Safety, Security and Liaison, Public Works, Roads and Transport, Health and Social Development. During the Financial year, the Provincial Treasury received security services from the Department of Community Safety, Security and Liaison.

23. Key management personnel

| | | |
|---------------------------|---------------|---------------|
| Level 15-16 | 1,992 | 1,518 |
| Level 14 Including CFO | 5,774 | 3,027 |
| Other Lower than level 14 | 7,690 | 7,496 |
| Total | 15,456 | 12,041 |

The expenditure for the Member of the Executive Council is not included since the MEC is for both the Department of Economic Development and Tourism and the Provincial Treasury. The MEC will be accounted by the DEDT.

Notes to the Annual Financial Statements

for the year ended 31 March 2023

| Figures in Rand thousand | Note(s) | 2022/2023 | 2021/2022 |
|--------------------------|---------|-----------|-----------|
|--------------------------|---------|-----------|-----------|

24. Movable tangible capital assets

Movement in movable tangible capital assets per asset register for the year ended March 31, 2023

| Figures in Rand thousand | Opening balance | Additions | Disposals | Closing balance |
|--------------------------------|--------------------|---------------|--------------|--------------------|
| Machinery and equipment | | | | |
| Transport assets | 9,743 | 3,992 | - | 13,735 |
| Computer equipment | 84,174 | 24,440 | 8,596 | 100,018 |
| Furniture and office equipment | 5,555 | 418 | 148 | 5,825 |
| Other machinery and equipment | 4,326 | 468 | 72 | 4,722 |
| | 103,798 | 29,318 | 8,816 | 124,300 |

24.1 Movement for 2021/2022

Movement in movable tangible capital assets per asset register for the year ended March 31, 2022

| Figures in Rand thousand | Opening balance | Additions | Disposals | Closing balance |
|--------------------------------|--------------------|---------------|--------------|--------------------|
| Machinery and equipment | | | | |
| Transport assets | 8,867 | 876 | - | 9,743 |
| Computer equipment | 69,080 | 16,258 | 1,164 | 84,174 |
| Furniture and office equipment | 4,839 | 823 | 107 | 5,555 |
| Other machinery and equipment | 4,170 | 375 | 219 | 4,326 |
| | 86,956 | 18,332 | 1,490 | 103,798 |

24.2 Minor assets

Movement in minor capital assets per the asset register for the year ended as at March 31, 2023

| Figures in Rand thousand | Machinery and equipment | Total |
|-----------------------------------|----------------------------|--------------|
| Opening balance | 6,773 | 6,773 |
| Additions | 677 | 677 |
| Disposals | 736 | 736 |
| Total minor capital assets | 6,714 | 6,714 |

| Figures in Rand thousand | Machinery and equipment | Total |
|--------------------------------|----------------------------|-------|
| Number of minor assets at cost | 3,262 | 3,262 |

Movement in minor capital assets per the asset register for the year ended as at March 31, 2022

| Figures in Rand thousand | Other machinery and equipment | Total |
|-----------------------------------|-------------------------------------|--------------|
| Opening balance | 6,590 | 6,590 |
| Prior period errors | 136 | 136 |
| Additions | 343 | 343 |
| Disposals | 296 | 296 |
| Total minor capital assets | 6,773 | 6,773 |

Notes to the Annual Financial Statements

for the year ended 31 March 2023

| Figures in Rand thousand | Note(s) | 2022/2023 | 2021/2022 |
|--------------------------|---------|-----------|-----------|
|--------------------------|---------|-----------|-----------|

24. Movable tangible capital assets (continued)

| Figures in Rand thousand | Other machinery and equipment | Total |
|--------------------------------|-------------------------------|-------|
| Number of minor assets at cost | 3,284 | 3,284 |

24.2.1 Prior period error

| Figures in Rand thousand | Note | 2021/2022 |
|--|------|-----------|
| Nature of prior period error | | |
| Relating to 2021/2022 | | |
| An amount of R136 thousand relates to machinery and equipment that were erroneously captured as consumables. | | 136 |

