

DEPARTMENT OF TREASURY

PROVINCE OF LIMPOPO

VOTE NO. 05

ANNUAL REPORT

2016/2017 FINANCIAL YEAR



"We are the best in what we do."

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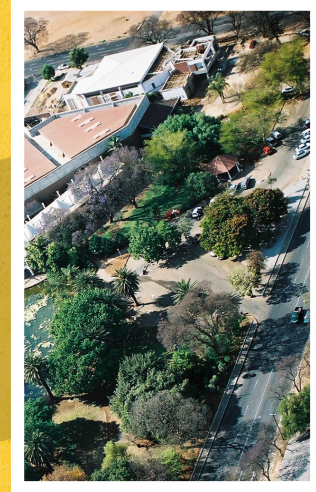
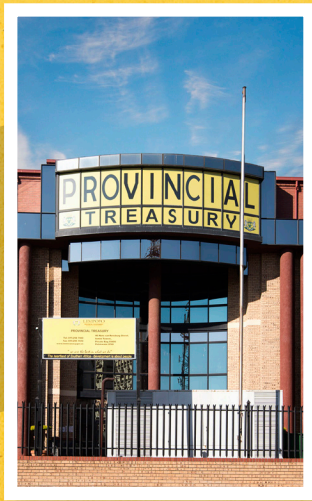
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PART A:

GENERAL INFORMATION



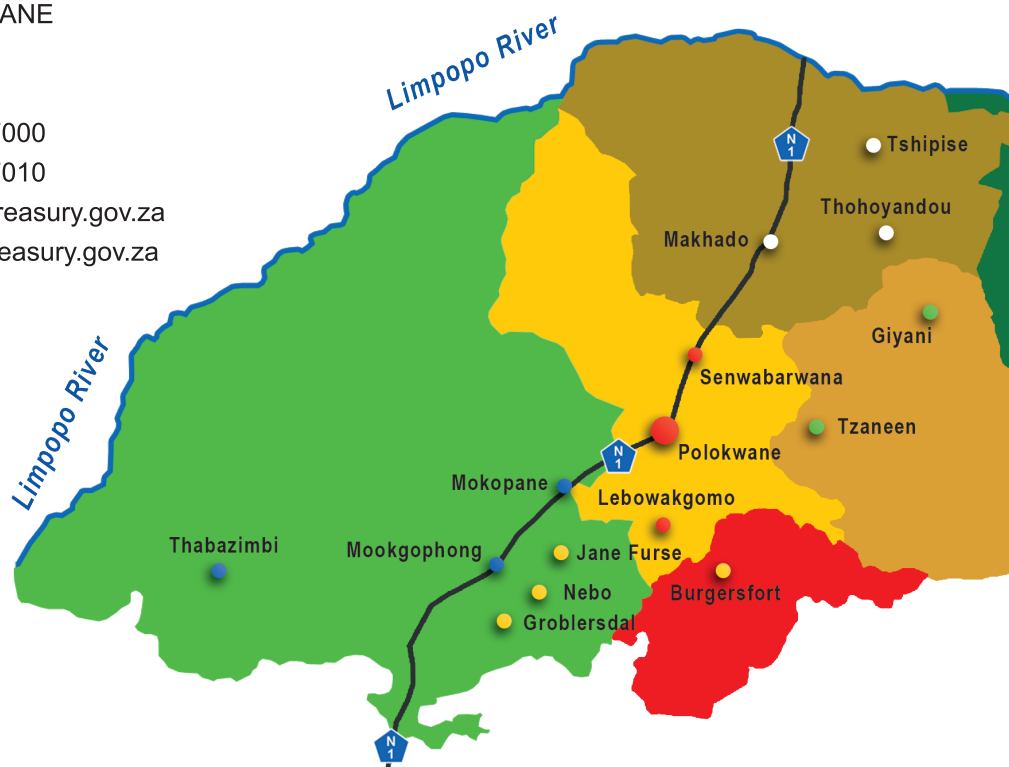


1. DEPARTMENT GENERAL INFORMATION

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2 LIST OF ABBREVIATIONS/ACRONYMS

AC	Audit Committee
AFS	Annual Financial Statements
AGSA	Auditor General of South Africa
AO	Accounting Officer
APP	Annual Performance Plan
BAS	Basic Accounting System
BAUD	Bar Coded Asset Audit
BBBEE	Broad Based Black Economic Empowerment
CAC	Central Audit Committee
CFO	Chief Financial Officer
CFS	Consolidated Financial Statements
CoGHSTA	Co-Operative Governance, Human Settlement and Traditional Affairs
DORA	Division of Revenue Act
DRP	Disaster Recovery Plan
EU	European Union
EXCO	Executive Council
FMCM	Financial Management Capability Maturity Model
GIAMA	Government Immovable Assets Management Act
GITO	Government Information and Technology Office
HOD	Head of Department
HR	Human Resources
HRD	Human Resource Development
IDIP	Infrastructure Delivery Improvement Programme
IFMS	Integrated Financial Management System
IYM	In-Year Monitoring
LDPWRI	Limpopo Department of Public Works, Roads & Infrastructure
LDP	Limpopo Development Plan
LOGIS	Logistics Information System
LPT	Limpopo Provincial Treasury
MEC	Member of Executive Council
MFMA	Municipal Finance Management Act
MISS	Minimum Information Security Standards
MTEF	Medium Term Expenditure Framework
N/A	Not Applicable
NT	National Treasury
PFMA	Public Finance Management Act
PPP	Public Private Partnerships
PRF	Provincial Revenue Fund
QTR	Quarter
SAQA	South African Qualifications Authority
SCM	Supply Chain Management
SCOPA	Standing Committee on Public Accounts
SDIP	Service Delivery Improvement Plan
SISP	Strategic Information System Plan
SITA	State Information Technology Agency
SLA	Service Level Agreement
SMME	Small Medium and Micro Enterprises
TR	Treasury Regulations
U-AMP	User Asset Management Plan
VPN	Virtual Private Network



3. FOREWORD

BY THE MEC

It is my pleasure to present the 2016/17 Limpopo Provincial Treasury Annual Report. The report includes the financial statements and performance of the Provincial Treasury, as well as the outputs and outcomes of the department against the targets set in our Annual Performance Plan for the year in review.

Considering the statutory responsibilities of the Provincial Treasury, there is a marked improvement in our oversight role, which can be ascribed, partly due to the appointment of financial specialists to assist in improving financial management in those departments that have been struggling with audit outcomes that were not satisfactory.

“We ensured continued support that departments, public entities and municipalities adhered to the financial prescripts as required by Section 18 of the PFMA, and Section 5 of the MFMA.”

Our Section 18 intervention in the Department of Education has yielded improvements in the financial management in that department. The intervention had continued up until the end of the audit process in July. Together with the Department of Co-operative Governance, Human Settlements and Traditional Affairs (COGHSTA), we have intervened in those municipalities that face financial management capacity challenges. Cases in point being the Thabazimbi and Mogalakwena municipalities respectively. We will continue to do so where necessary to ensure that our municipalities are financially sustainable.

The challenging economic conditions in the country generally, and the province, in particular, has necessitated that we promulgate several treasury notes to ensure prudent budget management. This requires that departments implement their annual plans accordingly. We will as the Provincial Treasury continue to play the oversight role as per statutory requirements.



We will also monitor the implementation of the amended Supply Chain Management regulations to ensure that they achieve the intended objectives of economically empowering the designated groups.

May I take this opportunity to thank the Head of Department and the staff for their continued support and concerted effort in improving the performance of the department. I would also like to thank the Audit Committee and the Portfolio Committee and other oversight bodies for their valued input and guidance in the year under review.

A handwritten signature in black ink, appearing to read 'RWN Tooley'.

Hon. RWN Tooley
MEC for Finance

4. REPORT OF THE ACCOUNTING OFFICER



4.1. Overview of the operations of the department:

The Provincial Treasury, as entrusted in s18 of the Public Finance Management Act (PFMA), Act 1 of 1999, as amended, is mandated to:

- (a) Prepare the provincial budget
- (b) Exercise control over the implementation of the provincial budget
- (c) Promote and enforce transparency and effective management in respect of revenue, expenditure, assets and liabilities of provincial departments and provincial public entities; and
- (d) Ensure that its fiscal policies do not materially and unreasonably prejudice national economic policies.

The Provincial Treasury is also entrusted in terms of s5 of the Municipal Finance Management Act (MFMA), Act 56 of 2003, as amended to:

- (a) Fulfil its responsibilities and promote the object of the MFMA
- (b) Assist National Treasury in enforcing compliance with the measures established in terms of s216 of the Constitution of the Republic of South Africa and the MFMA:
- (c) Monitor:
 - (i) Compliance with the MFMA
 - (ii) Preparation of municipal budgets & where necessary assist
 - (iii) Monthly outcomes of the budgets
 - (iv) Submission of reports required in terms of the MFMA.
- (d) Exercise any powers and perform any duties delegated to it by the National Treasury in terms of the MFMA
- (e) Take any appropriate steps if a provincial municipality or municipal entity commits a breach of the MFMA

During the year under review, Provincial Treasury continued with capacity building programmes which provided skills and knowledge to officials in financial management, governance and supply chain management through short courses and on the job training.

The Provincial Treasury PFMA, section 18, intervention in the Department of Education that was implemented in August 2015, is starting to yield improved governance, financial management and performance in the Department of Education and had been extended to 31 July 2017. Provincial Treasury has also seconded Treasury officials to Vhembe District and Polokwane Municipalities and provided additional support to Thabazimbi and Mogalakwena municipalities as well as the Department of Sport, Arts and Culture and Roads Agency Limpopo; in an endeavour to improve financial management in these institutions.

It has been agreed that Provincial Treasury will be responsible for these officials current Provincial Treasury salary cost and that the institutions will only be liable for any differential between their current salary and that of the post being seconded to.

“In an effort to improve financial management controls, a decision was taken to implement the National Treasury LOGIS accounting system, which interfaces with the National Basic Accounting System (BAS).”

In 2015/16 Provincial Treasury implemented LOGIS in four departments namely; Provincial Treasury, Office of the Premier, Department of Co-operative Governance, Human Settlements and Traditional Affairs and the Department of Safety, Security and Liaison as lead sites. The four departments went live on LOGIS on 1 April 2016. Provincial Treasury continued with the phased implementation of LOGIS and in 2016/17 implemented LOGIS in a further four departments bringing the total number of Departments on LOGIS to eight (8) out of the twelve (12) Provincial Departments. The four Departments implemented in 2016/17 are Economic Development Environment and Tourism, Education, Sport, Arts and Culture and the Department of Health's head office and five district offices. These departments will go live in 2017/18. It is planned to implement LOGIS in the remaining four (4) departments and all Health institutions in 2017/18.

As a further intervention to improve financial management, specifically asset management, Provincial Treasury implemented the BAUD asset register system in the province. For the 2016/17 audit process, all departments will be audited on their BAUD asset registers with the possible exception of the Department of Health.

Over the last number of financial years, all provincial departments have been using Microsoft Excel to maintain movable asset registers. Due to limited security and audit trails for any changes to the register in Excel, this had inherent risks which also resulted in a number of audit findings. It is Provincial Treasury's view that the audit opinions on the movable asset registers will improve as the asset register information is now secured in BAUD and audit trails are now available for any changes to the asset register information.

Provincial Treasury, in 2016/17; continued to intensively implement the Provincial Revenue Enhancement Strategy by embarking on, and financing, sustainable revenue enhancement projects within departments and public entities. This has yielded increases in provincial own revenue collections to above R1,5 billion. With the assistance of the provincial departments and public entities, Provincial Treasury will continue to identify new revenue sources during the 2017/18 financial year.

4.2. Overview of the financial results of the department:

4.2.1. Departmental receipts

DEPARTMENTAL RECEIPTS	2016/17			2015/16		
	ESTIMATE R'000	ACTUAL AMOUNT COLLECTED R'000	(OVER)/UNDER COLLECTION R'000	ESTIMATE R'000	ACTUAL AMOUNT COLLECTED R'000	(OVER)/UNDER COLLECTION R'000
Tax receipts	-	-	-	-	-	-
Sale of goods and services other than capital assets	512	770	(258)	493	583	(90)
Transfers received	-	124	(124)	-	124	(124)
Interest, dividends and rent on land	356 357	(42 338)	236 056	300 356	300 356	(64 300)
Sale of capital assets	-	1 037	(1 037)	-	-	-
Financial transactions in assets and liabilities	5 659	7 280	(1 621)	266	1 907	(1 641)
TOTAL	362 528	407 906	(45 378)	236 815	302 970	(66 155)

The main sources of revenue within Provincial Treasury are derived from interest received, the sale of tender documents and commission earned on insurance. Provincial Treasury does not regularly sell goods and services and therefore the provincial approved tariffs are applied from time to time.

During the 2016/17 financial year, the actual revenue collection was R407,9 million, against a target of R362,5 million. The over collection of R45,4 million can be attributed to the improved cash position within the Limpopo Province, which resulted in additional interest earned. Provincial Treasury does not render any free services, that if charged would yield significant revenue, other than the related party transactions as disclosed in Note 25 to the Annual Financial Statements.

Irrecoverable debts to the value of R0,05 million were written off during the year under review. This was in line with being uneconomical to recover and causing unnecessary hardship to the parties involved. The write off's were done in line with necessary legislation and prescripts.

The department collected R1,0 million through the sale of capital assets. This was as a result of redundant and obsolete machinery and equipment sold through an auction.

4.2.2 Programme Expenditure

PROGRAMME NAME	2016/17			2015/16		
	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
Administration	184 204	182 032	2 172	155 229	150 278	4 951
Sustainable Resource	97 524	94 515	3 008	51 447	50 127	1 320
Management	-	-	-	-	-	-
Assets, Liabilities & SCM	86 492	85 092	1 400	84 664	83 051	1 613
Financial Governance	85 119	77 610	7 509	81 086	78 390	2 696
Sub Total	453 339	439 250	14 089	372 426	361 846	10 580
Statutory	1 902	1 902	-	1 902	1 876	26
TOTAL	455 241	441 152	14 089	374 328	363 722	10 606

Programme 1: Administration

In 2016/17 Programme 1 spent a total amount of R183.9 million or 99% of its final appropriated budget of R186.1 million, including the statutory amount (2015/16: R152.2 million or 97% of R157.1 million budget). The underspending was mainly due to late submission of capital spending invoices that were not submitted for payment before the year end cut-off date as well as the delayed commencement of developing the department's business continuity plan project.

Programme 2: Sustainable Resource Management

In 2016/17 Programme 2 spent a total of R94.5 million, or 97% of its final appropriated budget of R97.5 million (2015/16: R50.1 million or 97% of R51.5 million budget). The underspending in 2016/17 was mainly the result of a delay in the filling of vacant funded posts, while the programme also underspent on other non-essential items within goods and services, such as travel, subsistence, venues and facilities.

Programme 3: Assets, Liabilities and Supply Chain Management

In 2016/17 Programme 3 spent R85.1 million or 98% of its final appropriated budget of R86.5 million (2015/16: R83.1 million or 98% of R84.7 million budget). The programme also underspent on other non-essential items within goods and services, such as registration fees, travel and subsistence.

Programme 4: Financial Governance

In 2016/17 Programme 4 spent R77.6 million or 91% of its final appropriated budget of R85.1 million (2015/16: R78.4 million or 97% of R81.1 million budget). The underspending in 2016/17 was mainly due to the late filling of vacant funded posts in the programme as well as underspending on travel and subsistence. The underspending on payments of capital is as a result of the delayed implementation of the provincial risk management software project that was not completed before year end.

Below is a brief analysis of the spending trends per economic classification:

- Compensation of Employees (CoE)

During 2016/17 financial year, the department spent R259.2 million, or 97% of its final CoE budget appropriation of R266.4 million (2015/16: R235.9 million or 99% of R238.1 million budget). The decline in the percentage of the budget spent is a result of delays in filling vacant funded posts.

