



OFFICE OF THE PREMIER
PROVINCE OF MPUMALANGA
VOTE NO. 1 ANNUAL REPORT
2018/2019 FINANCIAL YEAR



office of the premier
MPUMALANGA PROVINCE
REPUBLIC OF SOUTH AFRICA





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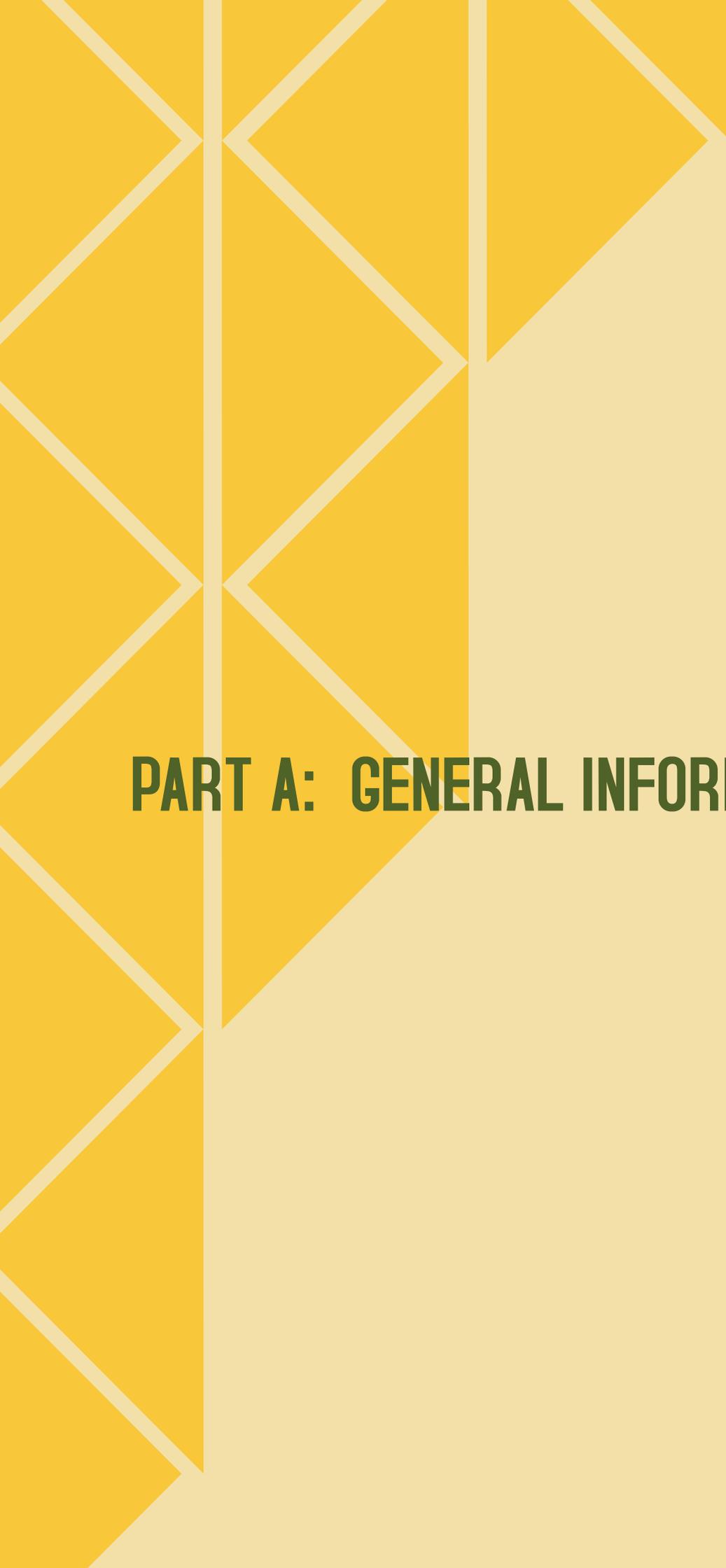




MAKHONJWA/LEBOMBO
SAMPERTON MAKHONJWA GEOTRAIL

Geotrail
This geotrail is a 1.5 km long trail that starts at the top of the mountain and ends at the bottom. It is a very scenic trail and is suitable for all ages. The trail is paved and is very easy to walk on. There are many beautiful views of the mountain range from this trail. The trail is a very good way to see the beauty of the mountain range. It is a very good way to see the beauty of the mountain range. It is a very good way to see the beauty of the mountain range.

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PART A: GENERAL INFORMATION

1. DEPARTMENT GENERAL INFORMATION

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Building No 2
Riverside Park,
Extension 2
Mbombela
1200

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TELEPHONE NUMBER : 027 13 766 2473

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WEBSITE ADDRESS : www.mpumalanga.gov.za

2. LIST OF ABBREVIATIONS/ACRONYMS

AGSA	Auditor-General South Africa	HRM	Human Resource Management
AIDS	Acquired Immune Deficiency Syndrome	HRPIR	Human Resource Planning and Implementation Report
APPs	Annual Performance Plans	ICT	Information and Communication Technology
CFO	Chief Financial Officer	MANCOM	Management Committee
COBIT	Core Objectives of Information and Related Technologies	MEC	Member of the Executive Council
COGTA	Cooperative Governance and Traditional Affairs	MMS	Middle Management Services
DCSSL	Department of Community Safety, Security and Liaison	MOU	Memorandum of Understanding
DHS	Department of Human Settlements	MPAC	Mpumalanga Provincial Aids Council
DCSR	Department of Culture, Sports and Recreation	MPAT	Management Performance Assessment Tool
DORA	Division of Revenue Act	MPC	Mpumalanga Planning Commission
DPSA	Department of Public Service and Administration	MP V2030	Mpumalanga Provincial Vision 2030 Strategic Implementation Framework
DSD	Department of Social Development	MTEF	Medium Term Expenditure Framework
EH&W	Employee Health and Wellness	MTSF	Medium Term Strategic Framework
EMC	Executive Management Committee	NACH	National Anti-Corruption Hotline
EXCO	Executive Council	ODA	Official Development Assistance
GCIS	Government Communication and Information Services	OTP	Office of the Premier
GEWE	Gender Equality and Women Empowerment	PCF	Premier's Coordinating Forum
GIS	Geographic Information System	PEP	Provincial Evaluation Plan
GITO	Government Information Technology Office	PERSAL	Personnel Salaries
HCT	HIV Counselling and Testing	PFMA	Public Finance Management Act
HDI s	Historical Disadvantaged Individuals	PIP	Provincial Implementation Plan
HIV	Human Immunodeficiency Virus	PMC	Provincial Management Committee
HOD	Head of Department	PMDS	Performance Management and Development System

POA	Programme of Action	SCM	Supply Chain Management
PPOA	Provincial Programme of Action	SCOPA	Select Committee on Public Accounts
PRIME	Planning, Research, Information, Monitoring and Evaluation	SDF	Spatial Development Framework
PSCBC	Public Sector Co-ordinating Bargaining Council	SMS	Senior Management Services
PSDF	Provincial Spatial Development Framework	SO	Strategic Objective
PSETA	Public Sector Education and Training Authority	SOI	Strategic Objective Indicator
QMR	Quarterly Monitoring Report	SONA	State of the Nation Address
ROP	Rights for Older Persons	SOPA	State of the Province Address
RSA	Republic of South Africa	SSA	State Security Agency
SADC	Southern African Development Community	STIs	Sexually Transmitted Infections
SBD	Standard Bidding Document	TB	Tuberculosis
SARS	South African Revenue Services	WSP	Workplace Skills Plan



Ms RM Mtshweni-Tsipane
Premier of Mpumalanga Province

3. FOREWORD BY THE PREMIER

The contents of the 2018-19 Annual Report are informed by the Strategic Plan 2015-2020, National Development Plan, Mpumalanga Vision 2030, Medium Term Strategic Framework 2014-19 as well as the Annual Performance Plan 2018-19. The implementation year, 2018 was declared by the ruling party as the year of renewal, unity and job creation. This clarion call reverberated across Government institutions and also to the private sector. It required thorough introspection and for all spheres of Government to premise their work on the “back to basics” approach.

This will continue through to 2019 as we endeavour to ensure that Government operates in an integrated manner aimed at fast-tracking the delivery of services in this year of united action. This pronouncement came at a time of acute economic challenges for the Country in general and the Province in particular. Despite all these challenges, the Office of the Premier continues to prioritize the optimal delivery of services to the people of the Province of Mpumalanga.

The Office of the Premier as the strategic centre of governance and leadership ensured a collaborated effort towards achieving set objectives for the year under review. This was realised through the following:

- Signed MoU with Sasol;
- International partnerships entered into through MoUs;
- Strengthened monitoring of government work to ensure that the citizenry accessed basic services;
- Finalisation of Planning, Research Information Monitoring and Evaluation (PRIME) Framework;
- Introduction of the Mpumalanga Planning Commission Bill in the Mpumalanga Provincial Legislature;
- Launch of Satise Silalele Application which raised awareness to the public, resulting in increased use of the App; and
- Roll out of broadband in Gert Sibande District. This is not a once off project targeting only a particular District but will be extended far and wide across the Province.

This Annual Report as tabled in this august house, reflects evolvment and strides made by Government in changing the quality of life for Mpumalanga citizens. In addition, the Annual Report is of key significance as it outlines government progress on work that has been implemented in the period under view.

I would like to express my sincere gratitude to the Executive Council, the Provincial Management Committee and the Executive Leadership under the auspices of the Acting Director-General for his continuous support its the realization of our mandate. In addition, my appreciation and gratitude is sincerely expressed to the entire workforce of the Office of the Premier. Without their selfless commitment, it would have been impossible to effectively and efficiently execute our mandate.

I am confident that the collective hard work of the team, as reflected in this Annual Report shall continue to emphasise the strategic and the central role the Office of the Premier plays in coordinating the optimal and efficient delivery of services for the benefit of the people of Mpumalanga.



Ms RM MTSHWENI-TSIPANE
PREMIER OF MPUMALANGA PROVINCE



Mr KM Mohlasedi
Acting Director-General: Office of the Premier of Mpumalanga

4. REPORT OF THE ACCOUNTING OFFICER

4.1. Overview of the operations of the Department:

The 2015-2020 Strategic Plan and 2018/19 Annual Performance Plan for the Office of the Premier articulated specific objectives for implementation. These plans were developed within the context provided by the National and Provincial strategic mandates such as the National Development Plan and the Mpumalanga Provincial Vision 2030 Strategic Implementation Framework. The Office is responsible for Outcomes 11 and 12 namely; Outcome 11: Creating a better South Africa and contributing to a better and safer Africa in a better world and Outcome 12: An efficient, effective and development oriented Public Service and an empowered, fair and inclusive citizenship.

Outcome 11: Creating a better South Africa and contributing to a better and safer Africa in a better world

To facilitate the attainment of domestic growth and development, the Province signed MOUs as follows:

- **China** - the MOU is meant for the establishment of a Prefabricate Concrete Facility (including machinery development, skills and technology transfer;
- **Maputo Province of Mozambique** - the MoU is envisaged to strengthen and deepen relations in the areas of agriculture and agro-processing, health, education, tourism development, Trade and industry development, infrastructure and transport logistics as well as local government, culture, sport and security.
- **Russia Sverdlovsk Region of the Russian Federation** - in the areas of industry and trade, project research activities, education, tourism and culture.

Over and above the signed MoUs, the Province facilitated the training of medical students, engineers and veterinarians in Cuba and the Russian Federation leveraging on National bilateral agreements to improve skills in the Province. Currently there are 153 students registered in the Programme. A total of 32 have completed it so far. Of these, five are specialists and two are registered in training. The others are working in various institutions in the Province.

Outcome 12: An efficient, effective and development oriented Public Service and an empowered, fair and inclusive citizenship

Through the shared audit services function, the OTP was able to provide internal audit services to the five cluster Departments, namely; DHS, DCSR, DCSSL, OTP and COGTA.

The roll-out of broadband in the Province is in line with the National Broadband Policy and forms part of the SA Connect Project Phase 1. The Broadband Rollout and in particular the SA Connect project seeks to achieve interconnectivity between structures of Government as well as to facilitate public access to Government services. During the year under review, the Province rolled out broadband connectivity to 54 sites in the Gert

Sibande District Municipality.

To ensure strengthened monitoring and evaluation capacity of Provincial Departments and Local Municipalities, the PRIME Framework and the PEP were developed. Progress has been noted in relation to Youth Development, with the development of the Youth Portal that seeks to capacitate and empower the youth of the Province. The process of appointing a Youth Development Coordinating Committee is underway.

To ensure integrated communication across all spheres of Government in Mpumalanga, a Provincial Communication Plan has been developed and its implementation is being monitored on a quarterly basis.

During the 2018/19 Financial Year, the OTP achieved an average of **73.5%** of its planned targets in the APP. It also spent **94.9%** of the adjusted appropriation for the said Financial Year.

4.2. Overview of the financial results of the Department

4.2.1. Departmental receipts

Departmental receipts	2018/19			2017/18		
	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	179	197	(18)	88	77	11
Rent Officials	-	-	-	121	123	(2)
Interest, dividends and rent on land	200	1 006	(806)	273	592	(319)
Sale of capital assets	145	19	126	12	129	(117)
Financial transactions in assets and liabilities	-	85	(85)	-	267	(267)
TOTAL	524	1 307	(783)	494	1 188	(694)

The OTP collected a total amount of **R1 307 000.00** against projected revenue estimates of **R524 000.00**. This resulted in the over collection of revenue by an amount of **R783 000.00** in the 2018/19 Financial Year. The over collection is mainly as a result of interest earned due to a favourable bank balance in the Paymaster General Account.

4.2.2. Programme Expenditure

Programme Name	2018/19			2017/18		
	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	177 195	171 815	5 380	176 445	176 353	92
Institutional Development	70 293	67 685	2 608	74 600	74 243	257
Policy and Governance	71 304	63 087	8 217	60 190	60 115	75
TOTAL	318 792	302 587	16 205	311 235	310 711	524

The OTP has spent **R302 587 000.00** which is **94.9%** of the final appropriation budget of **R318 792 000.00** in the 2018/19 Financial Year, which translates to **5.1%** underspending.

4.2.3. Virements/rollovers

- There were no rollovers granted for the 2018/19 Financial Year.
- No virements were done in terms of section 43 of the PFMA, to defray excess expenditure incurred.
- The OTP shifted funds within Programmes or main divisions to defray excess expenditure between economic classifications.

4.2.4. Future plans

The OTP has prioritised the following:

- Strengthen **Governance and Compliance Management** in the Province – focusing on improving audit outcomes and clearing irregular expenditure, by means of condonation by Provincial Treasury;
- Strengthen **Community Engagement and Feedback** platforms (*Satise silalele* APP, Community Based Monitoring, Frontline Service Delivery Monitoring, Presidential Hotline, Presidential *Siyahlola*);
- Co-ordinate and monitor the implementation of the **Integrated Provincial Communication Plan**;
- Institutionalize long-term planning through the development of a concept document on institutionalising **Long Term Planning in the Province**, and the development of a **5 Year Plan 2019/20 – 2023/24**;
- Strengthen Monitoring and Evaluation through the roll-out of the institutionalization of **Planning, Research, Information, Monitoring and Evaluation**;
- Co-ordinate **Special Programmes** in the Province (Youth, Women and Older Persons);
- Co-ordinate the implementation of the **PIP** for HIV and AIDS, STI and TB;
- Facilitate **International and Intergovernmental Engagements** to forge technical and economic co-operation with neighbouring countries.

4.2.5. Public-Private Partnerships

- The OTP is currently not engaging in any Public Private Partnerships.

4.2.6. Discontinued activities/ activities to be discontinued

- The OTP did not discontinue any activity for the year 2018/19.

4.2.7. New or proposed activities

- There were no new proposed activities during the period under review.

4.2.8. Supply chain management

- No unsolicited bid proposals were received or concluded during the period under review.
- Procurement of goods and services is done in accordance with the threshold values prescribed by the National Treasury.
- Procurement delegations are implemented and monitored regularly.
- The invitation of competitive bids for threshold values above **R500 000,00** is implemented consistently to ensure that equal opportunity is afforded to all suppliers wishing to compete.
- Deviations from normal procurement processes (procurement without inviting competitive bids) are justified and substantiated, approved by the Accounting Officer, recorded and reported to both the Provincial Treasury and the AGSA.
- Due diligence is exercised when checking the completeness of the SBD4 forms, to ensure that service providers declare their interests and verify the Identity Numbers of the Directors on the PERSAL system.
- The VAT registration status of suppliers is verified on the Central Supplier Database and confirmed through the SARS website to ensure that the status is active before any awards are made.
- Systems to ensure the proper safekeeping and management of contract records are in place which ensure that awards are made in accordance with the requirements of SCM legislation and prescripts.
- Implementation and monitoring of the Supply Chain Management compliance checklists to ensure compliance with relevant prescripts.

4.2.9. Challenges experienced in SCM and how they were resolved

No.	CHALLENGES	ACTION TAKEN TO RESOLVE CHALLENGES
1	Capacity constraints within the SCM unit in particular contract and asset management	<p>The OTP will adopt the Contract Management Framework that National Treasury is developing in order to alleviate the existing contract management challenges.</p> <p>The OTP will arrange training through Provincial Treasury on asset management in an effort to build capacity.</p>

4.2.10. Gifts and donations received in kind from non-related parties

- The OTP did not receive any gifts or donations.

4.2.11. Exemptions and deviations received in kind from the National Treasury

- The OTP did not receive any exemptions or deviations from the National Treasury.

4.2.12. Events after the reporting date

- No events took place after the reporting period.

4.2.13. Other

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

4.2.14. Acknowledgement/s or Appreciation

- The OTP acknowledges the role of relevant oversight institutions particularly the respective committees of the Provincial Legislature, Provincial Treasury as well as its Audit Committee. The professional work ethic, support and commitment of the staff of the OTP is highly appreciated.

4.2.15. Conclusion

I would like to take this opportunity to express words of appreciation to all staff members in the OTP for the work undertaken in the interest of better service delivery for the public in general and the inhabitants of the Mpumalanga Province in particular.



MR. KM MOHASEDI

ACTING DIRECTOR-GENERAL: OFFICE OF THE PREMIER OF MPUMALANGA

DATE: 30 AUGUST 2019

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

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

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

The Annual Report is complete, accurate and is free from any omissions.

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

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

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

The Accounting Officer is responsible for establishing and implementing a system of internal control that has been designed to provide reasonable assurance as to the integrity and reliability of the performance information, the human resources information and the annual financial statements.

The external auditors are engaged to express an independent opinion on the annual financial statements.

In my opinion, the Annual Report fairly reflects the operations, the performance information, the human resources information and the financial affairs of the Department for the Financial Year ended 31 March 2019.

Yours faithfully



MR. KM MOHASEDI

ACTING DIRECTOR-GENERAL: OFFICE OF THE PREMIER OF MPUMALANGA

DATE: 30 AUGUST 2019

6. STRATEGIC OVERVIEW

6.1 Vision

A strategic centre of excellence for effective and efficient governance.

6.2 Mission

Provide strategic direction and support evidence based decision making through research, monitoring and evaluation, integrated planning and coordination of Government Programmes and institutional development.

6.3 Values

The staff and management of the OTP are guided in their work by the following values:

- Professionalism
- Competence
- Accountability
- Responsiveness
- Innovation
- Integrity
- Punctuality
- Diligence.

7. LEGISLATIVE AND OTHER MANDATES

There have been no significant changes to the OTP's legislative mandates.

7.1. Constitutional Mandates

The OTP derives its Constitutional mandates primarily from the provisions of the Constitution. Section 125(2) of the Constitution, 1996, mandates the OTP to, among others:

- Implement Provincial legislation in the Province;
- Implement all National legislation within the functional areas of Schedules 4 and 5;
- Administer in the Province, National legislation outside the functional areas of Schedules 4 and 5;
- Develop and implement Provincial policies; and
- Co-ordinate the functions of the Provincial Administration.

7.2. Legislative Mandates

There have been no significant changes to the OTP's legislative mandates. There is sufficient capacity within the OTP to ensure compliance with all legal responsibilities that relate to its mandate.

The OTP derives its legislative mandates primarily from the following pieces of legislation:

- **Promotion of Access to Information Act, 2000 (Act No. 2 of 2000);**
This Act gives effect to the Constitutional right of access to any information held by Government and which is required for the exercise or protection of any rights;
- **Promotion of Administrative Justice Act, 2000 (Act No. 3 of 2000);**
This Act gives effect to the right to administrative action that is lawful, non-discriminatory and procedurally reasonable and fair;
- **Promotion of Equality and Prevention of Unfair Discrimination Act, 2000 (Act No. 4 of 2000);**
This Act gives effect to section 9 of the Constitution so as to prevent and prohibit unfair discrimination and harassment and to promote equality and eliminate unfair discrimination;
- **Intergovernmental Relations Framework Act, 2005 (Act No. 13 of 2005);**
This Act establishes a framework for the National Government, Provincial Government and Local Government to promote and facilitate intergovernmental relations and also provides for mechanisms and procedures to facilitate the settlement of intergovernmental disputes;
- **Public Finance Management Act, 1999 (Act No. 1 of 1999);**
This Act regulates financial management in the National Government and Provincial Governments in order to ensure that all Government revenue, expenditure, assets and liabilities are managed efficiently and effectively;
- **Preferential Procurement Policy Framework Act, 2000 (Act No. 5 of 2000);**
This Act gives effect to section 217(3) of the Constitution by providing a framework for the implementation of Government's procurement policy as contemplated in section 217(2) of the Constitution;
- **Broad-Based Black Economic Empowerment Act, 2003 (Act No. 53 of 2003);**
This Act establishes a legislative framework for the promotion of Black Economic Empowerment;
- **Division of Revenue Act (annually);**
To annually provide for the equitable division of revenue raised among the National, Provincial and Local Spheres of Government;
- **Public Service Act, 1994 (Proclamation No. 103 of 1994);**
This Act provides for the organisation and administration of the Public Service of the RSA;
- **Public Service Regulations, 2016;**
These Regulations provide comprehensive detail regarding the organisation and administration of the Public Service, including issues of ethics and integrity;
- **Labour Relations Act, 1995 (Act No. 66 of 1995);**
This Act gives effect to section 27 of the Constitution and seeks to regulate the organisational rights of trade unions and to promote and facilitate collective bargaining;
- **Basic Conditions of Employment Act, 1997 (Act No. 75 of 1997);**
This Act gives effect to the right to fair labour practices referred to in section 23(1) of the Constitution;
- **Employment Equity Act, 1998 (Act No. 55 of 1998);**
This Act provides for equity in all levels and categories of employment;

- **Protected Disclosures Act, 2000 (Act No. 26 of 2000);**
This Act provides for procedures in terms of which employees in both the private and the public sector may disclose information regarding unlawful or irregular conduct to their employers and also provides for the protection of such employees;
- **Prevention and Combating of Corrupt Activities Act, 2004 (Act No. 12 of 2004);**
This Act provides for the strengthening of measures to prevent and combat corruption and corrupt activities;
- **State Information Technology Agency Act, 1998 (Act No. 88 of 1998);**
This Act establishes a company responsible for the provision of information technology services to the Public Administration;
- **Public Administration Management Act, 2014 (Act No. 11 of 2014);**
This Act seeks to promote the basic values and principles governing the public administration referred to in section 195(1) of the Constitution.
- **Electronic Communications Act, 2005 (Act No. 36 of 2005)**

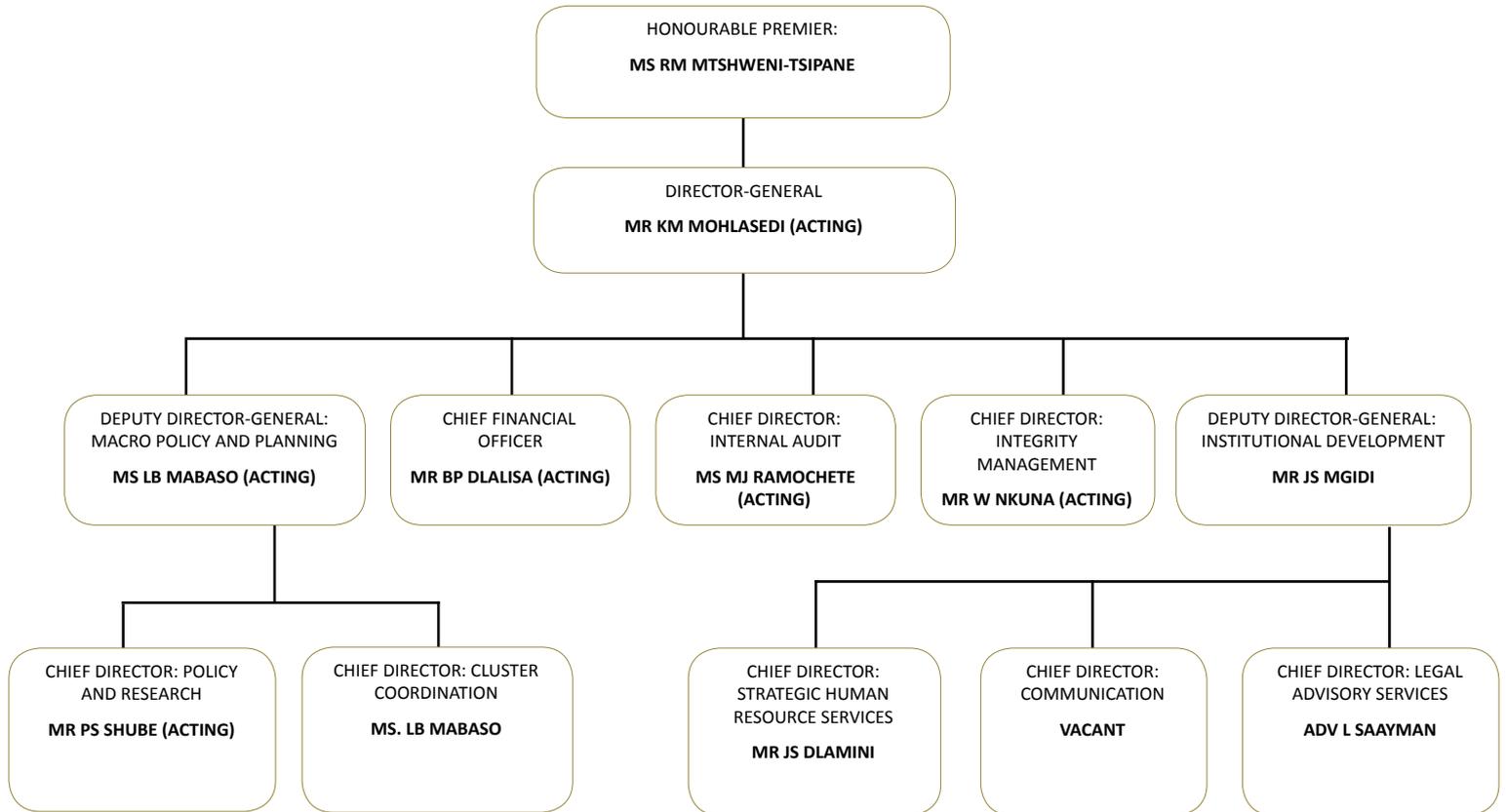
7.3. Policy Mandates

The OTP, in fulfilling its role within the Provincial Government, takes into account various National and Provincial policy mandates, in particular the following:

- The annual ***State of the Nation Address*** (2018/19);
- The annual ***State of the Province Address*** (2018/19);
- The annual Premier's ***Budget and Policy Speech*** (2018/19);
- The National and the Provincial ***Medium Term Strategic Framework*** (2014-2019);
- The ***National Strategic Framework of the Department for Women, Children and People with Disabilities***;
- Specific National Policy Frameworks on ***Gender and Women's Empowerment, Disability and Children***;
- National Strategic Plan for ***HIV and AIDS, TB and STIs*** (2012–2016);
- The White Paper on the ***Transformation of the Public Service*** (1995);
- The White Paper on ***Public Service Training and Education*** (1997);
- The White Paper on a ***New Employment Policy for the Public Service*** (1997);
- The ***National Youth Policy*** (2015-2020);
- Policy Frameworks of the ***National Department of Public Service and Administration on Gender Equality, Disability and Youth in the Public Service***;
- ***National Development Plan*** (2012);
- ***Mpumalanga Vision 2030 Strategic Implementation Framework*** (2013-2030);
- The Policy Framework for ***Government Wide Monitoring and Evaluation*** (2007);
- The Framework for ***Strategic Plans and Annual Performance Plans*** (2010);
- The National Treasury ***Framework for Managing Programme Performance Information*** (2007);

- The Green Paper on ***National Performance Management*** (2009);
- The ***National Evaluation Policy Framework*** (2011);
- National Integrated ICT Policy White Paper (2016);
- DPSA Directive on Public Administration and Management Delegations (2014); and
- National Action Plan to combat Racism, Racial Discrimination, Xenophobia and Related Intolerance.

8. ORGANISATIONAL STRUCTURE



9. ENTITIES REPORTING TO THE OFFICE OF THE PREMIER

There are no entities reporting to the OTP.



**MPUMALANGA
FORTUNE 40
YOUTH FARMERS
INCUBATION**



PART B: PERFORMANCE INFORMATION

1. AUDITOR-GENERAL'S REPORT: PREDETERMINED OBJECTIVES

The AGSA 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 149 of the Report of the Auditor-General, published as Part E: Financial Information.

2. OVERVIEW OF DEPARTMENTAL PERFORMANCE

2.1 Service Delivery Environment

The National Development Plan as localised through the Mpumalanga Vision 2030 Strategic Implementation Framework, the Provincial MTSF, in particular outcomes 11 and 12, the White Paper on Transforming Public Service Delivery 1997, the Batho Pele Revitalising Strategy and the Public Service Regulations, 2016 are the key systems shaping the service delivery environment of the OTP.

The core business of the OTP provides the foundation for further strategic planning and can be encapsulated as follows:

- **Support the Premier** in executing the executive functions of the Province to achieve integrated social development and economic growth;
- **Support the executive decision-making processes** of the Premier-in-Executive Council to inculcate good governance and effective Public Service delivery;
- **Monitor and evaluate performance** of all Provincial executive functions and strategic Programmes for Provincial growth and development to enable the Premier to be accountable for the overall executive performance of the Province;
- **Coordinate strategic alignment and integration** of sectorial and sub-sectorial strategies, policies and Programmes to facilitate social transformation and development and economic growth;
- Support the Premier to **implement Provincial Public Service transformation**, reform and **service delivery improvement** to build the capability of the Provincial Government to fulfil its Constitutional obligations.

2.2 Service Delivery Improvement Plan

The OTP 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 the implementation of the Batho Pele Change Management Engagement Programme and produce 4 reports for Departments, OTP, and 4 reports for the Municipalities	OTP /Sector Departments and Municipalities	11 Departments, OTP and 12 Municipalities monitored	Monitor the implementation of Batho Pele Change Management Engagement Programme for OTP, 11 Departments and 12 Municipalities and produce 8 reports	Monitored the implementation of Batho Pele Change Management Engagement Programme for OTP, 11 Departments and 12 Municipalities and produce 8 reports

Batho Pele arrangements with beneficiaries (Consultation access etc.)

Current/actual arrangements	Desired arrangements	Actual achievements
Monitor the implementation of Service Standards in 11 Departments, OTP and 12 Municipalities	Monitor the implementation of approved Service Standards and Service delivery Charters. Display Service Delivery Charters	Monitored the implementation of Service Standards in 11 Departments, OTP and 12 Municipalities
Monitor submission of Service Delivery Improvement Plans in 11 Departments and OTP	Monitor Consolidated reports of 11 Departments and OTP	Monitored submission of SDIPs in 11 Departments and OTP

Service delivery information tool

Current/actual information tools	Desired information tools	Actual achievements
Produce reports on Batho Pele Programmes	4 Monitoring reports on Batho Pele Programmes produced.	SDIP Report Annual Report Africa Public Service Day Report Khaedu Reports
Press release	Press release	3 EXCO and 4 Premier Statements

Complaints mechanism

Current/actual complaints mechanism	Desired complaints mechanism	Actual achievements
Presidential Hotline, <i>Satise Silalele</i> APP, Presidential <i>Siyahlola</i> , Frontline Service Delivery Monitoring	Integration of service delivery monitoring systems	Complaints on Presidential Hotline, <i>Satise Silalele</i> APP, Community based Monitoring, Presidential <i>Siyahlola</i> monitored

2.3 Organisational environment

The OTP is currently operating using the organogram that was reviewed and approved and implemented in June 2014. No notable changes to the organogram were effected during the course of the Financial Year 2018/19. However, a new Unit, Compliance and Special Projects was created and established on an *ad hoc* basis in 2017 and was kept as part of the approved organogram.

The OTP has a balance of generic administration, junior management, middle management and senior management skills across the Units. The element of over-working employees whose Units have got several vacant posts as per the approved organogram still keeps manifesting itself. Such a practice demoralizes the affected employees in most instances, which was evident by Organised Labour raising this matter with the employer. There were 14 employees, who were appointed to act in higher positions and were remunerated and/or compensated accordingly. Thus, they have to juggle between their actual work and that of a post in which they are acting in or have been assigned to.

With the appointment of the then Premier as Deputy President, the OTP has seconded three staff members as per the request from the Presidency.

The recruitment process in the OTP is informed by legal prescripts such as the selection and recruitment policies and code of remuneration that must guide the process of identifying and acquiring effective and relevant skills for the OTP. In addition, the OTP is required to conduct competency assessments prior to filling of posts of Managers and those of Senior Managers.

An analysis of human resources indicates that the OTP has made some appointments during the course of the Financial Year 2018/19. These appointments were made in the Private Secretariat and these contracts are linked to the term of office of the political office-bearer. Appointments made during the reporting period were made in terms of section 12A of the Public Service Act, 1994. The main reason for no appointments of permanent staff is because of the moratorium that was imposed in February 2015.

Based on the critical posts, as identified and agreed upon between the employer and organized labour, the occupancy rate stood at 237 (85.9%), while the vacancy rate was 39 (14.1%) at the end of the Financial Year. The OTP had 276 posts on the PERSAL establishment (237 filled and 39 vacant funded and regarded as critical), excluding the posts of Interns, which do not form part of the approved organogram. According to the

Oversight Report, the OTP's occupancy rate stands at 91.5%, while the vacancy rate stands at 8.5% on the PERSAL establishment.

The above figures are informed by the fact that most of those vacant funded posts that are regarded as critical were abolished, subject to them being resuscitated once an approval has been obtained from the EXCO, as per the moratorium of not filling vacant funded posts. The vacant funded posts in which appointed officials are acting in, were kept on the PERSAL establishment to facilitate the payment of their acting allowances. Note must be taken though that the vacancy rate based on the approved organogram has remained high throughout the Financial Year, because of the same moratorium. The approved organogram has 384 posts, of which 237 (61.7%) are filled and 149 (38.3%) are vacant.