25. Intangible capital assets

Movement in intangible capital assets per asset register for the year ended March 31, 2023

| Figures in Rand thousand | Opening balance | Additions | Disposals | Closing balance |
|--------------------------|-----------------|-----------|-----------|-----------------|
| Software | 2,880 | 18,403 | 2,792 | 18,491 |

25.1 Movement for 2021/2022

Movement in intangible capital assets per asset register for the year ended March 31, 2022

| Figures in Rand thousand | Opening balance | Closing balance |
|--------------------------|-----------------|-----------------|
| Software | 2,880 | 2,880 |

26. Immovable tangible capital assets

Movement in immovable tangible capital assets per asset register for the year ended March 31, 2023

| Figures in Rand thousand | Opening balance | Closing balance |
|---|-----------------|-----------------|
| Buildings and other fixed structures | | |
| Other fixed structures | 24 | 24 |

26.1 Movement for 2021/2022

Movement in immovable tangible capital assets per asset register for the year ended March 31, 2022

| Figures in Rand thousand | Opening balance | Closing balance |
|---|-----------------|-----------------|
| Buildings and other fixed structures | | |
| Other fixed structures | 24 | 24 |

Notes to the Annual Financial Statements

for the year ended 31 March 2023

| Figures in Rand thousand | Note(s) | 2022/2023 | 2021/2022 |
|--------------------------|---------|-----------|-----------|
|--------------------------|---------|-----------|-----------|

27. Prior period errors

27.1 Correction of prior period errors

Figures in Rand thousand

Expenditure: (e.g. Compensation of employees, Goods and services, Tangible capital assets, etc.)

| | Note | Amount bef error correction | 2021/2022 Prior period error | Restated amount |
|--|------|-----------------------------------|------------------------------------|--------------------|
| Minor Assets (EQP<R5000) | | 6,637 | 136 | 6,773 |
| Remuneration of Members for Commission | | 303 | (303) | - |
| Net effect | | 6,940 | (167) | 6,773 |

An amount of R136 thousand relates to machinery and equipment that were erroneously captured as consumables. An amount of R303 is for the remuneration of members of the commission (Audit and Risk Committee) that were disclosed in the previous financial year.

Figures in Rand thousand

Other (e.g., Unauthorised Expenditure, Irregular Expenditure, Fruitless and Wasteful Expenditure, etc.)

| | Note | Amount bef error correction | 2021/2022 Prior period error |
|---|------|-----------------------------------|------------------------------------|
| Claims against the department (Colombus IT) | | 3,962 | (3,962) |

Under claims against the department, the State Attorneys advised PT to remove the case from the litigation register/ report, as the case has been dormant since 2019.

28. COVID-19 Response Expenditure

| | | |
|----------------|-----|-----|
| Goods services | 143 | 737 |
|----------------|-----|-----|

During the financial year under review, the department incurred any expenditures relating to COVID-19 Response.

Unaudited Annexures to the Annual Financial Statements

for the year ended 31 March 2023

Annexure 1A

Statement of conditional grants and other transfers to municipalities

| Name of municipality | Grant allocation | | Transfer | | 2021/2022 | |
|---|--------------------------|-----------------|-----------------|--------------------------|-----------------|-----------------|
| | DoRA and other transfers | Total available | Actual transfer | DoRA and other transfers | Actual transfer | Actual transfer |
| Msukaligwa Local Municipality | 8,000 | 8,000 | 8,000 | - | - | - |
| Goverm Mbeki Local Municipality | - | - | - | 5,000 | 5,000 | 5,000 |
| Emalahleni Local Municipality | - | - | - | 5,000 | 5,000 | 5,000 |
| Thaba Chweu Local Municipality | - | - | - | 4,635 | 4,635 | 4,635 |
| Chief Albert Luthuli Local Municipality | - | - | - | 10,000 | 10,000 | 10,000 |
| Dr. Pixley Ka Isaka Seme Local Municipality | - | - | - | 3,000 | 3,000 | 3,000 |
| Lekwa Local Municipality | - | - | - | 6,936 | 6,936 | 6,936 |
| Mkhondo Local Municipality | 7,000 | 7,000 | 7,000 | - | - | - |
| Total | 15,000 | 15,000 | 15,000 | 34,571 | 34,571 | 34,571 |