- Goods and Services

The department spent R139.8 million, or 97% of its final appropriation of R144.9 million, during 2016/17 financial year (2015/16: R111 million or 96% of R115.3 million budget). The underspending is due to late submission of invoices from suppliers, the delayed commencement of development of the department's business continuity plan project and underspending on non-essential items such as travelling and subsistence, venues, facilities and consumables.

• Transfers & Subsidies

An amount of R8.6 million, or 99% of a final appropriation budget of R8.7million, was spent during 2016/17 financial year (2015/16: R8.7 million or 93% of R9.3 million budget).

• Capital Payments

The department spent R8.5 million or 83% of a final capital budget of R10.2 million during 2016/17 financial year. During the 2015/16 financial year, the department spent R7.8 million or 68% of the final capital budget of R11.5 million. The underspending of 2016/17 financial year budget can be attributed largely to late finalization and awarding of tenders.

4.2.3. Virements/roll overs

A virement was approved by the Accounting Officer and the Provincial Treasury in terms of section 43 of the Public Finance Management Act (Act 1 of 1999) and Treasury Regulations 6.3.1 through which an amount R6.8 million was moved from programme 4: Financial Governance (R2.4 million from CoE and R4.4 million from Goods & Services) to address budget pressures in Goods and Services in the other three programmes.

4.2.4. Unauthorized, Fruitless and Wasteful Expenditure

During the year under review, the Provincial Treasury incurred no unauthorized, fruitless and wasteful expenditure.

4.2.5. Future plans of the department

The Provincial Treasury did not have or enter into any PPP, as defined, during the year under review.

4.2.6. Discontinued activities / activities to be discontinued

There were no discontinued activities during the year under review.

4.2.7. New or proposed activities

There were no new or proposed activities during the year under review.

4.2.8. Supply chain management

Provincial Treasury did not conclude any unsolicited bids or experience significant SCM challenges during the year under review and had systems and processes in place to prevent irregular expenditure.

4.2.9. Gifts and Donations received

Provincial Treasury, during 2016/17, received donations from the provincial banker, Standard Bank of South Africa and Centre for Public Service Innovation as disclosed in Annexure 1C to the financial statements.

4.2.10. Exemptions and deviations received from the National Treasury

No exemptions from the PFMA or Treasury Regulations or deviation from the financial reporting requirements were applied for, or received, for the current and/ or previous financial year.

4.2.11. Events after the reporting date

No events have occurred after the reporting date and the date of approval of the Annual Financial Statements.

4.2.12. Other

There are no material issues that have come to my attention that may have an effect on the financial affairs on the Department.

4.3. Acknowledgement/s or Appreciation

I would like to take this opportunity to thank the Senior Management and staff of the Provincial Treasury for their support and dedication during the year under review. Further, I would like to acknowledge the work of the Audit Committee and Portfolio Committee on Treasury for their oversight role and guidance provided to Provincial Treasury.

4.4. Conclusion

Provincial Treasury has made great strides during the year to improve delivery in terms of its mandate and trust that this will continue in the forthcoming years. Please refer to the detailed Annual Report herewith for the details outlined in my executive summary.

4.5. Approval

The Annual Financial Statements set out on pages 84 to 126 have been approved by the Accounting Officer.



Mr. G.C. Pratt
Accounting Officer
Department of Provincial Treasury

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

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

- ◆ All information and amounts disclosed throughout the annual report are consistent.
- ◆ The annual report is complete, accurate and is free from any omissions.
- ◆ The annual report has been prepared in accordance with the guidelines on the annual report as issued by National Treasury.
- ◆ The Annual Financial Statements (Part E) have been prepared in accordance with the modified cash standard and the relevant frameworks and guidelines issued by the National Treasury.

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

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

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

In my opinion, the annual report fairly reflects the operations, the performance information, the human resources information and the financial affairs of the department for the financial year ended 31 March 2017.

Yours faithfully



Mr. G.C. Pratt
Accounting Officer



6. STRATEGIC OVERVIEW

6.1 VISION

Excellence in public resource management for socio-economic development.

6.2 MISSION

Empowering provincial and local government for sustainable service delivery through good governance and sound public resource management.

6.3 VALUES

Limpopo Provincial Treasury will be guided by the following values:

- Integrity
- Transparency
- Accountability
- Fairness
- Professionalism



7. LEGISLATIVE & OTHER MANDATES

Limpopo Provincial Treasury has been established in terms of section 17 of the Public Finance Management Act 1 of 1999 (as amended by Act 29 of 1999). The functions and powers of the provincial treasury are provided in the Act under section 18 (1) and (2).

The organisation is directly responsible for implementing, managing or overseeing the following key legislation and their relevant regulations:

- Public Finance Management Act (PFMA) of 1999 (as amended by Act 29 of 1999);
- Municipal Finance Management Act (MFMA) 56 of 2003;
- Annual Division of Revenue Act
- Appropriation Act
- Adjustments Appropriation Act
- Preferential Procurement Policy Framework Act

7.1. Constitutional Mandates

The Provincial Treasury is responsible for assisting the National Treasury in enforcing compliance with the measures established in terms of section 216 (1) of the Constitution.

7.2. Legislative Mandates

The functions and powers of the provincial treasury as provided by the PFMA are as follows:

SECTION	FUNCTION AND POWERS
18 (1)	A PROVINCIAL TREASURY MUST:
(a)	Prepare the provincial budget
(b)	Exercise control over the implementation of the provincial budget
(c)	Promote and enforce transparency and effective management in respect of revenue, expenditure, assets and liabilities of provincial departments and provincial public entities; and
(d)	Ensure its fiscal policies do not materially and unreasonably prejudice national economic policies.

18 (2)	A PROVINCIAL TREASURY
(a)	must issue provincial instructions not inconsistent with the Act
(b)	must enforce the PFMA and any prescribed national and provincial norms and standards, including any prescribed standards of generally recognized accounting practice and uniform classification systems, in provincial departments
(c)	must comply with annual DORA and monitor and assess the implementation of that Act in public entities
(d)	must monitor and assess implementation in provincial public entities of national and provincial national norms and standards
(e)	may assist provincial departments and provincial public entities in building their capacity for efficient, effective and transparent financial management
(f)	may investigate any system of financial management and internal control applied by a provincial department or public entity
(g)	must intervene by taking appropriate steps to address a serious and persistent material breach of the PFMA by a provincial department or a provincial public entity, including withholding of funds
(h)	must promptly provide National Treasury with any information required in terms of the PFMA
(i)	may do anything further that is necessary to fulfil its responsibilities effectively

The Provincial Treasury is also mandated by section 5 of the Municipal Finance Management Act (Act 56 of 2003) and the functions and powers are tabled below:

SECTION	FUNCTION AND POWERS
3	A PROVINCIAL TREASURY MUST IN ACCORDANCE WITH A PRESCRIBED FRAMEWORK:
(c)	Assist the National Treasury in enforcing compliance with the measures established in terms of section 216(1) of the Constitution, including those established in terms of this Act.

4	TO THE EXTENT NECESSARY TO COMPLY WITH SUBSECTION (3), A PROVINCIAL TREASURY
(a)	Must monitor: (i) compliance with the MFMA by municipalities and municipal entities in the province; (ii) the preparation by municipalities in the province of their budgets; (iii) the monthly outcome of those budgets; and (iv) the submission of reports by municipalities in the province as required in terms of this Act;
(b)	may assist municipalities in the province in the preparation of their budgets
(c)	may exercise any powers and must perform any duties delegated to it by the National Treasury in terms of this Act and
(d)	may take appropriate steps if a municipality or municipal entity in the province commits a breach of this Act.

8. ORGANISATIONAL STRUCTURE



Hon. R.W.N Tooley
MEMBER OF THE EXECUTIVE
COUNCIL



Mr. G.C. Pratt
HEAD OF DEPARTMENT



Ms. L. Ebrahim
DEPUTY DIRECTOR GENERAL:
CORPORATE GOVERNANCE



Mr. H.M. Mawela
CHIEF FINANCIAL OFFICER



Mr. H. Petrie
CHIEF AUDIT EXECUTIVE



Mr. M. Phukuntsi
DEPUTY DIRECTOR GENERAL:
SUSTAINABLE RESOURCE
MANAGEMENT



Mr. N. Essa
PROVINCIAL ACCOUNTANT
GENERAL



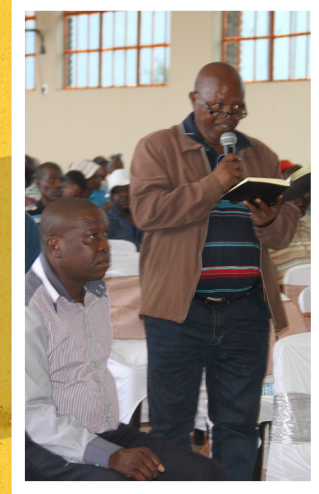
Mr. F.P. Mushwana
DEPUTY DIRECTOR GENERAL:
ASSETS, LIABILITIES & SUPPLY
CHAIN MANAGEMENT

9. ENTITIES REPORTING TO THE MINISTER/MEC

- The department does not have any entities reporting to the MEC.

PART B:

PERFORMANCE INFORMATION



1. AUDITOR GENERAL'S REPORT: PREDETERMINED OBJECTIVES

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

Refer to page 77 of the Report of the Auditor General, published as Part E: Financial Information.

2. OVERVIEW OF DEPARTMENTAL PERFORMANCE 2.1. Service Delivery Environment

The Provincial Treasury provided the following services directly to the public:

- Published editions of the provincial tender bulletin which were made available at no cost to the public and available at Provincial Treasury head office, district offices and the departmental website.
- SMMEs were trained and empowered on the government procurement process.

In an effort to enhance supply chain management performance, Limpopo Provincial Treasury (Provincial Supply Chain Management) continued to monitor SCM compliance in all provincial departments and public entities.

Provincial Treasury intervened in the Department of Education in terms of section 18 of the PFMA in August 2015. This process has led to improved governance, financial management and performance in the Department of Education and has been extended to 31 July 2017.

"In an effort to improve financial management controls, a decision was taken to implement the National Treasury LOGIS accounting system, which interfaces with the National Basic Accounting System (BAS)."

In 2015/16 Provincial Treasury implemented LOGIS in four departments: Treasury, Office of the Premier, Department of Co-operative Governance, Human Settlements and Traditional Affairs and the Department of Safety, Security and Liaison as lead sites. The four (4) departments went live on LOGIS on 1 April 2016.

Provincial Treasury continued with the phased implementation of LOGIS and in 2016/17 implemented LOGIS in a further four departments bringing the total number of Departments on LOGIS to eight (8) out of the twelve (12) Provincial Departments.

The four (4) Departments implemented in 2016/17 are Economic Development Environment and Tourism, Education, Sport, Arts and Culture and Health head office and five district offices.

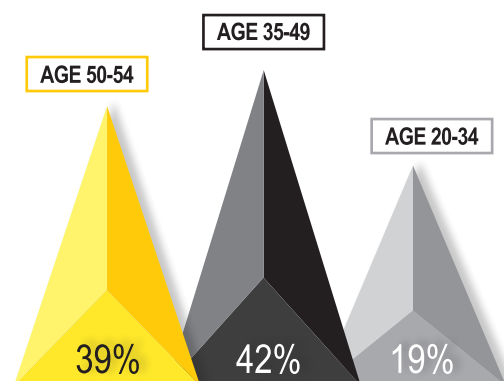
These departments will go live in 2017/18. It is planned to implement LOGIS in the remaining four (4) departments and all Health institutions in 2017/18.

As a further intervention to improve financial management, specifically asset management, Provincial Treasury implemented the BAUD asset register system in the province. For the 2016/17 audit process, all departments will be audited on their BAUD asset registers with the possible exception of the Department of Health. Over the last number of financial years, all provincial departments have been using Microsoft Excel to maintain movable asset registers. Due to limited security and audit trails for any changes to the register in Excel, this had inherent risks which also resulted in a number of audit findings. It is Provincial Treasury's view that the audit opinions on the movable asset registers will improve as the asset register information is now secured in BAUD and that audit trails are now available for any changes to the asset register information.

Municipalities have also been monitored and provided with hands-on support for the implementation of Municipal Budget Reporting Regulations, debt management as well as other corporate governance matters. Provincial Treasury has also seconded Treasury officials to Vhembe District and Polokwane Municipalities and provided additional support officials to Thabazimbi and Mogalakwena municipalities in an endeavour to improve financial management in these institutions. It has been agreed that Provincial Treasury will be responsible for these officials' current Provincial Treasury salary cost and that the institutions will only be liable for any differential between their current salary and that of the post seconded to.

Provincial Treasury is currently reviewing its organizational structure. The proposed Provincial Treasury organizational structure has reduced the number of posts from the existing structure of 674 posts to 550. Focused areas of support will be in Municipal Finance, Transversal Risk Management, Asset Management, CFO's office and support to public entities, however, the increased need to support municipalities in order to improve audit outcomes will be prioritised.

The work profile in the Department has not as yet reflected the demographics of the province. In terms of Employment Equity at SMS level, the department is at 40% female and 2% disability representation. The Age profile of the employees in the department is as follows:



2.2. Service Delivery Improvement Plan

The department has completed a service delivery improvement plan.

The tables below highlight the service delivery plan and the achievements to date.

MAIN SERVICES AND STANDARDS

MAIN SERVICES	BENEFICIARIES	CURRENT/ACTUAL STANDARD OF SERVICE	DESIRED STANDARD OF SERVICE	ACTUAL ACHIEVEMENT
Support and monitor departments to improve on their expenditure	13 Provincial Departments and 5 public entities	Partial compliance to financial regulations	100% compliance to legislation	13 provincial departments and 5 public entities supported. As at 31 st March 2017, the provincial expenditure was R57.752 billion, or 97.8 percent of the adjusted budget R59.050 billion.
Support municipalities to improve audit outcomes	27 Municipalities	Partial compliance to financial regulations	100% compliance to financial regulations	13 municipalities received an unqualified audit opinion in 2015/16

CURRENT/ACTUAL ARRANGEMENTS	DESIRED ARRANGEMENTS	ACTUAL ACHIEVEMENTS
Meetings and reports	Reports, workshops & trainings	Reports, workshops & training held
Feedback done in departments	Feedback through reports analysis	Meetings and workshops held
Meetings and workshops	Meetings, reports & workshops	Meetings and workshops held. Reports submitted

CURRENT/ACTUAL INFORMATION TOOLS	DESIRED INFORMATION TOOLS	ACTUAL ACHIEVEMENTS
Service standards document	Service standards document	Quarterly service standards monitoring report submitted
SDIP document	SDIP document	Quarterly SDIP monitoring report approved and submitted
Service Charter	Service Charter	Service Charter approved
Annual Citizen's report	Annual Citizen's report	Annual Citizen's report approved

CURRENT/ACTUAL COMPLAINTS MECHANISM	DESIRED COMPLAINTS MECHANISM	ACTUAL ACHIEVEMENTS
Premier Hotline	Premier Hotline	No complaints received
Presidential Hotline	Presidential Hotline	No complaints received

2.3. ORGANISATIONAL ENVIRONMENT

During the period under review, the Limpopo Provincial Treasury experienced capacity challenges that resulted in it not fully delivering on its Annual Performance Plan. These capacity challenges were in Transversal Risk Management, Municipal Finance and Norms and Standards. The challenge relates to support and monitoring of public entities and votes with regard to resolving the prior year's Auditor General findings. Key vacant posts are in the process of being filled to improve Provincial Treasury's capacity to deliver the required services to both public entities and departments.

The Provincial Shared Internal Audit unit continues to experience high staff turnover which also had a negative impact on the ability of the unit to effectively deliver internal audit services.

2.4. KEY POLICY DEVELOPMENTS AND LEGISLATIVE CHANGES

There were no major changes to relevant policies or legislation that have affected operations of Limpopo Provincial Treasury during the period under review.

3. STRATEGIC OUTCOME ORIENTED GOALS

2016/17 was the second financial year in implementation of the 2015/16 to 2019/20 Strategic Plan. In this Strategic Plan, Limpopo Provincial Treasury has two Strategic Outcome Oriented goals:

- 1. Strategic Partnership that enables effective execution of the department's legislative mandate by the 4 departmental programmes.**
- 2. Responsive, accountable, effective and efficient provincial and local government system.**

Limpopo Provincial Treasury implemented the 2016/17 Annual Performance Plan during the financial year under review and significant achievements towards the realisation of the two strategic outcome oriented goals and the twelve (12) outcomes as announced by DPME are as follows:

Strategic Partnership that enables effective execution of the department's legislative mandate by the 4 departmental programmes.