The OTP has furthermore conducted several team building and capacity building workshops and exercises, with the aim of shaping and upholding the values and organizational culture of the OTP. Employee Health and Wellness Programmes and activities were used in this regard to achieve this objective. The said activities are aimed at enhancing the following among the employees in particular: Professionalism, Competence, Accountability, Responsiveness, Innovation and Integrity. In addition, it conducted one organizational culture and team building exercise, aimed at sharpening the leadership skills of the middle and senior management staff members, as well as to improve the culture of performance, discipline, accountability, planning and organising.

2.4 Key policy developments and legislative changes

There were no policy developments or legislative changes that affected the operations of the OTP during the period under review.

3. STRATEGIC OUTCOME ORIENTED GOALS

The OTP is directly responsible for the implementation of Outcomes 11 and 12 namely:

Outcome 11: Creating a better South Africa and contributing to a better and safer Africa in a better World.

Presented in the table below is the 2018/19 progress for this outcome:

SUB-OUTCOMES	KEY ACTIVITIES	PROGRESS
A sustainable, developed and economically integrated Africa	4 reports on international engagements in line with the IR Framework	5 reports on international engagements resulting in partnerships for trade, investment, technical support and ODA developed.
	Finalise 3 MoUs	3 MoUs finalised with Mozambique, China and Russia.

Outcome 12: An efficient, effective and development oriented Public Service and an empowered, fair and inclusive citizenship.

Presented in the table below is the 2018/19 progress for this outcome:

SUB-OUTCOMES	KEY ACTIVITIES	PROGRESS
A stable political-administrative interface	Finalise all disciplinary processes within 90 days	Disciplinary processes were finalised within 90 days in respect of all 4 cases received.
	Coordinate the recruitment process of vacant HOD positions in all Departments	The position of HOD for Economic Development and Tourism was advertised during the financial year 2018/19. However, no suitable candidate was found. The Mpumalanga Provincial Administration has two vacant HOD positions, i.e. for Economic Development and Tourism and Finance. These positions will be filled in the financial year 2019/20.
	Mainstream target groups (women, youth and older persons) into Government Programmes and Projects	Targeted groups (women, youth and older persons) into Government Programmes and Projects mainstream and four quarterly reports produced.
Increased responsiveness of public servants and accountability to citizens	Co-ordinate the development and review of Service Standards in all Departments and 12 Municipalities	Coordinated the development and review of Service Standards in all Departments and 12 municipalities.
	Monitor the implementation of site improvement plans at identified frontline service delivery sites Visit and assess frontline service delivery sites and facilitate the development of improvement plans.	A Joint Action Plan for the monitoring of frontline service delivery sites was developed and implemented. A total of 14 sites were visited for monitoring and improvement plans were developed.
	Roll-out MPAT cycle 1.8 with 11 Provincial Departments and the OTP and facilitate the development of improvement plans	All Departments participated in the MPAT 1.8 assessment. The Province is partially compliant in all four KPAs, i.e. Strategic Management (2,83), Governance and Accountability (2,34), Human Resource Management (2,33) and Financial Management (2,78). Only COGTA achieved a fully compliant level 3 on all KPAs

SUB-OUTCOMES	KEY ACTIVITIES	PROGRESS
Improved inter-departmental co-ordination	Provide technical support and advice to Departments on macro policies to Cluster Committees and Makgotla	Technical support and advice on macro policies provided to Departments, Cluster Committees and Makgotla and 3 performance assessment reports produced.
	Compile Annual 2014-19 MTSF Performance Progress Report and provide feedback to Departments	Two MTSF reports were compiled and presented to Executive Council Makgotla, one in October 2018 and the other in February 2019. These reports were presented as feedback to Departments.
Improved mechanisms to promote ethical behaviour in the Public Service	100% financial disclosures for HODs and SMS members electronically submitted within the prescribed period	100% financial disclosures for HODs and SMS members electronically submitted within the prescribed period.
	Coordinate Anti-Corruption Awareness Campaigns on Anti-Corruption Strategy and National Whistleblowing	Anti-Corruption Awareness Campaigns on Anti-Corruption Strategy and National Whistleblowing conducted in 6 Municipalities.
	Facilitate conclusion of 100% of all received and reported cases of alleged fraud and corruption	60% of all received and reported cases of alleged fraud and corruption concluded.
	Coordinate vetting of officials in prioritized Offices	Vetting investigation of officials in prioritised Offices coordinated on 28 officials.

4. PERFORMANCE INFORMATION BY PROGRAMME

4.1 Programme 1: Administration

Purpose of the Programme

The Programme is responsible for the appropriate and effective **coordination and monitoring** of administrative and strategic matters, both within the OTP and the Province. The Programme consists of the following Sub-Programmes:

- Premier Support;
- Director-General Support;
- Executive Council Support; and
- Financial Management.

Strategic objectives, performance indicators, planned targets and actual achievements

Programme 1: Administration is key to achieving the OTP's strategic objectives of improved strategic management and proper financial management.

The OTP held a strategic planning session in September 2018 which ensured integrated planning and development of SMART indicators.

The OTP has registered a significant improvement under KPA 4 Financial Management and most of the MPAT standards have moved from level 2 to level 4.

Through its Compliance and Strategic Projects Unit, this Programme has managed to strengthen its internal controls. The Unit monitored the implementation of the Compliance Matrix by all Units in the OTP.

The Programme, through the Office of the Director-General, provided strategic support and direction in all Departments in the Provincial Administration and the intergovernmental structures such as the PMC, PCF, EXCO, Budget and Finance Committee and Makgotla.

To track progress in implementing departmental plans, as well as the general operations of the Office, EMC as well as MANCOM meetings, were coordinated and held.

The payment of suppliers within 30 days was prioritised and all credible and qualifying invoices were paid within the stipulated time.

In order to create a safe working environment devoid of fraud and corruption the Programme conducted the vetting investigation on **28** officials in sensitive or classified areas, which constitutes 100% of the files received from SSA.

Progress against Strategic Objectives

Programme 1: Administration						
Strategic objectives	Strategic Objective Indicator	Actual Achievement 2017/2018	Planned Target 2018/2019	Actual Achievement 2018/2019	Deviation from planned target to Actual Achievement for 2018/2019	Comment on deviations
Provide Strategic Leadership to improve governance	Improved MPAT outcomes with fully compliant level 3 as a minimum in all 12 Departments, including the Office of the Premier	MPAT levels for each KPA are as follows: Strategic Management: 2.25 ; Governance and Accountability: 3 ; Human Resource and Systems Management: 2.25 ; and Financial Management: 2.4	Improve or maintain MPAT outcomes with fully compliant level 3 as a minimum in all 12 Departments, including the Office of the Premier	All Departments participated in the MPAT 1.8 assessment. The Province is partially compliant in all four KPAs, i.e. Strategic Management (2,83), Governance and Accountability (2,34), Human Resource Management (2,33) and Financial Management (2,78). Only COGTA achieved a fully compliant level 3 on all KPAs.	10 Departments and Office of the Premier have not fully achieved level 3 on some of the KPAs	The MPAT is discontinued - will not be implemented in the subsequent years.
	Number of Departments with positive audit outcome on performance and compliance with unqualified audit opinions as a minimum	Audit opinion will be issued by the end of July 2018	10 Departments with unqualified audit opinions	9 Departments with unqualified audit opinions	1 of 10 Departments did not achieve an unqualified audit opinion	Department of Public Works Roads and Transport re-gressed

Reasons for deviations

Provide Strategic Leadership to improve governance - Improved MPAT Outcomes

- Most Departments did not perform at level 3 on the following standards namely, risk management, performance management system, corporate governance, organisational development, anti-corruption and ethics, disciplinary case management, and evaluations.

Provide Strategic Leadership to improve governance - Audit outcomes

- DPWR&T regressed.

Strategy to overcome areas of under performance

Provide Strategic Leadership to improve governance - Improved MPAT Outcomes

- Although MPAT is discontinued, Departments are encouraged to still improve on these areas of work.

Provide Strategic Leadership to improve governance - Audit outcomes

- Continue emphasising strengthening of governance and oversight.

Performance indicators

Sub-Programme: Director-General Support: Planning and Programme Management							
Performance Indicator	Actual Achievement 2015/2016	Actual Achievement 2016/2017	Actual Achievement 2017/2018	Planned Target 2018/2019	Actual Achievement 2018/2019	Deviation from planned target to Actual Achievement 2018/2019	Comment on deviations
Number of plans approved	APP for 2016/17 developed and submitted to the Provincial Legislature as per the plan	APP for 2017/18 developed and submitted to the Provincial Legislature as per the plan	Not achieved	1 Plan Approved (APP)	Not achieved Final Draft APP for 2019/20 developed	1 Plan developed and not approved	Plan to be approved by EXCO in the first quarter of the 2019/20 Financial Year
Number of performance reports approved	Fourth Quarter Report for 2014/15/ and 3 quarterly reports for 2015/16 developed and the 2014/15 Annual Report was developed and tabled in the Provincial Legislature	One 2015/16 and three 2016/17 Quarterly performance reports developed	1 Annual Report (2016/17) and 4 Quarterly Performance reports approved	1 Annual Report (2017/18) and 4 Quarterly Performance reports approved	Achieved 1 Annual Report (2017/18) and 4 Quarterly Performance reports approved	None	None

Sub-Programme: Director-General Support: Security Management							
Performance Indicator	Actual Achievement 2015/2016	Actual Achievement 2016/2017	Actual Achievement 2017/2018	Planned Target 2018/2019	Actual Achievement 2018/2019	Deviation from planned target to Actual Achievement 2018/2019	Comment on deviations
Number of monitoring reports on security management submitted	Monitored Security Management function in 11 Provincial Departments as well as the OTP	Security Management function monitored as planned	4 monitoring reports on security management submitted	4 monitoring reports on security management	Achieved 4 monitoring reports on security management submitted	None	None
% of received officials files vetted	72 files were received from SSA. 100% (72) of officials vetted as per the plan	Vetting on 100% (51) of files received from the SSA of officials	Conducted vetting on 100% (41 of 41) officials' files received	100% of received officials' files vetted	Not achieved However, 100% (28 of 28) of received officials' files investigated	100% (0 of 28) received officials' files vetted	Delay in submission of files to SSA occurred due to the increased scope of work and change in the reference reporting system

Sub-Programme: Director-General Support: Internal Audit							
Performance Indicator	Actual Achievement 2015/2016	Actual Achievement 2016/2017	Actual Achievement 2017/2018	Planned Target 2018/2019	Actual Achievement 2018/2019	Deviation from planned target to Actual Achievement 2018/2019	Comment on deviations
% completion of audit engagements in the Annual Internal Audit Plans	70 Internal Audit assignments completed in 5 Cluster Departments	71 audit reports issued	Achieved A total of 82 out of 78 (105%) audit projects/ engagements in the Annual Internal Audit Plans were completed for 2017/18 Financial Year	100% completion of audit engagements in the Annual Internal Audit Plans	Achieved 132%, that is a total of 66 audit engagements were completed out of 50 that were planned as per the Annual Internal Audit of the 2018/2019 Financial Year	16 Additional audit engagements were due to the <i>ad hoc</i> audit projects that were performed	Internal Audit was able to utilise the planned hours which are set aside to accommodate Stakeholders requests during the Financial Year

Sub-Programme: Director-General Support: Forensic Audit Services and Integrity Management							
Performance Indicator	Actual Achievement 2015/2016	Actual Achievement 2016/2017	Actual Achievement 2017/2018	Planned Target 2018/2019	Actual Achievement 2018/2019	Deviation from planned target to Actual Achievement 2018/2019	Comment on deviations
Number of reports on fraud and corruption cases	7 new cases were received in the Financial Year, 4 were resolved; i.e. 47X100= 4.59%	12 status reports produced on 120 finalized cases	4 reports on fraud and corruption cases produced	4 reports on fraud and corruption cases	Achieved 4 reports on fraud and corruption cases produced	None	None
Number of reports on litigation	There were 285 cases at the beginning of the financial year. 130 cases were finalised; ie	4 reports produced on 21 finalized pieces of litigation	4 reports on litigation produced	4 reports on litigation	Achieved 4 reports on litigation produced	None	None
% of calls from Presidential Hotline resolved	83.80% of the 3520 calls received in the Financial Year were resolved	90.74% of the calls were resolved	95.17% calls from Presidential Hotline resolved	95% calls from the Presidential Hotline resolved	Achieved 97.18% (6 381 of 6 566) calls from the Presidential Hotline resolved	2.18% more calls resolved from the Presidential Hotline	Increased rate of resolving housing related complaints
Number of reports on the implementation of Anti-Corruption and Whistleblowing Strategy	Anti-corruption strategy implemented through 17 Anti-Corruption awareness workshop/training	10 awareness workshops/training conducted	4 reports on the implementation of the Anti-Corruption and Whistleblowing Strategy produced	4 reports on the implementation of the Anti-Corruption and Whistleblowing Strategy	Achieved 4 reports on the implementation of the Anti-Corruption and Whistleblowing Strategy produced	None	None

Sub-Programme: Director-General Support: Financial Management							
Performance Indicator	Actual Achievement 2015/2016	Actual Achievement 2016/2017	Actual Achievement 2017/2018	Planned Target 2018/2019	Actual Achievement 2018/2019	Deviation from planned target to Actual Achievement 2018/2019	Comment on deviations
Number of Annual and interim financial statements submitted	Annual Financial statement submitted to the AGSA and the Provincial Treasury and Interim Financial Statements submitted to Provincial Treasury	1 2015/16 Annual Financial statement and 3 2016/17 Interim Financial statements produced and submitted to AGSA and Provincial Treasury	1 Annual and 3 Interim Financial Statements submitted to AGSA and Provincial Treasury	1 Annual and 3 Interim Financial Statements submitted to AG and Provincial Treasury	Achieved 1 Annual Financial Statement submitted to AGSA and Provincial Treasury 3 Interim Financial Statements submitted to Provincial Treasury	None	None
Number of Risk Management and Fraud Prevention reports developed	4 Risk Management and Fraud Prevention reports developed	4 Risk Management and Fraud Prevention reports developed	4 Risk Management and Fraud Prevention reports developed	4 Risk Management and Fraud Prevention reports developed	Not achieved 4 Risk Management reports developed	Fraud Prevention reports not developed	Lack of management oversight
Percentage of unopposed invoices paid within 30 days	100% of legitimate invoices received and paid within 30 days as required	100% (3 643) of unopposed invoices paid within 30 days of receipt	100% (3 535) of unopposed invoices paid within 30 days of receipt	100% of unopposed invoices paid within 30 days of receipt	Achieved 100% (4 084 of 4 084) of unopposed invoices paid within 30 days of receipt	None	None
Compliance with Supply Chain Management Processes	New Indicator	New indicator	New indicator	100% Compliance with Supply Chain Management Processes	Achieved 100% compliance with Supply Chain Management processes	None	None

Reasons for deviations

Planning and Programme Management

- The 2019/20 Annual Performance Plan was not approved within the stipulated time as there were delays in the approval of the plans by EXCO.

Security Management

- Delay in submission of files to SSA occurred due to the increased scope of work and change in the reference reporting system.

Internal Audit

- The over achievement was due to the additional *ad hoc* projects on the Adequacy of Audit Action Plans.

Forensic Audit Services and Integrity Management

- The over achievement on resolving Presidential Hotline cases was due to service delivery complaints related to RDP houses being resolved by the DHS.

Financial Management

- The deviation is as a result of lack of management oversight.

Strategy to overcome areas of under performance

Planning and Programme Management

- The 2019/20 Annual Performance Plan will be approved by EXCO during the first quarter of the 2019/20 Financial Year.

Security Management

- Investigated files will be sent to SSA for signature.

Internal Audit

- None.

Forensic Audit Services and Integrity Management

- None.

Financial Management

- Management will ensure completeness of reporting when concluding reports and Planning and Programme Management will ensure thoroughness when reviewing POEs.

Changes to planned targets

There were no changes to the planned targets.

Linking performance with budgets

The Programme spent the amount of **R171 815 000,00** which is 96.9% of the final appropriation budget of **R177 195 000,00** in the 2018/19 Financial Year. The Programme underspent by 3.1%. Programme 1 had 13 planned targets during the reporting period. The Programme achieved 10 targets which translate to a 76.9% achievement rate.

Sub-Programme expenditure

Sub-Programme Administration	2018/19			2017/18		
	Final Appropriation R'000	Actual Expenditure R'000	(Over)/Under Expenditure R'000	Final Appropriation R'000	Actual Expenditure R'000	(Over)/Under Expenditure R'000
Premier Support	26 574	26 574	-	21 182	21 174	8
Executive Council Support	6 468	6 466	2	6 168	6 156	12
Director-General Support	98 640	93 663	4 977	114 545	114 491	54
Financial Management	45 513	45 112	401	34 550	34 532	18
TOTAL	177 195	171 185	5 380	176 445	176 353	92

4.2 Programme 2: Institutional Development

Purpose of the Programme

To provide institutional development services, advice, strategic support, coordination and development of policies to ensure operational efficiency, alignment and corporate compliance with a view to improve the capacity of the Mpumalanga Provincial Government to deliver effective and efficient services.

The Programme consists of the following five Sub-Programmes:

- Strategic Human Resources;
- Public Service Transformation and Service Delivery Improvement;
- Information Communication Technology;
- Legal Advisory Services; and
- Government Communication and Information Services.

Strategic objectives, performance indicators, planned targets and actual achievements

Programme 2: Institutional Development contributed towards the achieving of the two strategic objectives, namely:

- Improve citizen/public access to Government services;
- Improve Information dissemination and efficient workflow solutions.

The Programme, through the Strategic Human Resource Management and Development Unit co-ordinated and monitored the implementation of human resource practices and strategies by Departments in the Provincial Administration. It developed Frameworks to provide guidance to Departments and ensure uniformity in the implementation of human resource prescripts.

To support legally sound governance, the Chief Directorate: Legal Advisory Services rendered legal advisory services to the Mpumalanga Provincial Government by providing legal advice and guidance through the drafting of, *inter alia*, legal opinions, Provincial legislation, memoranda, reports, letters, MoUs, service level agreements and employment contracts.

To enhance service delivery in the Province the Programme, through the Public Service Transformation and Service Delivery Improvement Unit facilitated the Khaedu Project, where two senior managers were deployed to the coal face of service delivery. It also monitored the delivery of services in the Province through Batho Pele projects which include service standards, service delivery improvement plans and the Africa Public Service day.

Progress against Strategic Objectives

Programme 2: Institutional Development						
Strategic objectives	Strategic Objective Indicator	Actual Achievement 2017/2018	Planned Target 2018/2019	Actual Achievement 2018/2019	Deviation from planned target to Actual Achievement for 2018/2019	Comment on deviations
Improve citizen/public access to Government services	Resolution rate of complaints from citizens on access to Government services	-	100% complaints resolved	The average resolution rate is 55%	45% complaints not resolved	Some of the service delivery interventions are delayed because they are not planned for in that particular Financial Year
Improve Information dissemination and efficient workflow solutions	Average percentage systems uptime and availability (SOI3.1)	Systems and applications reliability and availability maintained at 99%	Maintain systems and applications reliability and availability at 99%	Systems and applications reliability and availability were maintained at 100% throughout the period. There was no downtime due to maintenance issues	Systems and applications reliability and availability maintained at 1% more	Maintenance was done such in such a manner that there was no down time
	Functional Provincial Website portal (SO3I.2)	12 publications produced (4 print 8 electronic)	Design and launch Provincial Website portal	The User Requirement Specifications (URSs) for all departments except Social Development have been completed.	Provincial Website Portal not designed and launched	The Provincial Website design process was only started after the approval of the project on 21 August 2018. The project requires the filing of the Website Master post to fasttrack the work which is expected to be completed by the end of the 2019-2020 Financial Year

Reasons for deviations

Improve citizen / public access to Government services – Resolution rate

- Some of the service delivery interventions are delayed because they are not planned for in that particular Financial Year.

Improve Information dissemination and efficient workflow solutions – Website Portal

- Delays in the approval of the design Website Portal project. The personnel with the relevant skills and the ability to fast track the process of designing and management is required.

Improve Information dissemination and efficient workflow solutions – System maintenance and application

- Maintenance was done in such a manner that there was no down time.

Strategy to overcome areas of under performance

Improve citizen / public access to Government services – Resolution rate

- Strengthen reporting by other service delivery Units.

Improve Information dissemination and efficient workflow solutions – Website Portal

- Plan to fill the post of Website Master is underway as this will ensure that the process is fast tracked and the portal sustained.

Improve Information dissemination and efficient workflow solutions – System maintenance and application

- None.

Performance indicators

Sub-Programme: Strategic Human Resources - Internal Human Resources Management and Development							
Performance Indicator	Actual Achievement 2015/2016	Actual Achievement 2016/2017	Actual Achievement 2017/2018	Planned Target 2018/2019	Actual Achievement 2018/2019	Deviation from planned target to Actual Achievement 2018/2019	Comment on deviations
Number of monitoring reports developed on the implementation of WSP	4 quarterly reports on implementation of the WSP developed Workplace Skills Plan for 2015/16 developed	4 Quarterly Monitoring reports (QMR) produced and submitted to PSETA Develop and submit WSP for 2016/17 to PSETA	4 quarterly reports on the implementation of WSP developed	4 quarterly reports on the implementation of WSP	Achieved 4 quarterly reports on the implementation of WSP prepared and submitted	None	None
Number of reports on signing of Performance Agreements and assessment of staff	95,4% of Performance Undertakings and Quarterly assessment reports submitted	100% (29 of 29 Units) submitted 4 quarterly assessment reports	3 quarterly reports on signing of Performance Undertakings/ Agreements and assessment of staff submitted	2 bi-annual reports on signing of Performance Agreements and assessment of staff	Achieved 2 bi-annual reports on signing of Performance Agreements and assessment of staff submitted	None	None
Number of reports on the implementation of the Premier's Discretionary Bursary fund	New indicator	4 monitoring reports developed	4 quarterly reports compiled on the implementation of Premier's Discretionary Bursary Fund	4 quarterly reports on the implementation of the Premier's Discretionary Bursary fund	Achieved 4 quarterly reports on the implementation of the Premier's Discretionary Bursary fund submitted	None	None
Reviewed organizational structure	New indicator	New indicator	New indicator	1 Reviewed organizational structure	Not achieved Reviewed Organizational Structure not approved	Reviewed Organizational Structure not approved	Approval of reviewed Organizational Structure to be finalised in 2019/20

Sub-Programme: Strategic Human Resources - Internal Human Resources Management and Development							
Performance Indicator	Actual Achievement 2015/2016	Actual Achievement 2016/2017	Actual Achievement 2017/2018	Planned Target 2018/2019	Actual Achievement 2018/2019	Deviation from planned target to Actual Achievement 2018/2019	Comment on deviations
Percentage of approved critical vacant funded posts filled within 6 months after vacancy occurred	New indicator	New indicator	New indicator	100% of approved critical vacant funded posts filled	Not achieved 0% (0 of 1) of approved critical vacant funded posts filled However, the post of General Manager: Communication was approved for filling during the 2018/19 Financial Year and the process of profiling the applications has been finalised	100% (1 of 1) of approved critical vacant funded posts not filled The approved post of General Manager: Communication not filled during the 2018/19 Financial Year The shortlisting, interviews and appointment still in progress	The process will be concluded in the 2019/20 Financial Year

Sub-Programme: Strategic Human Resources - Organisational Design And Job Evaluation							
Performance Indicator	Actual Achievement 2015/2016	Actual Achievement 2016/2017	Actual Achievement 2017/2018	Planned Target 2018/2019	Actual Achievement 2018/2019	Deviation from planned target to Actual Achievement 2018/2019	Comment on deviations
Number of monitoring reports on the implementation of Effective Regional Service Delivery Model	New indicator	New indicator	4 monitoring reports on the development and implementation of the Effective Regional Service Delivery Model compiled	4 monitoring reports on the implementation of an Effective Regional Service Delivery Model	Not achieved However, 2 reports on the development of the Effective Regional Service Delivery Model were compiled	4 monitoring reports on the implementation of the Effective Regional Service Delivery Model were not developed	The reports on the Effective Regional Service Delivery Model will be developed and be considered in the next Financial Year
Percentage of posts evaluated and graded in Provincial Departments within 30 working days after receipt of the request	112 posts evaluated within 30 working days after the receipt of request	101 posts evaluated for the 11 Provincial Departments and the Office of the Premier within 30 working days after receipt of the request	100% (261 of 261) posts evaluated in Provincial Departments within 30 working days after receipt of the request	100% of posts evaluated in Provincial Departments within 30 working days after receipt of the request	Achieved 100% (3 of 3) of posts evaluated in Provincial Departments within 30 working days after receipt of the request. In addition, 104 posts from the backlog list were evaluated and finalized however, not within 30 days	None	None

Sub-Programme: Strategic Human Resources - Organisational Design And Job Evaluation							
Performance Indicator	Actual Achievement 2015/2016	Actual Achievement 2016/2017	Actual Achievement 2017/2018	Planned Target 2018/2019	Actual Achievement 2018/2019	Deviation from planned target to Actual Achievement 2018/2019	Comment on deviations
Number of service delivery models developed for Provincial Departments	New indicator	New Indicator	1 draft Service Delivery Model developed for the Department of Human Settlements	4 service delivery models developed for 4 Provincial Departments	Not achieved However, 4 Service Delivery Models were developed but not approved.	4 Service Delivery Models, for Provincial Treasury, Department of Culture, Sports and Recreation, Community Safety, Security and Liason and the Office of the Premier not signed/ approved	The deviation is as a result of not following up with respective Departments to obtain approval.

Sub-Programme: Strategic Human Resources - Labour Relations							
Performance Indicator	Actual Achievement 2015/2016	Actual Achievement 2016/2017	Actual Achievement 2017/2018	Planned Target 2018/2019	Actual Achievement 2018/2019	Deviation from planned target to Actual Achievement 2018/2019	Comment on deviations
Number of FOSAD Reports on Labour related matters	New Indicator	New Indicator	4 reports on Labour Relations developed	4 FOSAD Reports on Labour Relations	Achieved 4 FOSAD Reports on Labour Relations developed	None	None
Number of Provincial Chambers coordinated (General Public Services Sector Bargaining Chamber and Public Service Bargaining Chamber)	New Indicator	Co-ordinated 4 CCPMP Meetings	4 General Public Services Sector Bargaining Chamber meetings and 4 Public Service Coordinating Bargaining Chamber meetings co-ordinated	4 General Public Services Sector Bargaining Chamber and 4 Public Service Coordinating Bargaining Chamber coordinated	Achieved 4 General Public Services Sector Bargaining Chamber and 4 Public Service Coordinating Bargaining Chamber coordinated	None	None

Sub-Programme: Strategic Human Resource – Transversal Human Resource Services							
Performance Indicator	Actual Achievement 2015/2016	Actual Achievement 2016/2017	Actual Achievement 2017/2018	Planned Target 2018/2019	Actual Achievement 2018/2019	Deviation from planned target to Actual Achievement 2018/2019	Comment on deviations
Number of Provincial HRM policy frameworks reviewed / developed	<p>The following Draft policies were developed:</p> <ul style="list-style-type: none"> - Provincial Policy Framework on PMDS - Leave Management Guide for the Mpumalanga Provincial Government - Policy Framework on Protective Clothing for the Mpumalanga Provincial Government - Policy Framework on Remunerative Work Outside Employment - Implementation Strategy for the Framework on Reasonable Accommodation 	100% (26) HRM Policies within the Office of the Premier were reviewed and approved	34 Provincial HRM policy frameworks reviewed/ developed	12 Provincial HRM policy frameworks reviewed / developed	Achieved Reviewed/ amended 30 policies	The deviation is as a result of management addressing the backlog of policies which was due to be reviewed during the 2017/18 Financial Year	Ensure that policies are reviewed as stipulated in the policies

Sub-Programme: Strategic Human Resource – Transversal Human Resource Services							
Performance Indicator	Actual Achievement 2015/2016	Actual Achievement 2016/2017	Actual Achievement 2017/2018	Planned Target 2018/2019	Actual Achievement 2018/2019	Deviation from planned target to Actual Achievement 2018/2019	Comment on deviations
Number of monitoring reports on the implementation of HRM prescripts developed	Compliance of SMS/ Level 1-12 with HRM prescripts with reference to effective PMDS, Financial Interest Disclosures	Co-ordinated and facilitated three PMDS Forum meetings Co-ordinated and facilitated a DPSA workshop on the newly approved PSR, 2016 and HRM Delegations. Compiled a Report on the compliance of the MTEF HR Plans and HRPIR for all Departments and submitted to DPSA	4 monitoring reports on the implementation of HRM prescripts developed	4 Monitoring reports on the implementation of HRM prescripts developed	Achieved 4 Monitoring reports on the implementation of HRM prescripts developed	None	None

Sub-Programme: Strategic Human Resources - Public Service Transformation And Service Delivery Improvement							
Performance Indicator	Actual Achievement 2015/2016	Actual Achievement 2016/2017	Actual Achievement 2017/2018	Planned Target 2018/2019	Actual Achievement 2018/2019	Deviation from planned target to Actual Achievement 2018/2019	Comment on deviations
Number of monitoring reports on the implementation of Batho Pele Programmes in Departments and Municipalities	15 Batho Pele Change Engagement Management Programmes co-ordinated	12 reports for Departments, Office of the Premier and 12 Reports for the Municipalities developed	8 monitoring reports on the implementation of Batho Pele Programme in 12 Departments and 12 Municipalities developed	8 Monitoring reports on the implementation of Batho Pele Programmes in 11 Departments & OTP and 12 Municipalities	Achieved 8 Monitoring reports on the implementation of Batho Pele Programmes in Departments and Municipalities produced	None	None
Number of Batho Pele Projects co-ordinated	2 deployment sessions for Senior Management to coal face of service delivery co-ordinated. 1 in Bushbuckridge and 1 in Steve Tshwete Municipalities	Compiled Khaedu Deployment Report and Conducted feedback session in Thaba Chweu Local Municipality	3 Batho Pele Projects co-ordinated (Africa Public Service Day, Service Delivery Improvement Plans and Khaedu deployments)	3 Batho Pele Projects co-ordinated (Africa Public Service Day, Service Delivery Improvement Plans and Khaedu deployments)	Achieved Coordinated 3 Batho Pele Projects (Africa Public Service Day, Service Delivery Improvement Plans and Khaedu deployments)	None	None

Sub-Programme / Sub-Programme: Legal Advisory Services							
Performance Indicator	Actual Achievement 2015/2016	Actual Achievement 2016/2017	Actual Achievement 2017/2018	Planned Target 2018/2019	Actual Achievement 2018/2019	Deviation from planned target to Actual Achievement 2018/2019	Comment on deviations
Percentage of legal advisory services provided through formal written legal opinions, letters and other documents with a legal bearing, have legal consultations, and attend to various aspects pertaining to Provincial Bills	9 requests for formal written legal opinions were made by clients and 100% (9) legal opinions were drafted and submitted to clients	100% (7) legal opinions of the 7 requested were drafted and submitted to the clients	100% (6 of 6) formal, written legal opinions requested were drafted and submitted to clients.	Provide 100% of requested legal advisory services through: formal written legal opinions, letters and other documents with a legal bearing, have legal consultations, and attending to various aspects pertaining to Provincial Bills	Achieved 100% - 2 legal opinions of the 2 requests received were drafted and submitted to the clients, 114 memoranda, reports, letters, MOUs, Service Level Agreements, employment contracts and other documents with a legal bearing of the 114 requests received were prepared, the Unit held 192 legal consultations of the 192 requests received and also dealt with various aspects pertaining to 8 Provincial Bills	None	None

Sub-Programme: Government Communication and Information Services							
Performance Indicator	Actual Achievement 2015/2016	Actual Achievement 2016/2017	Actual Achievement 2017/2018	Planned Target 2018/2019	Actual Achievement 2018/2019	Deviation from planned target to Actual Achievement 2018/2019	Comment on deviations
Number of monitoring reports on the implementation of the Integrated Provincial Communication Plan by Provincial Departments and Municipalities	New Indicator	New Indicator	1 Plan and 4 reports on the Implementation of the Communication Plan developed	4 monitoring reports	Achieved 4 monitoring reports produced	None	None
Number of implementation reports on corporate communication support services provided to the Office of the Premier	New Indicator	New Indicator	New Indicator	4 implementation reports	Achieved 4 implementation reports produced	None	None
Number of print and electronic communication interactions	New Indicator	New Indicator	New Indicator	Publish 5 Provincial Government publications	Achieved 5 Provincial Government publications produced and published	None	None

Sub-Programme: Office of the Provincial Government Information Technology Office							
Performance Indicator	Actual Achievement 2015/2016	Actual Achievement 2016/2017	Actual Achievement 2017/2018	Planned Target 2018/2019	Actual Achievement 2018/2019	Deviation from planned target to Actual Achievement 2018/2019	Comment on deviations
Number of Departments supported on systems and ICT Governance	1227 technical callouts were made to 11 Departments and the Office of the Premier	Technical support was provided to Departments and the Office of the Premier (1011 technical callouts were made)	11 Provincial Departments and the Office of the Premier supported 1 Plan and 4 reports on the implementation of the Communication Plan developed on systems and ICT Governance	11 Provincial Departments and the Office of the Premier supported on systems and ICT Governance	Not achieved 10 Provincial Departments and the Office of the Premier supported on systems and ICT Governance	1 Provincial Department not supported on systems and ICT Governance	Ensure that 11 Departments and the Office of the Premier are supported on ICT Governance through the GITO forum meetings
Number of ICT related projects coordinated	Co-ordinated and monitored 2 IT projects in the Province. COBIT, and Gert Sibande Pilot Project on Broad Band roll-out	Projects were co-ordinated and Broadband meetings were held with Municipalities, Departments and Provincial Government Western Cape	5 ICT related projects co-ordinated (Broadband, GIS, ISO 38500, Centralised ICT services and Provincial ICT Strategy)	4 ICT related projects coordinated (Broadband, GIS, Maintenance of Smart Citizen Solution, Centralised ICT services)	Achieved Broadband GIS, Smart Citizen Solutions and Centralised ICT Services coordinated	None	None

Sub-Programme: Office of the Provincial Government Information Technology Office							
Performance Indicator	Actual Achievement 2015/2016	Actual Achievement 2016/2017	Actual Achievement 2017/2018	Planned Target 2018/2019	Actual Achievement 2018/2019	Deviation from planned target to Actual Achievement 2018/2019	Comment on deviations
Functional Intranet	New indicator	New indicator	New indicator	Develop and Implement the Intranet for the OTP by 2019	Not achieved Request memorandum to develop and implement the Intranet for the OTP approved	Intranet for the OTP not implemented as a result of under-estimating the scope of the project	Intranet for the OTP to be implemented in the 2019/20 Financial Year
Number of monitoring reports on Broadband rollout	New indicator	New indicator	New indicator	4 Monitoring reports on the rollout of Broadband in 794 sites across the Gert Sibande District Municipality by 2019	Not achieved 4 monitoring reports on the rollout of Broadband in 54 sites across the Gert Sibande District Municipality produced	740 sites across the Gert Sibande District Municipality not monitored	The target has been updated in 2019/20 APP to align to the Department of Telecommunications' planned number of sites to be connected

Reasons for deviations

Internal Human Resource Management

- Consultation process took longer than originally estimated.
- The shortlisting, interviews and appointment process still in progress.