National Departments are reminded of the DoRA requirements to indicate any re-allocations by the National Treasury or the transferring department, certify that all transfers in terms of this Act were deposited into the primary bank account of a province or, where appropriate, into the CPD account of a province as well as indicate the funds utilised for the administration of the receiving officer.

Departments are required to include a summary of expenditure per conditional grant to aid in the identification of under- / overspending of such funds and to allow the department to provide an explanation for the variance.

Unaudited Annexures to the Annual Financial Statements

for the year ended 31 March 2023

Annexure 1B

Statement of transfers to Departmental Agencies and Accounts

| Figures in Rand thousand | Transfer allocation | | Transfer | | 2021/2022 | |
|--|---------------------|-----------------|-----------------|----------------------------------|--------------|-----------------|
| | Adjusted budget | Total available | Actual transfer | % of Available funds transferred | Final budget | Actual transfer |
| Departmental Agency/ Account | | | | | | |
| South African Broadcasting Corporation | 4 | 4 | 4 | 100 % | - | - |
| PD: Vehicle Licenses: DCSSL | 25 | 25 | 26 | 104 % | 23 | 23 |
| Skills Development Levy: FASSET | 668 | 668 | 668 | 100 % | 646 | 646 |
| Total | 697 | 697 | 698 | | 669 | 669 |

FASSET : Financial and Accounting Service Sector Education and Training,

DCSSL: Department of Community Safety, Security and Liaison.

Unaudited Annexures to the Annual Financial Statements

for the year ended 31 March 2023

Annexure 1G

Statement of transfers to households

| Figures in Rand thousand | Transfer allocation | | Expenditure | | 2021/2022 | |
|--------------------------|---------------------|-----------------|-----------------|----------------------------------|--------------|-----------------|
| | Adjusted budget | Total available | Actual transfer | % of Available funds transferred | Final budget | Actual transfer |
| Households | | | | | | |
| Transfers | | | | | | |
| Leave Gratuity | 1,544 | 1,544 | 1,544 | 100 % | 3,039 | 3,039 |

Unaudited Annexures to the Annual Financial Statements

for the year ended 31 March 2023

Annexure 1J

Statement of gifts, donations and sponsorships made

| Figures in Rand thousand | 2022/2023 | 2021/2022 |
|--|------------|-----------|
| Nature of gifts, donations and sponsorships made | | |
| Made in kind | | |
| Legacy Projects | 106 | - |
| Retired Officials | 88 | - |
| Total | 194 | - |

The above donations/Gifts are items given to retiring officials and families that the Mpumalanga Provincial Government is offering housing as part of legacy projects.

Unaudited Annexures to the Annual Financial Statements

for the year ended 31 March 2023

Annexure 5

Inter-government payables

| Government entity | Confirmed balance outstanding | | Total | |
|---|----------------------------------|-----------|-----------|-----------|
| Figures in Rand thousand | 2022/2023 | 2021/2022 | 2022/2023 | 2021/2022 |
| Departments | | | | |
| Current | | | | |
| Department of Public Works, Roads and Transport | 98 | 290 | 98 | 290 |

Unaudited Annexures to the Annual Financial Statements

for the year ended 31 March 2023

Annexure 11

COVID 19 response expenditure

Per quarter and in total

| Figures in Rand thousand | 2022/2023 | | 2021/2022 |
|---|----------------|-------|-----------|
| | Subtotal Q1 | Total | Total |
| Expenditure per economic classification | | | |
| Goods services | | | |
| Consumables | 143 | 143 | 737 |



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