Strategic Outcome Oriented Goal number one contributes towards the achievement of National Outcome 12 of building an effective, efficient and development oriented public service as well as the National Development Plan (NDP) Chapter 13 objective of building a capable and developmental state.



The Department managed to make the public service, Limpopo Provincial Treasury in particular, government careers of choice by advertising and issuing 82 External and 104 Internal Bursaries with the purpose of advancing Financial Management careers to both internal staff and external applicants in line with Chapter 13 objective of the NDP.

Limpopo Provincial Treasury also used secondments of officials to municipalities in order to address capacity challenges in those municipalities while, at the same time, enabling staff members to gain experience within other spheres of government in line with Chapter 13 of the NDP.

The department implemented the Promotion of Administrative Justice Act (PAJA) and the Promotion of Access to Information Act (PAIA) successfully during the year under review in line with National Outcome 12 Output 3. Provincial Treasury was rated a level 4 score for both PAIA and PAJA in the Management Performance Assessment Tool (MPAT) by the Department of Performance Monitoring and Evaluation (DPME).

The Department's five-year strategic objective targets for strategic outcome oriented goal number one is to achieve an average MPAT score of level 4 by the end of the five-year term. In 2016/17 the department made a significant improvement in achieving the level 4 target by scoring an average MPAT score of 3.3, which is an improvement from the 3.1 average MPAT score achieved in 2015/16.

Responsive, accountable, effective and efficient provincial and local government system.

This Strategic Outcome Oriented Goal contributes towards the achievement of National Outcome 9 of responsive, accountable, effective and efficient local government system, National Outcome 12 of building an effective, efficient and development oriented public service as well as the NDP Chapter 13 objective of building capable and developmental state.

In contributing towards the NDP Chapter 13 objective, to ensure that staff at all levels have the authority, experience, competence and support they need to do their jobs, Limpopo Provincial Treasury conducted eighty nine (89) transversal system courses and co-ordinated ten (10) short-term Financial Management courses for officials within provincial departments as a capacity building initiative.

The Department contributed towards the achievement of National Outcome 9 Output 6 by monitoring and supporting Limpopo municipalities on processes in high risk areas such as procurement (supply chain) and asset management.

The department had strategic objectives aimed at improving SCM compliance levels and audit outcomes in provincial departments which contributed to the achievement of National outcome 12 Output 3.

4. PERFORMANCE INFORMATION BY PROGRAMME

4.1. Programme 1: Administration

The purpose of the programme is to provide effective and efficient strategic management and administrative support as well as sound financial management to Provincial Treasury.

The programme has the following sub-programmes namely:

- **MEC Support Services which is responsible for:**
Providing Parliamentary and Legislative Support Services, render administrative and secretarial services, provide media liaison services and also to facilitate policy advice to the MEC.
- **Management Services which is responsible for:**
Providing Strategic and Administrative support to the HOD.



- **Corporate Services which is responsible for:**
 - Ensuring the provision of Human Resource Management.
 - Ensuring provision of Legal and Labour relations services, and
 - Administering transformation programmes & employee welfare.
 - Ensure the monitor of Organizational performance, Co-ordination of Strategic Planning and Policy development processes.
- **Financial Management (Office of the CFO)**
Rendering management accounting, financial accounting and supply chain management services for the department.

Strategic objectives, performance indicators, planned targets and actual achievements.

The Strategic Objective of Administration is to enable the Department to deliver in line with the mandate by improving management practices on HR, Strategic Management and Financial Management to level 4 of MPAT standards by 2019/20. The department managed to achieve the average MPAT score of 3.3 for 2016/17 MPAT cycle, which is a significant improvement from 2015/16 average MPAT score of 3.1. This improvement demonstrates the improvement in management practices and partnerships that enabled the department to execute its mandate, hence the contribution to the strategic outcome oriented goal number one.

STRATEGIC OBJECTIVES

PROGRAMME 1: ADMINISTRATION					
STRATEGIC OBJECTIVES	ACTUAL ACHIEVEMENT 2015/2016DY	PLANNED TARGET 2016/2017	ACTUAL ACHIEVEMENT 2016/2017	DEVIATION FROM PLANNED TARGET TO ACTUAL ACHIEVEMENT FOR 2016/2017	COMMENT ON DEVIATIONS
STRATEGIC OBJECTIVE: ENABLE THE DEPARTMENT TO DELIVER IN LINE WITH THE MANDATE BY IMPROVING MANAGEMENT PRACTICES ON HR, STRATEGIC MANAGEMENT AND FINANCIAL MANAGEMENT TO LEVEL 4 OF MPAT STANDARDS BY 2019/20.					
Departmental average MPAT score	3.1	3.5	3.3	-0.2	The 0.2 deviation is as a result of noncompliance on human resource management in terms of the delay in filling of vacant positions.

Strategy to overcome areas of under performance

- Department to develop MPAT 1.6 Improvement And Implementation plan to address all areas of underperformance that will be monitored on a monthly basis at EXCOM meetings.

PERFORMANCE INDICATORS

PROGRAMME 1: ADMINISTRATION							
PERFORMANCE INDICATOR	ACTUAL ACHIEVEMENT 2013/2014	ACTUAL ACHIEVEMENT 2014/2015	ACTUAL ACHIEVEMENT 2015/2016	PLANNED TARGET 2016/2017	ACTUAL ACHIEVEMENT 2016/2017	DEVIATION FROM PLANNED TARGET TO ACTUAL ACHIEVEMENT FOR 2016/2017	COMMENT ON DEVIATIONS
Number of programmes monitored for compliance to institutional arrangements	4	4	4	4	4	0	N/A
Number of programmes monitored and supported on compliance to PMDS policies	-	4	4	4	4	0	N/A
Number of programmes supported on development/review of business processes	-	-	4	4	4	0	N/A
Number of AET programs implemented	-	-	-	4	4	0	N/A
Number of key services monitored in implementation of SDIP	-	3	3	3	3	0	N/A

PROGRAMME 1: ADMINISTRATION

PERFORMANCE INDICATOR	ACTUAL ACHIEVEMENT 2013/2014	ACTUAL ACHIEVEMENT 2014/2015	ACTUAL ACHIEVEMENT 2015/2016	PLANNED TARGET 2016/2017	ACTUAL ACHIEVEMENT 2016/2017	DEVIATION FROM PLANNED TARGET TO ACTUAL ACHIEVEMENT FOR 2016/2017	COMMENT ON DEVIATIONS
Number of facilities monitored on implementation of Risk Assessment recommendations	4	9	9	9	9	0	N/A
Number of programmes monitored and supported in mitigation of the prioritised risks to provide reasonable assurance on the achievement of set objectives	4	4	4	4	4	0	N/A
Number of programmes monitored and supported on implementation of Records Management Systems	-	4	4	4	4	0	N/A
Number of buildings provided with auxiliary services in line with User Asset Management Plan	4	9	9	9	9	0	N/A
Number of programmes monitored and supported on compliance to Corporate Identity Manual and the Communication Policy	-	4	4	4	4	0	N/A
Number of prioritised ICT projects implemented in line with ICT Plan	-	2	3	4	4	0	N/A
Number of programmes monitored and supported in implementation of MISS and Investigation Strategy to ensure compliance with National Security Prescripts	-	4	4	4	4	0	N/A
Number of IYM reports compiled in line with National Treasury prescripts.	12	12	12	12	12	0	N/A
Number of budget documents compiled and submitted	-	-	4	4	4	0	N/A
Number of financial statements compiled and submitted for review by Provincial Treasury in line with the reporting framework	-	-	4	4	4	0	N/A

PROGRAMME 1: ADMINISTRATION

PERFORMANCE INDICATOR	PROGRAMME 1: ADMINISTRATION						
	ACTUAL ACHIEVEMENT 2013/2014	ACTUAL ACHIEVEMENT 2014/2015	ACTUAL ACHIEVEMENT 2015/2016	PLANNED TARGET 2016/2017	ACTUAL ACHIEVEMENT 2016/2017	DEVIATION FROM PLANNED TARGET TO ACTUAL ACHIEVEMENT FOR 2016/2017	COMMENT ON DEVIATIONS
% of supplier's valid invoices paid within 30 days	-	100%	100%	100%	99.12%	0.88%	Suppliers changing bank accounts without informing the department
Number of departmental plans & performance reports developed and analysed in line with National Treasury Frameworks	8	8	8	8	8	0	N/A
Number of reconciliations done on the asset and inventory registers	-	-	-	12	12	0	N/A

Strategy to overcome areas of under performance

- The implementation of the automated risk management software will be rolled out by the appointed service provider in 2017/18.
- The Provincial risk profile project will be completed by the appointed service provider in 2017/18.
- The two (2) outstanding 2014/15 & 2015/16 Consolidated Financial statements (CAFS) for votes and public entities will be submitted after 2013/14 CAFS audit has been finalised.
- The two (2) long-term financial management qualification programmes will be coordinated in Provincial Departments after the appointment of the Service Provider in 2017/18 financial year.

Changes to planned targets

- No changes to performance indicators and planned targets.

SUB-PROGRAMME EXPENDITURE

SUB- PROGRAMME NAME	2016/17			2015/16		
	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
Office of the MEC	184 204	6 298	280	5 485	5 407	78
Management Services	9 312	9 302	10	5 572	5 280	292
Corporate Services	130 694	128 845	1 849	108 338	103 751	4 587
Financial Management	39 522	39 489	33	37 736	37 716	20
TOTAL	186 106	183 934	2 172	157 131	152 154	4 977

In 2016/17 Programme 1 spent a total amount of R183.9 million or 99% of its final appropriated budget of R186.1 million, including the statutory amount. (2015/16: R152.2 million or 97% of R157.1 million budget).

The underspending was mainly due to late submission of capital spending invoices that were not submitted for payment before the year end cut-off date as well as the delayed commencement of developing the department's business continuity plan project.

4.2. Programme 2: Sustainable Resources Management

The aim of this programme is to provide professional advice and support to the Head of Department on provincial economic analysis, fiscal policy, public finance development, inter-government fiscal relations, revenue collection and infrastructure. The unit also manages the annual provincial budget process and the provincial government's fiscal resources.

The branch comprises of the following sub-programmes:

- Programme Support which is responsible for:
Administering Provincial, Public Entities and Municipal Budget, Revenue and Expenditure.
- Economic Analysis is responsible for:
Administering the provision of Provincial and Public Entities Socio-Economic Research Analysis.
- Fiscal policy is responsible for:
Ensuring the development, implementation and management of provincial departments and Public entities budget and expenditure.
- Infrastructure Management & PPP is responsible for:
Enhancing and monitoring the performance of infrastructure delivery and PPP by provincial departments, public entities and municipalities.
- Inter-Governmental Relations is responsible for:
Overseeing Financial Management activities of Municipalities and ensure capacity building.

Strategic objectives, performance indicators, planned targets and actual achievements

The province managed to achieve the Sustainable Resource Management strategic objective target of spending 98% of the provincial budget at the end of the financial year under review. Achievement of this strategic objective target contributes towards achievement of Strategic Outcome Oriented Goal number two by ensuring effective and efficient use of the provincial financial resources.

PROGRAMME 2: SUSTAINABLE RESOURCE MANAGEMENT					
STRATEGIC OBJECTIVES	ACTUAL ACHIEVEMENT 2015/2016FY	PLANNED TARGET 2016/2017	ACTUAL ACHIEVEMENT 2016/2017	DEVIATION FROM PLANNED TARGET TO ACTUAL ACHIEVEMENT FOR 2016/2017	COMMENT ON DEVIATIONS
STRATEGIC OBJECTIVE 1: TO ACHIEVE 98 PERCENT PROVINCIAL ANNUAL EXPENDITURE DURING 2015/16 TO 2019/20					
% provincial annual expenditure achieved	98.3%	98%	98% (preliminary figure)	0	N/A
STRATEGIC OBJECTIVE 2: TO ACHIEVE ANNUAL IMPROVEMENT ON FINANCIAL MANAGEMENT AND EFFECTIVE GOVERNANCE IN 30 MUNICIPALITIES AND 3 MUNICIPAL ENTITIES BY 2019/20					
Number of municipalities and entities with unqualified audit opinions	10 municipalities and 2 municipal entities	21 municipalities and 3 municipal entities	13 municipalities and 3 municipal entities	8 municipalities	Completeness and accuracy of information, disclosure on the AFS, asset management and governance matters are main challenges in municipalities

Strategy to overcome areas of under performance

- Municipal audit support strategy has been developed to improve municipal audit outcomes

PERFORMANCE INDICATORS

PERFORMANCE INDICATOR	PROGRAMME 2: SUSTAINABLE RESOURCE MANAGEMENT						
	ACTUAL ACHIEVEMENT 2013/2014	ACTUAL ACHIEVEMENT 2014/2015	ACTUAL ACHIEVEMENT 2015/2016	PLANNED TARGET 2016/2017	ACTUAL ACHIEVEMENT 2016/2017	DEVIATION FROM PLANNED TARGET TO ACTUAL ACHIEVEMENT FOR 2016/2017	COMMENT ON DEVIATIONS
Number of Research documents produced to align the Provincial Fiscal Policy	7	7	7	7	7	0	N/A
Number of Provincial Own Revenue reports produced in line with section 28 and 40 of the PFMA to ensure collection of budgeted revenue	-	-	-	12	12	0	N/A
Number of budget documents compiled, tabled and gazetted in line with the set standards and National Treasury guidelines (Main Appropriation Bill and Adjustment Budget)	2	2	2	2	2	0	N/A
Number of consolidated provincial in year of monitoring reports produced in line section 32 of PFMA	12	12	12	12	12	0	N/A
Number of infrastructure departments monitored and supported in the implementation of the infrastructure delivery management system to improve infrastructure service delivery	9	9	9	9	9	0	N/A
Number of Municipalities monitored and Municipal Entities supported on financial management and governance	30	30	30	30	30	0	N/A

Strategy to overcome areas of under performance

- Not applicable

Changes to planned targets

- No changes to performance indicators and planned targets.

Linking performance with budgets

SUB-PROGRAMME EXPENDITURE

SUB- PROGRAMME NAME	2016/17			2015/16		
	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
Programme Support	15 307	15 238	69	1 771	1 752	19
Economic Analysis	2 127	1 800	327	1 856	1 593	263
Fiscal Policy	16 349	15 334	1 015	14 983	15 136	(153)
Budget Management	4 332	3 582	750	4 356	4 111	245
Public Finance	9 166	8 508	658	8 428	8 374	54
Intergovernmental Relations	50 243	50 054	189	20 053	19 161	892
TOTAL	97 524	94 516	3 008	51 447	50 127	1 320

In 2016/17 Programme 2 spent a total of R94.5 million or 97% of its final appropriated budget of R97.5 million (2015/16: R50.1 million or 97% of R51.5 million budget).

The underspending in 2016/17 was as mainly a result of a delay in the filling of vacant funded posts, while the programme also underspent on other non-essential items within goods and services, such as travel and subsistence, venues and facilities.

4.3. Programme 3: Assets Liabilities and SCM

The programme aims to provide policy direction and facilitate the effective and efficient the management of assets, liabilities, financial systems and provincial supply chain processes.

The Branch is comprised of the following Sub-programmes:

- Asset and Liabilities Management which is responsible for:
 - Monitoring and supporting Departments and Public Entities on management of Physical Assets, Cash and Liabilities.
- Supply Chain Management is responsible for:
 - Monitoring SCM Compliance and providing support to Provincial Departments and Public Entities as well as supplier development.
- Financial Systems is responsible for:
 - Implementing Financial Systems and provide support to Provincial Departments.

Strategic objectives, performance indicators, planned targets and actual achievements

The department provided policy direction and support on Asset, Liabilities and Supply Chain Management matters, contributing towards the achievement of Strategic Outcome Oriented Goal number two by ensuring that the Provincial Government Asset Management, Supply Chain Management as well as Banking and Cash Management systems are responsive, effective and efficient.