Organisational Design and Job Evaluation

- The framework on an Effective Regional Service Delivery Model is still to be considered and approved by the EXCO.
- There was an oversight during the development of the performance indicator as the word “adoption” was omitted.
- The deviation is as a result of not following up with respective Departments to obtain approval.

Transversal Human Resource Services

- The deviation is as a result of management addressing the backlog of policies which was due to be reviewed during the 2017/18 Financial Year.

Provincial Government Information Technology Office

- The deviation is as a result of the GITO forum not meeting to ensure all Departments are supported.
- The deviation is as a result of under-estimating the scope of the project.
- Department of Telecommunications advised on the reduction of sites from 794 to 121 during the 2018/19 Financial Year.

Strategy to overcome areas of under performance

Internal Human Resource Management

- Approval of reviewed Organisational Structure to be finalised in 2019/20.
- The process will be concluded in the 2019/20 Financial Year.

Organisational Design and Job Evaluation

- The reports on the Effective Regional Service Delivery Model will be developed and be considered in the next Financial Year.
- The indicator will be modified and be resubmitted for approval in the next re-tabling of APP's.
- Ensure approval of reports from the respective Departments is obtained.

Transversal Human Resource Services

- To improve in target setting and ensure that all policies that need to be reviewed in the Financial Year

are planned for.

Provincial Government Information Technology Office

- Ensure that 11 Departments and the OTP are supported through the GITO forum meetings.
- The project is underway and should be completed in the 2019/20 Financial Year.
- The target has been updated in 2019/20 APP to align to the Department of Telecommunications' planned number of sites to be connected.

Changes to planned targets

There were no changes to the planned targets.

Linking performance with budgets

The Programme spent the amount of **R67 685 000,00** which is 96.3% of the final appropriation budget of **R70 293 000,00** in the 2018/19 Financial Year. The Programme underspent by 3.7%. Programme 2 had 22 planned targets during the reporting period. The Programme achieved 15 targets which translate to a 68.18% achievement rate.

Sub-Programme expenditure

Sub- Programme Administration	2018/19			2017/18		
	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
Strategic Human resources	39 466	38 229	1 237	37 580	37 241	339
Information Communication Technology	5 973	5 411	562	10 162	10 162	-
Legal Advisory Services	4 239	4 121	118	3 856	3 852	4
Communication Services	18 285	17 674	611	20 603	20 594	9
Programme Support	2 330	2 250	80	2 399	2 394	5
TOTAL	70 293	67 685	2 608	74 600	74 243	357

4.3 Programme 3: Policy and Governance

Purpose of the Programme

The purpose of the Programme is to provide effective macro policy advice, coordination and monitoring on the following key focus areas:

- Provincial Planning;
- Implementation of Provincial Programmes;
- Mainstreaming of gender, youth and older persons' issues;
- Regional and International cooperation;
- Research and information management;
- Advisory services to the Premier, EXCO committees, EXCO and MPAC;
- Coordinate key strategic interventions to improve departmental performance.

List of Sub-Programmes

- Intergovernmental Relations;
- Special Programmes;
- Macro Planning;
- Monitoring and Evaluation;
- Research and Strategic Information Management;
- Cluster Management;
- Mpumalanga Provincial Aids Council;
- Youth Development.

Programme 3 had the following strategic objective in the Financial Year under review:

- Provide strategic support and advisory services to the Premier and the Executive Council to improve citizen access to quality services.

Strategic objectives, performance indicators, planned targets and actual achievements

Programme 3 is aimed at providing effective macro policy advice, strengthening co-ordination, planning, monitoring and evaluation across the Provincial Administration. The development and institutionalization of Planning, Research, Information, Monitoring and Evaluation Framework, through the Monitoring and Evaluation Unit ensures improved integration and coordination within the Provincial Administration.

The Mpumalanga Planning Commission Bill has been tabled in the Mpumalanga Provincial Legislature,

through which the Mpumalanga Planning Commission will be established to institutionalise long-term planning.

To Strengthen Community Engagement and Feedback platforms the Programme co-ordinated the integration of monitoring tools such as the Satise Silalele APP, Community Based Monitoring, Frontline Service Delivery Monitoring, Presidential Hotline and Presidential Siyahlola.

Through the Sub-Programme: International Relations, the Programme facilitated international partnerships and signing the of MoUs with the Ural Association of Tourism Sverdlovsk Region in Russia, Mozambique and China to support Socio Economic Development in the Province. This is in line with the Provincial International Relations Framework.

Strategic objectives:

Programme 3: Policy and Governance						
Strategic objectives	Strategic Objective Indicator	Actual Achievement 2017/2018	Planned Target 2018/2019	Actual Achievement 2018/2019	Deviation from planned target to Actual Achievement for 2018/2019	Comment on deviations
Provide strategic support and advisory services to the Premier and the Executive Council to improve citizen access to quality services	Number of Departments supported to implement the Provincial Planning, Research, Information, Monitoring and Evaluation (PRIME) Framework	Guided planning in the province through provision of technical support to all 12 Provincial Departments and 20 Municipalities on the implementation of long term plans (V2030, PSDF, MTSF, PSP for HIV/AIDS, STI and TB)	Support 6 Departments to implement the Provincial PRIME Framework	Not achieved PRIME Framework presented to all levels of EXCO decision making systems	6 Departments not supported to implement the Provincial PRIME Framework	Provincial PRIME Framework still in the process of approval and has been deferred for consideration by the new Executive Council

Reasons for deviations

Provide strategic support and advisory services to the Premier and the Executive Council to improve citizen access to quality services - PRIME

- Whereas the PRIME Framework has been fully developed, it could not be implemented since it is still awaiting formal approval by the Executive Council.

Strategy to overcome areas of under performance

Provide strategic support and advisory services to the Premier and the Executive Council to improve citizen access to quality services - PRIME

- The approval of PRIME Framework will be expedited in 2019/20 Financial Year.

Performance indicators

Sub-Programme: International Relations							
Performance Indicator	Actual Achievement 2015/2016	Actual Achievement 2016/2017	Actual Achievement 2017/2018	Planned Target 2018/2019	Actual Achievement 2018/2019	Deviation from planned target to Actual Achievement 2018/2019	Comment on deviations
Number of reports on international engagements and resulting partnerships for trade, investment, technical support & ODA	New Indicator	New Indicator	4 high-level reports on international engagements and resulting partnerships for trade, investment, technical skills & ODA as part of implementing the IR Framework developed	4 reports on international engagements	Achieved 5 reports on international engagements developed	1 additional report on international engagements developed	5 th report on international engagement was as a result of the Premier's participation at the 38 th Anniversary of the SADC Investment Promotion Forum, as per invitation by the RSA Embassy in the Russian Federation
Number of MoUs finalised with identified countries (Mozambique, China and Russia)	None	3 MoUs signed with Cuando Cubango Province in Angola, Republic of Mogilev Regional Executive Committee of the Republic of Belarus and OJSC Minsk Tractor Works in Republic of Belarus	1 MoU with Ural Association of Tourism Sverdlovsk Region-Russia Federation finalised	Finalise 3 MoUs with identified countries (Mozambique, China and Russia)	Achieved 3 MOUs with Mozambique, China and Russia finalised	None	None

Sub-Programme: Macro Planning							
Performance Indicator	Actual Achievement 2015/2016	Actual Achievement 2016/2017	Actual Achievement 2017/2018	Planned Target 2018/2019	Actual Achievement 2018/2019	Deviation from planned target to Actual Achievement 2018/2019	Comment on deviations
Number of assessment reports on 2019/20 APPs from 11 Provincial Departments and the Office of the Premier	3	3	3 assessment reports on 2018/19 APPs from 11 Provincial Departments and the Office of the Premier produced by March 2018	3 assessment reports	Achieved 3 assessment reports	None	None
Number of reports on finalisation of establishment of Mpumalanga Planning Commission (MPC)	New Indicator	New Indicator	The Mpumalanga Planning Commission Bill, 2018 developed	4 reports on finalisation of establishment of Mpumalanga Planning Commission (MPC)	Achieved 4 reports on finalization of establishment of Mpumalanga Planning Commission (MPC) developed	None	None

Sub-Programme: Cluster Management							
Performance Indicator	Actual Achievement 2015/2016	Actual Achievement 2016/2017	Actual Achievement 2017/2018	Planned Target 2018/2019	Actual Achievement 2018/2019	Deviation from planned target to Actual Achievement 2018/2019	Comment on deviations
Approved Provincial Programme of Action (PPOA) for 2018/19	Approved 2016/17 PPOA	2017/18 approved PPOA in April 2017	Draft Provincial Programme of Action developed	Approved Provincial Programme of Action (PPOA) for 2019/20	Not achieved However, Final Draft PPOA for 2019/20 developed	Draft PPOA for 2019/20 not approved by EXCO	As a result of the transition of incoming 6 th Administration, the draft PPOA will be ready for consideration by EXCO in their first meeting after SOPA in June 2019
Number of PPOA assessment (analysis) reports developed for 2018/19	3	2 reports (6 and 9 months PPOA Assessment Report) was developed for Makgotla	Three PPOA assessment reports for Makgotla & other Provincial strategic fora developed	Three PPOA assessment (analysis) reports developed for 2018/19	Achieved Three PPOA assessment reports developed for 2018/19	None	None

Sub-Programme: Cluster Management							
Performance Indicator	Actual Achievement 2015/2016	Actual Achievement 2016/2017	Actual Achievement 2017/2018	Planned Target 2018/2019	Actual Achievement 2018/2019	Deviation from planned target to Actual Achievement 2018/2019	Comment on deviations
Number of reports on the implementation of strategic infrastructure projects through the established Strategic Project Management Unit	New Indicator	New Indicator	Report on the implementation of strategic projects developed. i.e Terms of reference and benchmarking exercise to guide implementation Concept document developed and presented to the Technical Cluster	4 quarterly reports on the implementation of strategic infrastructure projects through the established Strategic Project Management Unit	Not achieved 4 quarterly reports on the implementation of strategic infrastructure projects developed, however the strategic project management unit has not been established	Strategic Project Management Unit has not been established	The approval of the Strategic Project Management Unit is awaiting approval by EXCO
Number of reports on the establishment of an integrated Provincial data and information database	New indicator	New indicator	New indicator	Four quarterly reports on the establishment of an integrated provincial data and information database	Achieved 4 quarterly reports on the establishment of an integrated provincial data and information database developed	None	None

Sub-Programme: Monitoring And Evaluation							
Performance Indicator	Actual Achievement 2015/2016	Actual Achievement 2016/2017	Actual Achievement 2017/2018	Planned Target 2018/2019	Actual Achievement 2018/2019	Deviation from planned target to Actual Achievement 2018/2019	Comment on deviations
Annual MTSF Performance Progress Report 2014 - 2019 compiled	New indicator	New indicator	New indicator	4 Year MTSF Performance Progress Report 2014 - 2019	Achieved 4 Year MTSF Performance Progress Report 2014 - 2019 compiled	None	None
Annual Provincial Evaluation Plan (PEP) Report compiled	Not achieved	2 Annual evaluation information sessions were held with Departments Draft PEP presented for consideration and inputs	Not achieved	Approved 2018-2020 Provincial Evaluation Plan (PEP) and Mid-Year progress Report on implementation of the Provincial Evaluation Plan (2018/19) compiled	Not Achieved 2018-2020 Provincial Evaluation Plan (PEP) and Mid-Year progress Report on implementation of the Provincial Evaluation Plan (2018/19) compiled	2018-2020 Provincial Evaluation Plan (PEP) not approved	The three Departments (DSD, DCSSL & Finance) did not submit their departmental evaluation plans to be incorporated in the PEP for approval by EXCO

Sub-Programme: Research and Strategic Information Management Systems							
Performance Indicator	Actual Achievement 2015/2016	Actual Achievement 2016/2017	Actual Achievement 2017/2018	Planned Target 2018/2019	Actual Achievement 2018/2019	Deviation from planned target to Actual Achievement 2018/2019	Comment on deviations
Number of monitoring reports on implementation of the Provincial Research Agenda in 11 Departments and the Office of the Premier developed	New Indicator	New Indicator	4 monitoring reports on the implementation of the Provincial Research Agenda produced	4 monitoring reports on implementation of the Provincial Research Agenda in 11 Departments and the Office of the Premier developed	Achieved 4 monitoring reports on implementation of the Provincial Research Agenda in 11 Departments and the Office of the Premier developed	None	None
Number of reports on researched information disseminated to macro policy and relevant Departments	New Indicator	New Indicator	16 research reports disseminated to Macro Policy and the Office of the Premier to enhance planning and decision making	4 reports on researched information disseminated to macro policy and relevant Departments	Achieved 5 reports on researched information disseminated	1 additional report on researched information disseminated	Critical information from Creamer Media to be shared with the Department of Education became available
Number of assessment reports on access to services in 8 Municipalities developed	New Indicator	New Indicator	8 high level analytical reports assessing the state of service delivery and citizen access to support executive decision making developed	8 assessment reports on access to services in 8 Municipalities developed	Not achieved 8 assessment reports on access to services in 7 Municipalities developed	2 reports developed on access to services in 1 Municipality	There were 2 reports for one municipality, however these two reports pertain to two different dates as well as 2 different purposes

Sub-Programme: Mpumalanga Provincial Aids Council Secretariat							
Performance Indicator	Actual Achievement 2015/2016	Actual Achievement 2016/2017	Actual Achievement 2017/2018	Planned Target 2018/2019	Actual Achievement 2018/2019	Deviation from planned target to Actual Achievement 2018/2019	Comment on deviations
Number of progress reports on Provincial Implementation Plan for HIV, STIs and TB of AIDS Councils in 20 Municipalities developed	4	2 quarterly reports developed	4 quarterly reports on the implementation of the Provincial Strategic Plan for HIV and AIDS, STI and TB compiled in line with the PIP	4 Quarterly reports on Provincial Implementation Plan for HIV, STIs and TB of AIDS Councils in 20 Municipalities and 1 Annual Report (2017/18) developed	Achieved 4 quarterly reports on the Provincial Implementation Plan for HIV, STIs and TB of AIDS Councils in 20 Municipalities and 1 Annual Report (2017/18) developed	None	None
Number of reports on the implementation of the ZAZI campaign compiled	New indicator	Entry meetings were facilitated with the service providers after his appointment	4 quarterly reports on the implementation of the ZAZI campaign compiled	4 quarterly reports on the implementation of the ZAZI campaign compiled	Achieved 4 quarterly reports on the implementation of the ZAZI campaign compiled	None	None

Sub-Programme: Special Programmes							
Performance Indicator	Actual Achievement 2015/2016	Actual Achievement 2016/2017	Actual Achievement 2017/2018	Planned Target 2018/2019	Actual Achievement 2018/2019	Deviation from planned target to Actual Achievement 2018/2019	Comment on deviations
Number of monitoring reports on Gender Equality and Women Empowerment developed	New indicator	2 POAs for GEWE and Older Persons developed	4 quarterly monitoring reports on the implementation of 2017/18 Gender Equality and Women Empowerment (GEWE) POA produced	4 Monitoring reports on Gender Equality and Women Empowerment developed	Achieved 4 monitoring reports on Gender Equality and Women Empowerment developed	None	None
Number of monitoring reports on the Rights of Older Persons developed	New indicator		4 quarterly monitoring reports on the implementation of 2017/18 (ROP) POA produced	4 Monitoring reports on the Rights of Older Persons developed	Achieved 4 quarterly monitoring reports on the Rights of Older Persons developed.	None	None

Sub-Programme: Youth Development							
Performance Indicator	Actual Achievement 2015/2016	Actual Achievement 2016/2017	Actual Achievement 2017/2018	Planned Target 2018/2019	Actual Achievement 2018/2019	Deviation from planned target to Actual Achievement 2018/2019	Comment on deviations
Number of monitoring reports on Youth Development Programmes in 11 Departments and the Office of the Premier developed	New indicator	4 quarterly mainstreaming reports on the implementation of the Youth Development PoA compiled	Not achieved	4 monitoring reports on Youth Development Programmes in 11 Departments and the Office of the Premier developed	Achieved 4 monitoring reports on Youth Development Programmes in 11 Departments and the Office of the Premier developed	None	None

Reasons for deviations

International Relations

- 5th Report on international engagement was as a result of the Premier's participation at the 38th Anniversary of the SADC Investment Promotion Forum, as per invitation by the RSA Embassy in the Russian Federation.

Cluster Management

- The Draft PPOA for 2019/20 has not yet been approved by EXCO.
- The Strategic Project Management Unit has not been established because approval for establishment of by EXCO was pending.

Monitoring and Evaluation

- The Draft PEP 2018-2020 was presented to PMC on 26 November 2018 and was not approved as three Departments have not submitted their plans.

Research and Strategic Information Management System

- Critical information from Creamer Media to be shared with the Department of Education became available.
- There were 2 reports for one municipality, however these two reports pertain to two different dates as well as 2 different purposes.

Strategy to overcome areas of under-performance

International Relations

- None.

Cluster Management

- As a result of the transition of the incoming 6th Administration, the draft PPOA will be ready for consideration by EXCO in their first meeting after SOPA in June 2019.
- The Indicator will be revised and the need for the establishment of the Unit will be reconsidered.

Monitoring and Evaluation

- The three Departments (DSD, DCSSL & Finance) were requested to submit their departmental evaluation plans to be incorporated in the PEP.

Research and Strategic Information Management System

- None.
- Management will ensure completeness of reporting when concluding reports and Planning and Programme Management will ensure thoroughness when reviewing POEs.

Changes to planned targets

There were no changes to the planned targets.

Linking performance with budgets

The Programme spent the amount of **R63 087 000,00** which is 88.5% of the final appropriation budget of **R71 304 000,00** in the 2018/19 Financial Year. The Programme underspent by 11.5%. Programme 3 had 18 planned targets during the reporting period. The Programme achieved 14 targets which translate to a 77.7% achievement rate.

Sub-Programme expenditure

Sub- Programme Administration	2018/2019			2017/2018		
	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
Special Programmes	13 731	12 769	962	10 376	10 342	34
Intergovernmental Relations	9 046	8 434	612	8 421	8 416	5
Provincial and Policy Management	46 394	40 016	6 378	39 446	39 414	32
Programme Support	2 133	1 868	265	1 947	1 943	4
TOTAL	71 304	63 087	8 217	60 190	60 115	75

5. TRANSFER PAYMENTS**5.1 Transfer payments to public entities**

The OTP did not make any transfer payments to public entities.

Name of Public Entity	Services rendered by the public entity	Amount transferred to the public entity	Amount spent by the public entity	Achievements of the public entity
-	-	-	-	-
-	-	-	-	-

5.2 Transfer payments to all organisations other than public entities

The OTP did not make any transfer payments to organisations other than public entities.

6. CONDITIONAL GRANTS**6.1 Conditional grants and earmarked funds paid**

The OTP did not pay conditional grants during the year under review.

6.2 Conditional grants and earmarked funds received

The OTP did not receive any conditional grants during the year under review.

7. DONOR FUNDS**7.1 Donor Funds Received**

The OTP did not receive donor funding.

8. CAPITAL INVESTMENT**8.1 Capital investment, maintenance and asset management plan**

Infrastructure projects	2018/19			2017/18		
	Final Appropriation R'000	Actual Expenditure R'000	(Over)/Under Expenditure R'000	Final Appropriation R'000	Actual Expenditure R'000	(Over)/Under Expenditure R'000
New and replacement assets	6 536	6 196	340	29 776	29 771	5
Infrastructure transfer	`	`	`	`	`	`
- Current	`	`	`	`	`	`
- Capital	`	`	`	`	`	`
Total	6 536	6 196	340	29 776	29 771	5





PART C: GOVERNANCE

1. INTRODUCTION

To ensure that the highest standards of governance are maintained, the OTP established governance structures such as the Risk Management Committee, the Audit Committee and Management Committees. The Mpumalanga Provincial Legislature through the Portfolio Committee as well as SCOPA holds the OTP accountable on how public finances and resources are managed through reports and during its meetings.

2. RISK MANAGEMENT

The OTP understands that risk management is a strategic imperative within high performing organisations. The Risk Management Unit was established in terms of section 38(1) of the PFMA and it is under the custodianship of the Office of the CFO.

The OTP has a Risk Management Policy and Strategy developed in terms of the Public Sector Risk Management Framework. The Policy and Strategy communicate the OTP's risk management philosophy.

The OTP conducts risk assessments and reviews annually in accordance with Treasury Regulation 3.2.1. This helps to direct the Internal Audit effort and prioritise the allocation of resources.

The Risk Management Committee, chaired by an external member, has been appointed by the Accounting Officer to assist him in discharging his risk management responsibility. The Committee meets on a quarterly basis to evaluate the effectiveness of mitigating strategies to address the material risks and report to the Accounting Officer any material changes to the risk profile of the OTP.

The Committee also provides oversight on ethics management in the OTP. An Ethics Management Strategy informed by the ethical risks has been developed and on a quarterly basis the Committee discusses the progress of the implementation of the Strategy by management.

The Audit Committee provides oversight of the risk management function in the OTP. Risk management is a standing item on the quarterly meetings of the Audit Committee.

3. FRAUD AND CORRUPTION

The OTP has, in terms of Treasury Regulation 3.2.1, an approved Fraud Prevention Plan in place to implement the Fraud Prevention Policy. The Fraud Risk Assessment conducted shows that the OTP has a minimum exposure to fraud risks and Management has put measures in place to ensure that these risks do not materialise.

Nevertheless, Management accepts fraud and corruption as a business risk. Acceptance however, does not mean it condones fraud and it therefore commits itself to actively fight fraud and corruption including all other acts of dishonesty with perseverance and vigour.

Measures to ensure that fraudulent activities are reported, investigated and resolved within a specified period are in place. Employees and the public are encouraged through awareness Programmes and initiatives to report any suspected fraud and corruption activities. There is NACH, the Presidential Hotline and *Satise Silalele* (Provincial Service Delivery Reporting System) which employees and the public can use to report allegations of fraud. Reporting can be made either anonymously or in person, through Departmental referrals. The OTP has a Whistle-Blowing Policy or Protected Disclosure Policy which provides assurance to provide protection to all reporters of unethical conduct.

All incidences of fraud and corruption detected, are dealt with. OTP has the responsibility to investigate all cases on behalf of the MPG. Due to capacity challenges in the OTP, a service provider has been contracted to investigate the cases and a case management system has been procured for this purpose.

4. MINIMISING CONFLICT OF INTEREST

Conflict of Interest refers to any financial or other private interest or undertaking that could directly or indirectly compromise the performance of the public servant's duties or the reputation of a public servant's Department in its relationship with its stakeholders; or a situation in which a public official has a private interest which influences, or appears to influence a public decision.

In order to manage conflict of interest, management has put in place the following measures:

- Declaration of financial interests by SMS, MMS, Ethics Officers, Supply Chain & Financial Management Officials.
- Declaration of interest forms which are completed during Committee meetings for attendees to declare any conflict of interest.
- The OTP requires potential service providers to declare on SBD forms if they are connected or related to any person employed by the State.
- Employees in the OTP are prohibited from conducting business with any organ of state.
- Employees are required to make formal application to perform any remunerative work outside the Public Service.

5. CODE OF CONDUCT

The Code of Conduct acts as a guide to employees as to what is expected of them from an ethical point of view, in their individual conduct, relationships 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. Notwithstanding this, employees shall be guilty of misconduct and may be dealt with in accordance with the PSCBC Resolution 1 of 2003 (applicable to employees on salary levels 1 to 12) and the SMS Handbook (applicable to employees on salary levels 13 to 16) if they contravene any provisions of the Code.

The OTP acknowledges the Public Service Code of Conduct as its value system. The conduct and behaviour of employees in the OTP is guided by the Public Service Code of Conduct. Management in the OTP promote a high standard of professional ethics.

Awareness workshops are conducted annually for new and existing employees in the OTP on the Code of Conduct. All employees are expected to understand and abide by the Code of Conduct.

Process followed for any breach of the Code of Conduct in terms of Resolution 1 of 2003 and Chapter of the SMS Handbook

Informal enquiry (for less serious misconduct)

In the case of an informal enquiry the manager of the employee must -

- a. Bring the misconduct to the employee's attention;
- b. Determine the reasons for the misconduct and give the employee an opportunity to respond to the allegations;
- c. Seek to get agreement on how to remedy the conduct;
- d. Take steps to implement the agreed course of action.

Formal enquiry (for more serious forms of misconduct)

In the case of a formal enquiry the employer must appoint an employee as a representative who as far as possible should be the manager for the employee to initiate the enquiry.

Management has issued a directive in 2018 for all Senior Managers and Middle Managers to enrol for a Ethics in the Public Service Online Course offered by the National School of Government. The purpose of this Course is for public officials to have a better understanding of the Public Service Code of Conduct. To date, officials of the OTP have successfully completed the said course.

6. HEALTH, SAFETY AND ENVIRONMENTAL ISSUES

The OTP has a well-established Unit, namely the Transversal Human Resource Management Services Unit that has been entrusted with the responsibility of implementing the Employee Health and Wellness programme within the OTP, as well as co-ordinating the Programme implementation, including HCT campaigns across the Mpumalanga Provincial Government. The team has four staff members who facilitate the implementation of the EH&W Strategic Plan and Occupational Health and Safety Plan to ensure the employee wellness, safety in the workplace and co-ordination of the services of Employee Health and Wellness across all Departments within the Provincial Government in accordance with the relevant prescripts. The OTP has resuscitated the

Internal Employee Health and Wellness Unit within its ranks. The Unit has successfully implemented three Employee Health and Wellness sessions, i.e. Health and Financial Education awareness, Physical training and education and a Stress Management Workshop. In addition, during the course of this Financial Year, the OTP has established an Occupational Health and Safety Committee, which is tasked with the responsibility of ensuring that the employer is committed to the provision and promotion of a safe work environment for employees and clients utilizing a Public Service Delivery environment, with specific reference to the OTP's Makhonjwa Building.

7. PORTFOLIO COMMITTEES

During the period under review, the OTP appeared before the Portfolio Committee as well as SCOPA.

Date	Subject	Action taken to address issue	Progress
22 May 2018	Consideration of the 2018/19 Annual Performance Plan	The Office noted the matters raised by the Committee	The Office responded to the matters raised by the Committee
5 June 2018	Mpumalanga Appropriation Bill 2018		
22 June 2018	Consideration of the 2017/18 4 th Quarter Report		
28 August 2018	Consideration of the 2018/19 1 st Quarter Report		
11 October 2018	Briefing the Committee on the Mpumalanga Planning Commission Bill		
16 October 2018	Consideration of the 2017/18 Annual Report		
17 October 2018	2 nd Briefing of the Committee on the Mpumalanga Planning Commission Bill	The Office addressed all matters raised by the Committee	The Office addressed all matters raised by the Committee during the 2 nd briefing
13 November 2018	Consideration of the 2018/19 2 nd Quarter Report	The Office noted the matters raised by the Committee	The Office responded to the matters raised by the Committee
20 February 2019	Consideration of the 2018/19 3 rd Quarter Report		

8. SCOPA RESOLUTIONS

Resolution No.	Subject	Details	Response by the Department	Resolved (Yes/No)
1	IMPLEMENTATION OF PREVIOUS SCOPA RESOLUTIONS 2016/17	<p>(a) Can the Accounting Officer provide the progress made in implementing SCOPA resolutions with reference to the 2016/17 financial year?</p> <p>1. Report on the financial statements</p> <p>The Accounting Officer must take disciplinary action against all officials who caused irregular expenditure amounting to R147 390 000, fruitless and wasteful expenditure in 2015/16, as required by section 38(1)(h)(iii) of the PFMA and TR 9.1.1.</p>	<p>The Accounting Officer has not taken any disciplinary action against any officials as the Office is still awaiting a response from National Treasury on the condonation of irregular expenditure. The Accounting Officer will implement the relevant corrective measures in line with the directive by National Treasury once the condonation has been considered as any condonation of a contravention of the PFMA and Treasury Regulations are dealt with by National Treasury through Provincial Treasury.</p>	On-going
		<p>2. Compliance with legislation</p> <p>(iii) The Accounting Officer must ensure that Integrity Management Unit timely finalise investigations and report on quarterly basis on progress made per referred case to user departments.</p>	<p>The Accounting Officer is currently looking into and evaluating the available capacity within the Integrity Management Unit to ensure that it is adequately resourced to undertake investigations and have it finalised timeously. However, due to the nature and complexity, some cases require long and in-depth investigations.</p> <p>The routine and less complicated cases, (e.g. those that involve the misuse and/or abuse of GG vehicles, etc.) are investigated and finalised within the prescribed timelines of 30 days.</p> <p>In all the matters, the Accounting Officer has ensured that the user Departments are provided with quarterly progress reports as per resolution.</p>	On-going

Resolution No.	Subject	Details	Response by the Department	Resolved (Yes/No)
		<p>3. Fruitless and wasteful expenditure</p> <p>(i) The Accounting Officer must take disciplinary action against officials who caused the Department to incur fruitless and wasteful expenditure amounting to R5 083 000.</p>	<p>The Office of the Premier has not commenced with the investigation of fruitless and wasteful expenditure as was previously reported. The Office prioritised and fast tracked the investigation and clearing of the backlog of irregular expenditure, which dated back from the 2013/14 financial year, caused by participation in the transversal contract initiated by the OTP as well as the irregular expenditure for the five cluster Departments. Some of the investigation cases were quite complex and took longer than anticipated and consumed most of the available resources. Consequently, the Office did not have adequate financial resources to commit towards the investigation of the fruitless and wasteful expenditure.</p> <p>The investigation in respect of fruitless and wasteful expenditure will be conducted in the current financial year and the Accounting Officer will take appropriate corrective measures upon completion and in line with the outcome and recommendations of the investigations.</p>	On-going
		<p>(ii) The Accounting Officer must recover fruitless and wasteful expenditure amounting to R5 083 000 from liable official(s).</p>	<p>The Accounting Officer will implement the relevant corrective measures once the investigations have been concluded.</p>	On-going
		<p>(iii) The Accounting Officer must take disciplinary action against employees who contravened section 38(1)(h)(iii) of the PFMA and the Treasury Regulations 9.1.2.</p>	<p>The Accounting Officer will implement the relevant corrective measures in line with the recommendations once the investigation is concluded.</p>	On-going
		<p>4. Procurement and Contract Management</p> <p>(i) The Accounting Officer must submit a report on progress made in clearing all accruals of the multi-year contracts.</p>	<p>The accruals and payables to the value of R16 721 000 have subsequently been cleared in the 2017/18 financial year.</p>	On-going

Resolution No.	Subject	Details	Response by the Department	Resolved (Yes/No)
		<p>5. Procurement and Contract Management</p> <p>(i) The Accounting Officer must take disciplinary action against official(s) who contravened Treasury Regulations 14A6.1, Treasury Regulation 16A6.4.</p>	The Accounting Officer will implement the relevant corrective measures in line with the directive from National Treasury once the condonation has been considered as any condonation of a contravention of the PFMA and Treasury Regulations are dealt with by National Treasury through Provincial Treasury.	
		<p>(ii) The Executive Authority must take disciplinary action against the Accounting Officer at the time and or who approved deviations wherein it was not practical to invite competitive bids and permitted contravention of Treasury Regulation 16A6.4.</p>	The Executive Authority will implement the relevant corrective measures in line with the directive from National Treasury once the condonation has been considered as any condonation of a contravention of the PFMA and Treasury Regulations are dealt with by National Treasury through Provincial Treasury.	On-going
		<p>(iii) The Executive Authority must recoup the irregular expenditure from the Accounting Officer wherein she/ he is found liable in law contravening Treasury Regulation 16A6.4, in 2016/17 financial year.</p>	The Executive Authority will implement the relevant corrective measures in line with the directive from National Treasury once the condonation has been considered as any condonation of a contravention of the PFMA and Treasury Regulations are dealt with by National Treasury through Provincial Treasury.	On-going
		<p>6. Preferential Procurement</p> <p>(i) The Accounting Officer must take disciplinary action against official(s) who caused the Office of the Premier to contravene Preferential Procurement Regulations 9(1).</p>	The Accounting Officer will implement the relevant corrective measures in line with the directive from National Treasury once the condonation has been considered as any contravention of the PFMA and Treasury Regulations are dealt with by National Treasury.	
		<p>7. Procurement and Contract Management</p> <p>(ii) The Accounting Officer must submit a report on progress made in clearing all accruals of the multi-year contracts.</p>	The accruals and payables to the value of R16 721 000 have subsequently been cleared in the 2017/18 financial year.	

Resolution No.	Subject	Details	Response by the Department	Resolved (Yes/No)
2.	IMPLEMENTATION OF 2017/18 AUDIT ACTION PLAN	a) Can the Accounting Officer provide the progress report on the implementation of the 2017/18 Audit plan?	<p>The Office of the Premier obtained an unqualified Audit Opinion during the 2017/18 financial year. Fifty eight (58) findings were raised by the Auditor-General and below is the progress made thus far:</p> <ul style="list-style-type: none"> • Thirty four (34) findings, which translate to 59%, have since been addressed satisfactorily, and are considered resolved. Management will continue to monitor the progress to ensure that the Office does not regress and incur similar findings in the next financial year. • Fourteen (14) findings are still in progress. Management is still committed to resolving these findings by December 2018. • No significant progress has been made in respect of ten (10) findings. <p>Monthly progress reports are submitted to the Provincial Treasury in line with the reporting requirements.</p> <p>The Audit Remedial Action Plan was submitted to the Committee.</p>	On-going
3. AUDIT OPINION				
3.1.1	ACCRUALS AND PAYABLES NOT RECOGNISED	What impact will the R9 085 000 have on activities of OTP should it be paid using the 2018/19 voted funds?	The R9 085 000 will not have any impact on the activities of OTP. The R9 609 000 is part of the R16 232 000 disclosed as accruals for the 2017/18 financial year. The payments of these accruals and payables have a minimal impact on the 2018/19 voted funds because they are provided for in the main appropriation as part of the multi-year contracts.	On-going
		a) The AO must clarify as to why they committed the OTP more than the Department's surrendered funds?	The commitments are part of the multi-year contracts and are provided for in the 2018/19 financial year, and therefore the amount surrendered cannot be equal to the commitments.	

Resolution No.	Subject	Details	Response by the Department	Resolved (Yes/No)
		<p>b) Why did the Accounting Officer fail to take effective steps to prevent unauthorised, irregular and fruitless and wasteful expenditure as required by section 38(1)(c)(ii) of the PFMA and Treasury Regulation 9.1.1?</p>	<p>For the 2017/18 financial year, the Office did not incur any unauthorised, fruitless and wasteful expenditure. Furthermore, the Office did not have findings relating to unauthorised, fruitless and wasteful expenditure.</p> <p>The irregular expenditure incurred in the 2017/18 financial year was as a result of multi-year contracts. The investigation into irregular expenditure for the previous years has since been completed and the Office is awaiting feedback and the outcome of the condonation request from National Treasury through Provincial Treasury.</p>	Resolved
		<p>c) Why did the Accounting Officer fail to settle all contractual obligations and money owed by the OTP within 30 days or agreed period as required by section 38(1)(f) of the PFMA and Treasury Regulation 8.2.3?</p>	<p>The Office of the Premier normally processes all payments within 30 days in line with the requirement of section 38(1)(f) of the PFMA and Treasury Regulation 8.2.3. In this instance, the invoices received in March could not all be processed by end of April 2018 because of the limited cash available on the Paymaster-General Account.</p>	
3.1.2	IRREGULAR EXPENDITURE	<p>▪ Why did the Accounting Officer contravene section 38(1)(c)(ii) of the PFMA and Treasury Regulation (TR) 9.1.1?</p>	<p>The Accounting Officer did not intentionally contravene section 38(1)(c)(ii) of the PFMA and Treasury Regulation 9.1.1 in the procurement of goods and services that resulted in irregular expenditure of R98 032 000. The majority of the irregular expenditure within the R98 032 000 is expenditure relating to the multi-year contracts awarded in the 2015/16 financial year.</p>	
		<p>b) Can AO give a breakdown of each contract and how much was spent on each?</p>	<p>The breakdown and the amount spent on each contract is indicated in the attached register of irregular expenditure, the register was submitted to the Committee.</p>	
		<p>c) What effective and appropriate plan will be implemented to collect and recover the irregular expenditure in line with section 38(1)(c)(i) and 51(1)(b)(1)?</p>	<p>The Accounting Officer will implement the relevant corrective measures in line with the directive from National Treasury once the condonation has been considered as any condonation of a contravention of the PFMA and Treasury Regulations are dealt with by National Treasury through Provincial Treasury.</p>	
		<p>d) Were there instances of fraud? If yes, provide details and steps taken against those involved.</p>	<p>No, there were no instances of fraud during the reporting period that the Office of the Premier is aware of.</p>	

Resolution No.	Subject	Details	Response by the Department	Resolved (Yes/No)
		e) Can the AO submit proof that the irregular expenditure was reported to Provincial Treasury and that the register was kept?	<p>The irregular expenditure was reported to Provincial Treasury and the letter was submitted to Legislature.</p> <p>The irregular expenditure register amounting to R98 032 000 was submitted to Legislature.</p>	
		f) Can the AO outline challenges that led to irregular expenditure as this matter is recurring even when systems were put in place to prevent recurrence?	The challenge that was faced by the Accounting Officer to prevent the recurrence of the irregular expenditure is due to the fact that the majority of the irregular expenditure within the R98 032 000 is expenditure relating to the multi-year contracts awarded in the 2015/16 financial year for a period of 3 years.	
3.1.3	FRUITLESS AND WASTEFUL EXPENDITURE	a) Why did the AO fail to finalise the investigation of the fruitless and wasteful expenditure, so to be able to take disciplinary action against officials as required by section 38(1)(h)(iii) of the PFMA?	<p>The investigation of the fruitless and wasteful expenditure has not commenced as was previously reported. This was as a result of the Office prioritising and fast tracking the investigation and clearing of the backlog of irregular expenditure, which dated back from the 2013/14 financial year, caused by participation in the transversal contract initiated by the OTP as well as the irregular expenditure for the five cluster Departments. Some of the investigation cases were quite complex and took longer than anticipated and consumed most of the available resources.</p> <p>The investigation for the fruitless and wasteful expenditure will be conducted in the current financial year.</p>	
		b) What is the current status of the investigation to date given that the investigation has started in 2016/17 financial year?	<p>The investigation of the fruitless and wasteful expenditure did not commence as planned and as was previously reported. The Office prioritised and fast tracked the investigation and clearing of the backlog of irregular expenditure, which dated back from the 2013/14 financial year. Some of the investigation cases were quite complex and took longer than anticipated and consumed most of the available resources.</p> <p>As a result, the investigation into the fruitless and wasteful expenditure will be conducted in the current financial year.</p>	

Resolution No.	Subject	Details	Response by the Department	Resolved (Yes/No)
		c) When will section 38(1)(h)(iii) be invoked given the delays in the investigation?	Section 38(1)(h)(iii) of the PFMA will be invoked upon completion of the investigation and in line with the outcome and recommendations of the investigations.	
		d) Why did the AO not put in place measures to address and prevent fruitless and wasteful expenditure as this is a recurring finding?	<p>The fruitless and wasteful expenditure was incurred during the 2015/16 financial year. The AO did put measures in place to prevent the Office from incurring fruitless and wasteful expenditure as no additional fruitless and wasteful expenditure was identified for the 2016/17 and 2017/18 financial years. Also, the AG did not raise any findings relating to fruitless and wasteful expenditure.</p> <p>Also, the AO did put measures in place to address the investigation of the fruitless and wasteful expenditure through the appointment of a service provider to undertake all relevant investigations. Due to the number of cases related to irregular expenditure, the Office prioritised and fast tracked the investigation and clearing of the backlog of irregular expenditure, which dated back from the 2013/14 financial year, caused by participation in the transversal contract initiated by the OTP as well as the irregular expenditure for the five cluster Departments. Some of the investigation cases were quite complex and took longer than anticipated and consumed most of the available resources. As a result the investigation into fruitless and wasteful expenditure could not be conducted.</p>	
		e) Can the AO provide proof that the fruitless and wasteful expenditure was reported as required by Treasury Regulation 9.1.2?	Proof of reporting fruitless and wasteful expenditure was submitted to the committee.	
4.	COMPLIANCE WITH LEGISLATION			

Resolution No.	Subject	Details	Response by the Department	Resolved (Yes/No)
4.1	PROCUREMENT AND CONTRACT MANAGEMENT	a) Why did the AO extend or modified contracts without the approval of a properly delegated official, as required by section 44 of the PFMA and TR 8.1 and 8.2?	<p>The Accounting Officer did not intentionally contravene section 44 of the PFMA and Treasury Regulations 8.1 and 8.2. The AO considered the extension after consideration of the operational challenges which the Office would have been exposed to after the expiration of the contract. However, there was an oversight as the Office failed to ensure that it obtained the necessary approval from the Provincial Treasury. This practice is viewed in a serious light and the AO has since put measures in place to have the matter attended to by the delegated authority.</p> <p>Further, the Office has recognised the non-compliance and will endeavour to record all the related expenditure as irregular until the matter has been condoned by the relevant authority.</p>	
		b) What measures has the AO put in place to avoid the matter from recurring?	<p>The Accounting Officer has capacitated the established and existing Bid Committees within the Office which adjudicate all procurement of goods and services above a threshold value of R500 000, to thoroughly review the extension or amendment of contracts and ensure compliance with existing legislative prescripts.</p> <p>The developed SCM compliance checklist has been reviewed and updated to strengthen internal controls related to contract management and extension of contracts.</p>	
4.1.2	Transaction to the value above R500 000	a) Why did the Accounting Officer contravene TR 16A6.1 and TR 16A6.4?	<p>The Accounting Officer did not intentionally contravene TR 16A6.1 and TR 16A6.4 when goods and services with a transactional value above R500 000 were procured.</p> <p>All procurement processes were followed, and the relevant Bid Committees established in the Office went through the submission and was satisfied with the request for deviation. However, the internal control weaknesses were picked up during the audit process upon scrutiny of the related deviations documentation.</p>	
		b) Why did the AO approve such contracts even though it was practical to invite competitive bids as required by Treasury Regulation 16A6.4?	<p>The Accounting Officer approved such contracts because in this instance all procurement processes were followed and the AO was convinced that all internal control measures were adhered to.</p>	

Resolution No.	Subject	Details	Response by the Department	Resolved (Yes/No)																
		c) Can the Accounting Officer list the contracts that were awarded to bidders in contravention of Treasury Regulation 16A6.4?	<table border="1"> <thead> <tr> <th>No.</th> <th>Supplier Name</th> <th>Description of service</th> <th>Amount awarded</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>Rise FM</td> <td>Broadcasting services</td> <td>R 855 637</td> </tr> <tr> <td>2</td> <td>Cyclenet (Pty) Ltd</td> <td>Bricks Re-search projects(Russia)</td> <td>R490 000</td> </tr> <tr> <td>3</td> <td>K2015425733 (South Africa) (Pty) Ltd</td> <td>Bricks Re-search projects(China)</td> <td>R485 000</td> </tr> </tbody> </table>	No.	Supplier Name	Description of service	Amount awarded	1	Rise FM	Broadcasting services	R 855 637	2	Cyclenet (Pty) Ltd	Bricks Re-search projects(Russia)	R490 000	3	K2015425733 (South Africa) (Pty) Ltd	Bricks Re-search projects(China)	R485 000	
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3	K2015425733 (South Africa) (Pty) Ltd	Bricks Re-search projects(China)	R485 000																	
		d) Can the Accounting Officer indicate the value of each contract awarded in contravention of Treasury Regulation 16A6.4?	The values of the contracts awarded are indicated above.																	
		e) What action has the Accounting Officer taken against the officials who failed to adhere to the requirements of Treasury Regulation 16A6.4?	The Accounting Officer has not taken any action against the officials at this stage because no investigation has been conducted for irregular expenditure incurred during the 2017/18 financial year. The investigation will be conducted during the course of this financial year.																	
		f) What measures has the Accounting Officer taken to ensure that the requirements of Treasury Regulation 16A6.4 in terms of awarded contracts are always adhered to as the matter is recurring?	The Accounting Officer has established a Compliance Unit as well as a Finance Committee that verifies all procurement of goods and services. The AO has appointed all Bid Committees in line with the departmental supply chain management policy and the members were subjected to the SCM training.																	
4.1.3	Preferential procurement	a) Why did the AO contravene the Preferential Procurement Regulation 9(1) by not stipulating the minimum threshold for local production on bid documentation?	The Accounting Officer did not intentionally contravene Preferential Procurement Regulation 9(1) by not stipulating the minimum threshold for local production on bid documentation. The concept of <i>minimum threshold for local production</i> is still fairly new and is proving to still be a challenge across the Provincial Administration. Following the audit outcomes, Provincial Treasury has since arranged training sessions around this area of work.																	

Resolution No.	Subject	Details	Response by the Department	Resolved (Yes/No)
		<p>b) Why did the AO award contracts to suppliers whose tax matters had not been declared by SARS to be in order, as required by TR 16A9.1 (d)</p>	<p>The Office of the Premier acknowledges the internal control deficiency with the verification of the tax status of the suppliers in question. Services were previously procured from the two suppliers, and their tax matters were in order, except in this instance. The Office of the Premier is currently verifying the tax status of all suppliers through the Central Supply Database system before an order is issued.</p>	
		<p>c) Why did the AO fail to make sure everything is done by the book as matter is recurring?</p>	<p>The Accounting Officer did not intentionally fail to ensure compliance with the applicable legislation. Every effort is being taken to engage with Provincial Treasury and arrange for training of SCM officials in respect of new legislative developments in this area.</p> <p>As for the failure to ensure that the tax matters of the suppliers were in order, the Accounting Officer has directed that the SCM compliance checklist be reviewed and updated to include this as one of the areas to be checked prior to making the awards. Further, the compliance checklist has been updated to incorporate the name of the responsible official for the purposes of accountability and identification as well as ensuring that necessary consequence management is taken against the relevant official.</p>	
4.2. EXPENDITURE MANAGEMENT				
		<p>a) Why did the AO allow the use of deviations that were not justifiable and awarded to suppliers who were not tax compliant?</p>	<p>The circumstances that led to the Accounting Officer approving these deviations were justifiable based on the motivations submitted at the time. However the Auditor-General came to a different conclusion, and the suppliers who were not tax compliant were those suppliers that the Office normally uses on a regular basis and unfortunately when these specific transactions were processed, the two supplier's tax status was non-compliant.</p>	

Resolution No.	Subject	Details	Response by the Department	Resolved (Yes/No)
		<p>b) What systems has the Accounting Officer put in place to ensure that the reported finding does not recur in the 2018/19 financial year?</p>	<p>The Accounting Officer is not approving any deviations unless it meets the requirement of a deviation in line with Treasury Instruction 3 of 2016/17.</p> <p>The Accounting Officer has established a Provincial Compliance Monitoring Committee, jointly championed by the OTP and the Provincial Treasury and is mandated to play an oversight role in monitoring compliance across the Provincial Administration.</p> <p>The Office has established a Finance Committee that verifies all procurement of goods and services. Also members of the Bid Committees have undergone SCM training.</p>	
5. INTERNAL CONTROL				
5.1.	LEADERSHIP	<p>a) Why did the AO fail to make sure that the management has and maintains effective, efficient and transparent systems of financial, risk management and internal control as required by section 38(a)(l) of the PFMA?</p>	<p>Although the OTP maintains a comprehensive effective and efficient financial management system for financial and risk management as well as having a comprehensive risk management policy, plan and register etc. The failure of the Executive Management Committee and Senior / Top Management Committees to meet regularly contributed to the failure of ensuring on-going monitoring and supervision of the effectiveness of these internal controls.</p> <p>To resuscitate the sitting of the above mentioned Management structures, the AO has reviewed and updated their terms of reference. In this regard, it is confirmed that the Executive Management Committee and Senior / Top Management Committees already met during April, June, July, August, September, October and November. A schedule of dates of meetings for the respective structures has also been drawn-up and circulated to all members of Senior Management.</p>	

Resolution No.	Subject	Details	Response by the Department	Resolved (Yes/No)
		<p>b) What will the AO do as the finding is recurring and what are the bottlenecks?</p>	<p>The Accounting Officer agrees that this is a recurring finding, which was as a result of inward looking plans. Management opted for targets that will indicate achievement without considering the impact on the citizenry / service delivery. In trying to address the AG findings of 2015-16, Management focused on reducing the number of targets in the 2017-18 APP. However there was an omission as the issue of the SMART Principle was not addressed. This has persisted in the 2018-19 APP.</p> <p>The Executive Management Committee has noted the issue relating to the weaknesses and the smartness of the indicators in the 2018-19 APP. The matter was discussed extensively in one of the meetings and as an attempt to address the matter, the Office embarked on the following measures:</p> <ol style="list-style-type: none"> 1) AG was requested to make a presentation on the SMART Principle and a presentation on the matter was made to Management during the Office Strategic Planning Session in September 2018. 2) An assessment of the 2019-20 1st Draft APP was conducted and weak indicators were identified to be corrected in the 2nd Draft by the end of November. 	

9. PRIOR MODIFICATIONS TO AUDIT REPORTS

During the previous Financial Year, the OTP received an unqualified audit opinion with three matters of significant non-compliance with legislation being reported in the AGSA's Audit Report, namely Procurement, Contract Management and Expenditure Management. The OTP subsequently embarked on a robust integrated approach to address all matters of emphasis raised in previous Reports of the AGSA.

Management developed an Audit Remedial Action Plan to respond to all audit findings raised based on the 2017/18 Audit Report for the OTP. The OTP of the CFO monitors progress on the implementation of this remedial action plan on a monthly basis.

10. INTERNAL CONTROL UNIT

The OTP did not have an Internal Control Unit. However, the Compliance Management Unit assisted with the review of the level of compliance with laws and regulations as well as the review of internal controls and policies.

A compliance management tool was implemented during the financial year under review.

This Unit regularly reports to Management Committee meetings on the level of compliance and progress being made towards resolving issues raised by the Auditor-General and Internal Audit.

11. INTERNAL AUDIT AND AUDIT COMMITTEES

11.1 Internal Audit

The OTP, in terms of section 38(1)(a)(ii) of the PFMA, established an Internal Audit Function under the control and direction of the Audit Committee. Pursuant to a previously made determination, the Internal Audit function and the Audit Committee located within the OTP is a shared service responsible for the following five cluster Departments:

- Office of the Premier;
- Department of Community Safety, Security and Liaison;
- Department of Co-operative Governance and Traditional Affairs;
- Department of Culture, Sports and Recreation; and
- Department of Human Settlements.

The mission of the shared Internal Audit function, being what the shared Internal Audit aspires to accomplish, is to enhance and protect Departmental values by providing risk-based and objective assurance, advice and insight. In line with the definition of internal auditing as per the Institute of Internal Auditors, the primary mandate and objective of the shared Internal Audit function is to provide an independent, objective assurance

and consulting activity designed to add-value and improve the operations of the OTPr.

In keeping with its primary mandate, the shared Internal Audit Unit supports the Director-General through evaluating and contributing to improving the effectiveness of risk management, control and governance processes. In addition, it also facilitates the functioning of the shared Audit Committee.

In accordance with Treasury Regulation 3.2.6, which requires that Internal Audit must be conducted in accordance with the International Standards for the Professional Practice of Internal Auditing (“Standards”). During the year under review, the shared Internal Audit function ensured that its operations were aligned with the Standards.

The shared Internal Audit function operated within an approved Internal Audit Charter and in accordance with the requirements of the PFMA, the Treasury Regulations and the International Standards for the Professional Practice of Internal Auditing (“Standards”) set by the Institute of Internal Auditors.

During the year under review, the shared Internal Audit function developed a rolling three-year Strategic Internal Audit Plan and an Annual Internal Audit Coverage/Operational Plan based on the results of the risk assessment. The plan was supported by the Director-General and approved by the Audit Committee.

The Annual Internal Audit Coverage/Operational Plan identified different audit engagements and these were performed by the shared Internal Audit function. Respective reports were issued to Management communicating identified control weaknesses, recommendations for improvement(s), and incorporated agreed Management action plans for implementation of corrective action.

In addition, as required in terms of the PFMA and the approved Internal Audit Charter, the identified control weaknesses were also communicated and tabled at the meetings of the Audit Committee to allow for effective monitoring and oversight.

The following is the summary of the audit work performed by the shared Internal Audit function during the year under review as per the approved plans:

Assurance services

- Review of Annual Financial Statements and Interim Financial Statements;
- Supply Chain Management;
- Organizational Design and Job Evaluation;
- Financial Management, Transfer Payments and DORA;
- Performance Information: Mid-Term Review;
- Risk Management;
- Monitoring and tracking of audit findings as previously reported by both AGSA and the shared Internal

Audit function in order to evaluate progress made by Management in implementing agreed audit action plans. Follow-up reviews were performed to evaluate the effectiveness and improvements to the internal control environment;

- Follow-up: Performance Audit on Supply Chain Management;
- Information Technology General Applications and Controls; and
- Follow-up review on Information Technology audits.

Consulting services

- Consulting work included the review of the Management self-scoring and adequacy of evidence provided in support of such scoring as per the Management Performance Assessment Tool (MPAT);
- Participation in informal consulting engagements including routine activities such as participating in standing Management Committee meetings, provision of advice, as and when invited and required.

Ad-hoc services

- Adequacy of Audit Action Plans.

11.2 Audit Committee

The Shared Audit Committee serves as an independent governance structure whose primary function is to provide oversight over the OTP's financial reporting, risk management, control and governance processes. The shared Audit Committee assists the Director-General in the effective execution of his responsibilities.

The Shared Audit Committee is constituted to ensure that it's independent and comprises of external non-official members (appointed from outside the Public Service). It operates in terms of formally documented and approved terms of reference referred to as the Audit Committee Charter, which deals with matters such as its membership, authority and responsibilities amongst others. The said Terms of Reference are reviewed annually, and are in accordance with the requirements set by the PFMA and its Treasury Regulations. Further, it has direct and unobstructed lines of communication to the Director-General, Senior Management, the Provincial Treasury, Shared Internal Audit Function and AGSA.

Attendance of Audit Committee meetings by the Audit Committee Members

In accordance with section 77(b) of the PFMA, an Audit Committee must meet at least twice a year, however, as per the approved Audit Committee Terms of Reference (Audit Committee Charter), the Shared Audit Committee shall meet at least 4 times a year, with authority to convene additional meetings as may be deemed necessary.

In the meetings held, the Director-General and Executive Management were always represented. The AGSA was always invited to attend the meetings of the shared Audit Committee, thus ensuring that meetings are as

effective and transparent as possible.

The Shared Audit Committee meetings held were attended as follows:

Name	Qualifications	Internal or External	Date appointed	Date Resigned / End of termination	No of meetings attended
Mr. MS Mthembu Chairperson	Master of Business Leadership (UNISA), BCom (Accounting), Commercial Banking Licentiate Diploma (Institute of Bankers SA), FAP(IAC)SA	External	01 April 2018	N/A	06
Mr. HG Hlomane	Masters in IT (UP) BSc Degree in Mathematical Science (UCT) Diploma in Project Management (Varsity College) Diploma in Business Management (Varsity College)	External	01 April 2018	09 Jan 2019	03
Mr. M Sebeelo	B-Tech Internal Auditing (UNISA) Nat Diploma Internal Auditing (TUT) Advance Programme Project Management (UNISA)	External	01 April 2018	N/A	05
Ms. L Mbatha	BCompt. Honors Accounting (UNISA) BComm. Accounting Degree (UNISA) CA(SA)	External	01 April 2018	N/A	05
Ms. BN Mzuzu	B. Proc Degree (University of Fort Hare) Cert. Business Rescue Cert. Attorney of High Court of South Africa Cert. Attendance in conveyancing practice	External	01 April 2018	N/A	05

12. REPORT OF THE AUDIT COMMITTEE

We are pleased to present our final report for the financial year ended 31 March 2019.

Audit Committee Responsibility

The Audit Committee reports that it has complied with its responsibilities arising from section 38(1)(a)(ii) of the PFMA and Treasury Regulation 3.1.

The Audit Committee also reports that it has adopted appropriate formal terms of reference as its Audit Committee Charter, has regulated its affairs in compliance with this Charter and has discharged all its responsibilities as contained therein, except that we have not reviewed the changes in accounting policies as these changes are as per the National Treasury instruction.

The effectiveness of internal control

In line with the Public Finance Management Act, 1999, (PFMA) and the Treasury Regulations, the Shared Audit Committee provided oversight on the operations and business activities within the OTP. This was achieved through the quarterly reporting processes by Management as well as Internal Audit reviews as prioritised in the Risk-Based Annual Audit Operational Plan approved by the Shared Audit Committee.

Through our analysis of audit reports from internal audit, Auditor-General South Africa and engagements with the OTP, it can be reported that the system of internal control for the period under review was not always adequate and effective.

From the various reports of the Internal Auditors and the Auditor-General South Africa it was noted that matters were reported indicating deficiencies in the system of internal controls in areas pertaining to annual financial statements, reporting on pre-determined objectives and compliance with laws and regulations.

Based on our interaction with the OTP we conclude that the OTP does have an adequate but not effective action plan management system to address internal audit and Auditor-General South Africa findings.

Risk Management

The Audit Committee is responsible for the oversight of risk management. The Risk Management Committee reports to the Audit Committee on a quarterly basis on the governance and management of risk.

Based on the Audit Committee quarterly reviews of the reports from the Risk Management Committee, it can be concluded that the departmental processes and system relating to fraud prevention and risk management requires improvement.

In-Year Management and Quarterly Reporting

The Office of the Premier confirmed that it reported to the Provincial Treasury as required by the PFMA.

Evaluation of the Annual Financial Statements

The shared Audit Committee has reviewed the draft annual financial statements prepared by the OTP and has advised the accounting officer to ensure that all the review notes and comments of the Internal Audit and Audit Committee are fully addressed prior to submission of the annual financial statements to the Auditor-General South Africa.

Subsequently the material misstatements identified during the external audit process were also reviewed when the management report of the Auditor-General South Africa was discussed with the Audit Committee.

Evaluation of the reporting on predetermined objectives

The Audit Committee has reviewed the draft annual report prepared by the OTP and has advised the accounting officer to ensure that all the review notes and comments of the Internal Audit and Audit Committee are fully addressed prior to submission of the annual report to the Auditor-General South Africa.

The Audit Committee has discussed the external audit outcomes on the reporting of predetermined objectives to be included in the annual report with the Auditor-General South Africa and the Accounting Officer.

Compliance with laws and regulations

Throughout the year under review, the Audit Committee has remained concerned with the status of compliance with all applicable laws and regulations. The Audit Committee however appreciates that the OTP has dedicated a Senior Official to deal with all compliance issues and further noted that the Compliance Matrix has been developed and implemented to monitor the compliance issues in the OTP.

Internal Audit

The Audit Committee is satisfied that the Internal Audit function operated effectively and that it has addressed the risks pertinent to the OTP in its audits during the year under review.

The Audit Committee has regularly enquired and reviewed the work performed by Internal Audit function and has seen an improvement in the quality of the internal audit reports; the actions initiated by the Internal Audit Function to bring the reported weaknesses to the attention of Senior Management and the process of ensuring action to address such deficiencies.

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

Assurance services

- Review of Annual Financial Statements and Interim Financial Statements;
- Supply Chain Management;
- Organizational Design and Job Evaluation;

- Financial Management: Transfer Payments and DORA;
- Performance Information: Mid-Term Review;
- Risk Management;
- Monitoring and tracking of audit findings as previously reported by both AGSA and the shared Internal Audit function in order to evaluate progress made by Management in implementing agreed audit action plans. Follow-up reviews were performed to evaluate the effectiveness and improvements to the internal control environment;
- Follow-up: Performance Audit on Supply Chain Management;
- Information Technology General Applications and Controls; and
- Follow-up review on Information Technology audits.

Consulting services

- Consulting work included the review of the Management self-scoring and adequacy of evidence provided in support of such scoring as per the Management Performance Assessment Tool (MPAT);
- Participation in informal consulting engagements including routine activities such as participating in standing Management Committee meetings, provision of advice, as and when invited and required.

Ad-hoc services

- Adequacy of Audit Action Plans.

The Audit Committee noted with concern that the Internal Audit function remains under-resourced and the position of the Chief Audit Executive has been vacant since November 2017.

The Audit Committee further appreciates the support provided by the Acting Chief Audit Executive and all the Internal Audit Officials, by assisting the Committee in discharging its responsibilities.

Auditor-General South Africa

We have reviewed the OTP's implementation plan for audit issues raised in the previous year and we are not entirely satisfied that all the matters have been adequately resolved.

The Audit Committee is not aware of any unresolved issues with respect to the current audit.

The Audit Committee concurs and accepts the conclusions of the Auditor-General South Africa on the Annual Financial Statements, and is of the opinion that the audited annual financial statements be accepted and read together with the report of the Auditor-General South Africa.

Conclusion

The Audit Committee strongly recommends that the Office of the Premier must ensure adequate and effective implementation and frequent monitoring of the audit action plans for both internal and external audits, in order to improve its audit outcome.

The Audit Committee wishes to extend its appreciation to the Executive Authority, Accounting Officer and Management, Internal Auditors and Auditor-General South Africa for their tireless efforts, commitment and support throughout the year.

Signed on behalf of the Audit Committee by:



.....
Mr. MS Mthembu
Chairperson of the Audit Committee
Date: 31 July 2019





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 status of human resources in the Department

The OTP recognises the fact that the world is on the brink of a technological revolution that will fundamentally alter the way we live, work, and relate to one another. Given the Fourth Industrial Revolution's rapid pace of change and broad impacts, legislators and regulators, National and Provincial Departments, including the OTP are being challenged to an unprecedented degree. The OTP has therefore no other option, but to streamline its Workplace Skills Plan based on the latest technological developments and innovations, in an effort to remain relevant.

Furthermore, the OTP keeps positioning itself accordingly and continues to emphasise the importance of keeping up with the latest human resource trends, aimed at improving effectiveness and efficiency within its ranks. The Human Resource Management and Development Unit, under the auspices of the General Manager: Strategic Human Resource Services is strategically positioned in a way that facilitates the functioning of the OTP's line Units. It plays a pivotal role in providing support to all the line Units with the purpose of facilitating the achievement of the goals and objectives of the Office of the Premier as outlined at the beginning of the Financial Year.

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

The recruitment process in the OTP is informed by legal prescripts such as the selection and recruitment policies and code of remuneration that must guide the process of identifying and acquiring effective and relevant skills for the OTP. In addition, the OTP is required to conduct competency assessment prior to filling posts of Managers and posts of senior managers.

An analysis of human resources indicates that the OTP has made some appointments during the course of the Financial Year 2018/19. These were appointments made in the Private Secretariat whose contracts are linked to the term of office of the Political Officer Bearer. The appointments made during the reporting period were in terms of section 12A of the Public Service Act, 1994. The main reason for making no appointments of permanent staff is because of the moratorium that was issued by EXCO in February 2015.

The moratorium indicated that no vacant and funded posts shall be filled as at the 4th of February 2015 until further notice. Departments may, if needs be, seek approval of the EXCO for special exemption in respect of posts to be filled. However, during the course of this Financial Year, only one approval

was obtained from the Executive Council.

The approved organogram has 384 posts, of which 237 (61.7%) are filled and 149 (38.3%) are vacant. Of the 149 vacant posts, Management has identified 39 vacant funded and regarded as critical. Therefore, OTP had 276 posts on the PERSAL establishment 237 filled and 39 vacant posts, which excludes the posts of interns which do not form part of the approved organogram

According to the Oversight Report, the OTP's occupancy rate stands at 91.5%, while the vacancy rate stands at 8.5% on the PERSAL establishment. The above figures are informed by the fact that most of those vacant funded posts that are regarded as critical were abolished, subject to them being resuscitated once approval has been obtained from the Executive Council, as per the Moratorium of not filling vacant funded posts.

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

The OTP has an approved Human Resource Plan that had to be adjusted slightly to incorporate the provisions and requirements of the moratorium. The HR Plan was reviewed and submitted to the Department of Public Service and Administration (DPSA) as per the requirement. It outlines clearly the need and strategies to attract and recruit a skilled workforce. It also outlines the need to reduce the period taken to fill vacant posts to at least six (6) months and reduce the vacancy rate to be below the National norm of 10%. It further emphasises the need to meet all employment equity targets as reflected in the approved Employment Equity Plan of the OTP. The OTP acknowledges that there is still a long way to go before all employment equity goals are reached – especially with regard to representation of women in the senior management services level (25.7%), i.e. 9 women out of 35 SMS members. However, it will keep developing and implementing strategies aimed at achieving this crucial goal. To achieve ultimate equity in the OTP, additional measures such as policies, Programmes and plans must be integrated and implemented in harmony. These policies, Programmes and plans must be developed in an interactive, participative, consultative and transparent manner. Both, the Employment Equity Act, 1998 and the Employment Equity Policy of the OTP place an obligation upon the OTP to develop, implement and monitor an employment equity plan. The OTP is however doing extremely well in terms of the representation of people with disabilities within its ranks, i.e. 9 out of 237 staff members (3.8%). With regard to representation of females in the middle and junior positions, the OTP stands at 48.4%. On post levels 3 to 12, the OTP stands at 63.5% in relation to representation of females. All in all, the entire OTP has a total of 59.5% representation of females within its ranks.

Employee performance management

The OTP has shown stability in relation to the implementation of the PMDS in terms of the approved Performance Management and Development Policy (PMDP), for officials on salary levels 3-12, i.e. 98.5% compliance in terms of signing of Performance Undertakings. The signing of Performance Agreements by SMS members on or before the deadline as per Chapter 4 of the SMS Handbook

has recorded an 85.7% compliance rate (30 SMS members out of 35). Five SMS members have not submitted their Performance Agreements (4 Special Advisors and 1 ordinary SMS member, who has been working with Special Advisors) - It must be noted that the Special Advisors have not submitted their PA's, even though they are required to do so by the legislative frameworks. There has also been a slight improvement on the assessment of SMS members in this regard. The various workshops on PMDS as conducted annually are gradually yielding the desired results.

Employee Wellness Programmes

The OTP has a transversal Unit (Transversal Human Resource Management Services), which is entrusted with the responsibility of monitoring the implementation of the Employee Health and Wellness Programmes across the Mpumalanga Provincial Government. The OTP has resuscitated the Internal Employee Health and Wellness Unit within its ranks. The Unit has successfully implemented three Employee Health and Wellness sessions, i.e. Health and Financial Education awareness, Physical training and education; and a Stress Management Workshop.

Achievements

- Availability of an approved organogram. It must be noted though that the current organogram was approved in 2014. There is therefore a need to have it reviewed to align it with the latest developments and pronouncements by the EXCO.
- Availability of an approved comprehensive human resource plan, which was submitted to the DPSA before the deadline.
- Availability of an approved comprehensive human resource planning implementation Report, which was submitted to the DPSA before the deadline.
- Availability of an approved Employment Equity Plan and Report, which were submitted to the DPSA and the Department of Labour respectively, before the deadline.
- Representation of People with Disabilities, i.e. 3.8% (9 out 237) employees.
- Availability of an approved strategy to reduce time period taken to fill vacant posts leading to a decrease in the vacancy rate, i.e. The OTP had 237 filled posts and 39 vacant funded post by the 31st of March 2019 on the PERSAL establishment. Thus, the occupancy rate stood at 91.5% while the vacancy rate was 8.5%. The above figures are a result of a thorough PERSAL clean-up which was triggered by the moratorium of abolishing all vacant funded posts. The OTP undertook to ensure that most of those vacant funded posts that are regarded as critical were abolished, subject to them being resuscitated once an approval has been obtained from the Executive Council, as per the Moratorium of not filling vacant funded posts. The vacant funded posts in which appointed officials are acting in, were kept on the PERSAL establishment to facilitate the payment of their acting allowances. Note must be taken though that the vacancy rate based

on the approved organogram has remained high throughout the Financial Year, because of the same moratorium. The approved organogram has 384 posts, of which 237 (61.7%) are filled and 149 (38.3%) are vacant.

- Appointments were effected only after the security screening and verification of qualifications were finalized.
- Successful implementation of competency assessment before filling of posts on salary levels 11-16.
- Availability of several approved human resource policies.
- Evaluation of 89 posts as per the Job Evaluation Policy.

Challenges

- Non-achievement of 50% target on women representation at SMS level – No or very limited posts that can be used to absorb women.
- Limited appointments (through transfers) in terms of section 9 of the Public Service Act, owing to the Moratorium – Appointments were only done in terms of section 12A of the Public Service Act.
- The imposed moratorium not to fill vacant funded posts and/or abolishing of vacant funded posts on the establishment.