STRATEGIC OBJECTIVES

STRATEGIC OBJECTIVES	PROGRAMME 3: ASSET, LIABILITIES AND SUPPLY CHAIN MANAGEMENT				
	ACTUAL ACHIEVEMENT 2015/2016	PLANNED TARGET 2016/2017	ACTUAL ACHIEVEMENT 2016/2017	DEVIATION FROM PLANNED TARGET TO ACTUAL ACHIEVEMENT FOR 2016/2017	COMMENT ON DEVIATIONS
STRATEGIC OBJECTIVE : TO PROVIDE POLICY DIRECTION AND SUPPORT TO 13 VOTES AND 5 PUBLIC ENTITIES ON ASSETS, LIABILITIES, SUPPLY CHAIN MANAGEMENT AND FINANCIAL SYSTEMS TO ENSURE IMPROVEMENT OF AUDIT OUTCOMES BY 2019/20					
Number of Votes and Public Entities complying with Assets and Inventory management prescripts	13 votes and 5 public entities	12 votes and 5 public entities	12 (Eight votes and four public entities)	5 (four votes and one public entity)	Maintenance of Asset Registers not at the expected level due to a number of exceptions
Number of Votes and Public Entities complying with Banking and Cash Management prescripts	13 votes and 5 public entities	13 votes and 5 public entities	12 votes and 5 public entities	1 vote	Department of Health overdrawn its bank account at 31 st March 2017. That is due to the prior years' accumulated unauthorised expenditure that has not been cleared as the Finance Act had not been signed
Number of Votes and Public Entities complying with SCM prescripts	3 votes and 1 public entity	12 votes and 5 public entities	Zero (0) votes and zero (0) public entities	12 votes and 5 public entities	Procurement Planning and Procurement without conducting market analysis still a challenge

Strategy to overcome areas of under performance

- Implement approved unauthorised expenditure as a first charge against Provincial Revenue Fund and departmental budgets in line with the Finance Act to address non-compliance with Banking and Cash Management in Department of Health as follows:
 - (a) Provincial Revenue Fund (PRF) funds will be reserved to clear unauthorised expenditure approved with funding by the legislature.
 - (b) Letters will be written to the department to ring-fence funds in order to clear the unauthorised expenditure approved without funding within its budget.
- Conduct further verifications in the four (4) votes and one (1) public entity to clear their exceptions and achieve a compliance threshold of above 90% on Asset Management assessment criteria.
- Conduct training interventions to address the gaps on non-compliance to SCM prescripts in the 2nd Quarter of 2017/18 financial year.

PERFORMANCE INDICATORS

PERFORMANCE INDICATOR	PROGRAMME 3 : ASSET, LIABILITIES & SUPPLY CHAIN MANAGEMENT						
	ACTUAL ACHIEVEMENT 2013/2014	ACTUAL ACHIEVEMENT 2014/2015	ACTUAL ACHIEVEMENT 2015/2016	PLANNED TARGET 2016/2017	ACTUAL ACHIEVEMENT 2016/2017	DEVIATION FROM PLANNED TARGET TO ACTUAL ACHIEVEMENT FOR 2016/2017	COMMENT ON DEVIATIONS
Number of Votes and Public Entities monitored and supported on Asset Management to improve the effectiveness, efficiency and economical Asset Management	10	13	18	17	17	0	N/A
Number of Votes and Public Entities monitored and supported on banking, cash and liability management	14	18	18	18	18	0	N/A
Number of Votes and Public Entities monitored and supported on SCM processes	17	17	17	17	17	0	N/A
Number of transversal bids facilitated	2	1	3	2	2	0	N/A
Number of votes monitored and supported on transversal contracts utilization	-	12	12	12	12	0	N/A
Number of Votes supported on supplier development	-	-	17	17	17	0	N/A
Number of votes supported and monitored on financial systems utilization	-	13	13	13	13	0	N/A
Number of LOGIS sites implemented	60% (in 1 site)	1	3	30	18	12	12 LOGIS sites (from the department of Health) were not implemented. The initial plan was to implement Head Office, Capricorn District office and 21 sites (hospitals) within Capricorn district. Before implementation, the department of Health decided to benchmark with the department of Health in Mpumalanga and ultimately decided to only implement Head Office, all (5) districts and 3 vertical programmes

Strategy to overcome areas of under performance

- Provincial Treasury will revise the implementation approach to include the outstanding twelve (12) sites in the Department of Health in the financial year 2017/18.

Changes to planned targets

- No changes to performance indicators and planned targets.

SUB-PROGRAMME EXPENDITURE

SUB- PROGRAMME NAME	2016/17			2015/16		
	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
PROGRAMME SUPPORT	671	1 131	(460)	1 957	1 364	593
ASSET MANAGEMENT	14 036	12 721	1 315	14 440	15 852	(1 412)
LIABILITIES MANAGEMENT	8 867	8 621	246	7 453	6 537	916
SUPPLY CHAIN MANAGEMENT	25 639	25 469	170	24 995	24 545	450
SUPPORT & INTERLINKED FINANCIAL SYSTEMS	37 279	37 150	129	35 819	34 753	1 066
TOTAL	86 492	85 092	1 400	84 664	83 051	1 613

In 2016/17 Programme 3 spent R85.1 million or 98% of its final appropriated budget of R86.5 million (2015/16: R83.1 million or 98% of R84.7 million budget) and this spending is within the acceptable norm. The the programme also underspent on other non-essential items within goods and services, such as registration fees, travel and subsistence.

4.4. Programme 4: Financial Governance

The purpose of the programme is to ensure sound financial management and financial accountability in the province through:

- capacity building
- financial reporting
- development of financial management transversal policies
- support of oversight structures/bodies
- monitoring and supporting departments and public entities in implementing effective risk management and internal control processes, and lastly by
- providing risk-based and objective internal audit assurance, advice, and insight to enhance and protect organizational value.

The Branch is comprised of the following sub-programmes:

- Programme Support is responsible for:
 - Administering Accounting Services, overseeing financial information management systems in departments, Internal Audit and Risk Management in Provincial Departments and Public Entities.
- Accounting Services is responsible for:
 - Providing support to provincial departments and public entities on accounting standards and frameworks for timely and accurate financial reporting;
 - Monitoring compliance with the PFMA, Treasury regulations and other relevant policies and prescripts in departments and public entities;
 - Supporting oversight structures/bodies of departments and public entities; and
 - Co-ordinating financial management training and provide transversal systems training in the province.
- Provincial Internal Audit is responsible for:
 - Providing effective Internal Audit services in Provincial Departments.

Strategic objectives, performance indicators, planned targets and actual achievements

Financial Governance supported votes and public entities to improve the audit outcomes for votes and public entities. During 2015/16 eight (8) votes and two (2) public entities obtained unqualified audit opinions.

STRATEGIC OBJECTIVES

STRATEGIC OBJECTIVES	PROGRAMME 4 : FINANCIAL GOVERNANCE				
	ACTUAL ACHIEVEMENT 2015/2016	PLANNED TARGET 2016/2017	ACTUAL ACHIEVEMENT 2016/2017	DEVIATION FROM PLANNED TARGET TO ACTUAL ACHIEVEMENT FOR 2016/2017	COMMENT ON DEVIATIONS
STRATEGIC OBJECTIVE : TO ACHIEVE ANNUAL IMPROVEMENTS IN AUDIT OUTCOMES IN 12 VOTES AND 5 PUBLIC ENTITIES BY 2019/20					
Number of votes and public entities with unqualified audit opinions	-	11 votes and 4 public entities	8 votes and 2 public entities	3 votes and 2 public entities	Poor controls in: Movable assets, departmental revenue, Accruals and commitments

Strategy to overcome areas of under performance

- The following measures will be introduced to improve audit outcomes in three (3) votes and two (2) public entities:
 - Finalising the implementation of the BAUD system for asset management
 - Implementing a system for revenue management in the Department of Public Works, Roads and Infrastructure
 - Implementing the LOGIS accounting systems in all remaining departments

PERFORMANCE INDICATORS

PERFORMANCE INDICATOR	PROGRAMME 4 : FINANCIAL GOVERNANCE						
	ACTUAL ACHIEVEMENT 2013/2014	ACTUAL ACHIEVEMENT 2014/2015	ACTUAL ACHIEVEMENT 2015/2016	PLANNED TARGET 2016/2017	ACTUAL ACHIEVEMENT 2016/2017	DEVIATION FROM PLANNED TARGET TO ACTUAL ACHIEVEMENT FOR 2016/2017	COMMENT ON DEVIATIONS
Number of courses conducted on transversal systems in line with National Treasury standards	55	86	104	65	89	24	Additional courses are for LOGIS training which was implemented during 2016/17
Number of financial management short courses co-ordinated in line with SAQA requirements	6	11	6	8	12	4	The additional four (4) courses were unplanned, one was coordinated as per invitation from SAIPA via the office of AG and the other three were coordinated as per special arrangement by National Treasury
Number of long-term financial management qualification programmes coordinated in Provincial Departments	-	2	2	2	0	2	Delays in appointment of service provider who was finally appointed in March 2017.

PROGRAMME 4 : FINANCIAL GOVERNANCE

PERFORMANCE INDICATOR	ACTUAL ACHIEVEMENT 2013/2014	ACTUAL ACHIEVEMENT 2014/2015	ACTUAL ACHIEVEMENT 2015/2016	PLANNED TARGET 2016/2017	ACTUAL ACHIEVEMENT 2016/2017	DEVIATION FROM PLANNED TARGET TO ACTUAL ACHIEVEMENT FOR 2016/2017	COMMENT ON DEVIATIONS
Number of Votes and Public Entities monitored and supported in resolving AG audit findings to improve audit outcomes	13	8	18	17	18	1	Legislature was also monitored and supported in resolving AG audit findings to improve audit outcomes
Number of audit committee meetings supported to improve governance in departments	18	66	97	65	89	24	The additional 24 meetings were for Public Entities Audit Committees and Board meetings supported
Number of Votes and Public Entities supported in preparing financial statements in line with the PFMA.	18	18	17	17	17	0	N/A
Number of Consolidated Annual financial statements (CAFS) for Votes and for Public Entities prepared in line with PFMA and submitted for audit	2 (votes) and 3 (public entities)	1	0	2	0	2	Finalisation the audit of the public entities 2013/14 CAFS audit and the 2010/11 CAFS for votes
Number of provincial risk profiles developed	-	-	-	1	0	1	Provincial Risk profile development was put on hold due to appointed service provider not being security cleared.
Number of votes and public entities assessed on Risk Management Performance	17	14	17	17	17	0	N/A
Number of votes that automated risk management processes	-	-	-	12	0	12	Delays in appointment of Service provider to implement provincial automated risk management software.
Number of three year strategic rolling and annual audit plans prepared by Provincial Internal Audit and approved by the Audit Committee for the financial year 2015/16	-	12	12	12	12	0	N/A

PROGRAMME 4 : FINANCIAL GOVERNANCE

PERFORMANCE INDICATOR	PROGRAMME 4 : FINANCIAL GOVERNANCE						DEVIATION FROM PLANNED TARGET TO ACTUAL ACHIEVEMENT FOR 2016/2017	COMMENT ON DEVIATIONS
	ACTUAL ACHIEVEMENT 2013/2014	ACTUAL ACHIEVEMENT 2014/2015	ACTUAL ACHIEVEMENT 2015/2016	PLANNED TARGET 2016/2017	ACTUAL ACHIEVEMENT 2016/2017			
Number of votes audited as per approved annual audit plans to improve the internal control, risk management and governance processes	12	12	12	12	12	0	N/A	
Number of annual internal Quality Assurance Improvement Programme (QAIP) Implementation Report prepared to improve the quality of client services	-	1	1	1	1	0	N/A	

Strategy to overcome areas of under performance

- The implementation of the automated risk management software will be rolled out by the appointed service provider in 2017/18.
- The Provincial risk profile project will be completed by the appointed service provider in 2017/18.
- The two (2) outstanding 2014/15 & 2015/16 Consolidated Financial statements (CAFS) for votes and public entities will be submitted after 2013/14 CAFS audit has been finalised.
- The two (2) long-term financial management qualification programmes will be coordinated in Provincial Departments after the appointment of the Service Provider in 2017/18 financial year.

Changes to planned targets

- No changes to performance indicators and planned targets.

SUB-PROGRAMME EXPENDITURE

SUB- PROGRAMME NAME	2016/17			2015/16		
	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
Programme Support	1 684	1 646	38	9 741	11 921	(2 180)
Accounting Services	16 154	14 431	1 723	13 256	11 281	1 975
Norms & Standards	17 512	16 507	1 005	14 579	13 275	1 304
Provincial Internal Audit	36 937	35 106	1 831	35 432	34 417	1 015
Risk Management	12 832	9 920	2 912	8 078	7 496	582
TOTAL	85 119	77 610	7 509	81 086	78 390	2 696

In 2016/17 Programme 4 spent R77.6 million or 91% of its final appropriated budget of R85.1 million (2015/16: R78.4 million or 97% of R81.1 million budget). The underspending in 2016/17 was mainly due to late filling of vacant funded posts in the programme as well as underspending on travel and subsistence. The underspending on payments of capital is the result of delayed implementation of the provincial risk management software project that was not completed before year end.

5. TRANSFER PAYMENTS

5.1. Transfer payments to public entities

- The department does not have public entities.

5.2. Transfer payments to all organisations other than public entities

- The department only paid bursaries to institutions of higher learning and licenses for motor vehicles.

The table below reflects the transfer payments made for the period 1 April 2016 to 31 March 2017

NAME OF TRANSFEREE	TYPE OF ORGANISATION	PURPOSE FOR WHICH THE FUNDS WERE USED	DID THE DEPT. COMPLY WITH S 38 (1) (J) OF THE PFMA	AMOUNT TRANSFERRED (R'000)	AMOUNT SPENT BY THE ENTITY	REASONS FOR THE FUNDS UNSPENT BY THE ENTITY
Institutions of Higher learning	Universities/	Bursaries	N/A	R5 million	R5 million	N/A
Municipality	Licence department	Motor vehicle licences	N/A	R25k	R25k	N/A



6. CONDITIONAL GRANTS

6.1. Conditional grants and earmarked funds paid

- The department does not receive conditional grants.

7. DONOR FUNDS

7.1. Donor Funds Received in kind

NAME OF DONOR/ IN KIND	PURPOSE OF DONOR	AMOUNT RECEIVED R'000
Standard bank	Post budget breakfast	101
Standard bank	Fiscal policy symposium	157



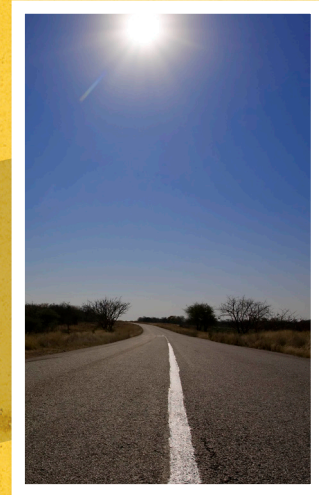
8. CAPITAL INVESTMENTS

8.1. Capital investment, maintenance and asset management plan

- Provincial Treasury does not have capital investments.

PART C:

GOVERNANCE



1. INTRODUCTION

The department is committed to a high standard of governance in managing public finance and resources. The department utilises its resources effectively, efficiently and economically. Good corporate governance is an integral part of Provincial Treasury's operations. Accordingly, Provincial Treasury recognizes the need to conduct its business with integrity and therefore business and governance structures are in place to ensure a coherent and consistent governance approach.

During the year under review, the following were key corporate governance processes:

- Departmental Bid committees were appointed to ensure that procurement processes were fair, competitive, equitable, transparent and cost effective.
- All senior managers made full financial disclosures to the Executive Authority.
- Financial, human resource and other operational policies were in place and implemented during the year. These policies are in the process of being reviewed.
- Provincial Treasury was kept abreast of all relevant legislation and regulations as well as major developments that could impact on its operations.
- A delegation framework for the functions assigned to the Executive Authority or the Accounting Officer in terms of the Public Finance Management Act, Treasury Regulations and Public Service Act and its regulations were developed and approved to enable the Accounting Officer, to delegate appropriate functions to relevant employees with adequate knowledge, skills and experience.

The Financial Governance branch is responsible for co-ordinating and managing the Cluster Audit Committees. The province has a two tier audit committee structure consisting of four clusters and a central audit committee. The Audit Committees meet on a quarterly basis to review department quarterly reports, culminating in a central audit committee which then accounts and reports to the MEC for Finance and the Executive Council.

2. RISK MANAGEMENT

Provincial Treasury has a risk management policy and strategy in place which was aligned to the 2016/17 Annual Performance Plan. Both operational and strategic risk assessments are conducted and risk mitigation plans are monitored on a continuous basis.

The Enterprise Risk Management unit continuously identify emerging risks and develop appropriate measures to address the risks.

The department has a functional and active Risk Management Committee that meets at least quarterly to address risk management matters and monitor the implementation of risk mitigation plans as well as risk management processes and timeously advise management on any emerging and/or new risks.

The department has appointed an independent Audit Committee that monitors the performance of the department including Risk Management and the effectiveness of the internal control system. The Audit Committee meets at least quarterly.

Risk Management is also a standing item on the agenda of the monthly Executive Management Committee (EXCOM) meeting at which the unit provides the Department's management team with the progress made in mitigating the Department's identified risks.

3. FRAUD AND CORRUPTION

The department has an approved fraud prevention plan in place which applies to all employees, stakeholders, contractors, vendors/suppliers and anybody doing business with Limpopo Treasury.

Progress made in implementing the Fraud Prevention plan includes the following:

- Six (6) Anti-Fraud and Corruption awareness workshops were conducted in programmes 1, 2, 3 and 4.
- Whistle Blowing policy implemented to protect officials from being victimised and intimidated in compliance with Protected Disclosure Act, and
- Ethical procurement was promoted by an internal audit that conducted a risk assessment within Limpopo Provincial Treasury.

Mechanisms to report fraud and corruption is documented in the Fraud Prevention plan. All employees are encouraged to report unethical conduct. The department has also developed a whistle blowing framework that clearly sets out how employees and others could blow the whistle and how these instances would be responded to.

Internal cases of alleged fraud and corruption are reported to the Accounting Officer and investigated. Based on the outcome of the investigation report, the Accounting Officer sanctions a decision.

4. MINIMISING CONFLICT OF INTEREST

All Senior Managers are compelled, in terms of the Public Service Act, to annually disclose all their financial interests. All employees are also encouraged to disclose any possible conflicts of interest that may exist. They are also advised not to conduct remunerative work outside the public service without first obtaining permission to do so from Executive Authority. All supply chain officials, including bid committees, are also required to declare any conflict of interest prior to any bid being evaluated or adjudicated and all interview panel members are required to do the same in the short listing and interview process.

Where any non-disclosure of a conflict of interest is identified, the case is handed to the department's security and investigation unit for further investigation and if a conflict is confirmed the matter is processed through the department's disciplinary processes.

5. CODE OF CONDUCT

The Department conducts information sharing sessions on the Code of Conduct with all employees as required by the Public Service Regulations, 2016. The information sharing sessions cover how employees should apply the Constitution of the Republic of South Africa and any other laws in their daily duties, how employees should relate to members of the public and perform their duties, how they should conduct themselves ethically in performing their duties and what an employee should do once he /she has accepted to be nominated as a candidate for political election. The Code of Conduct information sessions has had a positive effect on the department as there has been little or no reports of any breach of the Code of Conduct.

Where the Code of Conduct is breached by an employee, the Head of Department (HOD) will be requested to approve an investigation into the matter by the security service directorate. If the investigation confirms a breach of the Code of Conduct, the Head of Department will be requested to approve that the matter be handled through a formal disciplinary enquiry process.

6. HEALTH SAFETY AND ENVIRONMENTAL ISSUES

Provincial Treasury conducts regular Occupational Health, Safety and Environment assessments as per the Employee Health and Wellness (EHW) Strategic Framework of the Department of Public Service and Administration (DPSA) and the requirements of the Occupational Health and Safety Act of 1993.

The nine (9) departmental facilities were assessed on a quarterly basis for any emerging risk, hazards and fire safety amongst others. Based on these assessments operational mitigation plans are developed and approved by the HOD and submitted to the DPSA. The implementation of the operational plan is monitored by the Department.

Provincial Treasury also developed and implemented an emergency preparedness plan. Emergency evacuation drills and awareness sessions were conducted for employees.

First aiders, fire marshals and health and safety representatives were appointed and Occupational Health and Safety Committees were held on a quarterly basis.

The following arrangements are in place to comply with Health, Safety and Environmental requirements:

- The Auxiliary Services Unit has developed a plan in line with GIAMA to address compliance issues with regard to Occupational Health, Safety and Environmental issues. Department of Public Works assists the Department (Auxiliary Services) on the implementation of the GIAMA plan (building maintenance).
- A partnership has also been established with Disaster Management Unit of Polokwane Municipality to ensure compliance with regard to emergency preparedness/disaster management.
- Occupational Health, Safety and Environmental issues are discussed at the Departmental Risk Management Committee.
- The Department is developing a Business Continuity Plan (BCP) and Occupational Health, Safety and Environmental issues will form part of BCP.

The mitigation of identified Occupational Health and Safety issues has improved the working conditions of employees. Sanitation, hygiene and office cleanliness has improved thus reducing risk of occupational infections. Safety of the buildings and employee workstations has also improved thus reducing the risk of occupational injuries.

7. PORTFOLIO COMMITTEES

The Provincial Treasury met with the Portfolio Committee on the following dates.

- 25 August 2016
- 06 October 2016
- 10 March 2017

	RESOLUTION	PROGRESS
1	Implementation of ICT backup solution	The backup solution has been implemented in the department
2	Filling of remaining funded vacant posts	Provincial Treasury has made good progress with the filling of the vacant funded posts
3	Support relevant departments with infrastructure delivery and capacity enhancements	Provincial Treasury has entered into a support agreement with the National Treasury Government Technical Advisory Centre (GTAC) who has appointed and deployed infrastructure advisors to assist the relevant infrastructure departments with infrastructure delivery. GTAC has also reviewed the functionality of the Infrastructure Hub in Department of Public Works, Roads and Infrastructure.
4	Implementation of LOGIS	LOGIS implemented in another four departments during 2016/17 namely, Education, Economic development, Sport, Arts and Culture as well as eight institutions in Health. Thus LOGIS now in 8 departments and it is planned to implement LOGIS in the remaining sites in 2017/18
5	Effective plan to assist the Department of Education and Health to develop comprehensive, credible and reliable asset registers	BAUD assets management system has been implemented in all provincial departments. All departments will be audited on their BAUD asset registers, by AG in 2016/17 with the possible exception of Health.
6	Capacitation of financial governance branch to ensure effective support in dealing with AG's findings and compliance levels in the departments of Education, Health, Public Works Roads and Infrastructure	Ten officials have been appointed in the branch and PWC was appointed to assist the unit to assess the departments progress made in resolving the AG findings. Financial statements were submitted to the AG for audit but the AG technical team still assessing the relevant audit methodology for this account.
7	Tribal levies and Trust account	A service provider had been appointed to roll out the provincial risk management software and Deputy Directors posts in the Transversal Risk unit have been filled
8	Management of the provincial risk profile	PRF Annual Financial Statements and Departmental consolidated financial statements for 2010/11 have been submitted to AG for audit
9	Consolidation of outstanding Annual Financial Statements for depts., entities and Provincial Revenue Fund (PRF)	Public Entities Annual Financial Statements have been audited up to 31 March 2014.

8. SCOPA RESOLUTIONS

RESOLUTION NO.	SUBJECT	DETAILS	RESPONSE BY THE DEPARTMENT	RESOLVED (YES/NO)
1	Significant uncertainties	A claim against the department regarding financial systems	The case is in the court's process	No
2	Financial statements, performance and annual reports	Material misstatements on commitments	Contract register had been put in place to correct this anomaly	Pending the 2016/17 audit

9. PRIOR MODIFICATIONS TO AUDIT REPORTS

NATURE OF QUALIFICATION, DISCLAIMER, ADVERSE OPINION & MATTERS OF NON-COMPLIANCE	FINANCIAL YEAR IN WHICH IT FIRST AROSE	PROGRESS MADE IN CLEARING RESOLVING THE MATTER
NON-COMPLIANCE: MATERIAL AMENDMENTS TO THE FINANCIAL STATEMENTS	2015/16	MATTER ADDRESSED
GOODS & SERVICES BELOW R500K PROCURED WITHOUT OBTAINING PRICE QUOTATIONS	2015/16	MATTER ADDRESSED

10. INTERNAL CONTROL UNIT

The unit prepared the audit action plan for both the Auditor General and Internal Audit findings. This action plan was monitored on a monthly basis to track progress in resolving the audit findings. Audit Steering Committee meetings were co-ordinated by the unit during the year.

11. INTERNAL AUDIT AND AUDIT COMMITTEES

The objectives of the Internal Audit are to provide assurance of the institution's risk management processes, internal control and governance arrangement and to provide assurance that:

- Internal controls are adequate and effective
- Performance information is reliable and accurate
- Financial information is reliable and accurate
- The institution's resources have been acquired in an economical, efficient and effective manner.

The following internal audits were performed in 2016/17

1. Facilities Management
2. Labour Relations
3. Policy Development
4. Management Performance Assessment Tool (MPAT)
5. Organisational Structure
6. Asset Management
7. Macro-Economic Analysis
8. Transversal Supply Chain Management
9. Provincial Revenue Fund
10. Governance Structures
11. Recruitment and Termination
12. Interim Financial Statements
13. Transversal Budget Management
14. In-Year Monitoring
15. Supply Chain Management
16. Reliability and Integrity of Performance Information
17. Employee Wellness Programme
18. Follow-up Audits

11.1. Key activities of the Audit Committee

The Audit Committee (AC) has acceptably performed its mandate, as enshrined in Sections 76 (4) (d) and 77 of the Public Finance Management Act (Act No. 1 of 1999) read in conjunction with Treasury Regulations 3.1, which states that AC must, amongst others, review the following:

- I. the effectiveness of the internal control systems
- II. the effectiveness of the internal audit function
- III. the risk areas of the institution's operations to be covered in the scope of internal and external audits
- IV. the adequacy, reliability and accuracy of the financial information provided to management and other users of such information
- V. any accounting and auditing concerns identified as a result of internal and external audits
- VI. the institution's compliance with legal and regulatory provisions and
- VII. the activities of the internal audit function, including its annual work programme, coordination with the external auditors, the reports of significant investigations and the responses of management to specific recommendations.

During the financial year 2016/2017, the AC has met at least five (5) times (excluding special meetings) to perform its roles and responsibilities as stipulated in the AC Charter. The AC held its AC Annual Strategic Planning Workshop from 13–15 February 2017 to review its 2016/2017 performance and plan for the 2017/2018 financial year. In addition to overseeing the work of all the four (4) Clusters,

the Central Audit Committee (CAC) structure assumed the responsibility of monitoring the implementation of resolutions taken during the AC Annual Strategic Planning Workshop.

Both the AC Charter and the Accounting Officers' Reporting Framework to the AC were reviewed and adopted during the AC Annual Strategic Planning Workshop. National Treasury 360 Degree Evaluation model was used to evaluate the work and performance of the AC. The final evaluation score yielded an average of 4.27 (from a rating of 1 – 5) when combining the average scores of all the AC Stakeholders.

The AC stakeholders participated in the performance evaluation of the AC include Provincial Internal Audit, External AC Members and Management (Accounting Officers, Chief Risk Officers, Chief Financial Officers and GITO). AG as an AC stakeholder could not participate in the performance review of the AC mentioning that they do their own evaluation in the management report of each Department to protect and maintain the AG's independence.

The Office of the Auditor General was not able to submit the Auditor General's 2016/17 Audit Coverage Strategy for review by the AC during the March 2017 meetings as the coverage strategy was not yet finalised by the AG. The AG requested to present the 2016/17 Audit Coverage Strategy during the AC Meetings of May 2017.

There were no resignations or premature terminations of the AC members recorded during the financial year 2016/2017. However, the contracts of the AC Members appointed during the beginning of 2014 came to an end on 31st December 2016. As a result, the Honourable MEC for Finance in consultation with the Executive Council (EXCO) appointed 17 new AC members with effect from 1st February 2017 to 31st December 2019. The newly appointed AC members were inducted during February 2017 on the mandate of departments they are responsible for.

The following table stipulate the nature and activities of each AC meeting/event held:

NO	PERIOD	NATURE OF THE AC MEETING	INFORMATION / DOCUMENTS REVIEWED
1.	May 2016	Review of Fourth Quarterly Performance Information and Draft Annual Report (Including Draft Annual Financial Statements) before submission to the Auditor General	a. Performance Information, b. Draft Annual Financial Statements, c. Accounting Officer's Report to the AC (Financial & Non-Financial), d. Quarterly Risk Management Report, e. SCOPA Resolutions Implementation Progress, f. Auditor General Audit Findings Implementation Progress, g. Internal Audit Quarterly Progress Report.
2.	July 2016	Review of Draft Audit and Management Reports	a. Draft Management Reports, b. Draft Audit Reports.
3.	September 2016	Review of First Quarter Performance Reports (Financial and Non-Financial)	a. Accounting Officer's Report to the AC (Financial & Non-Financial), b. Quarterly Risk Management Report, c. SCOPA Resolutions Implementation Progress, d. Auditor General Audit Findings Implementation Progress, e. Internal Audit Quarterly Progress Report. f. Procurement Plans of the departments.
4.	November 2016	Review of Second Quarter Performance Reports (Financial & Non-Financial)	a. Accounting Officer's Report to the AC (Financial & Non-Financial), b. Quarterly Risk Management Report, c. SCOPA Resolutions Implementation Progress, d. Auditor General Audit Findings Implementation Progress, e. Internal Audit Quarterly Progress Report.
5.	February 2017	AC Annual Strategic Planning Workshop	a. Audit Committee Charter, b. Internal Audit Charter, c. Accounting Officer's Reporting Framework to the AC, d. Induction of the newly appointed AC Members, e. Reflection on the Status of the Previous Year AC Resolutions, f. 360 Degree AC Evaluation Feedback.
6.	March 2017	Approval of the Three Year Internal Audit Plan plus Annual Plan and Auditor General Audit Coverage Strategy	a. Accounting Officer's Report to the AC (Financial & Non-Financial), b. Quarterly Risk Management Report, c. SCOPA Resolutions Implementation Progress, d. Auditor General Audit Findings Implementation Progress, e. Internal Audit Quarterly Progress Report. f. Three Year Internal Audit Plans plus Annual Plans for 2017/2018.

11.2. OBJECTIVES OF THE AUDIT COMMITTEE

The Strategic Objectives of the Audit Committee (AC) as stipulated in the approved written Terms of Reference (AC Charter) are to ensure:

- the availability of a well-resourced, functional and sustained internal audit function;
- sound relationship with all assurance providers, oversight structures and other stakeholders;
- effective & efficient Internal and External Audit processes;

- promotion of sound functional interaction between the internal audit and other assurance providers;
- that there is adequate and effective corporate governance, encompassing fraud and risk management, information technology, internal control, financial management and reporting systems;
- Accounting Officers are fully supported in fulfilling their responsibilities in terms of the PFMA;
- accountability in terms of financial management and performance information for effective service delivery; and
- Compliance with relevant laws and regulations.