3. HUMAN RESOURCES OVERSIGHT STATISTICS

3.1. Personnel related expenditure

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

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

Table 3.1.1 Personnel expenditure by Programme for the period 1 April 2018 and 31 March 2019

Programme	Total expenditure (R'000)	Personnel expenditure (R'000)	Training expenditure (R'000)	Professional and special services expenditure (R'000)	Personnel expenditure as a % of total expenditure	Average personnel cost per employee (R'000)
PR1: ADMINISTRATION	171 815	61 014	0.00	0.00	35.51	623
PR2: INSTITUTIONAL DEVELOPMENT	67 685	52 553	0.00	0.00	76.64	626
PR3: POLICY AND PLANNING	63 087	37 590	0.00	0.00	59.58	683
Total as on Financial Systems (BAS)	302 587	151 157	0.00	0.00	49.96	638

Table 3.1.2 Personnel costs by salary band for the period 1 April 2018 and 31 March 2019

Salary band	Personnel expenditure (R'000)	% of total personnel cost	No. of employees	Average personnel cost per employee (R'000)
Skilled (Levels 3-5)	12 918	8	48	269
Highly skilled production (Levels 6-8)	19 953	13	51	391
Highly skilled supervision (Levels 9-12)	60 697	40	81	749
Senior management (Levels 13 - 16)	34 243	23	27	1 268
Contract (Levels 3-5)	1 866	1	7	267
Contract (Levels 6-8)	1 086	1	3	362
Contract (Levels 9-12)	8 456	6	11	769
Contract (Levels 13-16)	11 453	8	9	1 273
Contract Other	485	0	0	0.0
TOTAL	151 157	100	237	638

Table 3.1.3 Salaries, Overtime, Home Owners Allowance and Medical Aid by Programme for the period 1 April 2018 and 31 March 2019

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	55 298	81.90	425	0.60	1 008	1.50	2 183	3.20
PR2: INSTITUTIONAL DEVELOPMENT	44 086	81.50	213	0.40	989	1.80	2 009	3.70
PR3: POLICY AND PLANNING	31 430	80.40	19	0.00	607	1.60	1 436	3.70
PR 3:POLICY AND GOVERNANCE,	1 262	82.30	0.00	0.00	32	2.10	59.00	3.80
TOTAL	132 076	81.40	657	0.40	2 636	1.60	5 687	3.50

Table 3.1.4 Salaries, Overtime, Home Owners Allowance and Medical Aid by salary band for the period 1 April 2018 and 31 March 2019

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 (Levels 3-5)	10 042	73.7	107	0.8	759	5.60	1 338	9.8
Highly skilled production (Levels 6-8)	17 032	77.7	294	1.3	739	3.4	1 429	6.5
Highly skilled supervision (Levels 9-12)	51 772	81.1	230	0.4	783	1.2	1 990	3.1
Senior management (Levels >= 13)	31 590	84.9	0.0	0.0	214	0.6	582	1.6
Contract (Levels 3-5)	1 406	75	0.0	0.0	104	5.6	188	10
Contract (Levels 6-8)	859	78.1	0.0	0.0	32	2.9	98	8.9

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
Contract (Levels 9-12)	7 617	85.8	26	0.3	5	0.1	61	0.7
Contract (Levels >= 13)	11 272	848	0.0	0.0	0.0	0.0	0.0	0.0
Contract Other	485	98.8	0.0	0.0	0.0	0.0	0.0	0.0
TOTAL	132 076	81.4	657	0.4	2 636	1.6	5 687	3.5

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 2019

Programme	Number of posts on approved establishment	Number of posts filled	Vacancy Rate	Number of employees additional to the establishment
PR1: ADMINISTRATION*, Permanent	108	98	9.3	0
PR2: INSTITUTIONAL DEVELOPMENT*, Permanent	89	84	5.6	0
PR3: POLICY AND PLANNING, Permanent	59	52	11.9	0

Programme	Number of posts on approved establishment	Number of posts filled	Vacancy Rate	Number of employees additional to the establishment
PROGRAM 3:*POLICY AND GOVERNANCE, Permanent	3	3	0.0	0
TOTAL	259	237	8.5	0

Table 3.2.2 Employment and vacancies by salary band as on 31 March 2019

Salary band	Number of posts on approved establishment	Number of posts filled	Vacancy Rate	Number of employees additional to the establishment
Skilled (Levels 3-5), Permanent	50	48	4	0
Highly Skilled Production (Levels 6-8), Permanent	52	51	1.9	0
Highly Skilled Supervision (Levels 9-12), Permanent	93	81	12.9	0
Senior Management (Levels >= 13), Permanent	34	27	20.6	0
Contract (Levels 3-5), Permanent	7	7	0	0
Contract (Levels 6-8), Permanent	3	3	0	0
Contract (Levels 9-12), Permanent	11	11	0	0
Contract (Levels >= 13), Permanent	9	9	0	0
TOTAL	259	237	8.5	0

Table 3.2.3 Employment and vacancies by critical occupations as on 31 March 2019

Critical occupation	Number of posts on approved establishment	Number of posts filled	Vacancy Rate	Number of employees additional to the establishment
ADMINISTRATIVE RELATED, Permanent	58	51	12.1	0
CLEANERS IN OFFICES WORKSHOPS HOSPITALS ETC., Permanent	10	9	10	0
CLIENT INFORM CLERKS(SWITCHBOARD RECEIPT INFORM CLERKS), Permanent	4	4	0	0
COMMUNICATION AND INFORMATION RELATED, Permanent	15	15	0	0
ECONOMISTS, Permanent	1	1	0	0
FINANCE AND ECONOMICS RELATED, Permanent	14	12	14.3	0
FINANCIAL AND RELATED PROFESSIONALS, Permanent	3	2	33.3	0
FINANCIAL CLERKS AND CREDIT CONTROLLERS, Permanent	20	20	0	0
HEAD OF DEPARTMENT/ CHIEF EXECUTIVE OFFICER,	1	1	0	0
HOUSEHOLD FOOD AND LAUNDRY SERVICES RELATED, Permanent	1	1	0	0
HUMAN RESOURCES & ORGANISAT DEVELOPM & RELATE PROF, Permanent	4	4	0	0
HUMAN RESOURCES CLERKS, Permanent	5	5	0	0
HUMAN RESOURCES RELATED, Permanent	21	17	19	0
LEGAL RELATED, Permanent	1	1	0	0
LIBRARY MAIL AND RELATED CLERKS, Permanent	6	6	0	0

Critical occupation	Number of posts on approved establishment	Number of posts filled	Vacancy Rate	Number of employees additional to the establishment
MESSENGERS PORTERS AND DELIVERERS, Permanent	1	1	0	0
MOTOR VEHICLE DRIVERS, Permanent	1	1	0	0
OTHER ADMINISTRAT & RELATED CLERKS AND ORGANISERS, Permanent	34	33	2.9	0
OTHER ADMINISTRATIVE POLICY AND RELATED OFFICERS, Permanent	1	1	0	0
OTHER OCCUPATIONS, Permanent	5	5	0	0
RISK MANAGEMENT AND SECURITY SERVICES, Permanent	1	1	0	0
SECRETARIES & OTHER KEYBOARD OPERATING CLERKS, Permanent	22	21	4.5	0
SENIOR MANAGERS, Permanent	30	25	16.7	0
TOTAL	259	237	8.5	0

3.3. Filling of SMS Posts

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

Table 3.3.1 SMS post information as on 31 March 2019

SMS Level	Total number of funded SMS posts	Total number of SMS posts filled	% of SMS posts filled	Total number of SMS posts vacant	% of SMS posts vacant
Director-General/ Head of Department	1	1	100%	0	0%
Salary Level 16	0	0	100%	0	0%
Salary Level 15	5	5	100%	0	0%
Salary Level 14	7	6	85.7%	1	14.3%

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
Salary Level 13	23	23	100%	0	0%
Total	37	35	94.6%	2	5.4%

Table 3.3.2 SMS post information as on 30 September 2018

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	100%	0	0%
Salary Level 15	5	5	100%	0	0%
Salary Level 14	7	6	85.7%	1	14.3
Salary Level 13	24	24	100%	0	0%
Total	37	36	97.3%	1	2.7%

Table 3.3.3 Advertising and filling of SMS posts for the period 1 April 2018 and 31 March 2019

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	1	0	0
Salary Level 13	0	0	0
Total	1	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 2018 and 31 March 2019

Reasons for vacancies not advertised within six months
No approval for filling most of the posts was obtained from the Executive Council, as per the provisions of the Moratorium of not filling vacant funded posts across the Provincial Administration – Only one approval for the filling of the post of General Manager: Government Communication Information System (GCIS) was obtained towards the end of the Financial Year in this regard.

Reasons for vacancies not filled within twelve months

No approval for filling most of the posts was obtained from the Executive Council, as per the provisions of the Moratorium of not filling vacant funded posts across the Provincial Administration – Only one approval for the filling of the post of General Manager: Government Communication Information System (GCIS) was obtained towards the end of the Financial Year in this regard.

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 2018 and 31 March 2019

Reasons for vacancies not advertised within six months

Not applicable

Reasons for vacancies not filled within six months

Not applicable

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 2018 and 31 March 2019

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
Skilled (Levels 3-5)	50	10	20	0	0	0	0
Highly Skilled Production (Levels 6-8)	52	23	44.2	16	69.6	0	0
Highly Skilled Supervision (Levels 9-12)	93	56	60.2	40	71.4	0	0
Senior Management Service Band A	23	0	0	0	0	0	0
Senior Management Service Band B	7	0	0	0	0	0	0
Senior Management Service Band C	3	0	0	0	0	0	0
Senior Management Service Band D	1	0	0	0	0	0	0
Contract (Levels 3-5)	7	0	0	0	0	0	0

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
Contract (Levels 6-8)	3	0	0	0	0	0	0
Contract (Levels 9-12)	11	0	0	0	0	0	0
Contract Band A	3	0	0	0	0	0	0
Contract Band B	2	0	0	0	0	0	0
Contract Band C	3	0	0	0	0	0	0
Contract Band D	1	0	0	0	0	0	0
TOTAL	259	89	34.4	56	62.9	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 2018 and 31 March 2019

Gender	African	Asian	Coloured	White	Total
Female	27	0	2	0	29
Male	27	0	0	0	27
Total	54	0	2	0	56

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

Table 3.4.3 Employees with salary levels higher than those determined by job evaluation by occupation for the period 1 April 2018 and 31 March 2019

Occupation	Number of employees	Job evaluation level	Remuneration level	Reason for deviation
-	0	0	0	Not applicable
-	0	0	0	Not applicable
-	0	0	0	Not applicable
-	0	0	0	Not applicable
Total number of employees whose salaries exceeded the level determined by job evaluation				0

Occupation	Number of employees	Job evaluation level	Remuneration level	Reason for deviation
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 2018 and 31 March 2019

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

Employees with a disability	0	0	0	0	0
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Total number of Employees whose salaries exceeded the grades determined by job evaluation	None
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3.5. **Employment Changes**

This section provides information on changes in employment over the Financial Year. Turnover rates provide an indication of trends in the employment profile of the Department. The following tables provide a summary of turnover rates by salary band and critical occupations.

Table 3.5.1 Annual turnover rates by salary band for the period 1 April 2018 and 31 March 2019

Salary band	Number of employees at beginning of period-1 April 2018	Appointments and transfers into the Department	Terminations and transfers out of the Department	Turnover rate
Skilled (Levels 3-5) Permanent	54	0	3	5.6
Highly Skilled Production (Levels 6-8) Permanent	51	0	0	0
Highly Skilled Supervision (Levels 9-12) Permanent	83	0	3	3.6
Senior Management Service Band A Permanent	21	0	1	4.8
Senior Management Service Band B Permanent	4	0	0	0
Senior Management Service Band C Permanent	3	0	1	33.3
Senior Management Service Band D Permanent	1	0	0	0

Salary band	Number of employees at beginning of period-1 April 2018	Appointments and transfers into the Department	Terminations and transfers out of the Department	Turnover rate
Other Permanent	9	0	9	100
Contract (Levels 3-5) Permanent	8	8	2	25
Contract (Levels 6-8) Permanent	3	3	0	0
Contract (Levels 9-12) Permanent	13	12	4	30.8
Contract Band A Permanent	4	4	0	0
Contract Band B Permanent	1	1	0	0
Contract Band C Permanent	3	3	0	0
Contract Band D Permanent	1	1	1	1
TOTAL	259	32	24	9.3

Table 3.5.2 Annual turnover rates by critical occupation for the period 1 April 2018 and 31 March 2019

Critical occupation	Number of employees at beginning of period-April 2018	Appointments and transfers into the Department	Terminations and transfers out of the Department	Turnover rate
ADMINISTRATIVE RELATED Permanent	57	10	6	10.5
CLEANERS IN OFFICES WORKSHOPS HOSPITALS ETC. Permanent	9	4	0	0
CLIENT INFORM CLERKS(SWITCHBOARD RECEIPT INFORM CLERKS) Permanent	3	1	1	33.3
COMMUNICATION AND INFORMATION RELATED Permanent	18	0	0	0
ECONOMISTS Permanent	1	0	0	0
FINANCE AND ECONOMICS RELATED Permanent	11	0	0	0
FINANCIAL AND RELATED PROFESSIONALS Permanent	1	0	0	0
FINANCIAL CLERKS AND CREDIT CONTROLLERS Permanent	20	0	0	0
HEAD OF DEPARTMENT/CHIEF EXECUTIVE OFFICER Permanent	1	1	1	100
HOUSEHOLD FOOD AND LAUNDRY SERVICES RELATED Permanent	1	1	0	0

Critical occupation	Number of employees at beginning of period-April 2018	Appointments and transfers into the Department	Terminations and transfers out of the Department	Turnover rate
HUMAN RESOURCES & ORGANISAT DEVELOPM & RELATE PROF Permanent	4	0	0	0
HUMAN RESOURCES CLERKS Permanent	15	0	9	60
HUMAN RESOURCES RELATED Permanent	18	1	2	11.1
LEGAL RELATED Permanent	1	0	0	0
LIBRARY MAIL AND RELATED CLERKS Permanent	7	1	0	0
MESSENGERS PORTERS AND DELIVERERS Permanent	1	1	0	0
MOTOR VEHICLE DRIVERS Permanent	4	1	0	0
OTHER ADMINISTRAT & RELATED CLERKS AND ORGANISERS Permanent	27	0	0	0
OTHER ADMINISTRATIVE POLICY AND RELATED OFFICERS Permanent	2	0	0	0
OTHER OCCUPATIONS Permanent	5	3	0	0
REGULATORY INSPECTORS Permanent	1	0	0	0
RISK MANAGEMENT AND SECURITY SERVICES Permanent	1	0	0	0
SECRETARIES & OTHER KEYBOARD OPERATING CLERKS Permanent	25	3	4	16
SENIOR MANAGERS Permanent	26	5	1	3.8
TOTAL	259	32	24	9.3

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 2018 and 31 March 2019

Termination Type	Number	% of Total Resignations
Death, Permanent	1	4.2
Resignation, Permanent	5	20.8
Expiry of contract, Permanent	16	66.7
Retirement, Permanent	2	8.3
Dismissal – operational changes	0	0

Termination Type	Number	% of Total Resignations
Dismissal – misconduct	0	0
Dismissal – inefficiency	0	0
Discharged due to ill-health	0	0
Retirement	0	0
Transfer to other Public Service Departments	0	0
Other	0	0
TOTAL	24	100
Total number of employees who left as a % of total employment	24	9.3%

Table 3.5.4 Promotions by critical occupation for the period 1 April 2018 and 31 March 2019

Occupation	Employees 1 April 2018	Promotions to another salary level	Salary level promotions as a % of employees by occupation	Progressions to another notch within a salary level	Notch progression as a % of employees by occupation
ADMINISTRATIVE RELATED	57	0	0	43	75.4
CLEANERS IN OFFICES WORKSHOPS HOSPITALS ETC.	9	0	0	4	44.4
CLIENT INFORM CLERKS(SWITCHB RECEIPT INFORM CLERKS)	3	0	0	3	100
COMMUNICATION AND INFORMATION RELATED	18	0	0	9	50
ECONOMISTS	1	0	0	0	0
FINANCE AND ECONOMICS RELATED	11	0	0	7	63.6
FINANCIAL AND RELATED PROFESSIONALS	1	0	0	0	0
FINANCIAL CLERKS AND CREDIT CONTROLLERS	20	0	0	16	80
HEAD OF DEPARTMENT/ CHIEF EXECUTIVE OFFICER	1	0	0	0	0
HOUSEHOLD FOOD AND LAUNDRY SERVICES RELATED	1	0	0	0	0
HUMAN RESOURCES & ORGANISAT DEVELOPM & RELATE PROF	4	0	0	3	75

Occupation	Employees 1 April 2018	Promotions to another salary level	Salary level promotions as a % of employees by occupation	Progressions to another notch within a salary level	Notch progression as a % of employees by occupation
HUMAN RESOURCES CLERKS	15	0	0	5	33.3
HUMAN RESOURCES RELATED	18	0	0	16	88.9
LEGAL RELATED	1	0	0	1	100
LIBRARY MAIL AND RELATED CLERKS	7	0	0	7	100
MESSENGERS PORTERS AND DELIVERERS	1	0	0	0	0
MOTOR VEHICLE DRIVERS	4	0	0	1	25
OTHER ADMINISTRAT & RELATED CLERKS AND ORGANISERS	27	0	0	31	114.8
OTHER ADMINISTRATIVE POLICY AND RELATED OFFICERS	2	0	0	1	50
OTHER OCCUPATIONS	5	0	0	1	20
REGULATORY INSPECTORS	1	0	0	0	0
RISK MANAGEMENT AND SECURITY SERVICES	1	0	0	1	100
SECRETARIES & OTHER KEYBOARD OPERATING CLERKS	25	0	0	21	84
SENIOR MANAGERS	26	0	0	0	0
TOTAL	259	0	0	170	65.6

Table 3.5.5 Promotions by salary band for the period 1 April 2018 and 31 March 2019

Salary Band	Employees 1 April 2018	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
Skilled (Levels 3-5), Permanent	54	0	0	50	92.6
Highly Skilled Production (Levels 6-8), Permanent	51	0	0	43	84.3
Highly Skilled Supervision (Levels 9-12), Permanent	83	0	0	70	84.3
Senior Management (Levels >= 13), Permanent	29	0	0	0	0
Other, Permanent	9	0	0	0	0
Contract (Levels 3-5), Permanent	8	0	0	2	25
Contract (Levels 6-8), Permanent	3	0	0	2	66.7
Contract (Levels 9-12), Permanent	13	0	0	3	23.1
Contract (Levels >= 13), Permanent	9	0	0	0	0
TOTAL	259	0	0	170	65.60

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 2019

Occupational category	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
PROFESSIONALS	29	2	1	1	23	0	0	0	56
TECHNICIANS AND ASSOCIATE PROFESSIONALS	21	0	0	1	29	0	0	1	52
LABOURERS AND RELATED WORKERS	3	0	0	0	8	0	0	0	11
PLANT AND MACHINE OPERATORS AND ASSEMBLERS	1	0	0	0	0	0	0	0	1

Occupational category	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
SERVICE SHOP AND MARKET SALES WORKERS	0	0	0	0	2	0	0	0	2
CLERKS	20	0	0	0	65	2	0	2	89
SENIOR OFFICIALS AND MANAGERS	15	0	0	3	7	1	0	0	26
TOTAL	89	2	1	5	134	3	0	3	237
Employees with disabilities	6	1	0	1	1	0	0	0	9

Table 3.6.2 Total number of employees (including employees with disabilities) in each of the following occupational bands as on 31 March 2019

Occupational band	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top Management, Permanent	2	0	0	0	1	0	0	0	3
Senior Management, Permanent	14	0	0	3	7	0	0	0	24
Professionally qualified and experienced specialists and mid-management, Permanent	36	2	1	2	37	1	0	2	81
Skilled technical and academically qualified workers, junior management, supervisors, foremen, Permanent	13	0	0	0	36	1	0	1	51
Semi-skilled and discretionary decision making, Permanent	10	0	0	0	37	1	0	0	48
Contract (Top Management), Permanent	4	0	0	0	0	0	0	0	4
Contract (Senior Management), Permanent	3	0	0	0	2	0	0	0	5
Contract (Professionally Qualified), Permanent	4	0	0	0	7	0	0	0	11

Occupational band	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Contract (Skilled Technical), Permanent	1	0	0	0	2	0	0	0	3
Contract (Semi-Skilled), Permanent	2	0	0	0	5	0	0	0	7
TOTAL	89	2	1	5	134	3	0	3	237

Table 3.6.3 Recruitment for the period 1 April 2018 to 31 March 2019

Occupational band	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top Management	4	0	0	0	0	0	0	0	4
Senior Management	3	0	0	0	2	0	0	0	5
Professionally qualified and experienced specialists and mid-management	3	0	0	0	9	0	0	0	12
Skilled technical and academically qualified workers, junior management, supervisors, foreman and superintendents	1	0	0	0	2	0	0	0	3
Semi-skilled and discretionary decision making	2	0	0	0	6	0	0	0	8
Unskilled and defined decision making	0	0	0	0	0	0	0	0	0
Total	13	0	0	0	19	0	0	0	32
Employees with disabilities	1	0	0	0	0	0	0	0	1

Table 3.6.4 Promotions for the period 1 April 2018 to 31 March 2019

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

Occupational band	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Professionally qualified and experienced specialists and mid-management	30	2	0	1	36	0	0	1	70
Skilled technical and academically qualified workers, junior management, supervisors, foreman and superintendents	9	0	0	0	32	1	0	1	43
Semi-skilled and discretionary decision making	11	0	0	0	38	1	0	0	50
Contract (Professionally qualified), Permanent	1	0	0	0	2	0	0	0	3
11 Contract (Skilled technical), Permanent	0	0	0	0	2	0	0	0	2
12 Contract (Semi-skilled), Permanent	0	0	0	0	2	0	0	0	2
Unskilled and defined decision making	0	0	0	0	0	0	0	0	0
Total	51	2	0	1	112	2	0	2	170
Employees with disabilities	3	1	0	0	1	0	0	0	5

Table 3.6.5 Terminations for the period 1 April 2018 to 31 March 2019

Occupational band	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top Management, Permanent	0	0	0	0	1	0	0	0	1
Senior Management, Permanent	0	0	0	0	1	0	0	0	1
Professionally qualified and experienced specialists and mid-management, Permanent	2	0	0	0	1	0	0	0	3
Semi-skilled and discretionary decision making, Permanent	0	0	0	0	2	0	1	0	3

Occupational band	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Not Available, Permanent	3	0	0	0	6	0	0	0	9
Contract (Top Management), Permanent	1	0	0	0	0	0	0	0	1
Contract (Professionally qualified), Permanent	0	0	0	0	4	0	0	0	4
Contract (Semi-skilled), Permanent	0	0	0	0	2	0	0	0	2
TOTAL	6	0	0	0	17	0	1	0	24
Employees with Disabilities	0	0	0	0	0	0	0	0	0

Table 3.6.6 Disciplinary action for the period 1 April 2018 to 31 March 2019

Disciplinary action	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Insubordination	2	0	0	0	1	0	0	0	3
Misuse of Government resources	1	0	0	0	0	0	0	0	1
Total	3	0	0	0	1	0	0	0	4

Table 3.6.7 Skills development for the period 1 April 2018 to 31 March 2019

Occupational category	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Legislators, senior officials and managers	13	0	0	3	6	0	1	1	24
Professionals	27	2	1	1	20	0	0	0	51
Technicians and associate professionals	23	0	0	1	29	2	0	3	58
Clerks	18	0	0	0	64	1	1	0	84
Service and sales workers	0	0	0	0	2	0	0	0	2
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	3	0	0	0	0	0	0	0	3

Occupational category	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Elementary occupations	4	0	0	0	11	0	0	0	15
Total	88	2	1	5	132	3	2	4	237
Employees with disabilities	5	1	0	1	1	1	0	0	9

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 2018

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	-	-	-	-
Salary Level 15	6	6	3	50%
Salary Level 14	7	6	5	83%
Salary Level 13	24	24	24	100%
Total	38	37	33	89%

Table 3.7.2 Reasons for not having concluded Performance agreements for all SMS members as on 31 May 2018

Reasons
The Special advisers were still within the three months grace period after their appointment.

Table 3.7.3 Disciplinary steps taken against SMS members for not having concluded Performance agreements as on 31 May 2019

Reasons
Not applicable

3.8. Performance Rewards

To encourage good performance, the Department has granted the following performance rewards during the year

under review. The information is presented in terms of race, gender, disability, salary bands and critical occupations (see definition in notes below).

Table 3.8.1 Performance Rewards by race, gender and disability for the period 1 April 2018 to 31 March 2019

Race and Gender	Beneficiary Profile			Cost	
	Number of beneficiaries	Number of employees	% of total within group	Cost (R'000)	Average cost per employee
African, Female	84	133	63.2	1 285.08	15 299
African, Male	29	83	34.9	595.35	20 529
Asian, Female	1	0	0	9.45	9 449
Asian, Male	1	1	100	23.24	23 237
Coloured, Female	3	3	100	45.09	15 030
Coloured, Male	1	1	100	20.94	20 937
Total Blacks, Female	88	136	64.7	1 339.62	15 223
Total Blacks, Male	31	85	36.5	639.53	20 630
White, Female	2	3	66.7	39.26	19 629
White, Male	1	4	25	219.51	219 506
Employees with a disability	4	9	44.4	79.57	19 892
TOTAL	126	237	53.2	2 317.48	18 393

Table 3.8.2 Performance Rewards by salary band for personnel below Senior Management Service for the period 1 April 2018 to 31 March 2019

Salary band	Beneficiary Profile			Cost	
	Number of beneficiaries	Number of employees	% of total within salary bands	Total Cost (R'000)	Average cost per employee
Skilled (Levels 3-5)	39	48	81.3	426.59	10 938
Highly Skilled Production (Levels 6-8)	30	51	58.8	414.49	13 816
Highly Skilled Supervision (Levels 9-12)	38	81	46.9	754.14	19 846
Contract (Levels 3-5)	5	7	71.4	51.45	10 290
Contract (Levels 6-8)	3	3	100	31.05	10 350

Salary band	Beneficiary Profile			Cost	
	Number of beneficiaries	Number of employees	% of total within salary bands	Total Cost (R'000)	Average cost per employee
Contract (Levels 9-12)	4	11	36.4	104.77	26 194
TOTAL	119	201	59.2	1 782.5	14 979

Table 3.8.3 Performance Rewards by critical occupation for the period 1 April 2018 to 31 March 2019

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	12.50	20	62.5	175.43	14 034
HOUSEHOLD FOOD AND LAUNDRY SERVICES RELATED	0	1	0	0	0
HUMAN RESOURCES CLERKS	6	5	120	66.41	11 068
HUMAN RESOURCES & ORGANISAT DEVELOPM & RELATE PROF	1	4	25	22.56	22 556
MESSENGERS PORTERS AND DELIVERERS	1	1	100	9.31	9 309
RISK MANAGEMENT AND SECURITY SERVICES	1	1	100	21.25	21 252
FINANCE AND ECONOMICS RELATED	4	12	33.3	69.43	17 358
OTHER ADMINISTRAT & RELATED CLERKS AND ORGANISERS	18	33	54.5	250.41	13 912
OTHER OCCUPATIONS	1	5	20	19.1	19 097
LEGAL RELATED	1	1	100	32.09	32 094
FINANCIAL AND RELATED PROFESSIONALS	1	2	50	49.41	49 408
ADMINISTRATIVE RELATED	20.5	51	40.2	489.51	23 879
COMMUNICATION AND INFORMATION RELATED	7	15	46.7	120.6	17 228
SECRETARIES & OTHER KEYBOARD OPERATING CLERKS	17	21	81	194.89	11 464

Critical occupation	Beneficiary Profile			Cost	
	Number of beneficiaries	Number of employees	% of total within occupation	Total Cost (R'000)	Average cost per employee
CLEANERS IN OFFICES WORKSHOPS HOSPITALS ETC.	8	9	88.9	69.9	8 737
LIBRARY MAIL AND RELATED CLERKS	5	6	83.3	66.13	13 226
HUMAN RESOURCES RELATED	12	17	70.6	216.12	18 010
HEAD OF DEPARTMENT/ CHIEF EXECUTIVE OFFICER	0	1	0	0	0
OTHER ADMINISTRATIVE POLICY AND RELATED OFFICERS	0	1	0	0	0
SENIOR MANAGERS	5	25	20	402.67	80 535
CLIENT INFORM CLERKS(SWITCHB RECEIPT INFORM CLERKS)	4	4	100	34.38	8 595
ECONOMISTS	0	1	0	0	0
MOTOR VEHICLE DRIVERS	1	1	100	7.87	7 875
TOTAL	126	237	53.2	2 317.48	18 393

Table 3.8.4 Performance related rewards (cash bonus), by salary band for Senior Management Service for the period 1 April 2018 to 31 March 2019

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	3	23	13	144.75	48 250.1	0.5
Band B	3	6	50	317.03	105 678	3.6
Band C	1	5	20	73.19	73 194.6	0.8
Band D	0.0	2	0.0	0.0	0.0	0.0
Total	7	36	19.4	534.98	76 425.6	1.1

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 2018 and 31 March 2019

Salary band	01 April 2018		31 March 2019		Change	
	Number	% of total	Number	% of total	Number	% Change
Lower skilled	0.0	0.0	0.0	0.0	0.0	0.0
Highly skilled production (Lev. 6-8)	0.0	0.0	0.0	0.0	0.0	0.0
Highly skilled supervision (Lev. 9-12)	0.0	0.0	0.0	0.0	0.0	0.0
Contract (level 9-12)	0.0	0.0	0.0	0.0	0.0	0.0
Contract (level 13-16)	0.0	0.0	0.0	0.0	0.0	0.0
Total	0.0	0.0	0.0	0.0	0.0	0.0

Table 3.9.2 Foreign workers by major occupation for the period 1 April 2018 and 31 March 2019

Salary band	01 April 2018		31 March 2019		Change	
	Number	% of total	Number	% of total	Number	% Change
Lower skilled	0.0	0.0	0.0	0.0	0.0	0.0
Highly skilled production (Lev. 6-8)	0.0	0.0	0.0	0.0	0.0	0.0
Highly skilled supervision (Lev. 9-12)	0.0	0.0	0.0	0.0	0.0	0.0
Contract (level 9-12)	0.0	0.0	0.0	0.0	0.0	0.0
Contract (level 13-16)	0.0	0.0	0.0	0.0	0.0	0.0
Total	0.0	0.0	0.0	0.0	0.0	0.0

3.10. Leave utilisation

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

Table 3.10.1 Sick leave for the period 1 January 2018 to 31 December 2019

Salary band	Total days	% Days with Medical certification	Number of Employees using sick leave	% of total employees using sick leave	Average days per employee	Estimated Cost (R'000)
Contract (Levels 3-5)	31	100	3	2.3	10	26
Contract (Levels 9-12)	21	95.2	2	1.6	11	55
Highly skilled production (Levels 6-8)	229	84.3	28	21.9	8	339
Highly skilled supervision (Levels 9-12)	278	74.5	50	39.1	6	732
Senior Management (Levels 13-16)	92	76.1	13	10.2	7	390
Skilled (Levels 3-5)	209	82.3	32	25	7	179
Total	860	80.6	128	54	7	1 722

Table 3.10.2 Disability leave (temporary and permanent) for the period 1 January 2018 to 31 December 2018

Salary band	Total days	% Days with Medical certification	Number of Employees using disability leave	% of total employees using disability leave	Average days per employee	Estimated Cost (R'000)
Lower skilled (Levels 1-2)	0.0	0.0	0.0	0.0	0.0	0.0
Skilled (Levels 3-5)	0.0	0.0	0.0	0.0	0.0	0.0
Highly skilled production (Levels 6-8)	0.0	0.0	0.0	0.0	0.0	0.0
Highly skilled supervision (Levels 9-12)	0.0	0.0	0.0	0.0	0.0	0.0
Senior management (Levels 13-16)	0.0	0.0	0.0	0.0	0.0	0.0
Total	0.0	0.0	0.0	0.0	0.0	0.0

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 2018 to 31 December 2018

Salary band	Total days taken	Number of Employees using annual leave	Average per employee
Contract (Levels 13-16)	46	6	8
Contract (Levels 3-5)	115	7	16
Contract (Levels 6-8)	20	2	10
Contract (Levels 9-12)	154	10	15
Contract Other	83	9	9
Highly skilled production (Levels 6-8)	1 174	52	23
Highly skilled supervision (Levels 9-12)	1 972	81	24
Senior management (Levels 13-16)	707	27	26
Skilled (Levels 3-5)	1 249	53	24
TOTAL	5 520	247	22

Table 3.10.4 Capped leave for the period 1 January 2018 to 31 December 2018

Salary band	Total days of capped leave taken	Number of Employees using capped leave	Average number of days taken per employee	Average capped leave per employee as on 31 March 2019
Contract (Levels 13-16)	0	0	0	0
Contract (Levels 3-5)	0	0	0	0
Contract (Levels 6-8)	0	0	0	0
Contract (Levels 9-12)	0	0	0	0
Contract Other	0	0	0	0
Highly skilled production (Levels 6-8)	0	0	0	42
Highly skilled supervision (Levels 9-12)	0	0	0	53
Senior management (Levels 13-16)	5	2	3	89
Skilled (Levels 3-5)	0	0	0	41
TOTAL	5	2	3	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 2018 and 31 March 2019

Reason	Total amount (R'000)	Number of employees	Average per employee (R'000)
ANNUAL - DISCOUNTING WITH RESIGNATION (WORK DAYS)	146	4	36.5
ANNUAL - DISCOUNTING: UNUSED VACATION CREDITS (WORK DAYS)	141	3	47
ANNUAL - GRATUITY: DEATH/RETIREMENT/ MEDICAL RETIREMENT(WORK	130	4	32.5
CAPPED - GRATUITY: DEATH/RETIREMENT/ MEDICAL RETIREMENT(WORK	251	4	62.6
TOTAL	668	15	44.7

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
-	-

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, 2016? If so, provide her/his name and position		NO	The position of Senior Manager: Transversal HRM Services has been filled by the Head of Youth Development, who does not deal with HIV/AIDS Programmes at all.

Question	Yes	No	Details, if yes
<p>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</p>	YES		<p>The Unit: Transversal Human Resource Management Services has been entrusted with the responsibility of implementing the programme within the OTP and Coordinating the Programme implementation including HCT campaigns across the Mpumalanga Provincial Government.</p> <p>The team has four staff members who facilitate the implementation of the Employee Health and Wellness (EH&W) Strategic Plan and Occupational Health and Safety Plan to ensure the employee wellness, safety in the workplace and co-ordination of the services of Employee Health and Wellness across Departments within the Provincial Government in accordance with the relevant prescripts. The OTP does have one employee, who serves as an Internal Employee Health and Wellness Co-ordinator. The budget for the Internal Employee Health and Wellness Programme allocated within the Internal HRM and Development Unit – The budget is therefore not specifically allocated for the Internal Employee Health and Wellness Division.</p>
<p>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.</p>	YES		<p>Financial Management, Stress management, Home Visits, Health Screening, Physical Activities, Pre-Counselling HIV Counselling and Testing. The Key elements of the Programme are: HIV&AIDS and TB management and mitigation; Prevention; Treatment; Care and Support; Wellness management; Safety Health Environment Risk and Quality Management; and Health Productivity Management in compliance with the National Policy Framework on Employee Health and Wellness.</p>
<p>4. Has the Department established (a) committee(s) as contemplated in Part VI E.5 (e) of Chapter 1 of the Public Service Regulations, 2016? If so, please provide the names of the members of the committee and the stakeholder(s) that they represent.</p>		NO	<p>The OTP co-ordinates the functioning of the Inter-Departmental Committee on EHW. There are measures in place to protect the infected and affected from discrimination which include the following:</p> <ul style="list-style-type: none"> - Mainstreaming of HIV&AIDS in all HRM functions and practices within the workplace; - Awareness campaigns and peer education on rights of the affected and the infected; - Adherence to Chapter 2 of the Constitution, 1996; - Monitoring by all key stakeholders to ensure compliance with all prescripts and the Constitution; - Commemorations and information sharing sessions on the prevalence and the causes thereof; - HIV & AIDS and TB policies; - identification of environmental risk factors; and -Employee Assistant Programme and support.