11.3. INFORMATION ON THE AUDIT COMMITTEE MEMBERS AND ATTENDANCE OF AUDIT COMMITTEE MEETINGS

The table below discloses relevant information on the audit committee members:

AUDIT COMMITTEE MEMBERS							
INITIALS & SURNAME	K.V MAJA	T BOLTMAN	ADV. J.C WEAPOND	M MCKENZIE	M.A.F MOJA	DR N MANZINI	PS FOURIE
QUALIFICATIONS	1. CIA (SA) 2. SAIPA 3. IRM (SA) 4. B.Com 5. B.Com (Hons) 6. MBL	1. CIA 2. CGAP 3. CCSA 4. B TECH: Internal Auditing 5. Certificate in Forensic Examination	1. MTECH: IT & Forensic Investigation 2. B COM Honours - Information Technology 3. LLB 4. Diploma in Compliance Management	1. CA (SA) 2. M COM (Cum Laude) 3. B COM: Honours 4. B COM: Accounting 5. Advanced Certificate in Auditing	1. MBL 2. Advanced Treasury Management 3. B COM	1. D. Litt et Philosophy 2. MA: Cur 3. BA Honours: Cur 4. BA: Cur 5. Diploma: Nursing Admin 6. Diploma: Midwife 7. Diploma: Gen Nursing 8. Diploma: Interior Design 9. Advance Dip in Primary Health Care Unit 10. Inter Health Leadership 11. Senior Executive Progr	1. CA (SA) 2. IRBA Registered Auditor 3. B COM: Hon (Accounts) 4. B COM: Accounting 5. Certificate of Theory in Accountancy
INTERNAL OR EXTERNAL MEMBER	External	External	External	External	External	External	External
IF INTERNAL, POSITION IN THE DEPARTMENT	N/A	N/A	N/A	N/A	N/A	N/A	N/A
DATE APPOINTED	01 January 2014 01 February 2017	01 January 2014	01 January 2014	01 January 2014 01 February 2017	01 February 2017	01 February 2017	01 February 2017
DATE RESIGNED / TERMINATED	31 December 2016 (Appointed as CAC Chairperson)	31 December 2016	31 December 2016	To Date (Reappointed on 01 February 2017)	To Date	To Date	To Date
NO. OF MEETINGS ATTENDED	04	04	04	05	01	01	01



PROVINCIAL TREASURY

REPORT OF THE AUDIT COMMITTEE ON

THE DEPARTMENT OF LIMPOPO PROVINCIAL TREASURY

We are pleased to present our report for the financial year ended 31 March 2017.

Audit Committee Structure

Limpopo Provincial Government has an Audit Committee which is two tiered consisting of 4 Cluster Audit Committees. The first tier is dealing with specific departments, whilst the second is a shared Central Audit Committee

Audit Committee Responsibility

The Audit Committee reports that it has complied with its responsibilities arising from Section 38 (1) (a) (ii) of the Public Finance Management Act No 1 of 1999 as amended and Treasury Regulation 3.1.13. The Audit Committee also reports that it has adopted appropriate formal terms of reference as its Audit Committee Charter, has regulated its affairs in compliance with this charter and has discharged all its responsibilities as contained therein.

The Audit Committee noted that the department did not change any of its accounting policies.

Stakeholder Engagement/s

The committee has been able to engage with the following stakeholders:

- Management of Limpopo Provincial Treasury
- Limpopo Provincial Internal Auditors
- Limpopo Provincial Treasury
- Limpopo Provincial Auditor

Compliance with the relevant laws and regulations

A number of non-compliance with the enabling laws and regulations were revealed by Audit Committee, Management, Internal Audit and AGSA during the year. The Audit Committee recommended development and implementation of an effective compliance management system in order to address the issues of non-compliance and monitor compliance with laws and regulations on a frequent basis.

The Effectiveness of Internal Control

In order to meet its responsibility of providing reliable financial information, the entity maintains financial and operational systems of internal control. These controls are designed to provide reasonable assurance that transactions are concluded in accordance with management's authority, that the assets are adequately protected against material loss of unauthorised acquisition, use or disposition, and the transactions are properly authorised and recorded.

Whilst the members of the Audit Committee believe that management employed an efficient system of internal controls, the system was not always effective as control weaknesses were identified during the internal and external audit processes.

The committee will continue to closely monitor management's actions to remedy these deficiencies.

The Audit Committee is satisfied that the Internal Audit function is operating effectively, and that it has taken into consideration the risks pertinent to the Department in its audits.

Internal Audit has made significant progress with audits conducted in terms of its strategic three-year rolling internal audit plan. The audits planned for the current year were all completed.

In-Year Management and Monthly/Quarterly Reporting

The department has been reporting monthly and quarterly as is required by the PFMA.

The Audit Committee noted that some of the department's target have elements which involve other parties particular where the department provide service. The Management undertook to address all the deficiencies in the Annual Performance Plan in the future, to ensure no repeat of current year deficiencies.

Risk Management

The Department has an approved risk management strategy in place. This strategy is the foundation for a continuous risk assessment process and for managing and monitoring of risks on an ongoing basis. Progress on the implementation of the risk management strategy was reported to the Audit Committee on a quarterly basis. Management is continuously developing and enhancing its risk and control procedures to improve the mechanisms for identifying and monitoring risks. There is an approved Risk Management Framework and Fraud Prevention Plan. The Risk Management Committee operates under the guidance of an independent Risk Chairperson.

Internal Auditing

During the year under review, a reasonable amount of internal audit work was performed in the department. An internal audit plan for 2016/2017 was developed and carried out by the Provincial Internal Audit unit of the department. Our review of the findings of the Internal Audit work, which was based on the risk assessments conducted by the department, revealed certain weaknesses which were then raised with management. A system to track the implementation of internal audit findings was implemented during the year and this has contributed significantly to ensuring that the internal control environment is reviewed and enhanced to improve executing processes. The Audit Committee will continue to monitor accelerated implementation of corrective actions.

We as the Audit Committee believe that the internal audit unit provided necessary support to management and the Audit Committee.

Evaluation of Financial Statements

We have reviewed the audited annual financial statements prepared by the Department.

The Audit Committee concurs and accept the unqualified opinion of Auditor General on Financial Statements of the Department, and that should be read with the Annual Report of the Department.

Auditor General South Africa's Report

The Audit Committee has met with the representatives of the Auditor General South Africa (AGSA) to ensure that there are no unresolved issues.

The AGSA expressed an unqualified audit opinion regarding the Annual Financial Statements and the Performance Report of the department. This demonstrate clean administration of the department's resources

CONCLUSION

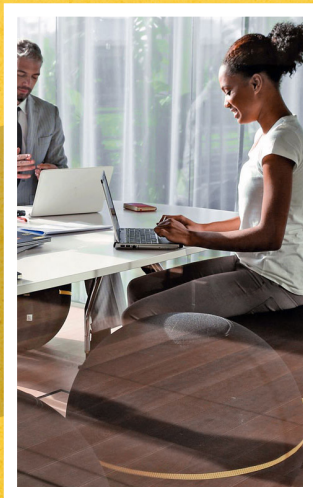
I would like to thank all members of the Committee for their contribution, guidance and the professional way in which meetings were conducted. The Committee wishes to express to the MEC, Head of Department, management and staff of Limpopo Provincial Treasury, its sincere appreciation for the engagement and commitment shown during the year under review.



Ms Mmathebe Annah-Faith Moja
Chairperson of the Audit Committee
Department of Limpopo Provincial Treasury
31st July, 2017

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.

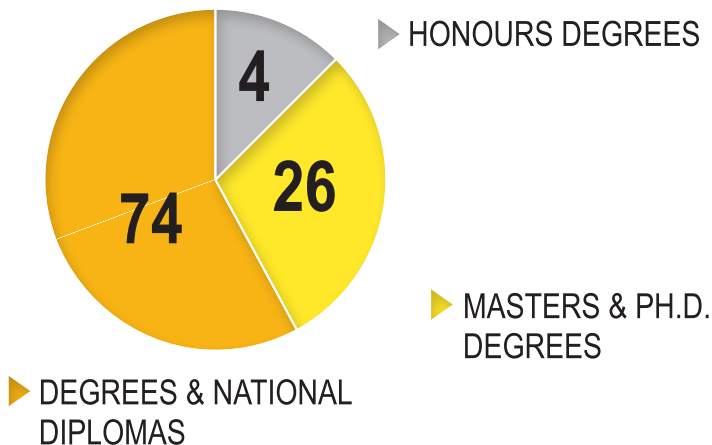
2. OVERVIEW OF HUMAN RESOURCES

The Department had an approved organisational structure accommodating 589 posts, of which 415 posts are filled at end of March 2017. The vacancy rate stands at 30% constituting 174 posts.



On all salary levels the department has achieved its employment equity targets by achieving 51.5% female appointments, however, on SMS level there is under-representation of female by 10%, with females representing only 40% of SMS appointments. On all salary levels the department has underachieved its disability targets of 2% by 0.6%, however, on SMS level the department has exceeded the 2% target by 0.5%.

In terms of Human Capital development, 104 employees were enrolled with various institutions (74 had registered for Degrees and National Diplomas, 04 have registered for Honours degrees and 26 for Masters and Ph.D. degrees). In line with the employees' Personal Development Plans, employees were enrolled on Adult Education Training (AET).



3. HUMAN RESOURCES OVERSIGHT STATISTICS

The Human Resources priorities of the year under review are best articulated in the Human Resources plan of the department and are as follows:

- Alignment of the current structure with the National Treasury and DPSA generic structures
- Aligned HR needs with strategic business goals
- Developed and implemented Employment Equity Plan
- Improved Recruitment and Retention
- Reduction of Compensation of Employee (CoE) cost
- Improved Performance Management and Development System and
- Continuous skills development

The implementation of these priorities will improve the department's operations by improving recruitment, meeting employment equity targets and managing the performance and development systems.

The Department implemented the Provincial PMDS policy and DPSA prescripts and frameworks on Performance management system. During the financial year under review 450 employees entered into performance agreements with their supervisors.

All employees have been inducted and workshopped on PMDS and continuous engagements and knowledge sharing is advocated.

The department has the Employee Health & Wellness strategy that was implemented as follows:



HIV & AIDS, TB AND STIS MANAGEMENT:

Proactive response such as educational and awareness sessions on HIV and AIDS prevention, condom use promotion, stigma and discrimination based on HIV and AIDS status and gender-sensitive rights. 143 employees tested for HIV, know their status and the likelihood for modifying the desired behaviour is anticipated.



HEALTH & PRODUCTIVITY MANAGEMENT:

5 sessions on integrated wellness screening of chronic diseases took place. 280 employees participated in checking for high blood pressure, glucose, TB, Body Mass Index and cholesterol. Awareness of lifestyle diseases was created to minimise vulnerability to chronic illnesses, sick leaves and absenteeism as well as to enhance the long life expectancy of employees with LPT.



SHERQ MANAGEMENT:

All 9 departmental buildings were inspected and monitored in terms of the OHS Act. 52 hazards were identified, assessed and a report was discussed with relevant stakeholders for corrective measures. 4 quarterly OHS committee meetings were held as required by the Act, 2 evacuation drills were conducted. The response on the evacuation showed that some employees are aware about the emergency response expected while some still need to be educated. Awareness sessions on OHS were conducted to 87 employees. Six (6) Injuries on duty were reported and attended to.



WELLNESS MANAGEMENT:

Physical wellness is promoted in the form of sports and recreational activities and employees have participated in various sporting codes.

The proposed organisational structure is aligned to the Treasuries' Generic structure and DPSA framework and this will in turn assist with the reduction of the CoE expenditure. The department has seen an improvement in the filling of vacant posts during the last quarter of the financial year under review, however, the department is faced with challenges regarding the effective implementation of PMDS, the achievement of Employment Equity targets and failure to attract requisite skills.

3.1. PERSONNEL RELATED EXPENDITURE

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

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

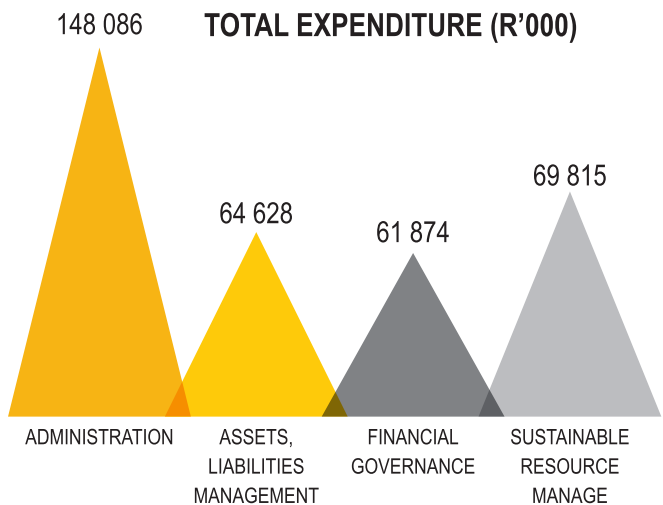


Table 3.1.1 Personnel expenditure by programme for the period 1 April 2016 and 31 March 2017.

PROGRAMME	TOTAL EXPENDITURE (R'000)	PERSONNEL EXPENDITURE (R'000)	TRAINING EXPENDITURE (R'000)	PROFESSIONAL AND SPECIAL SERVICES EXPENDITURE (R'000)	PERSONNEL EXPENDITURE AS A % OF TOTAL EXPENDITURE	AVERAGE PERSONNEL COST PER EMPLOYEE (R'000)
Administration	148 086	79 390	2 844	0	54	149
Assets, liabilities management	64 628	44 509	237	0	69	84
Financial governance	61 874	51 472	2 009	0	83	97
Sustainable resource manage	69 815	42 473	124		61	80
TOTAL	344 404	217 843	5 214	0	63	409

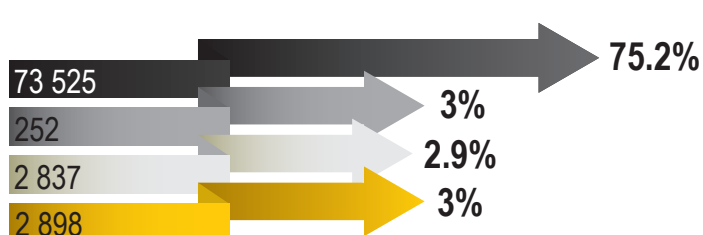
Table 3.1.2 Personnel costs by salary band for the period 1 April 2016 and 31 March 2017.

SALARY BAND	PERSONNEL EXPENDITURE (R'000)	% OF TOTAL PERSONNEL COST	NO. OF EMPLOYEES	AVERAGE PERSONNEL COST PER EMPLOYEE (R'000)
Lower skilled (Levels 1-2)	1 903	0.69	19	100 149
Skilled (Levels 3-5)	6 460	2.33	33	195 747
Highly skilled production (Levels 6-8)	45 191	16.32	126	358 657
Highly skilled supervision (Levels 9-12)	132 941	48.02	185	718 600
Senior management (Levels 13-16)	49 361	17.83	46	1073 075
CONTRACT OTHER	1 832	0.66	42	43 614
CONTRACT (LEVELS 6-8)	6 971	2.52	37	188 393
CONTRACT (LEVELS 9-12)	11 916	4.30	17	700 945
CONTRACT (LEVELS 13-16)	7 749	2.80	05	1 120 000
PERIODICAL REMUNERATION	5 298	1.91	21	252 275
TOTAL:	269 620	97.39	531	507 758

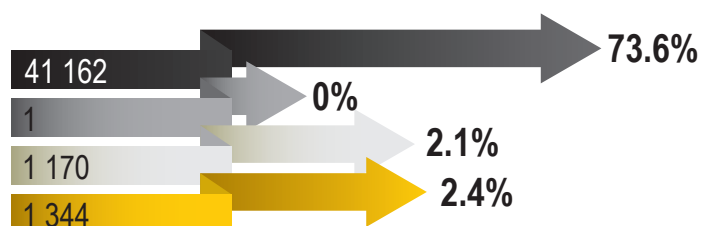
Table 3.1.3 Salaries, Overtime, Home Owners Allowance and Medical Aid by programme for the period 1 April 2016 and 31 March 2017.

PROGRAMME	SALARIES		OVERTIME		HOME OWNERS ALLOWANCE		MEDICAL AID	
	AMOUNT (R'000)	SALARIES AS A % OF PERSONNEL COSTS	AMOUNT (R'000)	OVERTIME AS A % OF PERSONNEL COSTS	AMOUNT (R'000)	HOA AS A % OF PERSONNEL COSTS	AMOUNT (R'000)	MEDICAL AID AS A % OF PERSONNEL COSTS
Program 1: Administration	73 525	75.2	252	3	2 837	2.9	2 898	3
Program 2: Sustainable resource management	40 254	76	0	0	1 713	3.2	698	1.3
Program 3: Assets & liabilities management	41 162	73.6	1	0	1 170	2.1	1 344	2.4
Program 4: Financial governance	48.341	68.9	48	1	1 672	2.4	1 579	2.3
TOTAL	203 282	73.4	301	1	7393	2.7	6 520	2.4

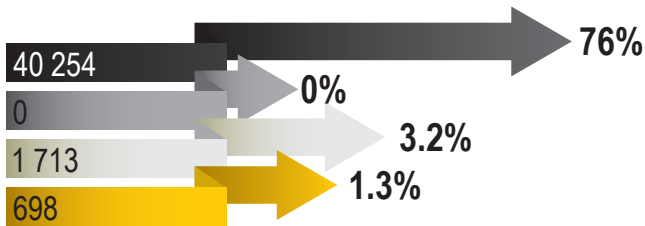
PROGRAM 1: ADMINISTRATION



PROGRAM 3: ASSETS & LIABILITIES MANAGEMENT



PROGRAM 2: SUSTAINABLE RESOURCE MANAGEMENT



PROGRAM 4: FINANCIAL GOVERNANCE

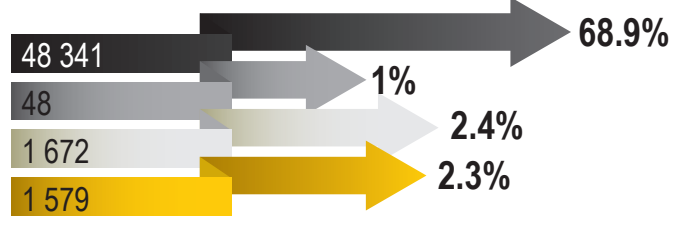


Table 3.1.4 Salaries, Overtime, Home Owners Allowance and Medical Aid by salary band for the period 1 April 2016 and 31 March 2017.

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
Lower skilled (Levels 1-2)	1 195	61.7	0	0	180	9.3	278	14.4
Skilled (Levels 3-5)	4 412	68.2	37	6	372	5.7	435	6.7
Highly skilled production (Levels 6-8)	33 076	72.8	149	3	1 515	3.3	2 237	4.9
Highly skilled supervision (Levels 9-12)	100 255	73.4	115	1	3 128	2.3	3 017	2.2
Senior management (Levels 13-16)	39 175	76.5	0	0	1 341	2.6	479	9
Contract (Levels 6-8)	6 958	97.6	0	0	0	0	0	0
Contract (Levels 9-12)	9 665	77.1	0	0	588	4.7	16	1
Contract (Levels 13-16)	6 716	82.7	0	0	268	3.3	56	7
Periodical Remuneration	0	0	0	0	0	0	0	0
TOTAL	203 282	73.4	301	1	7393	2.7	6 520	2.4

3.2 EMPLOYMENT AND VACANCIES

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

Table 3.2.1 Employment and vacancies by programme as on 31 March 2017.

PROGRAMME	NUMBER OF POSTS ON APPROVED ESTABLISHMENT	NUMBER OF POSTS FILLED (INCLUDING INTERNS, LEARNERS)	VACANCY RATE	NUMBER OF EMPLOYEES ADDITIONAL TO THE ESTABLISHMENT
PROGRAM 1: ADMINISTRATION	274	251	8.39	79
PROGRAM 2: SUSTAINABLE RESOURCE MANAGEMENT	78	66	15.38	14
PROGRAM 3: ASSETS & LIABILITIES MANAGEMENT	93	85	8.60	0
PROGRAM 4: FINANCIAL GOVERNANCE	144	109	24.31	0
TOTAL	589	511	13.24	93

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

SALARY BAND	NUMBER OF POSTS ON APPROVED ESTABLISHMENT	NUMBER OF POSTS FILLED	VACANCY RATE	NUMBER OF EMPLOYEES ADDITIONAL TO THE ESTABLISHMENT
Lower skilled (Levels 1-2), Permanent	21	19	9.52	0
Skilled (Levels 3-5), Permanent	37	33	10.81	0
Highly skilled production (Levels 6-8), Permanent	143	126	11.89	0
Highly skilled supervision (Levels 9-12), Permanent	230	185	19.57	0
Senior management (Levels 13-16), Permanent	56	46	17.86	0
Contract (other), Permanent	42	42	0	42
Contract (Levels 6-8), Permanent	37	37	0	36
Contract (Levels 9-12), Permanent	17	17	0	14
Contract (Levels 13-16), Permanent	6	6	0	5
TOTAL	589	511	13.24	97

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

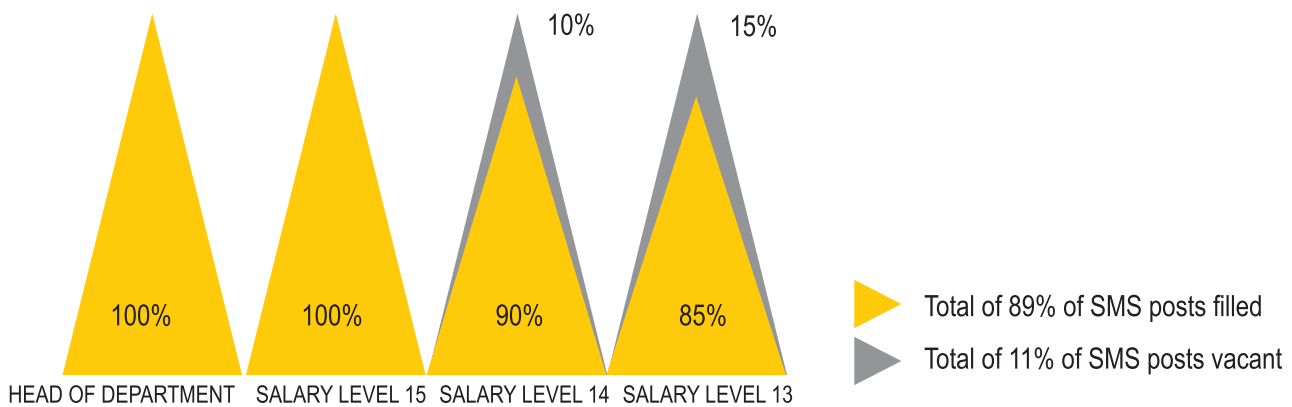
CRITICAL OCCUPATION	NUMBER OF POSTS ON APPROVED ESTABLISHMENT	NUMBER OF POSTS FILLED	VACANCY RATE	NUMBER OF EMPLOYEES ADDITIONAL TO THE ESTABLISHMENT
Administrative related, Permanent	101	87	13.86	0
Archivists curators and related professionals, Permanent	3	3	0	0
Cashiers tellers and related clerks, Permanent	3	3	0	0
Cleaners in offices workshops hospitals etc., Permanent	30	27	10	0
Client inform clerks (switchboard reception inform clerks), Permanent	7	7	0	0
Finance and economics related, Permanent	43	36	16.28	0
Financial and related professionals, Permanent	154	123	19.61	11
Financial clerks and credit controllers, Permanent	27	23	14.81	0
Head of department/chief executive officer, Permanent	1	1	0	0
Human resources & organisational development & related professions, Permanent	17	15	11.76	0
Human resources clerks, Permanent	7	6	14.29	0
resources related, Permanent	8	5	37.50	0
Information Technology related, permanent	1	1	0	0
Language practitioners interpreters & other communication, Permanent	1	1	0	0
Library mail and related clerks, Permanent	1	1	0	0
Logistical support personnel, Permanent	13	11	15.38	0
Messengers porters and deliverers, Permanent	9	8	11.11	0

CRITICAL OCCUPATION	NUMBER OF POSTS ON APPROVED ESTABLISHMENT	NUMBER OF POSTS FILLED	VACANCY RATE	NUMBER OF EMPLOYEES ADDITIONAL TO THE ESTABLISHMENT
Other administrat & related clerks and organisers, Permanent	87	86	1.15	78
Other information technology personnel., Permanent	2	2	0	0
Other occupations, Permanent	1	1	0	0
Risk management and security services, Permanent	3	3	0	0
Secretaries & other keyboard operating clerks, Permanent	28	27	3.57	0
Security officers, Permanent	1	1	0	0
Senior managers, Permanent	40	31	22.50	1
Social work and related	2	2	0	0
Trade/industry advisers & other related profession, Permanent	3	3	0	3
TOTAL:	589	511	13.24	93

3.3 FILLING OF SMS POSTS

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

Table 3.3.1 SMS post information as on 31 March 2017.



SMS LEVEL	TOTAL NUMBER OF FUNDED SMS POSTS	TOTAL NUMBER OF SMS POSTS FILLED	TOTAL NUMBER OF SMS POSTS VACANT
Director-General/ Head of Department	1	1	0
Salary Level 16	1	1	0
Salary Level 15	5	5	0
Salary Level 14	11	10	1
Salary Level 13	35	30	5
TOTAL	53	47	6

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

SMS LEVEL	TOTAL NUMBER OF FUNDED SMS POSTS	TOTAL NUMBER OF SMS POSTS FILLED	% OF SMS POSTS FILLED	TOTAL NUMBER OF SMS POSTS VACANT	% OF SMS POSTS VACANT
Director-General/ Head of Department	1	1	100%	0	0%
Salary Level 16	1	1	100%	0	0%
Salary Level 15	5	5	100%	0	0%
Salary Level 14	11	10	90%	1	10%
Salary Level 13	35	30	85%	5	15%
TOTAL	53	47	95%	6	25%
Contract level 13	1	1	100%	0	0%
Contract level 14	2	2	100%	0	0%
Contract Level 15	2	2	100%	0	0%
TOTAL	5	5	100%	0	0%

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

SMS LEVEL	ADVERTISING	FILLING OF POSTS	
	NUMBER OF VACANCIES PER LEVEL ADVERTISED IN 6 MONTHS OF BECOMING VACANT	NUMBER OF VACANCIES PER LEVEL FILLED IN 6 MONTHS OF BECOMING VACANT	NUMBER OF VACANCIES PER LEVEL NOT FILLED IN 6 MONTHS BUT FILLED IN 12 MONTHS
Director-General/ Head of Department	1	1	100%
Salary Level 16	1	1	100%
Salary Level 15	5	5	100%
Salary Level 14	11	10	90%
Salary Level 13	35	30	85%
TOTAL	53	47	95%
Contract level 13	1	1	100%
Contract level 14	2	2	100%
Contract Level 15	2	2	100%
TOTAL	5	5	100%

Table 3.3.4 Reasons for not having complied with the filling of funded vacant SMS - Advertised within 6 months and filled within 12 months after becoming vacant for the period 1 April 2016 and 31 March 2017.

REASONS FOR VACANCIES NOT ADVERTISED WITHIN SIX MONTHS
All posts need to be evaluated prior to advertisement, and the department has embarked on the process to review the old structure, therefore advertisement of vacant are pending the process.
REASONS FOR VACANCIES NOT FILLED WITHIN TWELVE MONTHS
All posts need to be evaluated prior to filling, and the department has embarked on the process to review the old structure, therefore filling of vacant are pending the process.

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

REASONS FOR VACANCIES NOT ADVERTISED WITHIN SIX MONTHS	REASONS FOR VACANCIES NOT FILLED WITHIN SIX MONTHS
Not applicable	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 2016 and 31 March 2017.

SALARY BAND	NUMBER OF POSTS ON APPROVED ESTABLISHMENT	NUMBER OF JOBS EVALUATED	% OF POSTS EVALUATED BY SALARY BANDS	Posts Upgraded		Posts downgraded	
				NUMBER	% OF POSTS EVALUATED	NUMBER	% OF POSTS EVALUATED
Lower Skilled (Levels 1-2)	21	0	0	0	0	0	0
Skilled (Levels 3-5)	37	0	0	0	0	1	0
Highly skilled production (Levels 6-8)	143	0	0	1	0	0	0
Highly skilled supervision (Levels 9-12)	230	0	0	31	0	1	0
Senior Management Service Band A	36	0	0	0	0	0	0
Senior Management Service Band B	12	0	0	1	0	0	0
Senior Management Service Band C	7	0	0	0	0	0	0
Senior Management Service Band D	1	0	0	0	0	0	0
Other	42	0	0	0	0	0	0
Contract 6-8	37	0	0	0	0	0	0
Contract 9-12	17	0	0	0	0	0	0
Contract B and A	1	0	0	0	0	0	0
Contract B and B	2	0	0	0	0	0	0
Contract B and C	2	0	0	0	0	0	0
Contract B and D	1	0	0	1	0	0	0
TOTAL	589	0	0	34	0	2	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 2016 and 31 March 2017.

GENDER	AFRICAN	ASIAN	COLOURED	WHITE	TOTAL
FEMALE	0	0	0	0	0
MALE	0	0	0	0	0
TOTAL	0	0	0	0	0
EMPLOYEES WITH A DISABILITY					0

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

Table 3.4.3 Employees with salary levels higher than those determined by job evaluation by occupation for the period 1 April 2016 and 31 March 2017.

OCCUPATION	NUMBER OF EMPLOYEES	JOB EVALUATION LEVEL	REMUNERATION LEVEL	REASON FOR DEVIATION
Labourers and Related	3	2	3	RES 3/2009
Financial Clerks and Related	1	5	6	RES 3/2009
Other administration and Related	1	5	6	RES 3/2009
Other administration and Related	3	5	7	RES 3/2009
Financial Clerks and Related	6	6	7	RES 3/2009
TOTAL NUMBER OF EMPLOYEES WHOSE SALARIES EXCEEDED THE LEVEL DETERMINED BY JOB EVALUATION				20
PERCENTAGE OF TOTAL EMPLOYED				5

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

Table 3.4.4 Profile of employees who have salary levels higher than those determined by job evaluation for the period 1 April 2016 and 31 March 2017.