Question	Yes	No	Details, if yes
5. Has the Department reviewed its employment policies and practices to ensure that these do not unfairly discriminate against employees on the basis of their HIV status? If so, list the employment policies/practices so reviewed	YES		The OTP has reviewed its HIV/AIDS and TB Management Policy Framework, Wellness Management Policy and Bereavement policies. All the above policies have been approved by the Accounting Officer.
6. Has the Department introduced measures to protect HIV-positive employees or those perceived to be HIV-positive from discrimination? If so, list the key elements of these measures.	YES		The OTP ensures that during its quarterly Employee Health and Wellness Programmes, it provides training on condom usage and condom distribution. In addition, there are policies in place that can be used as educational tools on important issues relating HIV/AIDS.
7. Does the Department encourage its employees to undergo Voluntary Counselling and Testing? If so, list the results that you have you achieved.	YES		Only 6% (12 out of 200) of employees got tested in the previous Financial Year, i.e. employees on salary levels 3-12. During every Health and Wellness promotion event, employees are provided the opportunity to undergo voluntarily counselling and testing including General and Physical Health assessment. To date 112 officials in the OTP have undergone VCT.
8. Has the Department developed measures/indicators to monitor & evaluate the impact of its health promotion Programme? If so, list these measures/indicators.	YES		There are several Policies in place to guide the implementation of EH&W and the conduct of employees Quarterly Sick leave utilization profile; Reduction in absenteeism; behaviour and lifestyle modification; the levels of compliance to treatment and healthy lifestyles; and the improved level of attendance to EH&W Programmes and HCT campaigns. The Annual Performance Plans that talks to the four (4) Pillars, Implementation and Operation of the EH&W Management system and EH&W evaluation, corrective and preventative action makes provision for the effective monitoring and evaluation of the EH&W Programme.

Labour Relations

Table 3.12.1 Collective agreements for the period 1 April 2018 and 31 March 2019

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

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

Table 3.12.2 Misconduct and disciplinary hearings finalised for the period 1 April 2018 and 31 March 2019

Outcomes of disciplinary hearings	Number	% of total
Correctional counselling	0	0.0
Verbal warning	0	0.0
Written warning	3	75
Final written warning	1	25
Suspended without pay	0	0.0
Fine	0	0.0
Demotion	0	0.0
Dismissal	0	0.0
Not guilty	0	0.0
Case withdrawn	0	0.0
Total	4	100

Total number of Disciplinary hearings finalised	4
--	----------

Table 3.12.3 Types of misconduct addressed at disciplinary hearings for the period 1 April 2018 and 31 March 2019

Type of misconduct	Number	% of total
Insubordination	3	75
Misuse of Government resources	1	25
Total	4	100

Table 3.12.4 Grievances logged for the period 1 April 2018 and 31 March 2019

Grievances	Number	% of Total
Number of grievances resolved	1	4.8
Number of grievances not resolved	21	95.2
Total number of grievances lodged	22	100

Table 3.12.5 Disputes logged with Councils for the period 1 April 2018 and 31 March 2019

Disputes	Number	% of Total
Number of disputes upheld	0	0.0
Number of disputes dismissed	0	0.0
Total number of disputes lodged	0	0.0

Table 3.12.6 Strike actions for the period 1 April 2018 and 31 March 2019

Total number of persons working days lost	0.0
Total costs working days lost	0.0

Amount recovered as a result of no work no pay (R'000)	0.0
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Note: There were few protest actions by organised labour, which were subsequently resolved amicably.

Table 3.12.7 Precautionary suspensions for the period 1 April 2018 and 31 March 2019

Number of people suspended	0
Number of people who's suspension exceeded 30 days	0
Average number of days suspended	0
Cost of suspension(R'000)	0.0

3.12. 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 2018 and 31 March 2019

Occupational category	Gender	Number of employees as at 1 April 2018	Training needs identified at start of the reporting period			
			Learnerships/ Internships	Skills Programmes & other short courses	Other forms of training	Total
Legislators, senior officials and managers	Female	8	-	Women Empowerment Conference; PMDS; Executive Development Programme	-	24
	Male	16	-	Women Empowerment Conference; PMDS; Executive Development Programme	-	
Professionals	Female	20	-	Women Empowerment Conference; PMDS; Executive Development Programme	-	60
	Male	40	-	Women Empowerment Conference; PMDS; Executive Development Programme	-	
Technicians and associate professionals	Female	35	-	Women Empowerment Conference; PMDS; Executive Development Programme	-	60
	Male	25	-	Women Empowerment Conference; PMDS; Executive Development Programme	-	

Occupational category	Gender	Number of employees as at 1 April 2018	Training needs identified at start of the reporting period			
			Learnerships/ Internships	Skills Programmes & other short courses	Other forms of training	Total
Clerks	Female	60		Customer Care; Secretaries' Conference; Team Building Session; Induction; PMDS	-	92
	Male	32		Customer Care; Secretaries' Conference; Team Building Session; Induction; PMDS	-	
Service and sales workers	Female	2	-	Customer Care; HIV and AIDS; Archives and records management;	-	2
	Male	0	-	-	-	
Skilled agriculture and fishery workers	Female	0	-	-	-	0
	Male	0	-	-	-	
Craft and related trades workers	Female	0	-	-	-	0
	Male	0	-	-	-	
Plant and machine operators and assemblers	Female	0	-	-	-	0
	Male	0	-	-	-	
Elementary occupations	Female	11	-	Customer Care; Induction; PMDS	-	15
	Male	4	-	Customer Care; Induction; PMDS	-	
Sub Total	Female	136	6	-	-	9
	Male	117	3	-	-	
Total		253	9	-	-	262

Table 3.13.2 Training provided for the period 1 April 2018 and 31 March 2019

Occupational category	Gender	Number of employees as at 1 April 2018	Training needs identified at start of the reporting period			
			Learn-erships/ Intern-ships	Skills Programmes & other short courses	Other forms of train-ing	Total
Legislators, senior officials and man-agers	Female	8	-	Women Empowerment Conference; PMDS; Executive Development Programme	-	24
	Male	16	-	Women Empowerment Conference; PMDS; Executive Development Programme	-	
Professionals	Female	20	-	Women Empowerment Conference; PMDS; Executive Development Programme	-	60
	Male	40	-	Women Empowerment Conference; PMDS; Executive Development Programme	-	
Technicians and associate profes-sionals	Female	35	-	Women Empowerment Conference; PMDS; Executive Development Programme	-	60
	Male	25	-	Women Empowerment Conference; PMDS; Executive Development Programme	-	
Clerks	Female	60		Customer Care; Secretaries' Confer-ence; Team Building Session; Induc-tion; PMDS	-	92
	Male	32		Customer Care; Secretaries' Confer-ence; Team Building Session; Induc-tion; PMDS	-	
Service and sales workers	Female	2	-	Customer Care; HIV and AIDS; Archives and records management;	-	2
	Male	0	-	-	-	
Skilled agriculture and fishery workers	Female	0	-	-	-	0
	Male	0	-	-	-	
Craft and related trades workers	Female	0	-	-	-	0
	Male	0	-	-	-	

Occupational category	Gender	Number of employees as at 1 April 2018	Training needs identified at start of the reporting period			
			Learn-erships/ Intern-ships	Skills Programmes & other short courses	Other forms of train-ing	Total
Plant and machine operators and assemblers	Female	0	-	-	-	0
	Male	0	-	-	-	
Elementary occupations	Female	11	-	Customer Care; Induction; PMDS	-	15
	Male	4	-	Customer Care; Induction; PMDS	-	
Sub Total	Female	136	6	-	-	9
	Male	117	3	-	-	
Total		253	9	-	-	262

3.13. 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 2018 and 31 March 2019

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

3.14. Utilisation of Consultants

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

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

Table 3.14.1 Report on consultant appointments using appropriated funds for the period 1 April 2018 and 31 March 2019

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

Total number of projects	Total individual consultants	Total duration Work days	Total contract value in Rand
0	0	0	0.0
0	0	0	0.0

Table 3.14.2 Analysis of consultant appointments using appropriated funds, in terms of Historically Disadvantaged Individuals (HDIs) for the period 1 April 2018 and 31 March 2019

Project title	Percentage ownership by HDI groups	Percentage management by HDI groups	Number of consultants from HDI groups that work on the project
-	0	0	0.0
-	0	0	0.0

Table 3.14.3 Report on consultant appointments using Donor funds for the period 1 April 2018 and 31 March 2019

Project title	Total Number of consultants that worked on project	Duration (Work days)	Donor and contract value in Rand
-	0	0	0.0
-	0	0	0.0

Total number of projects	Total individual consultants	Total duration Work days	Total contract value in Rand
0	0	0	0.0
0	0	0	0.0

Table 3.14.4 Analysis of consultant appointments using Donor funds, in terms of Historically Disadvantaged Individuals (HDIs) for the period 1 April 2018 and 31 March 2019

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

Note: It must be noted that the consultants used during this financial year, were accounted for in the Financial Information section, i.e. PART E of this report. It must be further noted that their particulars are not required to be captured on PERSAL system in this regard.

3.15. **Severance Packages**

Table 3.16.1 Granting of employee initiated severance packages for the period 1 April 2018 and 31 March 2019

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





PART E: FINANCIAL INFORMATION

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**REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS TO THE MPUMALANGA
PROVINCIAL LEGISLATURE ON VOTE 1: OFFICE OF THE PREMIER
for the year ended 31 March 2019**

Opinion

1. I have audited the financial statements of the Office of the Premier set out on pages 160 to 220, which comprise the appropriation statement, the statement of financial position as at 31 March 2019, the statement of financial performance and cash flow statement for the year then ended, as well as the notes to the financial statements, including a summary of significant accounting policies.
2. In my opinion, the financial statements present fairly, in all material respects, the financial position of the Office of the Premier as at 31 March 2019, and its financial performance and cash flows for the year then ended in accordance with the Modified Cash Standard (MCS) and the requirements of the Public Finance Management Act of South Africa, 1999 (Act No. 1 of 1999) (PFMA).

Basis for opinion

3. I conducted my audit in accordance with the International Standards on Auditing (ISAs). My responsibilities under those standards are further described in the auditor-general's responsibilities for the audit of the financial statements section of this auditor's report.
4. I am independent of the department in accordance with sections 290 and 291 of the International Ethics Standards Board for Accountants' Code of ethics for professional accountants and parts 1 and 3 of the International Ethics Standards Board for Accountants' International code of ethics for professional accountants (including International Independence Standards) (IESBA codes) as well as the ethical requirements that are relevant to my audit in South Africa. I have fulfilled my other ethical responsibilities in accordance with these requirements and the IESBA codes.
5. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Emphasis of matters

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

Underspending of the vote

7. As disclosed in the appropriation statement, the department materially underspent the budget by R5 380 000 on administration, R2 608 000 on institutional development, and R8 217 000 on policy and governance.

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Irregular expenditure

8. As disclosed in note 22 to the financial statements, the department incurred irregular expenditure of R78 528 000, as proper supply chain management processes were not followed.
9. As disclosed in note 22 to the financial statements, irregular expenditure for the current year is still being investigated to determine its full extent.

Fruitless and wasteful expenditure

10. As disclosed in note 23 to the financial statements, the department incurred fruitless and wasteful expenditure of R5 896 000.

Other matter

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

Unaudited supplementary schedule

12. The supplementary information set out on pages 220 to 224 does not form part of the financial statements and is presented as additional information. I have not audited these schedules and, accordingly, I do not express an opinion on them.

Responsibilities of the accounting officer for the financial statements

13. The accounting officer is responsible for the preparation and fair presentation of the financial statements in accordance with the MCS and the requirements of the PFMA, and for such internal control as the accounting officer determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.
14. 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.

**REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS TO THE MPUMALANGA
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Auditor-general's responsibilities for the audit of the financial statements

15. 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.
16. A further description of my responsibilities for the audit of the financial statements is included in the annexure to this auditor's report.

Report on the audit of the annual performance report

Introduction and scope

17. In accordance with the Public Audit Act of South Africa, 2004 (Act No. 25 of 2004) (PAA) and the general notice issued in terms thereof, I have a responsibility to report material findings on the reported performance information against predetermined objectives for selected programmes presented in the annual performance report. I performed procedures to identify findings but not to gather evidence to express assurance.
18. My procedures address the reported performance information, which must be based on the approved performance planning documents of the department. I have not evaluated the completeness and appropriateness of the performance indicators included in the planning documents. My procedures also did not extend to any disclosures or assertions relating to planned performance strategies and information in respect of future periods that may be included as part of the reported performance information. Accordingly, my findings do not extend to these matters.
19. I evaluated the usefulness and reliability of the reported performance information in accordance with the criteria developed from the performance management and reporting framework, as defined in the general notice, for the following selected programmes presented in the annual performance report of the department for the year ended 31 March 2019:

Programmes	Pages in the annual performance report
Programme 1 - Administration	34-43
Programme 2 - Institutional Development	44-60
Programme 3 - Policy and Governance	61-76

**REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS TO THE MPUMALANGA
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20. I performed procedures to determine whether the reported performance information was properly presented and whether performance was consistent with the approved performance planning documents. I performed further procedures to determine whether the indicators and related targets were measurable and relevant, and assessed the reliability of the reported performance information to determine whether it was valid, accurate and complete.

21. The material findings in respect of the usefulness and reliability of the selected programmes are as follows:

Programme 1 – Administration

% of received officials' files vetted

22. The source information and evidence for achieving the planned indicator were not clearly defined.

23. The achievement for the target reported in the annual performance report was 100% (28 of 28). However, the supporting evidence provided did not agree to the reported achievement and indicated an achievement of 64% (18 of 28).

Programme 2 – Institutional Development

Various indicators: performance indicators not well defined and/or targets not specific and/or measurable

24. The source information, evidence and method of calculation for achieving the planned indicator were not clearly defined for the indicators listed below:

- Reviewed organisational structure
- Percentage of approved critical vacant funded posts filled within 6 months after vacancy occurred
- Number of monitoring reports on the implementation of an Effective Regional
- Service Delivery Model

Various indicators: limitation

25. I was unable to obtain sufficient appropriate audit evidence for the reported achievements of two of the 25 indicators relating to this programme. This was due to limitations placed on the scope of my work. I was unable to confirm the reported achievements by alternative means. Consequently, I was unable to determine whether

**REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS TO THE MPUMALANGA
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any adjustments were required to the reported achievements in the annual performance report of the indicators listed below:

Indicator	Reported achievement	Limitation
Percentage of posts evaluated and graded in Provincial Departments within 30 working days after receipts of the request	100% (3) of posts evaluated in Provincial Departments within 30 working days after receipt of request 104 additional posts from the backlog list were evaluated and finalised however not with 30 days	Job evaluation request register was incomplete as it did not include all requests received
Percentage of legal advisory services provided through formal written legal opinions, letters and other documents with a legal bearing, have legal consultants, and attending to various aspects pertaining to Provincial Bills	100% - 2 legal opinions of the 2 requests received were drafted and submitted to the clients, 114 memoranda, reports, letters, MOUs, Service Level Agreements, employment contracts and other documents with a legal bearing of the 114 requests received were prepared, the Unit held 192 legal consultations of the 192 request received and also dealt with various aspects pertaining to 8 Provincial Bills	Register of requests received was not kept

Programme 3 – Policy and Governance

Approved Provincial Programme of Action (PPOA) for 2018/19

26. The source information for achieving the planned indicator was not clearly defined.

Other matters

27. I draw attention to the matters below.

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Achievement of planned targets

28. Refer to the annual performance report on pages 27 to 77 for information on the achievement of planned targets for the year and explanations provided for the under- and overachievement of a significant number of targets. This information should be considered in the context of the material findings on the usefulness and reliability of the reported performance information in paragraphs 22 to 26 of this report.

Adjustment of material misstatements

29. I identified material misstatements in the annual performance report submitted for auditing. These material misstatements were on the reported performance information of administration, institutional development, and policy and governance. As management subsequently corrected only some of the misstatements, I raised material findings on the usefulness and reliability of the reported performance information. Those that were not corrected are reported above.

Report on the audit of compliance with legislation

Introduction and scope

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

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

Strategic planning and performance management

32. Specific information systems were not established to enable the monitoring of progress made towards achieving targets, core objectives and service delivery, as required by public service regulation 25(1)(e)(i) and (iii).

Financial statements and annual report

33. The financial statements submitted for auditing were not prepared in accordance with the prescribed financial reporting framework, as required by section 40(1)(b) of the PFMA. Material misstatements of disclosure items identified by the auditors in the submitted financial statements were corrected, resulting in the financial

**REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS TO THE MPUMALANGA
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statements receiving an unqualified opinion.

Procurement and contract management

34. Some goods and services with a transaction value above R500 000 were procured without inviting competitive bids, and deviations were approved by the accounting officer despite it being practical to invite competitive bids, contrary to treasury regulation 16A6.1 and 16A6.4. Similar non-compliance was also reported in the prior year.
35. Some contracts were awarded to suppliers whose tax matters had not been declared by the South African Revenue Service to be in order, as required by treasury regulation 16A9.1 (d). Similar non-compliance was also reported in the prior year.
36. Some contracts were extended or modified without the approval of a properly delegated official, as required by section 44 of the PFMA and treasury regulation 8.1 and 8.2. Similar non-compliance was also reported in the prior year.

Expenditure management

37. Effective and appropriate steps were not taken to prevent irregular expenditure amounting to R78 528 000, as disclosed in note 22 to the financial statements, as required by section 38(1)(c)(ii) of the PFMA and treasury regulation 9.1.1. Most of the irregular expenditure disclosed in the financial statements resulted from the unfair rotation of suppliers as well as payments made after the expiry of contracts.

Consequence management

38. I was unable to obtain sufficient appropriate audit evidence that disciplinary steps were taken against officials who had incurred fruitless and wasteful expenditure, as required by section 38(1)(h)(iii) of the PFMA, due to such expenditure not being investigated.
39. I was unable to obtain sufficient appropriate audit evidence that disciplinary steps were taken against officials who had incurred irregular expenditure, as required by section 38(1)(h)(iii) of the PFMA, due to such expenditure not being investigated.

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for the year ended 31 March 2019**

Other information

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

Internal control deficiencies

45. I considered internal control relevant to my audit of the financial statements, reported performance information and compliance with applicable legislation; however, my objective was not to express any form of assurance on it. The matters reported below are limited to the significant internal control deficiencies that resulted in the findings on the annual performance report and the findings on compliance with legislation included in this report.
46. There was insufficient oversight and monitoring of the implementation of internal controls during the year, resulting in material misstatements in the financial statements and annual performance report as well as instances of irregular expenditure.
47. Supporting documents to the financial statements and annual performance report were not adequately reviewed.

**REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS TO THE MPUMALANGA
PROVINCIAL LEGISLATURE ON VOTE 1: OFFICE OF THE PREMIER
for the year ended 31 March 2019**

48. The department did not develop and implement proper performance planning and management practices to provide for the development of performance indicators and targets, as some did not meet the 'SMART' criteria as defined in the Framework for Managing Programme Performance Information.
49. Non-compliance with legislation identified in procurement and contract management (relating to the splitting of tenders, awards made to suppliers who were not tax compliant, unfair rotation of suppliers appointed on the same contract, and use of deviations that were not justifiable); as well as non-compliance due to material misstatements in the financial statements submitted for auditing, could have been prevented had proper reviews been done by senior management.
50. The department did not have a proper record management system to maintain information that supported the reported performance in the annual performance report and annual financial statements.
51. The audit committee did meet as required during the year. Based on the minutes of these meetings, however, issues relating to the annual financial statements (material misstatements from prior years and any control weaknesses) were not discussed in detail.
52. The audit committee discussed the spending to date and tracked the resolution of audit findings from the report submitted by the internal audit function. However, there was no detailed documentation indicating that the committee engaged management thoroughly on the real root causes of prior year material misstatements.

Auditor-General

Mbombela
31 July 2019



AUDITOR - GENERAL
SOUTH AFRICA

Auditing to build public confidence

Annexure – Auditor-general’s responsibility for the audit

1. As part of an audit in accordance with the ISAs, I exercise professional judgement and maintain professional scepticism throughout my audit of the financial statements, and the procedures performed on reported performance information for selected programmes and on the department’s compliance with respect to the selected subject matters.

Financial statements

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

Communication with those charged with governance

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

4. I also confirm to the accounting officer that I have complied with relevant ethical requirements regarding independence, and communicate all relationships and other matters that may reasonably be thought to have a bearing on my independence and, where applicable, related safeguards.

ANNUAL FINANCIAL STATEMENTS
(MP: OFFICE OF THE PREMIER)
VOTE 1
APPROPRIATION STATEMENT
for the year ended 31 March 2019

Appropriation per programme									
Programme	2018/19					2017/18			
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
1. Administration	177 195	-	-	177 195	171 815	5 380	97.0%	176 445	176 353
2. Institutional Development	70 293	-	-	70 293	67 685	2 608	96.3%	74 600	74 243
3. Policy & Governance	71 304	-	-	71 304	63 087	8 217	88.5%	60 190	60 115
Subtotal Statutory Appropriation	318 792	-	-	318 792	302 587	16 205	94.9%	311 235	310 711
TOTAL	318 792	-	-	318 792	302 587	16 205	94.9%	311 235	310 711

	2018/19		2017/18	
	Final Appropriation	Actual Expenditure	Final Appropriation	Actual Expenditure
TOTAL (brought forward)	318 792	302 587		310 711
Reconciliation with statement of financial performance				
ADD				
Departmental receipts	-		1 188	
NRF Receipts				
Aid assistance				
Actual amounts per statement of financial performance (total revenue)	318 792		312 423	
Actual amounts per statement of financial performance (total expenditure)				310 711

**(MP: OFFICE OF THE PREMIER)
VOTE 1
APPROPRIATION STATEMENT
for the year ended 31 March 2019**

Appropriation per economic classification	2018/19						2017/18		
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Economic classification									
Current payments	308 031	(3 259)	-	304 772	288 858	15 864	94.8%	276 693	276 489
Compensation of employees	157 268	(4 208)	-	153 060	151 157	1 853	98.8%	143 578	143 507
Salaries and wages	135 808	(1 933)	-	133 875	132 102	1 773	98.7%	126 986	125 379
Social contributions	21 460	(2 275)	-	19 185	19 055	130	99.3%	16 592	18 128
Goods and services	150 763	949	-	151 712	137 701	14 011	90.8%	133 115	132 982
Administrative fees	2 083	567	-	2 650	2 587	63	97.6%	1 742	1 721
Advertising	3 967	(429)	-	3 538	3 101	437	87.6%	5 257	5 256
Minor assets	-	72	-	72	71	1	98.6%	63	63
Audit costs: External	4 500	4	-	4 504	4 504	-	100.0%	4 055	4 055
Bursaries: Employees	-	-	-	-	-	-	-	-	-
Catering: Departmental activities	2 794	317	-	3 111	2 777	334	89.3%	3 593	3 593
Communication (G & S)	4 318	1 973	-	6 291	5 777	514	91.8%	4 983	4 951
Computer services	18 641	1 149	-	19 790	19 679	111	99.4%	16 882	16 882
Consultants: Business and advisory services	75 849	(13 501)	-	62 348	52 517	9 831	84.2%	64 200	64 197
Legal services	150	333	-	483	483	-	100.0%	95	95
Contractors	134	(44)	-	90	51	39	57.1%	121	99
Fleet services	2 096	987	-	3 083	3 083	-	100.0%	2 391	2 391
Consumable supplies	761	154	-	915	900	15	98.4%	286	286
Consumable: Stationery, printing and office supplies	1 798	1 793	-	3 591	3 519	72	98.0%	1 719	1 719
Operating leases	1 058	(573)	-	485	485	-	100.0%	885	885
Property payments	3 585	656	-	4 241	4 241	-	100.0%	4 531	4 531
Transport provided: Departmental activity	1 062	800	-	1 862	881	981	47.3%	915	915
Travel and subsistence	18 873	2 969	-	21 842	20 594	1 248	94.3%	16 306	16 288
Training and development	1 255	(267)	-	988	807	181	81.7%	1 345	1 345

**MP: OFFICE OF THE PREMIER)
VOTE 1
APPROPRIATION STATEMENT
for the year ended 31 March 2019**

Appropriation per economic classification		2018/19						2017/18		
		Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Operating payments	1 813	(1 368)	-	445	422	23	357	94.8%	321	321
Venues and facilities	5 986	5 357	-	11 343	11 202	141	3 308	98.8%	3 308	3 308
Rental and hiring	40	-	-	40	20	20	81	50.0%	81	81
Transfers and subsidies	4 225	3 259	-	7 534	7 533	1	4 696	100.0%	4 381	4 381
Provinces and municipalities	26	-	-	26	26	-	19	100.0%	18	18
Municipalities	26	-	-	26	26	-	19	100.0%	18	18
Municipal agencies and funds	26	-	-	26	26	-	19	100.0%	18	18
Households	4 199	3 259	-	7 508	7 507	1	4 677	100.0%	4 363	4 363
Social benefits	896	3 019	-	3 915	3 915	-	384	100.0%	383	383
Other transfers to households	3 303	240	-	3 543	3 543	-	4 293	100.0%	3 980	3 980
Payments for capital assets	6 536	-	-	6 536	6 196	340	29 776	94.8%	29 771	29 771
Machinery and equipment	6 536	-	-	6 536	6 196	340	1 615	94.8%	1 611	1 611
Transport equipment	4 343	-	-	4 343	4 331	12	451	99.7%	451	451
Other machinery and equipment	2 193	-	-	2 193	1 865	328	1 164	85.0%	1 160	1 160
Software and other intangible assets	-	-	-	-	-	-	28 161	-	28 161	28 160
Payments for financial assets	-	-	-	-	-	-	70	-	70	70
TOTAL	318 792	-	-	318 792	302 587	16 205	311 235	94.9%	310 711	310 711

**(MP: OFFICE OF THE PREMIER)
VOTE 1
APPROPRIATION STATEMENT
for the year ended 31 March 2019**

	2018/19						2017/18		
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Programme 1: ADMINISTRATION									
Sub programme									
1. PREMIER SUPPORT EXECUTIVE COUNCIL SUPPORT	23 454 6 800	3 120 (332)	- -	26 574 6 468	26 574 6 466	- 2	100.0% 100.0%	21 182 6 168	21 174 6 156
2. DIRECTOR GENERAL SUPPORT	106 562	(7 922)	-	98 640	93 663	4 977	95.0%	114 545	114 491
3. FINANCIAL SUPPORT	40 379	5 134	-	45 513	45 112	401	99.1%	34 550	34 532
Total for sub programmes	177 195	-	-	177 195	171 815	5 380	97.0%	176 445	176 353
Economic classification									
Current payments	170 222	(2 961)	-	167 261	162 222	5 039	97.0%	146 544	146 458
Compensation of employees	64 983	(3 860)	-	61 123	61 014	59	99.9%	60 481	60 441
Salaries and wages	54 679	(1 115)	-	53 564	53 522	42	99.9%	53 031	53 028
Social contributions	10 304	(2 795)	-	7 509	7 492	17	99.8%	7 450	7 413
Goods and services	105 239	949	-	106 188	101 208	4 980	95.3%	86 063	86 017
Administrative fees	1 474	415	-	1 889	1 889	-	100.0%	764	743
Advertising	33	(9)	-	24	24	-	100.0%	-	-
Minor assets	-	69	-	69	68	-	98.6%	63	63
Audit costs: External	4 500	4	-	4 504	4 504	-	100.0%	4 055	4 055
Catering: Departmental activities	988	6	-	994	873	121	87.8%	1 280	1 280
Communication (G&S)	3 061	1 961	-	5 022	5 022	-	100.0%	4 579	4 579
Computer services	18 502	1 150	-	19 652	19 652	-	100.0%	16 699	16 699
Consultants: Business and advisory services	54 263	(11 887)	-	42 376	37 852	4 524	89.3%	39 295	39 295
Contractors	69	(45)	-	24	24	-	100.0%	32	32
Fleet services	2 096	987	-	3 083	3 083	-	100.0%	2 391	2 391
Consumable supplies	503	145	-	648	648	-	100.0%	276	276
Consumable: Stationery, printing and office supplies	1 384	1 439	-	2 823	2 823	-	100.0%	1 184	1 184
Operating leases	1 058	(573)	-	485	485	-	100.0%	885	885

**(MP: OFFICE OF THE PREMIER)
VOTE 1
APPROPRIATION STATEMENT
for the year ended 31 March 2019**

	2018/19					2017/18			
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Property payments	3 585	656	-	4 241	4 241	-	100.0%	4 531	4 531
Travel and subsistence	10 446	2 166	-	12 612	12 302	310	97.5%	8 642	8 631
Training and development	15	263	-	278	278	-	100.0%	170	170
Operating payments	163	116	-	279	256	23	91.8%	208	194
Venues and facilities	3 099	4 086	-	7 185	7 184	1	100.0%	1 009	1 009
Transfers and subsidies	711	2 911	-	3 622	3 622	-	100.0%	55	54
Provinces and municipalities	26	-	-	26	26	-	100.0%	19	18
Municipalities	26	-	-	26	26	-	100.0%	19	18
Municipal agencies and funds	26	-	-	26	26	-	100.0%	19	18
Households	685	2 961	-	3 546	3 545	1	100.0%	36	36
Social benefits	685	2 961	-	3 546	3 645	-	100.0%	36	36
Payments for capital assets	6 262	-	-	6 262	5 922	340	94.6%	29 776	29 771
Machinery and equipment	6 262	-	-	6 262	5 922	340	94.6%	1 615	1 611
Transport equipment	4 343	-	-	4 343	4 331	12	99.7%	451	451
Other machinery and equipment	1 919	-	-	1 919	1 591	328	82.9%	1 164	1 160
Software and other Intangible assets	-	-	-	-	-	-	-	28 161	28 160
Payments for financial assets	-	-	-	-	-	-	-	70	70
TOTAL	177 195	-	-	177 195	171 815	5 380	97.0%	176 445	176 353

**(MP: OFFICE OF THE PREMIER)
VOTE 1
APPROPRIATION STATEMENT
for the year ended 31 March 2019**

1.1 [PREMIER SUPPORT]	2018/19					2017/18			
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Economic classification									
Current payments	23 454	3 120	-	26 574	26 574	-	100.0%	20 963	20 956
Compensation of employees	14 747	733	-	15 480	15 480	-	100.0%	13 513	13 508
Salaries and Wages	13 351	776	-	14 127	14 127	-	100.0%	12 072	12 070
Social contributions	1 396	(43)	-	1 353	1 353	-	100.0%	1 441	1 438
Goods and services	8 707	2 387	-	11 094	11 094	-	100.0%	7 450	7 448
Administrative Fees	900	(14)	-	886	886	-	100.0%	499	499
Minor Assets	-	-	-	-	-	-	-	5	5
Catering Departmental	450	24	-	474	474	-	100.0%	393	393
Communication (G&S)	62	28	-	90	90	-	100.0%	115	115
Computer services	550	167	-	717	717	-	100.0%	615	615
Consultants: Business and advisory services	-	-	-	-	-	-	-	250	250
Contractors	20	(12)	-	8	8	-	100.0%	27	27
Consumable Supplies	43	(9)	-	34	34	-	100.0%	48	48
Consumable, Stationery, printing and Office supplies	-	-	-	-	-	-	-	8	8
Travel and Subsistence	6 462	2 193	-	8 655	8 655	-	100.0%	5 248	5 248
Training and Development	-	104	-	104	104	-	100.0%	-	-
Operating Payments	20	(7)	-	13	13	-	100.0%	25	23
Venues and Facilities	200	(87)	-	113	113	-	100.0%	217	217
Transfers and Subsidies	-	-	-	-	-	-	-	-	-
Payments for capital assets	-	-	-	-	-	-	-	219	218
Machinery and equipment	-	-	-	-	-	-	-	219	218
Other Machinery and Equipment	-	-	-	-	-	-	-	219	218
Payments for financial assets	-	-	-	-	-	-	-	-	-
TOTAL	23 454	3 120	-	26 574	26 574	-	100.0%	21 182	21 174

**(MP: OFFICE OF THE PREMIER)
VOTE 1
APPROPRIATION STATEMENT
for the year ended 31 March 2019**

1.2 [EXECUTIVE COUNCIL SUPPORT]										
	2018/19					2017/18				
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure	
Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	
Current payments	6 800	(369)	-	6 431	6 429	2	100.0%	6 168	6 156	
Compensation of employees	5 472	13	-	5 485	5 485	-	100.0%	5 138	5 137	
Salaries and Wages	4 936	(126)	-	4 810	4 810	-	100.0%	4 488	4 487	
Social contributions	536	139	-	675	675	-	100.0%	650	650	
Goods and services	1 328	(382)	-	946	944	2	99.8%	1 030	1 019	
Administrative fees	60	(6)	-	54	54	-	100.0%	48	48	
Minor Assets	-	-	-	-	-	-	-	31	31	
Catering Departmental	180	3	-	183	181	2	98.9%	238	238	
Communication (G&S)	-	4	-	4	4	-	100.0%	41	41	
Consumable supplies	-	5	-	5	5	-	100.0%	-	-	
Consumable, Stationery, printing and Office supplies	20	(20)	-	-	-	-	-	-	-	
Travel and Subsistence	385	(69)	-	316	316	-	100.0%	345	334	
Venues and facilities	683	(299)	-	384	384	-	100.0%	327	327	
Transfer and subsidies	-	37	-	37	37	-	100.0%	-	-	
Households	-	37	-	37	37	-	100.0%	-	-	
Social benefits	-	37	-	37	37	-	100.0%	-	-	
Payments for capital assets	-	-	-	-	-	-	-	-	-	
Payments for financial assets	-	-	-	-	-	-	-	-	-	
TOTAL	6 800	(332)	-	6 468	6 466	2	100.0%	6 168	6 156	

**(MP: OFFICE OF THE PREMIER)
VOTE 1
APPROPRIATION STATEMENT
for the year ended 31 March 2019**

1.3 [DIRECTOR GENERAL SUPPORT]	2018/19					2017/18			
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments	106 377	(10 459)	-	95 918	90 941	4 977	94.8%	86 223	86 170
Compensation of employees	28 354	(4 606)	-	23 748	23 748	-	100.0%	26 956	26 925
Salaries and Wages	22 352	(1 715)	-	20 637	20 637	-	100.0%	23 774	23 774
Social contributions	6 002	(2 891)	-	3 111	3 111	-	100.0%	3 182	3 151
Goods and services	78 023	(5 853)	-	72 170	67 193	4 977	93.1%	59 267	59 245
Administrative Fees	427	461	-	888	888	-	100.0%	175	154
Minor Assets	-	-	-	-	-	-	-	4	4
Catering Departmental	330	-	-	330	211	119	63.9%	609	609
Communication (G&S)	-	42	-	42	42	-	100.0%	182	182
Computer services	17 852	926	-	18 778	18 778	-	100.0%	16 064	16 064
Consultants: Business and advisory services	54 217	(11 883)	-	42 334	37 810	4 524	89.3%	39 029	39 029
Consumable supplies	-	1	-	1	1	-	100.0%	-	-
Travel and Subsistence	2 838	-	-	2 838	2 528	310	89.1%	2 427	2 427
Training and Development	-	155	-	155	155	-	100.0%	156	156
Operating Payments	143	-	-	143	120	23	83.9%	158	157
Venues and Facilities	2 216	4 445	-	6 661	6 660	1	100.0%	463	463
Transfers and Subsidies	185	2 537	-	2 722	2 722	-	100.0%	-	-
Households	185	2 537	-	2 722	2 722	-	100.0%	-	-
Social benefits	185	2 537	-	2 722	2 722	-	100.0%	-	-
Payments for capital assets	-	-	-	-	-	-	-	28 322	28 321
Machinery and equipment	-	-	-	-	-	-	-	161	161
Other Machinery and Equipment	-	-	-	-	-	-	-	161	161
Software and other Intangible assets	-	-	-	-	-	-	-	28 161	28 160
Payments for financial assets	-	-	-	-	-	-	-	-	-
TOTAL	106 562	(7 922)	-	98 640	93 663	4 977	95.0%	114 545	114 491

(MP: OFFICE OF THE PREMIER)
VOTE 1
APPROPRIATION STATEMENT
 for the year ended 31 March 2019

1.3 [FINANCIAL SUPPORT]	2018/19					2017/18			
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Economic classification									
Current payments	33 591	4 797	-	38 388	38 278	60	99.8%	33 190	33 176
Compensation of employees	16 410	(50)	-	16 360	16 301	59	99.6%	14 874	14 871
Salaries and Wages	14 040	(50)	-	13 990	13 948	42	99.7%	12 697	12 697
Social contributions	2 370	-	-	2 370	2 353	17	99.3%	2 177	2 174
Goods and services	17 181	4 797	-	21 978	21 977	1	100.0%	18 316	18 305
Administrative Fees	87	(26)	-	61	61	-	100.0%	42	42
Advertising	33	(9)	-	24	24	-	100.0%	-	-
Minor Assets	-	69	-	69	68	1	98.6%	23	23
Audit costs: External	4 500	4	-	4 504	4 504	-	100.0%	4 055	4 055
Catering Departmental	28	(21)	-	7	7	-	100.0%	40	40
Communication (G&S)	2 999	1 887	-	4 886	4 886	-	100.0%	4 241	4 241
Computer services	100	57	-	157	157	-	100.0%	20	20
Consultants: Business and advisory services	46	(4)	-	42	42	-	100.0%	16	16
Contractors	49	(33)	-	16	16	-	100.0%	5	5
Fleet Services	2 096	987	-	3 083	3 083	-	100.0%	2 391	2 391
Consumable Supplies	460	148	-	608	608	-	100.0%	228	228
Consumable ; Stationery; printing and Office supplies	1 364	1 459	-	2 823	2 823	-	100.0%	1 176	1 176
Operating leases	1 058	(573)	-	485	485	-	100.0%	885	885
Property payments	3 585	656	-	4 241	4 241	-	100.0%	4 531	4 531
Travel and Subsistence	761	42	-	803	803	-	100.0%	622	622
Training and Development	15	4	-	19	19	-	100.0%	14	14
Operating Payments	-	123	-	123	123	-	100.0%	25	14
Venues and Facilities	-	27	-	27	27	-	100.0%	2	2
Transfers and Subsidies	526	387	-	913	912	1	99.9%	55	54
Provinces and municipality	26	-	-	26	26	-	100.0%	19	18
Municipalities	26	-	-	26	26	-	100.0%	19	18
Municipal agencies and Funds	26	-	-	26	26	-	100.0%	19	18
Households	500	387	-	887	886	1	100.0%	36	36
Social benefits	500	387	-	887	886	1	100.0%	36	36
Payments for capital assets	6 262	-	-	6 262	5 922	340	94.6%	1 235	1 232

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1.3 [FINANCIAL SUPPORT]	2018/19						2017/18		
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Machinery and equipment	6 262	-	-	6 262	5 922	340	94.6%	1 235	1 232
Transport Equipment	4 343	-	-	4 343	4 331	12	99.7%	451	451
Other Machinery and Equipment	1 919	-	-	1 919	1 591	328	82.9%	784	781
Payments for financial assets	-	-	-	-	-	-	-	70	70
TOTAL	40 379	5 134	-	45 513	45 112	401	99.0%	34 550	34 532

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Programme 2: [INSTITUTIONAL DEVELOPMENT]	2018/19						2017/18		
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Sub programme	40 191	(725)	-	39 466	38 229	1 237	96.9%	37 580	37 241
1. STRATEGIC HUMAN RESOURCE	5 950	23	-	5 973	5 411	562	90.6%	10 162	10 162
2. INFORMATION COMMUNICATION TECHNOLOGY	4 239	-	-	4 239	4 121	118	97.2%	3 856	3 852
3. LEGAL ADVISORY SERVICES	17 636	649	-	18 285	17 674	611	96.7%	20 603	20 594
4. COMMUNICATION SERVICES	2 277	53	-	2 330	2 250	80	96.6%	2 399	2 394
5. PROGRAMME SUPPORT	70 293	-	-	70 293	67 685	2 608	96.3%	74 600	74 243
Total for sub programmes									
Economic classification	66 595	(348)	-	66 247	63 639	2 608	96.1%	70 014	69 971
Current payments	53 634	(348)	-	53 286	52 553	733	98.6%	48 660	48 647
Compensation of employees	47 378	(768)	-	46 610	45 893	717	98.5%	42 344	42 332
Salaries and wages	6 256	420	-	6 676	6 660	16	99.8%	6 316	6 315
Social contributions	12 961	-	-	12 961	11 086	1 875	85.5%	21 354	21 324
Goods and services	259	-	-	259	196	63	75.7%	543	543
Administrative fees	3 914	(420)	-	3 494	3 068	426	87.8%	4 901	4 900
Advertising	-	3	-	3	3	-	100.0%	-	-
Minor assets	421	18	-	439	352	87	80.2%	1 495	1 495
Catering: Departmental activities	-	12	-	12	12	-	100.0%	180	180
Communication (G&S)	139	(1)	-	138	27	111	19.6%	183	183
Computer services	2 549	(15)	-	2 534	2 084	450	82.2%	7 389	7 389
Consultants: Business and advisory services	150	333	-	483	483	-	100.0%	95	95
Legal services	20	-	-	20	19	1	95.0%	26	26
Contractors	258	-	-	258	243	15	94.2%	1	1
Consumable supplies									

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	2018/19						2017/18		
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Transport provided: Departmental activity	102	-	-	102	-	102	-	675	675
Travel and subsistence	3 423	-	-	3 423	3 032	391	88.6%	2 538	2 531
Training and development	1 240	(546)	-	694	513	181	73.9%	1 126	1 126
Operating payments	90	63	-	153	153	-	100.0%	48	26
Venues and facilities	130	199	-	329	309	20	93.9%	1 538	1 538
Rental and hiring	40	-	-	40	20	20	50.0%	81	81
Transfers and subsidies	3 424	348	-	3 772	3 772	-	100.0%	4 586	4 272
Households	3 424	348	-	3 772	3 772	1	100.0%	4 586	4 272
Social benefits	121	108	-	229	229	1	100.0%	293	292
Other transfers to households	3 303	240	-	3 543	3 543	-	100.0%	4 293	3 980
Payments for capital assets	274	-	-	274	274	-	100.0%	-	-
Machinery and equipment	274	-	-	274	274	-	100.0%	-	-
Other machinery and equipment	274	-	-	274	274	-	100.0%	-	-
Payments for financial assets									
Total	70 293	-	-	70 293	67 685	2 608	96.3%	74 600	74 243

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2.1 [STRATEGIC HUMAN RESOURCE]	2018/19					2017/18			
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments	36 783	(1 073)	-	35 710	34 473	1 237	96.5%	33 139	33 113
Compensation of employees	32 677	(1 073)	-	31 604	30 934	670	97.9%	29 920	29 916
Salaries and Wages	28 857	(1 373)	-	27 484	26 825	659	97.6%	25 918	25 914
Social contributions	3 820	300	-	4 120	4 109	11	99.7%	4 002	4 002
Goods and services	4 106	-	-	4 106	3 539	567	86.2%	3 219	3 197
Administrative Fees	144	-	-	144	124	20	86.1%	131	131
Advertising	364	-	-	364	206	158	56.6%	235	235
Catering Departmental	288	18	-	306	305	-	99.7%	227	227
Communication (G&S)	-	11	-	11	11	-	100.0%	105	105
Consultants: Business and advisory services	40	(15)	-	25	25	-	100.0%	29	29
Legal Services	150	333	-	483	483	-	100.0%	95	95
Contractors	1	-	-	1	1	-	100.0%	2	2
Consumable Supplies	40	-	-	40	26	14	65.0%	1	1
Travel and Subsistence	1 709	-	-	1 709	1 516	1 93	88.7%	1 067	1 067
Training and Development	1 240	(546)	-	694	513	181	73.9%	1 126	1 126
Operating Payments	-	-	-	-	-	-	-	22	-
Venues and Facilities	110	199	-	309	309	-	100.0%	173	173
Rental Hiring	20	-	-	20	20	-	100.0%	6	6
Transfers and Subsidies	3 408	348	-	3 756	3 756	-	100.0%	4 441	4 128
Households	3 408	348	-	3 756	3 756	-	100.0%	4 441	4 128
Social benefits	105	108	-	213	213	-	100.0%	148	148
Other transfers and subsidies	3 303	240	-	3 543	3 543	-	100.0%	4 293	3 980
Payments for capital assets	-	-	-	-	-	-	-	-	-
Payments for financial assets	-	-	-	-	-	-	-	-	-
TOTAL	40 191	(725)	-	39 466	38 229	1 237	96.9%	37 580	37 241

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	2018/19					2017/18			
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Economic classification									
Current payments	5 660	23	-	5 683	5 121	562	90.1%	10 162	10 162
Compensation of employees	2 684	23	-	2 707	2 707	-	100.0%	2 660	2 660
Salaries and Wages	2 496	(95)	-	2 401	2 401	-	100.0%	2 362	2 362
Social contributions	188	118	-	306	306	-	100.0%	298	298
Goods and services	2 976	-	-	2 976	2 414	562	81.1%	7 502	7 502
Administrative Fees	20	-	-	20	1	19	5.0%	2	2
Catering Departmental	20	-	-	20	7	13	35.0%	5	5
Communication (G&S)	-	-	-	-	-	-	-	16	16
Consultants: Business and advisory services	2 509	-	-	2 509	2 059	450	82.1%	7 360	7 360
Consumable supplies	218	-	-	218	217	1	99.5%	-	-
Travel and Subsistence	209	-	-	209	130	79	62.2%	119	119
Transfers and Subsidies	16	-	-	16	16	1	100.0%	-	-
Households	16	-	-	16	16	1	100.0%	-	-
Social Benefits	16	-	-	16	16	1	100.0%	-	-
Payments for capital assets	274	-	-	274	274	-	100.0%	-	-
Transport equipment	274	-	-	274	274	-	100.0%	-	-
Other machinery equipment	274	-	-	274	274	-	100.0%	-	-
Payments for financial assets	-	-	-	-	-	-	-	-	-
TOTAL	5 950	23	-	5 973	5 411	562	90.6%	10 162	10 162

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2.3 [LEGAL ADVISORY SERVICES]	2018/19						2017/18		
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Economic classification									
Current payments	4 239	-	-	4 239	4 121	118	97.2%	3 856	3 852
Compensation of employees	4 062	-	-	4 062	4 004	58	98.6%	3 786	3 785
Salaries and Wages	3 671	(12)	-	3 659	3 601	58	98.4%	3 399	3 399
Social contributions	391	12	-	403	403	-	100.0%	387	386
Goods and services	177	-	-	177	117	60	66.1%	70	67
Administrative Fees	3	-	-	3	2	1	66.7%	-	-
Consumable: Stationery, printing and office supplies	90	-	-	90	83	7	92.2%	63	63
Travel and Subsistence	84	-	-	84	32	52	38.1%	7	4
Transfers and subsidies	-	-	-	-	-	-	-	-	-
Payments for capital assets	-	-	-	-	-	-	-	-	-
Payments for financial assets	-	-	-	-	-	-	-	-	-
TOTAL	4 239	-	-	4 239	4 121	118	97.2%	3 856	3 852

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2.4 [COMMUNICATION SERVICES]	2018/19					2017/18			
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Economic classification									
Current payments	17 636	649	-	18 285	17 675	611	96.7%	20 458	20 450
Compensation of employees	12 214	649	-	12 863	12 858	5	100.0%	10 210	10 203
Salaries and Wages	10 594	649	-	11 243	11 243	-	100.0%	8 874	8 867
Social contributions	1 620	-	-	1 620	1 615	5	99.7%	1 336	1 336
Goods and services	5 422	-	-	5 422	4 816	606	88.8%	10 248	10 247
Administrative Fees	82	-	-	82	59	23	72.0%	398	398
Advertising	3 550	(420)	-	3 130	2 862	268	91.4%	4 666	4 665
Minor assets	-	3	-	3	3	-	100.0%	-	-
Catering Departmental	103	-	-	103	40	63	38.8%	1 263	1 263
Communication (G&S)	-	1	-	1	1	-	100.0%	32	32
Computer Services	139	(1)	-	138	27	111	19.6%	183	183
Contractors	19	-	-	19	18	1	94.7%	24	24
Consumable supplies	-	1	-	1	1	-	100.0%	-	-
Consumable: Stationery, printing and office supplies	136	353	-	490	489	-	99.8%	472	472
Transport provided: Departmental activity	102	-	-	102	-	102	-	675	675
Travel and Subsistence	1 181	-	-	1 181	1 164	17	98.6%	1 069	1 069
Operating Payments	90	63	-	153	153	-	100.0%	26	26
Venues and Facilities	-	-	-	-	-	-	-	1 365	1 365
Rental Hiring	20	-	-	20	-	20	-	75	75
Transfers and Subsidies								145	144
Households	-	-	-	-	-	-	-	145	144
Social benefits	-	-	-	-	-	-	-	145	144
Payments for capital assets									
Payments for financial assets									
TOTAL	17 636	649	-	18 285	17 674	611	96.7%	20 603	20 594

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2.5 [PROGRAMME SUPPORT]	2018/19					2017/18			
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Economic classification									
Current payments	2 277	53	-	2 330	2 250	80	96.6%	2 399	2 394
Compensation of employees	1 997	53	-	2 050	2 050	-	100.0%	2 084	2 083
Salaries and Wages	1 760	63	-	1 823	1 823	-	100.0%	1 791	1 790
Social contributions	237	(10)	-	227	227	-	100.0%	293	293
Goods and services	280	-	-	280	200	80	71.4%	315	311
Administrative Fees	10	-	-	10	10	-	100.0%	12	12
Catering Departmental	10	-	-	10	-	10	-	-	-
Communication (G & S)	-	-	-	-	-	-	-	27	27
Travel and Subsistence	240	-	-	240	190	50	79.2%	276	272
Venues and Facilities	20	-	-	20	-	20	-	-	-
Transfers and subsidies	-	-	-	-	-	-	-	-	-
Payments for capital assets	-	-	-	-	-	-	-	-	-
Payments for financial assets	-	-	-	-	-	-	-	-	-
TOTAL	2 277	53	-	2 330	2 250	80	96.6%	2 399	2 394

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	2018/19						2017/18		
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Programme 3: [POLICY AND GOVERNANCE]									
Sub programme									
1.SPECIAL PROGRAMME	13 731	-	-	13 731	12 769	962	93.0%	10 376	10 342
2.INTERGOVERNMENTAL RELATIONS	9 046	-	-	9 046	8 434	612	93.2%	8 421	8 416
3.PROVINCIAL AND POLICY MANAGEMENT	46 394	-	-	46 394	40 016	6 378	86.3%	39 446	39 414
4. PROGRAMME SUPPORT	2 133	-	-	2 133	1 868	265	87.6%	1 947	1 943
Total for sub programmes	71 304	-	-	71 304	63 087	8 217	88.5%	60 190	60 115
Economic classification									
Current payments	71 214	-	-	71 214	62 997	8 217	88.5%	60 135	60 060
Compensation of employees	38 651	-	-	38 651	37 590	1 061	97.3%	34 437	34 419
Salaries and wages	33 751	(100)	-	33 651	32 687	964	97.1%	31 611	30 019
Social contributions	4 900	100	-	5 000	4 903	97	98.1%	2 826	4 400
Goods and services	32 563	-	-	32 563	25 407	7 156	78.0%	25 698	25 641
Administrative fees	350	152	-	502	502	-	100.0%	435	435
Advertising	20	-	-	20	9	11	45.0%	356	356
Catering: Departmental activities	1 385	293	-	1 678	1 552	126	92.5%	818	818
Communication (G&S)	1 257	-	-	1 257	743	514	59.1%	224	192
Consultants: Business and advisory services	19 037	(1 599)	-	17 438	12 581	4 857	72.1%	17 516	17 513
Contractors	45	1	-	46	8	38	17.4%	63	41
Consumable supplies	-	9	-	9	9	-	100.0%	9	9
Consumable: Stationery, printing and office supplies	188	-	-	188	124	64	66.0%	-	-
Transport provided:	960	800	-	1 760	881	879	50.1%	240	240
Departmental activity	5 004	803	-	5 807	5 260	547	90.6%	5 126	5 126
Travel and subsistence	-	16	-	16	15	1	93.8%	49	49
Training and development	-	-	-	-	-	-	-	-	-

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	2018/19					2017/18			
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Operating payments	1 560	(1 547)	-	13	13	-	100.0%	101	101
Venues and facilities	2 757	1 072	-	3 829	3 709	120	96.9%	761	761
Transfers and subsidies	90	-	-	90	90	1	100.0%	55	55
Social benefits	90	-	-	90	90	1	100.0%	55	55
Other transfers to households	90	-	-	90	90	1	100.0%	55	55
Payments for capital assets	-	-	-	-	-	-	-	-	-
Payments for financial assets	-	-	-	-	-	-	-	-	-
TOTAL	71 304	-	-	71 304	63 087	8 217	88.5%	60 190	60 115

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3.1 [SPECIAL PROGRAMME]	2018/19						2017/18		
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Economic classification									
Current payments	13 731			13 731	12 769	962	93.0%	10 376	10 342
Compensation of employees	4 881	-	-	4 881	4 634	247	94.9%	4 351	4 346
Salaries and Wages	4 099	-	-	4 099	3 949	150	96.3%	3 671	3 671
Social contributions	782	-	-	782	685	97	87.6%	680	675
Goods and services	8 850	-	-	8 850	8 135	715	91.9%	6 025	5 996
Administrative Fees	113	27	-	140	140	-	100.0%	79	79
Catering Departmental	195	-	-	195	89	106	45.6%	137	137
Communication (G&S)	-	-	-	-	-	-	-	48	19
Consultants: Business and advisory services	6 782	(97)	-	6 685	6 412	273	95.9%	4 654	4 654
Contractors	45	-	-	45	7	38	15.6%	41	41
Consumable Supplies	-	-	-	-	-	-	-	9	9
Transport provided: Departmental activity	260	-	-	260	81	179	31.2%	109	109
Travel and Subsistence	941	70	-	1 011	1 011	-	100.0%	831	831
Venues and Facilities	514	-	-	514	395	119	76.8%	117	117
Transfers and Subsidies	-	-	-	-	-	-	-	-	-
Payments for capital assets	-	-	-	-	-	-	-	-	-
Payments for financial assets	-	-	-	-	-	-	-	-	-
TOTAL	13 731	-	-	13 731	12 769	962	93.0%	10 376	10 342

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	2018/19					2017/18			
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Economic classification									
Current payments	9 046			9 046	8 434	612	93.2%	8 241	8 416
Compensation of employees	6 596	-	-	6 596	6 559	37	99.4%	4 903	4 901
Salaries and Wages	5 761	(16)	-	5 745	5 708	37	99.4%	4 220	4 218
Social contributions	835	16	-	851	851	-	100.0%	683	683
Goods and services	2 450	-	-	2 450	1 875	575	76.5%	3 518	3 515
Administrative Fees	68	76	-	144	144	-	100.0%	224	224
Advertising	10	-	-	10	-	10	-	-	-
Catering Departmental	20	-	-	20	-	20	-	-	-
Communication (G&S)	-	-	-	-	-	-	-	25	25
Consultants: Business and advisory services	1 392	(847)	-	545	-	545	-	978	975
Consumable supplies	-	8	-	8	8	-	100.0%	-	-
Transport provided: Departmental activity	-	-	-	-	-	-	-	131	131
Travel and Subsistence	910	736	-	1 646	1 646	-	100.0%	1 751	1 751
Operating payments	-	10	-	10	10	-	100.0%	-	-
Venues and Facilities	50	17	-	67	67	-	100.0%	409	409
Transfers and Subsidies	-	-	-	-	-	-	-	-	-
Payments for capital assets	-	-	-	-	-	-	-	-	-
Payments for financial assets	-	-	-	-	-	-	-	-	-
TOTAL	9 046	-	-	9 046	8 434	612	93.2%	8 421	8 416

**(MP: OFFICE OF THE PREMIER)
VOTE 1
APPROPRIATION STATEMENT
for the year ended 31 March 2019**

3.3 [PROVINCIAL AND POLICY MANAGEMENT]	2018/19					2017/18			
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments	46 304	-	-	46 304	39 926	6 378	86.2%	39 391	39 359
Compensation of employees	25 341	-	-	25 341	24 826	515	98.0%	23 483	23 473
Salaries and Wages	22 251	(75)	-	22 176	21 661	515	97.7%	22 211	20 621
Social contributions	3 090	75	-	3 165	3 165	-	100.0%	1 272	2 852
Goods and services	20 963	-	-	20 963	15 100	5 862	72.0%	15 908	15 886
Administrative Fees	159	27	-	186	186	-	100.0%	124	124
Advertising	-	-	-	-	-	-	-	356	356
Catering Departmental	1 160	292	-	1 452	1 452	-	100.0%	673	673
Communication (G&S)	1 257	-	-	1 257	743	514	59.1%	136	136
Consultants: Business and Advisory services	10 863	(655)	-	10 208	6 169	4 039	60.4%	11 884	11 884
Contractors	-	1	-	1	1	-	100.0%	22	-
Consumable supplies	-	1	-	1	1	-	100.0%	-	-
Consumable: Stationery, printing and office supplies	188	-	-	188	124	64	66.0%	-	-
Transport provided: Departmental activity	700	800	-	1 500	800	700	53.4%	-	-
Travel and Subsistence	2 903	-	-	2 903	2 358	545	81.2%	2 340	2 340
Training and Development	-	16	-	16	16	-	93.8%	49	49
Operating Payments	1 560	(1 557)	-	3	3	-	100.0%	101	101
Venues and Facilities	2 173	1 075	-	3 248	3 247	1	100.0%	223	223
Transfers and Subsidies	90	-	-	90	90	-	100.0%	55	55
Social benefits	90	-	-	90	90	1	100.0%	55	55
Other Transfers and subsidies	90	-	-	90	90	1	100.0%	55	55
Payments for capital assets	-	-	-	-	-	-	-	-	-
Payments for financial assets	-	-	-	-	-	-	-	-	-
TOTAL	46 394	-	-	46 394	40 016	6 378	86.3%	39 446	39 414

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VOTE 1
APPROPRIATION STATEMENT
 for the year ended 31 March 2019

3.4 [PROGRAMME SUPPORT]	2018/19					2017/18			
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Economic classification									
Current payments	2 133	-	-	2 133	1 868	265	87.6%	1 947	1 943
Compensation of employees	1 833	-	-	1 833	1 571	262	85.7%	1 700	1 699
Salaries and Wages	1 640	(9)	-	1 631	1 369	262	83.9%	1 509	1 509
Social contributions	193	9	-	202	202	-	100.0%	191	190
Goods and services	300	-	-	300	297	3	99.0%	247	244
Administrative Fees	10	22	-	32	32	-	100.0%	8	8
Advertising	10	-	-	10	9	1	90.0%	-	-
Catering Departmental Activity	10	1	-	11	11	-	100.0%	8	8
Communication (G & S)	-	-	-	-	-	-	-	15	12
Travel and Subsistence	250	(3)	-	247	245	2	99.2%	204	204
Venues and Facilities	20	(20)	-	-	-	-	-	12	12
Transfers and Subsidies	-	-	-	-	-	-	-	-	-
Payments for capital assets	-	-	-	-	-	-	-	-	-
Payments for financial assets	-	-	-	-	-	-	-	-	-
TOTAL	2 133	-	-	2 133	1 868	265	87.6%	1 947	1 943

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NOTES TO THE APPROPRIATION STATEMENT
for the year ended 31 March 2019**

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

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

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

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

3. Detail on payments for financial assets

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

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

4.1 Per programme	Final Appropriation	Actual Expenditure	Variance	Variance as a % of Final Appropriation
	R'000	R'000	R'000	
Administration	177 195	171 815	5 380	3.04%
Institutional Development	70 293	67 685	2 608	3.71%
Policy and Governance	71 304	63 087	8 217	11.52%

4.2 Per economic classification	Final Appropriation	Actual Expenditure	Variance	Variance as a % of Final Appropriation
	R'000	R'000	R'000	
Current payments				
Compensation of employees	153 060	151 157	1 906	1.24%
Goods and services	151 712	137 701	14 011	9.24%
Transfers and subsidies				
Provinces and municipalities	26	26	-	-
Households	7 508	7 507	1	0.01%
Payments for capital assets				
Machinery and equipment	6 536	6 196	340	5.20%

The under spending under goods and services can be attributed to additional budget which was not fully utilised, as a result of projects that were discontinued and slow implementation of planned targets. The under spending within the compensation of employees is due to savings realised through natural attrition. The underspending under payment for capital assets is due to capital items procured towards the end of the financial year.

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STATEMENT OF FINANCIAL PERFORMANCE
for the year ended 31 March 2019

	<i>Note</i>	2018/19	2017/18
		R'000	R'000
REVENUE			
Annual appropriation	1	318 792	311 235
Departmental revenue	2	-	1 188
TOTAL REVENUE		318 792	312 423
EXPENDITURE			
Current expenditure			
Compensation of employees	3	151 157	143 507
Goods and services	4	137 701	132 982
Total current expenditure		288 858	276 489
Transfers and subsidies			
Transfers and subsidies	6	7 533	4 381
Total transfers and subsidies		7 533	4 381
Expenditure for capital assets			
Tangible assets	7	6 196	1 611
Intangible assets	7	-	28 160
Total expenditure for capital assets		6 196	29 771
Payments for financial assets	5	-	70
TOTAL EXPENDITURE		302 587	310 711
SURPLUS/(DEFICIT) FOR THE YEAR		16 205	1 712

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VOTE 1
STATEMENT OF FINANCIAL PERFORMANCE
for the year ended 31 March 2019

Reconciliation of Net Surplus/(Deficit) for the year

Voted funds		16 205	524
Annual appropriation		16 205	524
Departmental revenue and NRF Receipts	2	-	1 188
SURPLUS/(DEFICIT) FOR THE YEAR		16 205	1 712

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VOTE 1
STATEMENT OF FINANCIAL POSITION
for the year ended 31 March 2019

	<i>Note</i>	2018/19	2017/18
		R'000	R'000
ASSETS			
Current assets		17 184	918
Cash and cash equivalents		10 712	-
Prepayments and advances		282	126
Receivables		6 190	792
TOTAL ASSETS		17 184	918
LIABILITIES			
Current liabilities		17 184	918
Voted funds to be surrendered to the Revenue Fund		16 205	524
Departmental revenue and NRF Receipts to be surrendered to the Revenue Fund		208	76
Bank overdraft		-	318
Payables		771	-
TOTAL LIABILITIES		17 184	918
NET ASSETS		-	-

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VOTE 1
CASH FLOW STATEMENT
for the year ended 31 March 2019

	<i>Note</i>	2018/19 R'000	2017/18 R'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts		320 080	312 294
Annual appropriated funds received	1.1	318 792	311 235
Departmental revenue received	2	282	467
Interest received	2.2	1 006	592
Net (increase)/decrease in working capital		(4 783)	(851)
Surrendered to Revenue Fund		(1 699)	(2 361)
Current payments		(288 858)	(276 489)
Interest paid			
Payments for financial assets	5	-	(70)
Transfers and subsidies paid	6	(7 533)	(4 381)
Net cash flow available from operating activities	15	17 207	28 142
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for capital assets	7	(6 196)	(29 771)
Proceeds from sale of capital assets		19	129
Net cash flows from investing activities		(6 177)	(29 642)
Net increase/(decrease) in cash and cash equivalents		11 030	(1 500)
Cash and cash equivalents at beginning of period		(318)	1 182
Unrealised gains and losses within cash and cash equivalents			
Cash and cash equivalents at end of period	16	10 712	(318)

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VOTE 1
ACCOUNTING POLICIES
for the year ended 31 March 2019**

Summary of significant accounting policies

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

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

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

1	<p>Basis of preparation</p> <p>The financial statements have been prepared in accordance with the Modified Cash Standard.</p>
2	<p>Going concern</p> <p>The financial statements have been prepared on a going concern basis.</p>
3	<p>Presentation currency</p> <p>Amounts have been presented in the currency of the South African Rand (R) which is also the functional currency of the department.</p>
4	<p>Rounding</p> <p>Unless otherwise stated financial figures have been rounded to the nearest one thousand Rand (R'000).</p>
5	<p>Foreign currency translation</p> <p>Cash flows arising from foreign currency transactions are translated into South African Rands using the spot exchange rates prevailing at the date of payment / receipt.</p>
6	<p>Comparative information</p>
6.1	<p>Prior period comparative information</p> <p>Prior period comparative information has been presented in the current year's financial statements. Where necessary figures included in the prior period financial statements have been reclassified to ensure that the format in which the information is presented is consistent with the format of the current year's financial statements.</p>

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ACCOUNTING POLICIES
for the year ended 31 March 2019**

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

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ACCOUNTING POLICIES
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8.1.2	<p>Social contributions</p> <p>Social contributions made by the department in respect of current employees are recognised in the statement of financial performance on the date of payment.</p> <p>Social contributions made by the department in respect of ex-employees are classified as transfers to households in the statement of financial performance on the date of payment.</p>
8.2	<p>Other expenditure</p> <p>Other expenditure (such as goods and services, transfers and subsidies and payments for capital assets) is recognised in the statement of financial performance on the date of payment. The expense is classified as a capital expense if the total consideration paid is more than the capitalisation threshold.</p>
8.3	<p>Accruals and payables not recognised</p> <p>Accruals and payables not recognised are recorded in the notes to the financial statements at cost at the reporting date.</p>
8.4	<p>Leases</p>
8.4.1	<p>Operating leases</p> <p>Operating lease payments made during the reporting period are recognised as current expenditure in the statement of financial performance on the date of payment.</p> <p>The operating lease commitments are recorded in the notes to the financial statements.</p>
8.4.2	<p>Finance leases</p> <p>Finance lease payments made during the reporting period are recognised as capital expenditure in the statement of financial performance on the date of payment.</p> <p>The finance lease commitments are recorded in the notes to the financial statements and are not apportioned between the capital and interest portions.</p> <p>Finance lease assets acquired at the end of the lease term are recorded and measured at the lower of:</p> <ul style="list-style-type: none"> • cost, being the fair value of the asset; or • the sum of the minimum lease payments made, including any payments made to acquire ownership at the end of the lease term, excluding interest.
9	<p>Aid Assistance</p>
9.1	<p>Aid assistance received</p> <p>Aid assistance received in cash is recognised in the statement of financial performance when received. In-kind aid assistance is recorded in the notes to the financial statements on the date of receipt and is measured at fair value.</p> <p>Aid assistance not spent for the intended purpose and any unutilised funds from aid assistance that are required to be refunded to the donor are recognised as a payable in the statement of financial position.</p>

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ACCOUNTING POLICIES
for the year ended 31 March 2019**

9.2	<p>Aid assistance paid</p> <p>Aid assistance paid is recognised in the statement of financial performance on the date of payment. Aid assistance payments made prior to the receipt of funds are recognised as a receivable in the statement of financial position.</p>
10	<p>Cash and cash equivalents</p> <p>Cash and cash equivalents are stated at cost in the statement of financial position.</p> <p>Bank overdrafts are shown separately on the face of the statement of financial position as a current liability.</p> <p>For the purposes of the cash flow statement, cash and cash equivalents comprise cash on hand, deposits held, other short-term highly liquid investments and bank overdrafts.</p>
11	<p>Prepayments and advance</p> <p>Prepayments and advances are recognised in the statement of financial position when the department receives or disburses the cash.</p> <p>Prepayments and advances are initially and subsequently measured at cost.</p>
12	<p>Loans and receivables</p> <p>Loans and receivables are recognised in the statement of financial position at cost plus accrued interest, where interest is charged, less amounts already settled or written-off. Write-offs are made according to the department's write-off policy.</p>
13	<p>Investments</p> <p>Investments are recognised in the statement of financial position at cost.</p>
14	<p>Financial assets</p>
14.1	<p>Financial assets (not covered elsewhere)</p> <p>A financial asset is recognised initially at its cost plus transaction costs that are directly attributable to the acquisition or issue of the financial asset.</p> <p>At the reporting date, a department shall measure its financial assets at cost, less amounts already settled or written-off, except for recognised loans and receivables, which are measured at cost plus accrued interest, where interest is charged, less amounts already settled or written-off.</p>

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ACCOUNTING POLICIES
for the year ended 31 March 2019**

14.2	<p>Impairment of financial assets</p> <p>Where there is an indication of impairment of a financial asset, an estimation of the reduction in the recorded carrying value, to reflect the best estimate of the amount of the future economic benefits expected to be received from that asset, is recorded in the notes to the financial statements.</p>
15	<p>Payables</p> <p>Payables recognised in the statement of financial position are recognised at cost.</p>
16	<p>Capital Assets</p>
16.1	<p>Immovable capital assets</p> <p>Immovable assets reflected in the asset register of the department are recorded in the notes to the financial statements at cost or fair value where the cost cannot be determined reliably. Immovable assets acquired in a non-exchange transaction are recorded at fair value at the date of acquisition. Immovable assets are subsequently carried in the asset register at cost and are not currently subject to depreciation or impairment. Subsequent expenditure of a capital nature forms part of the cost of the existing asset when ready for use. Additional information on immovable assets not reflected in the assets register is provided in the notes to financial statements.</p>
16.2	<p>Movable capital assets</p> <p>Movable capital assets are initially recorded in the notes to the financial statements at cost. Movable capital assets acquired through a non-exchange transaction is measured at fair value as at the date of acquisition. Where the cost of movable capital assets cannot be determined reliably, the movable capital assets are measured at fair value and where fair value cannot be determined, the movable assets are measured at R1. All assets acquired prior to 1 April 2002 (or a later date as approved by the OAG) may be recorded at R1. Movable capital assets are subsequently carried at cost and are not subject to depreciation or impairment.</p>

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ACCOUNTING POLICIES
for the year ended 31 March 2019**

16.3	<p>Intangible assets</p> <p>Intangible assets are initially recorded in the notes to the financial statements at cost. Intangible assets acquired through a non-exchange transaction are measured at fair value as at the date of acquisition.</p> <p>Internally generated intangible assets are recorded in the notes to the financial statements when the department commences the development phase of the project.</p> <p>Where the cost of intangible assets cannot be determined reliably, the intangible capital assets are measured at fair value and where fair value cannot be determined, the intangible assets are measured at R1.</p> <p>All assets acquired prior to 1 April 2002 (or a later date as approved by the OAG) may be recorded at R1.</p> <p>Intangible assets are subsequently carried at cost and are not subject to depreciation or impairment.</p> <p>Subsequent expenditure of a capital nature forms part of the cost of the existing asset when ready for use.</p>
16.4	<p>Project Costs: Work-in-progress</p> <p>Expenditure of a capital nature is initially recognised in the statement of financial performance at cost when paid.</p> <p>Amounts paid towards capital projects are separated from the amounts recognised and accumulated in work-in-progress until the underlying asset is ready for use. Once ready for use, the total accumulated payments are recorded in an asset register. Subsequent payments to complete the project are added to the capital asset in the asset register.</p> <p>Where the department is not the custodian of the completed project asset, the asset is transferred to the custodian subsequent to completion.</p>
17	<p>Provisions and Contingents</p>
17.1	<p>Provisions</p> <p>Provisions are recorded in the notes to the financial statements when there is a present legal or constructive obligation to forfeit economic benefits as a result of events in the past and it is probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation and a reliable estimate of the obligation can be made. The provision is measured as the best estimate of the funds required to settle the present obligation at the reporting date.</p>
17.2	<p>Contingent liabilities</p> <p>Contingent liabilities are recorded in the notes to the financial statements when there is a possible obligation that arises from past events, and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not within the control of the department or when there is a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation or the amount of the obligation cannot be measured reliably.</p>

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17.3	<p>Contingent assets</p> <p>Contingent assets are recorded in the notes to the financial statements when a possible asset arises from past events, and whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events not within the control of the department.</p>
17.4	<p>Commitments</p> <p>Commitments (other than for transfers and subsidies) are recorded at cost in the notes to the financial statements when there is a contractual arrangement or an approval by management in a manner that raises a valid expectation that the department will discharge its responsibilities thereby incurring future expenditure that will result in the outflow of cash.</p>
18	<p>Unauthorised expenditure</p> <p>Unauthorised expenditure is recognised in the statement of financial position until such time as the expenditure is either:</p> <ul style="list-style-type: none"> <input type="checkbox"/> approved by Parliament or the Provincial Legislature with funding and the related funds are received; or <input type="checkbox"/> approved by Parliament or the Provincial Legislature without funding and is written off against the appropriation in the statement of financial performance; or <input type="checkbox"/> transferred to receivables for recovery. <p>Unauthorised expenditure is measured at the amount of the confirmed unauthorised expenditure.</p>
19	<p>Fruitless and wasteful expenditure</p> <p>Fruitless and wasteful expenditure is recorded in the notes to the financial statements when confirmed. The amount recorded is equal to the total value of the fruitless and or wasteful expenditure incurred.</p> <p>Fruitless and wasteful expenditure is removed from the notes to the financial statements when it is resolved or transferred to receivables for recovery.</p> <p>Fruitless and wasteful expenditure receivables are measured at the amount that is expected to be recoverable and are de-recognised when settled or subsequently written-off as irrecoverable.</p>
20	<p>Irregular expenditure</p> <p>Irregular expenditure is recorded in the notes to the financial statements when confirmed. The amount recorded is equal to the value of the irregular expenditure incurred unless it is impracticable to determine, in which case reasons therefor are provided in the note.</p> <p>Irregular expenditure is removed from the note when it is either condoned by the relevant authority, transferred to receivables for recovery or not condoned and is not recoverable.</p> <p>Irregular expenditure receivables are measured at the amount that is expected to be recoverable and are de-recognised when settled or subsequently written-off as irrecoverable.</p>

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ACCOUNTING POLICIES
for the year ended 31 March 2019**

21	<p>Changes in accounting policies, accounting estimates and errors</p> <p>Changes in accounting policies that are effected by management have been applied retrospectively in accordance with MCS requirements, except to the extent that it is impracticable to determine the period-specific effects or the cumulative effect of the change in policy. In such instances the department shall restate the opening balances of assets, liabilities and net assets for the earliest period for which retrospective restatement is practicable.</p> <p>Changes in accounting estimates are applied prospectively in accordance with MCS requirements.</p> <p>Correction of errors is applied retrospectively in the period in which the error has occurred in accordance with MCS requirements, except to the extent that it is impracticable to determine the period-specific effects or the cumulative effect of the error. In such cases the department shall restate the opening balances of assets, liabilities and net assets for the earliest period for which retrospective restatement is practicable.</p>
22	<p>Events after the reporting date</p> <p>Events after the reporting date that are classified as adjusting events have been accounted for in the financial statements. The events after the reporting date that are classified as non-adjusting events after the reporting date have been disclosed in the notes to the financial statements.</p>
23	<p>Principal-Agent arrangements</p> <p>The department is party to a principal-agent arrangement for [include details here]. In terms of the arrangement the department is the [principal / agent] and is responsible for [include details here]. All related revenues, expenditures, assets and liabilities have been recognised or recorded in terms of the relevant policies listed herein. Additional disclosures have been provided in the notes to the financial statements where appropriate.</p>
24	<p>Capitalisation reserve</p> <p>The capitalisation reserve comprises of financial assets and/or liabilities originating in a prior reporting period but which are recognised in the statement of financial position for the first time in the current reporting period. Amounts are recognised in the capitalisation reserves when identified in the current period and are transferred to the National/Provincial Revenue Fund when the underlying asset is disposed and the related funds are received.</p>
25	<p>Recoverable revenue</p> <p>Amounts are recognised as recoverable revenue when a payment made in a previous financial year becomes recoverable from a debtor in the current financial year. Amounts are either transferred to the National/Provincial Revenue Fund when recovered or are transferred to the statement of financial performance when written-off.</p>

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ACCOUNTING POLICIES
for the year ended 31 March 2019**

26	<p>Related party transactions</p> <p>A related party transaction is a transfer of resources, services or obligations between the reporting entity and a related party. Related party transactions within the Executive Authority's portfolio are recorded in the notes to the financial statements when the transaction is not at arm's length.</p> <p>Key management personnel are those persons having the authority and responsibility for planning, directing and controlling the activities of the department. The number of individuals and their full compensation is recorded in the notes to the financial statements.</p>
27	<p>Inventories <i>(Effective from date determined in a Treasury Instruction)</i></p> <p>At the date of acquisition, inventories are recognised at cost in the statement of financial performance.</p> <p>Where inventories are acquired as part of a non-exchange transaction, the inventories are measured at fair value as at the date of acquisition.</p> <p>Inventories are subsequently measured at the lower of cost and net realisable value or where intended for distribution (or consumed in the production of goods for distribution) at no or a nominal charge, the lower of cost and current replacement value.</p> <p>The cost of inventories is assigned by using the weighted average cost basis.</p>
28	<p>Public-Private Partnerships</p> <p>Public Private Partnerships are accounted for based on the nature and or the substance of the partnership. The transaction is accounted for in accordance with the relevant accounting policies.</p> <p>A summary of the significant terms of the PPP agreement, the parties to the agreement, and the date of commencement thereof together with the description and nature of the concession fees received, the unitary fees paid, rights and obligations of the department are recorded in the notes to the financial statements.</p>
29	<p>Employee benefits</p> <p>The value of each major class of employee benefit obligation (accruals, payables not recognised and provisions) is disclosed in the Employee benefits note.</p>

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PART B: EXPLANATORY NOTE**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:

	2018/19			2017/18	
	Final Appropriation	Actual Funds Received	Funds not requested/ not received	Final Appropriation	Appropriation received
	R'000	R'000	R'000	R'000	R'000
Administration	177 195	177 195	-	176 445	176 445
Institutional Development	70 293	70 293	-	74 600	74 600
Policy & Governance	71 304	71 304	-	60 190	60 190
Total	318 792	318 792	-	311 235	311 235

2. Departmental revenue

	<i>Note</i>	2018/19 R'000	2017/18 R'000
Sales of goods and services other than capital assets	2.1	197	200
Interest, dividends and rent on land	2.2.	1 006	592
Sales of capital assets	2.3	19	129
Transactions in financial assets and liabilities	2.4	85	267
Total revenue collected		1 307	1 188
Less: Own revenue included in appropriation	12	1 307	-
Departmental revenue collected		-	1 188

2.1 Sales of goods and services other than capital assets

	<i>Note</i>	2018/19 R'000	2017/18 R'000
Sales of goods and services produced by the department	2.1	197	200
Sales by market establishment		197	200
Total		197	200

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2.2 Interest, dividends and rent on land

	<i>Note</i>	2018/19	2017/18
	2.1	R'000	R'000
Interest		1 006	592
Total		1 006	592

2.3 Sale of capital assets

	<i>Note</i>	2018/19	2017/18
	2.1	R'000	R'000
Tangible assets		19	129
Machinery and equipment	26.2	19	129
Total		19	129

2.4 Transactions in financial assets and liabilities

	<i>Note</i>	2018/19	2017/18
	2.1	R'000	R'000
Other Receipts including Recoverable Revenue		85	267
Total		85	267

Other Receipts including Recoverable Revenue comprise of stale cheque, Receipts of previous year expenditure and domestic services

3. Compensation of employees**3.1 Salaries and Wages**

	<i>Note</i>	2018/19	2017/18
	3	R'000	R'000
Basic salary		102 575	96 559
Performance award		2 153	1 860
Service Based		227	417
Compensative/circumstantial		3 339	4 170
Other non-pensionable allowances		23 808	22 373
Total		132 102	125 379

Other non-pensionable allowance comprises of Capital remuneration, Housing allowances and Service Bonus.

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3.2 Social contributions

	<i>Note</i>	2018/19	2017/18
	3	R'000	R'000
Employer contributions			
Pension		13 337	12 629
Medical		5 696	5 479
Bargaining council		22	20
Total		19 055	18 128
Total compensation of employees		151 157	143 507
Average number of employees		237	253

The total compensation of employees is inclusive of stipends paid to 11 interns.

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4. Goods and services

	<i>Note</i>	2018/19	2017/18
		R'000	R'000
Administrative fees		2 587	1 721
Advertising		3 101	5 256
Minor assets	4.1	71	63
Catering		2 777	3 593
Communication		5 777	4 951
Computer services	4.2	19 679	16 882
Consultants: Business and advisory services		52 517	64 197
Legal services		483	95
Contractors		51	99
Audit cost – external	4.3	4 504	4 055
Fleet services		3 083	2 391
Consumables	4.4	4 419	2 005
Operating leases		485	885
Property payments	4.5	4 241	4 531
Rental and hiring		20	81
Transport provided as part of the departmental activities		881	915
Travel and subsistence	4.6	20 594	16 288
Venues and facilities		11 202	3 308
Training and development		807	1 345
Other operating expenditure	4.7	422	321
Total		137 701	132 982

Other operating expenditure comprises of the following: - Courier services, Laundry services, Non-life insurance, Printing and Publication services.

4.1 Minor assets

	<i>Note</i>	2018/19	2017/18
		R'000	R'000
Tangible assets		71	63
Machinery and equipment		71	63
Total		71	63

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4.2 Computer service

	<i>Note</i>	2018/19	2017/18
	<i>4</i>	R'000	R'000
SITA computer services		901	818
External computer service providers		18 778	16 064
Total		19 679	16 882

4.3 Audit cost – External

	<i>Note</i>	2018/19	2017/18
	<i>4</i>	R'000	R'000
Regularity audits		4 504	4 055
Total		4 504	4 055

4.4 Consumables

	<i>Note</i>	2018/19	2017/18
	<i>4</i>	R'000	R'000
Consumable supplies		900	300
Uniform and clothing		62	-
Household supplies		560	210
Communication accessories		3	12
IT consumables		219	14
Other consumables		56	64
Stationery, printing and office supplies		3 519	1 705
Total		4 419	2 005

Other Consumables comprise of gift & awards, disposable paper/plastic, electrical spares, building & consumable supplier, hardware bags and accessories

4.5 Property payments

	<i>Note</i>	2018/19	2017/18
	<i>4</i>	R'000	R'000
Municipal services		3 912	4 188
Property maintenance and repairs		329	343
Total		4 241	4 531

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4.6 Travel and subsistence

	<i>Note</i>	2018/19	2017/18
	4	R'000	R'000
Local		16 685	14 442
Foreign		3 909	1 846
Total		20 594	16 288

4.7 Other operating expenditure

	<i>Note</i>	2018/19	2017/18
	4	R'000	R'000
Professional bodies, membership and subscription fees		114	189
Resettlement costs		-	26
Other		308	106
Total		422	321

Other comprises of the following: a) Laundry Services b) Courier and delivery services c) and non-Life Insurance.

5. Payments for financial assets

	<i>Note</i>	2018/19	2017/18
		R'000	R'000
Debts written off	5.1	-	70
Total		-	70

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5.1 Debts written off

	<i>Note</i>	2018/19	2017/18
	5	R'000	R'000
Nature of debts written off			
(Group major categories, but list material items: debts written off relating to irregular expenditure, recoverable expenditure and other debts must be listed here)			
Other debt written off		-	70
Total		<u>-</u>	<u>70</u>
Total debt written off		<u>-</u>	<u>70</u>

6. Transfers and subsidies

		2018/19	2017/18
		R'000	R'000
	<i>Note</i>		
Provinces and municipalities	29	26	18
Households	<i>Annex 1G</i>	7 507	4 363
Total		<u>7 533</u>	<u>4 381</u>

7. Expenditure for capital assets

	<i>Note</i>	2018/19	2017/18
		R'000	R'000
Tangible assets			
Machinery and equipment	26.1	6 196	1 611
Intangible assets			
Software		-	28 160
Total		<u>6 196</u>	<u>29 771</u>

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

	Voted funds	Aid assistance	Total
	R'000	R'000	R'000
Tangible assets	6 196	-	6 196
Machinery and equipment	6 196	-	6 196
Total	6 196	-	6 196

7.2 Analysis of funds utilised to acquire capital assets – 2017/18

	Voted funds	Aid assistance	Total
	R'000	R'000	R'000
Tangible assets	1 611	-	1 611
Machinery and equipment	1 611	-	1 611
Intangible assets	28 160	-	28 160
Software	28 160	-	28 160
Total	29 771	-	29 771

8. Cash and cash equivalents

	2018/19	2017/18
	R'000	R'000
Consolidated Paymaster General Account	25 555	-
Disbursement	(14 843)	-
Total	10 712	-

9. Prepayments and advances

	2018/19	2017/18
	R'000	R'000
Travel and subsistence	282	126
Total	282	126

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10. Receivables

		2018/19			2017/18		
		Current	Non-current	Total	Current	Non-current	Total
		R'000	R'000	R'000	R'000	R'000	R'000
Claims recoverable	<i>Note 10.1</i>	-	-	-	331	-	331
Recoverable expenditure	<i>10.2</i>	352	-	352	237	-	237
Staff debt	<i>10.3</i>	1 480	-	1 480	79	-	79
Other receivables	<i>10.4</i>	4 358	-	4 358	145	-	145
Total		6 190	-	6 190	792	-	792

Other receivables comprises of supplier debtors.

10.1 Claims recoverable

	<i>Note</i>	2018/19	2017/18
	<i>10 and Annex</i>	R'000	R'000
Provincial Departments	<i>4</i>	-	331
Total		-	331

10.2 Recoverable expenditure (disallowance accounts)

	<i>Note</i>	2018/19	2017/18
	<i>10</i>	R'000	R'000
Sal: Income Tax		309	201
Sal: Medical Aid		10	5
Sal: Pension Fund		33	31
Total		352	237

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10.3 Staff debt

	<i>Note</i>	2018/19	2017/18
	<i>10</i>	R'000	R'000
Employees		28	15
Ex-Employees		1 452	64
Total		1 480	79

10.4 Other debtors

	<i>Note</i>	2018/19	2017/18
	<i>10</i>	R'000	R'000
Supplier debtors		4 358	145
Total		4 358	145

11. Voted funds to be surrendered to the Revenue

	2018/19	2017/18
	R'000	R'000
Opening balance	524	1 170
Prior period error	-	-
As restated	524	1 170
Transfer from statement of financial performance (as restated)	16 205	524
Paid during the year	(524)	(1 170)
Closing balance	16 205	524

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

	2018/19	2017/18
	R'000	R'000
Opening balance	76	79
Prior period error	-	-
As restated	76	79
Transfer from Statement of Financial Performance (as restated)	-	1 188
Own revenue included in appropriation	1 307	-
Paid during the year	(1 175)	(1 191)
Closing balance	208	76

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13. Bank Overdraft

	2018/19 R'000	2017/18 R'000
Consolidated Paymaster General Account	-	318
Total	-	318

14. Payables – current

	2018/19 R'000	2017/18 R'000
Advances received	771	-
Total	771	-

14.1 Advances received

	2018/19 R'000	2017/18 R'000
Other institutions	771	-
Total	771	-

15. Net cash flow available from operating activities

	2018/19 R'000	2017/18 R'000
Net surplus/(deficit) as per Statement of Financial Performance	16 205	1 712
Add back non cash/cash movements not deemed operating activities	1 002	26 430
(Increase)/decrease in receivables	(5 398)	458
(Increase)/decrease in prepayments and advances	(156)	15
Increase/(decrease) in payables – current	771	(1 324)
Proceeds from sale of capital assets	(19)	(129)
Expenditure on capital assets	6 196	29 771
Surrenders to Revenue Fund	(1 699)	(2 361)
Own revenue included in appropriation	1 307	-
Net cash flow generated by operating activities	17 207	28 142

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

	2018/19	2017/18
	R'000	R'000
Consolidated Paymaster General account	25 555	(318)
Disbursement	(14 843)	-
Total	10 712	(318)

17. Contingent liabilities and contingent assets**17.1 Contingent liabilities**

	<i>Note</i>	2018/19	2017/18
	<i>17</i>	R'000	R'000
Liable to			
Nature			
Claims against the department	<i>Annex 3B</i>	12 385	12 385
Total		12 385	12 385

Timing amounts of outflow cannot be reasonably estimated, as these are legal matters.
The possibility of re-imburement will only be known at the conclusion of the case.

18. Commitments

	2018/19	2017/18
	R'000	R'000
Current expenditure		
Approved and contracted	74 218	78 136
	74 218	78 136
Capital expenditure		
Approved and contracted	42 263	42 263
	42 263	42 263
Total Commitments	116 481	120 399

The following commitments are longer than a year:
RUBO MANAGEMENT R27 430 104.55
GRACIOUS HYGIENE SERVICES R1 779 056.00
CA JV R79 176 759.40

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19. Accruals and payables not recognised**19.1 Accruals**

	2018/19 R'000			2017/18 R'000
Listed by economic classification				
	30 Days	30+ Days	Total	Total
Goods and services	9 214	5 904	15 118	19 178
Total	9 214	5 904	15 118	19 178

Note

**2018/19
R'000**

**2017/18
R'000**

Listed by programme level

Goods and services-Administration	12 859	17 037
Goods and services-Institutional Development	1 399	1 590
Goods and services- Policy and Governance	860	551
Total	15 118	19 178

19.2 Payables not recognised

	2018/19 R'000			2017/18 R'000
Listed by economic classification				
	30 Days	30+ Days	Total	Total
Goods and services	22 041	106	22 147	18 487
Other	-	-	-	-
Total	22 041	106	22 147	18 487

Note

19

**2018/19
R'000**

**2017/18
R'000**

Listed by programme level

Goods and services- Administration	21 472	18 487
Goods and services- Institutional Development	123	-
Goods and services- Policy and Governance	552	-
Total	22 147	18 487

Note

**2018/19
R'000**

**2017/18
R'000**

Included in the above totals are the following:

Confirmed balances with other departments	<i>Annex 5</i>	991	517
Total		991	517

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20. Employee benefits

	Note	2018/19	2017/18
	20	R'000	R'000
Leave entitlement		9 157	7 758
Service bonus		3 853	3 643
Performance awards		2 372	1 785
Capped leave commitments		7 817	7 561
Other		83	19
Total		23 282	20 766

Other comprises of long term service awards that are due to be paid in the 2019/20 financial year. At this stage the Office of the Premier is not able to reliably measure the long term portion of the long service award. Leave entitlement includes negative leave balances of R0.00

21. Lease commitments**21.1 Operating leases**

2018/19	Specialised military equipment R'000	Land R'000	Buildings and other fixed structures R'000	Machinery and equipment R'000	Total R'000
Not later than 1 year	-	-	-	27	27
Later than five years	-	-	-	-	-
Total lease commitments	-	-	-	27	27

2017/18	Specialised military equipment R'000	Land R'000	Buildings and other fixed structures R'000	Machinery and equipment R'000	Total R'000
Not later than 1 year	-	-	-	358	358
Later than 1 year and not later than 5 years	-	-	-	27	27
Total lease commitments	-	-	-	385	385

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22. Irregular expenditure**22.1 Reconciliation of irregular expenditure**

	<i>Note</i>	2018/19	2017/18
	22	R'000	R'000
Opening balance		303 162	211 991
Prior period error		-	-
As restated		303 162	211 991
Add: Irregular expenditure – relating to prior year		-	-
Add: Irregular expenditure – relating to current year		78 528	98 032
Less: Prior year amounts condoned		-	(4 579)
Less: Current year amounts condoned		-	(2 282)
Closing balance		381 690	303 162

Analysis of awaiting condonation per age classification

Current year	78 528	98 032
Prior years	303 162	205 130
Total	381 690	303 162

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

Incident	Disciplinary steps taken/criminal proceedings	2018/19
		R'000
Noncompliance to supply chain management regulation	Under investigation	78 528
Total		78 528

The current year irregular expenditure is still being investigated to determine completeness thereof.

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23. Fruitless and wasteful expenditure**23.1 Reconciliation of fruitless and wasteful expenditure**

	<i>Note</i>	2018/19	2017/18
		R'000	R'000
Opening balance		5 083	5 083
Prior period error		-	-
As restated		5 083	5 083
Fruitless and wasteful expenditure – relating to current year		5 896	-
Closing balance		10 979	5 083

23.2 Analysis of awaiting resolution per economic classification

	<i>Note</i>	2018/19	2017/18
		R'000	R'000
Current		10 979	5 083
		-	-
Total		10 979	5 083

23.3 Analysis of Current year's (relating to current and prior years) fruitless and wasteful expenditure

Incident	Disciplinary steps taken/criminal proceedings	2018/19
		R'000
SARS debt	Under investigation	894
Case Management System	Under investigation	5 002
Total		5 896

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24. Related party transactions

	<i>Note</i>	2018/19	2017/18
		R'000	R'000

*List in kind goods and services between department and related party
All departments under the common control of the Mpumalanga
Provincial Legislature are related parties.*

During the year under review the Office of the Premier received accommodation services free of charge from the Department of Public Works, roads and Transport which is a related party for the year under review to the Office due to being under the common control of the Mpumalanga Legislature.

Pursuant to a determination and approval by the provincial Treasury, for the year under review. The Office of the Premier provide services for the audit Committee and internal Audit through the shared services in the Office of the Premier, following provincial cluster departments:

- *Office of the Premier*
- *Department of Human Settlements;*
- *Department of Culture, Sports & Recreation;*
- *Department of Community Safety Security and Liaison: and*
- *Department of Co-operative Governance and Traditional Affairs.*

The Department was responsible for funding the shared Internal Audit Committees and Audit Committee of the shared services, however, the services were provided free of charge to the above-mentioned cluster departments.

Total		-	-
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25. Key management personnel

	No. of Individuals	2018/19 R'000	2017/18 R'000
Political office bearers (provide detail below)	1	2 112	1 858
Officials:			
Level 15 to 16	5	2 278	9 537
Level 14 (incl CFO if at a lower level)	8	8 546	8 524
Other (Level 13 and 11)	2	1 592	1 613
Family members of key management personnel	1	287	265
Total		14 815	21 797

The official occupying post of Acting Accounting officer is seconded to the Office of the Premier from the Department of Public Works Roads and Transport. The salary of the Accounting Officer is borne by the department of Public Works.

26. Movable Tangible Capital Assets**MOVEMENT IN MOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2019**

	Opening balance R'000	Value adjustments R'000	Additions R'000	Disposals R'000	Closing Balance R'000
MACHINERY AND EQUIPMENT	36 794	-	6 196	8 439	34 551
Transport assets	8 754	-	4 331	124	12 961
Computer equipment	14 832	-	1 536	5 806	10 562
Furniture and office equipment	7 050	-	120	1 587	5 583
Other machinery and equipment	6 158	-	209	922	5 445
TOTAL MOVABLE TANGIBLE CAPITAL ASSETS	36 794	-	6 196	8 439	34 551

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26.1 Additions**ADDITIONS TO MOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2019**

	Cash	Non-cash	(Capital Work in Progress current costs and finance lease payments)	Received current, not paid (Paid current year, received prior year)	Total
	R'000	R'000	R'000	R'000	R'000
MACHINERY AND EQUIPMENT	6 196	-	-	-	6 196
Transport assets	4 331	-	-	-	4 331
Computer equipment	1 536	-	-	-	1 536
Furniture and office equipment	120	-	-	-	120
Other machinery and equipment	209	-	-	-	209
TOTAL ADDITIONS TO MOVABLE TANGIBLE CAPITAL ASSETS	6 196	-	-	-	6 196

26.2 Disposals**DISPOSALS OF MOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2019**

	Sold for cash	Non-cash disposal	Total disposals	Cash Received Actual
	R'000	R'000	R'000	R'000
MACHINERY AND EQUIPMENT	124	8 315	8 439	19
Transport assets	124	-	124	19
Computer equipment	-	5 806	5 806	-
Furniture and office equipment	-	1 587	1 587	-
Other machinery and equipment	-	922	922	-
TOTAL DISPOSAL OF MOVABLE TANGIBLE CAPITAL ASSETS	124	8 315	8 439	19

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26.3 Movement for 2017/18**MOVEMENT IN TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2018**

	Opening balance	Prior period error	Additions	Disposals	Closing Balance
	R'000	R'000	R'000	R'000	R'000
MACHINERY AND EQUIPMENT	35 686	-	1 817	709	36 794
Transport assets	9 013	-	450	709	8 754
Computer equipment	13 800	-	1 032	-	14 832
Furniture and office equipment	6 784	-	266	-	7 050
Other machinery and equipment	6 089	-	69	-	6 158
TOTAL MOVABLE TANGIBLE CAPITAL ASSETS	35 686	-	1 817	709	36 794

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

	Specialised military assets R'000	Intangible assets R'000	Heritage assets R'000	Machinery and equipment R'000	Biological assets R'000	Total R'000
Opening balance	-	2	-	5 799	-	5 801
Value adjustments	-	-	-	71	-	71
Disposals	-	-	-	1 738	-	1 738
TOTAL MINOR ASSETS	-	2	-	4 132	-	4 134
	Specialised military assets	Intangible assets	Heritage assets	Machinery and equipment	Biological assets	Total
Number of minor assets	-	-	-	3 359	-	3 359
TOTAL NUMBER OF MINOR ASSETS	-	-	-	3 359	-	3 359

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26.5 Minor assets**MOVEMENT IN MINOR ASSETS PER THE ASSET REGISTER FOR THE YEAR ENDED AS AT 31 MARCH 2018**

	Specialised military assets R'000	Intangible assets R'000	Heritage assets R'000	Machinery and equipment R'000	Biological assets R'000	Total R'000
Opening balance	-	2	-	5 762	-	5 764
Additions	-	-	-	63	-	63
Disposals	-	-	-	26	-	26
TOTAL MINOR ASSETS	-	2	-	5 799	-	5 801

26.6 Movable assets written off**MOVABLE ASSETS WRITTEN OFF FOR THE YEAR ENDED AS AT 31 MARCH 2019**

	Specialised military assets R'000	Intangible assets R'000	Heritage assets R'000	Machinery and equipment R'000	Biological assets R'000	Total R'000
Assets written off	-	-	-	1 738	-	1 738
TOTAL MOVABLE ASSETS WRITTEN OFF	-	-	-	1 738	-	1 738

MOVABLE ASSETS WRITTEN OFF FOR THE YEAR ENDED AS AT 31 MARCH 2018

	Specialised military assets R'000	Intangible assets R'000	Heritage assets R'000	Machinery and equipment R'000	Biological assets R'000	Total R'000
Assets written off	-	-	-	26	-	26
TOTAL MOVABLE ASSETS WRITTEN OFF	-	-	-	26	-	26

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27. Intangible Capital Assets**MOVEMENT IN INTANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2019**

	Opening balance R'000	Value adjustments R'000	Additions R'000	Disposals R'000	Closing Balance R'000
SOFTWARE	55 848	-	-	-	55 848
TOTAL INTANGIBLE CAPITAL ASSETS	55 848	-	-	-	55 848

27.1 Movement for 2017/18**MOVEMENT IN INTANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2018**

	Opening balance R'000	Prior period error R'000	Additions R'000	Disposals R'000	Closing Balance R'000
SOFTWARE	55 848	-	-	-	55 848
TOTAL INTANGIBLE CAPITAL ASSETS	55 848	-	-	-	55 848

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28. Prior period error

	<i>Note</i>	Amount before error correction	Prior period error	Restated Amount
		2017/18	2017/18	2017/18
		R'000	R'000	R'000
Other: (E.g. Irregular, Fruitless and wasteful expenditure)				
Goods and services - Accruals	19	16 232	2 946	19 178
Key Management Personnel	25	20 184	1 613	21 797
Net effect		36 416	4 559	40 975

Good & Services - Accruals

According to SARS findings dated from 2013/14 to 2017/18 financial years, it was established that the Office of the Premier's PAYE was under deducted in respect of leave gratuity and pro rata bonus payments. This was due to the employer, in the application for a tax directives, stating that the payments were in lieu of "severance benefits". As a result the payment in respect of the leave gratuity and pro rata service bonus payments were treated as a "severance benefit" and taxed at a lower rate.

An expenditure amount of R610 000.00 was for services received during the 2017/18 financial year but never recognised as accrual in that year and was only treated as expenditure in the 2018/19 financial year.

Key Management Personnel

In the previous financial year, some personnel were omitted in the calculation of key management personnel

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

NAME OF MUNICIPALITY	GRANT ALLOCATION				TRANSFER		
	DoRA and other transfers	Roll Overs	Adjustments	Total Available	Actual Transfer	Funds Withheld	Re-allocations by National Treasury or National Department
	R'000	R'000	R'000	R'000	R'000	R'000	%
Department of Community Safety, Security and Liaison	26	-	-	26	26	-	-
TOTAL	26	-	-	26	26	-	-

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ANNEXURE 1G
STATEMENT OF TRANSFERS TO HOUSEHOLDS

	TRANSFER ALLOCATION				EXPENDITURE		2018/19
	Adjusted Appropriation Act	Roll Overs	Adjustments	Total Available	Actual Transfer	% of Available funds Transferred	Final Appropriation
	R'000	R'000	R'000	R'000	R'000	%	R'000
HOUSEHOLDS							
Transfers							
Injury on duty	1	-	-	1	1	100%	23
Leave gratuity	1 422	-	-	1 422	1 422	100%	111
Bursaries-Non employees	3 543	-	-	3 543	3 543	100%	3 522
Severance Package	2 541	-	-	2 541	2 541	100%	-
Subsidies	7 507	-	-	7 507	7 507		3 656
TOTAL	7 507	-	-	7 507	7 507	-	3 656

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**ANNEXURE 3B
STATEMENT OF CONTINGENT LIABILITIES AS AT 31 MARCH 2019**

Nature of Liability	Opening Balance 1 April 2018 R'000	Liabilities incurred during the year R'000	Liabilities paid/ cancelled/ reduced during the year R'000	Liabilities recoverable (Provide details hereunder) R'000	Closing Balance 31 March 2019 R'000
Claims against the department					
Markohill Media	32	-	-	-	32
Riena Charles	12 353	-	-	-	12 353
TOTAL	12 385	-	-	-	12 385

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**ANNEXURE 4
CLAIMS RECOVERABLE**

Government Entity	Confirmed balance outstanding		Unconfirmed balance outstanding		Total		Cash in transit at year end 2018/19	
	31/03/2019	31/03/2018	31/03/2019	31/03/2018	31/03/2019	31/03/2018	Receipt date up to six (6) working days after year end	Amount
	R'000	R'000	R'000	R'000	R'000	R'000		R'000
Department								
Department of Economic Development	-	94	-	-	-	94	-	-
Department of Agriculture Mega	-	189	-	-	-	189	-	-
The Presidency	-	-	722	-	722	-	-	-
	-	331	722	-	722	331	-	-
Other Government Entities								
TOTAL	-	331	722	-	722	331	-	-

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**ANNEXURE 5
INTER-GOVERNMENT PAYABLES**

GOVERNMENT ENTITY	Confirmed balance outstanding		Unconfirmed balance outstanding		TOTAL		Cash in transit at year end 2018/19	
	31/03/2019	31/03/2018	31/03/2019	31/03/2018	31/03/2019	31/03/2018	Payment date up to six (6) working days before year end	Amount
	R'000	R'000	R'000	R'000	R'000	R'000		R'000

DEPARTMENTS

Current

Department of Public Works	723	331	1 080	-	1 803	331	-	-
Department of Justice	-	29	-	-	-	29	-	-
Department of Co-operative Government	-	157	-	-	-	157	-	-
South African police Services	267	-	-	-	267	-	-	-
Government Printing	1	-	-	-	1	-	-	-
TOTAL INTERGOVERNMENTAL	991	517	1 080	-	2 071	517	-	-

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