GENDER	AFRICAN	ASIAN	COLOURED	WHITE	TOTAL
FEMALE	12	0	0	0	12
MALE	8	0	0	0	8
TOTAL	0	0	0	0	20
EMPLOYEES WITH A DISABILITY					0

3.5 EMPLOYMENT CHANGES

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

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

SALARY BAND	NUMBER OF EMPLOYEES AT BEGINNING OF PERIOD-1 APRIL 2016	APPOINTMENTS AND TRANSFERS INTO THE DEPARTMENT	TERMINATIONS AND TRANSFERS OUT OF THE DEPARTMENT	TURNOVER RATE
Lower skilled (Levels 1-2)	15	7	0	0
Skilled (Levels 3-5)	28	5	1	3.57
Highly skilled production (Levels 6-8)	126	6	2	1.59
Highly skilled supervision (Levels 9-12)	186	4	16	8.60
Senior Management Service Bands A	30	0	2	6.67
Senior Management Service Bands B	9	0	1	11.11
Senior Management Service Bands C	5	1	2	40
Senior Management Service Bands D	1	0	0	0
Contract (other), Permanent	87	0	51	58.62
Contract (Levels 6-8), Permanent	43	0	3	6.98
Contract (Levels 9-12), Permanent	15	3	1	6.67
Contract, (Band A), Permanent	1	0	0	0
Contract (Band D), Permanent	1	0	0	0
TOTAL	547	31	80	14.63

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

CRITICAL OCCUPATION	NUMBER OF EMPLOYEES AT BEGINNING OF PERIOD-APRIL 2016	APPOINTMENTS AND TRANSFERS INTO THE DEPARTMENT	TERMINATIONS AND TRANSFERS OUT OF THE DEPARTMENT	TURNOVER RATE
Administrative related, Permanent	88	6	1	1.14
Archivists curators and related professionals, Permanent	1	0	1	100
Cashiers tellers and related clerks, Permanent	3	0	0	0
Cleaners in offices workshops hospitals etc., Permanent	22	7	1	4.55
Client inform clerks(switch receipt inform clerks), Permanent	6	0	0	0
Finance and economics related, Permanent	39	1	6	15.38
Financial and related professionals, Permanent	116	9	10	8.62
Financial clerks and credit controllers, Permanent	25	2	1	4
Head of department/chief executive officer, Permanent	1	0	0	0
Human resources & organisation development & relate prof, Permanent	16	1	0	0
Human resources clerks, Permanent	5	0	0	0
Human resources related, Permanent	6	0	0	0
Language practitioners interpreters & other commun, Permanent	1	0	0	0
Library mail and related clerks, Permanent	1	0	0	0
Logistical support personnel	11	0	0	0
Messengers porters and deliverers, Permanent	5	3	0	0
Other administration & related clerks and organisers, Permanent	129	0	51	39.53
Other information technology personnel., Permanent	2	0	0	0
Other occupations, Permanent	1	0	0	0
Risk management and security services, Permanent	3	0	0	0
Secretaries & other keyboard operating clerks, Permanent	31	1	5	16.13
Security officers, Permanent	1	0	0	0
Senior managers, Permanent	29	1	4	13.79
Social work and related professionals, Permanent	2	0	0	0
Trade/industry advisers & other related profession, Permanent	3	0	0	0
TOTAL	547	31	80	14

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

TERMINATION TYPE	NUMBER	% OF TOTAL RESIGNATIONS
Death	1	1.25
Resignation	17	21.25
Expiry of contract	49	61.25
Dismissal – operational changes	0	0
Dismissal – misconduct	0	0
Dismissal – inefficiency	0	0
Discharged due to ill-health	0	0
Retirement	13	16.25
Transfer to other Public Service Departments	0	0
Other	0	0
Total	80	100
Total number of employees who left as a % of total employment	80	15.66

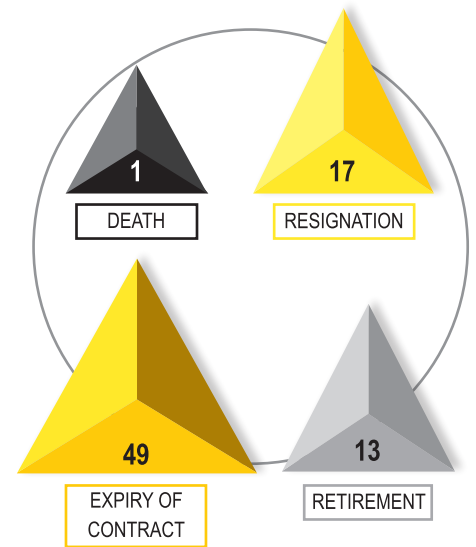


Table 3.5.4 Promotions by critical occupation for the period 1 April 2016 and 31 March 2017.

OCCUPATION	EMPLOYEES 1 APRIL 2016	PROMOTIONS TO ANOTHER SALARY LEVEL	SALARY LEVEL PROMOTIONS AS A % OF EMPLOYEES BY OCCUPATION	PROGRESSIONS TO ANOTHER NOTCH WITHIN A SALARY LEVEL	NOTCH PROGRESSION AS A % OF EMPLOYEES BY OCCUPATION
Administrative related	88	3	3.41	68	77.27
Archivists curators and related professionals	1	0	0	0	0
Cashiers tellers and related clerks	3	0	0	2	66.67
Cleaners in offices workshops hospitals etc.	22	0	0	7	31.82
Client inform clerks (switch reception inform clerks)	6	1	16.67	6	100
Finance and economics related	39	2	5.13	28	71.79
Financial clerks and credit controllers	25	0	0	16	64
Head of department/chief executive officer	1	0	0	1	100
Human resources & organisational developm & relate prof	16	0	0	15	93.75
Human resources clerks, permanent	5	1	20	2	40
Human resources related	6	0	0	5	83.33
Language practitioners interpreters & other commun	1	0	0	1	100
Library mail and related clerks	1	0	0	0	0

OCCUPATION	EMPLOYEES 1 APRIL 2016	PROMOTIONS TO ANOTHER SALARY LEVEL	SALARY LEVEL PROMOTIONS AS A % OF EMPLOYEES BY OCCUPATION	PROGRESSIONS TO ANOTHER NOTCH WITHIN A SALARY LEVEL	NOTCH PROGRESSION AS A % OF EMPLOYEES BY OCCUPATION
Logistical support personnel	11	0	0	2	18.18
Messengers porters and deliverers	5	2	40	2	40
Other administration & related clerks and organisers	129	2	1.55	6	4.65
Other information technology personnel.	2	0	0	2	100
Other occupations	1	0	0	0	0
Risk management and security	3	0	0	3	100
Secretaries & other keyboard operating clerks	31	0	0	24	77.42
Security officers	1	0	0	1	100
Senior managers	29	3	10.34	26	89.66
Social work and related professionals	2	0	0	2	100
Trade/industry advisers & other related profession	3	0	0	2	66.67
TOTAL	547	20	3.66	295	53.93

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

SALARY BAND	EMPLOYEES 1 APRIL 2016	PROMOTIONS TO ANOTHER SALARY LEVEL	SALARY BANDS PROMOTIONS AS A % OF EMPLOYEES BY SALARY LEVEL	PROGRESSIONS TO ANOTHER NOTCH WITHIN A SALARY LEVEL	NOTCH PROGRESSION AS A % OF
Lower skilled (Levels 1-2)	15	0	0	0	0
Skilled (Levels3-5)	28	3	10.71	24	85.71
Highly skilled production (Levels 6-8)	126	3	2.38	83	65.87
Highly skilled supervision (Levels 9-12)	186	9	4.84	138	74.19
Senior Management (Level 13-16)	45	5	11.11	39	86.67
Other Permanent	87	0	0	0	0
Contract (Levels 6-8), Permanent	43	0	0	2	4.65
Contract (Levels 9-12), Permanent	15	0	0	7	46.67
Contract (Levels 13-16), Permanent	2	0	0	2	100
TOTAL	547	20	3.66	295	53.93

3.6 EMPLOYMENT EQUITY

Table 3.6.1 Total number of employees (including employees with disabilities) in each of the following occupational categories as on 31 March 2017.

OCCUPATIONAL CATEGORY	MALE				FEMALE				TOTAL
	AFRICAN	COLOURED	INDIAN	WHITE	AFRICAN	COLOURED	INDIAN	WHITE	
senior officials and managers, Permanent	18	1	1	2	10	0	1	0	33
Professionals, Permanent	107	0	1	3	71	2	2	2	188
Technicians and associate professionals, Permanent	47	0	0	0	50	0	0	1	98
Clerks, Permanent	54	0	0	0	97	1	0	1	153
Service and sales workers, Permanent	1	0	0	1	2	0	0	0	4
Elementary occupations, Permanent	7	0	0	0	28	0	0	0	35
TOTAL	234	1	2	6	258	3	3	4	511
EMPLOYEES WITH DISABILITY	1	0	0	0	3	0	0	0	4

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

OCCUPATIONAL BAND	MALE				FEMALE				TOTAL
	AFRICAN	COLOURED	INDIAN	WHITE	AFRICAN	COLOURED	INDIAN	WHITE	
Top Management, Permanent	2	1	1	1	0	0	1	0	6
Senior Management, Permanent	21	0	0	1	17	0	1	0	40
Professionally qualified and experienced specialists and mid-management, Permanent	115	0	1	3	62	2	0	2	185
Skilled technical and academically qualified workers, junior management, supervisors, foremen, Permanent	42	0	0	0	81	1	0	2	126
Semi-skilled and discretionary decision making, Permanent	14	0	0	0	19	0	0	0	33
Unskilled and defined decision making, Permanent	1	0	0	0	18	0	0	0	19
Contract (Top Management), Permanent	2	0	0	1	0	0	0	0	3
Contract (Senior Management)	2	0	0	0	0	0	1	0	3
Top Management, Permanent	2	1	1	1	0	0	1	0	6
Senior Management, Permanent	21	0	0	1	17	0	1	0	40
Professionally qualified and experienced specialists and mid-management, Permanent	115	0	1	3	62	2	0	2	185
Skilled technical and academically qualified workers, junior management, supervisors, foremen, Permanent	42	0	0	0	81	1	0	2	126



OCCUPATIONAL CATEGORY	MALE				FEMALE				TOTAL
	AFRICAN	COLOURED	INDIAN	WHITE	AFRICAN	COLOURED	INDIAN	WHITE	
Technical and academically qualified workers, junior management, supervisors, foremen, Permanent	42	0	0	0	81	1	0	2	126
Semi-skilled and discretionary decision making, Permanent	14	0	0	0	19	0	0	0	33
Unskilled and defined decision making, Permanent	1	0	0	0	18	0	0	0	19
Contract (Top Management), Permanent	2	0	0	1	0	0	0	0	3
Contract (Senior Management),	2	0	0	0	0	0	1	0	3
Contract (Professionally qualified), Permanent	6	0	0	0	11	0	0	0	17
Contract (Skilled technical), Permanent	12	0	0	0	25	0	0	0	37
Contract (other)	17	0	0	0	25	0	0	0	42
TOTAL	234	1	2	6	258	3	3	4	511

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

OCCUPATIONAL CATEGORY	MALE				FEMALE				TOTAL
	AFRICAN	COLOURED	INDIAN	WHITE	AFRICAN	COLOURED	INDIAN	WHITE	
Top Management, Permanent	0	0	0	0	0	0	1	0	1
Professionally qualified and experienced specialists and mid-management, Permanent	2	0	0	0	2	0	0	0	4
Skilled technical and academically qualified workers, junior management, supervisors, foremen, Permanent	2	0	0	0	4	0	0	0	6
Semi-skilled Technical , Permanent	4	0	0	0	1	0	0	0	5
Unskilled Technical ,	0	0	0	0	7	0	0	0	7
Contract (Top management), Permanent	2	0	0	0	1	0	0	0	3
Contract (Senior Management), Permanent	1	0	0	0	0	1	0	0	2
Contract (Professionally qualified), Permanent	2	0	0	0	1	1	0	0	3
TOTAL	13	0	0	0	16	2	1	0	31

Male 13



Female 18



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

OCCUPATIONAL CATEGORY	MALE				FEMALE				TOTAL
	AFRICAN	COLOURED	INDIAN	WHITE	AFRICAN	COLOURED	INDIAN	WHITE	
Management, Permanent	1	1	0	0	1	0	0	0	3
Senior Management, Permanent	21	0	0	1	18	0	1	0	41
Professionally qualified and experienced specialists and mid-management, Permanent	80	0	1	2	58	2	0	4	147
Skilled technical and academically qualified workers, junior management, supervisors, foremen, Permanent	27	0	0	0	55	1	0	3	86
Semi-skilled and discretionary decision making, Permanent	9	0	0	0	18	0	0	0	27
(Top Management), Permanent	0	0	1	0	0	0	0	0	1
Contract (Snr Management), Permanent	1	0	0	0	0	0	0	0	1
Contract (Professionally qualified), Permanent	5	0	0	0	2	0	0	0	7
Contract (Skilled Technical), Permanent	0	0	0	0	2	0	0	0	2
TOTAL	144	1	1	4	154	3	1	7	315
EMPLOYEES WITH DISABILITIES	1	0	0	0	3	0	0	0	4

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

OCCUPATIONAL CATEGORY	MALE				FEMALE				TOTAL
	AFRICAN	COLOURED	INDIAN	WHITE	AFRICAN	COLOURED	INDIAN	WHITE	
Top Management, Permanent	0	0	0	0	2	0	0	0	2
Senior Management, Permanent	2	0	0	0	1	0	0	0	3
Professionally qualified and experienced specialists and mid-management, Permanent	13	0	0	0	3	0	0	0	16
Skilled technical and academically qualified workers, junior management, supervisors, foremen, Permanent	1	0	0	0	0	0	0	1	2
Semi-skilled and discretionary decision making, Permanent	0	0	0	0	1	0	0	0	1
Contract (Professionally qualified), Permanent	1	0	0	0	0	0	0	0	1
Contract (Semi-skilled), Permanent	1	0	0	0	2	0	0	0	3
Contract (other), not available	17	0	0	0	34	0	0	0	51
TOTAL	35	0	0	0	44	0	0	1	80

Table 3.6.6 Disciplinary action for the period 1 April 2016 to 31 March 2017.

DISCIPLINARY ACTION	MALE				FEMALE				TOTAL
	AFRICAN	COLOURED	INDIAN	WHITE	AFRICAN	COLOURED	INDIAN	WHITE	
	0	0	0	0	0	0	0	0	0
	0	0	0	0	0	0	0	0	0

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

OCCUPATIONAL CATEGORY	MALE				FEMALE				TOTAL
	AFRICAN	COLOURED	INDIAN	WHITE	AFRICAN	COLOURED	INDIAN	WHITE	
Legislators, senior officials and managers	18	1	0	1	22	0	0	0	42
Professionals	60	0	1	1	50	2	0	1	115
Technicians and associate professionals	7	0	0	0	10	0	0	0	17
Clerks	14	0	0	0	16	0	0	0	20
Service and sales workers	0	0	0	0	0	0	0	0	0
Skilled agriculture and fishery workers	0	0	0	0	0	0	0	0	0
Craft and related trades workers	0	0	0	0	0	0	0	0	0
Plant and machine operators and assemblers	0	0	0	0	0	0	0	0	0
Elementary occupations	0	0	0	0	4	0	0	0	4
TOTAL	99	1	0	1	104	2	0	1	198
EMPLOYEES WITH DISABILITIES	0	0	0	0	3	0	0	0	3

3.7 SIGNING OF PERFORMANCE AGREEMENTS BY SMS MEMBERS

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

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

SMS Level	Total number of funded SMS posts	Total number of SMS members	Total number of signed performance agreements	Signed performance agreements as % of total number of SMS members
Director-General/ Head of Department	1	1	1	100%
Salary Level 16	1	1	1	100%
Salary Level 15	5	5	5	100%
Salary Level 14	11	10	10	100%
Salary Level 13	35	30	30	100%
TOTAL	53	47	47	100%

Table 3.7.2 Reasons for not having concluded Performance agreements for all SMS members as on 31 May 2016

REASONS
Not applicable

Table 3.7.2 Reasons for not having concluded Performance agreements for all SMS members as on 31 May 2016.

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 2016 to 31 March 2017.

BENEFICIARY PROFILE				COST	
RACE AND GENDER	NUMBER OF BENEFICIARIES	NUMBER OF EMPLOYEES	% OF TOTAL WITHIN GROUP	COST (R'000)	AVERAGE COST PER EMPLOYEE (RAND)
AFRICAN					
MALE	99	236	41.85	2 170	21 974
FEMALE	102	254	40.07	2 027	19 921
ASIAN					
MALE	1	2	50	26	25 831
FEMALE	0	3	0	0	0
COLOURED					
MALE	0	1	0	0	0
FEMALE	3	3	100	62	20 534
WHITE					
MALE	1	6	16.67	28	27 828
FEMALE	4	4	99.75	68	17 086
EMPLOYEES WITH DISABILITIES					
	0	5	0	0	0
TOTAL	210	514	40.76	4.381	20.910

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

SALARY BAND	BENEFICIARY PROFILE			COST		
	NUMBER OF BENEFICIARIES	NUMBER OF EMPLOYEES	% OF TOTAL WITHIN SALARY BANDS	TOTAL COST (R'000)	AVERAGE COST PER EMPLOYEE	TOTAL COST AS A % OF THE TOTAL PERSONNEL EXPENDITURE
Lower skilled (Levels 1-2)	1	18	5.56	6	6.464	5.26
Skilled (Levels 3-5)	23	32	71.19	186	8.149	69.03
Highly skilled production	57	123	46.30	794	13.942	45.20
Highly skilled supervision (Levels 9-12)	110	185	59.35	2.763	25.160	59.35
Contract (other)	0	47	0	0	0	0.00
Contract (Levels 6-8)	0	39	0	0	0	0.00
Contract (Levels 9-12)	1	18	5.56	20	20.232	5.88
Periodical Remuneration	-	-	-	-	-	-
TOTAL	192	462	41.46	3.769	19.678	41.73

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

CRITICAL OCCUPATION	BENEFICIARY PROFILE			COST	
	NUMBER OF BENEFICIARIES	NUMBER OF EMPLOYEES	% OF TOTAL WITHIN OCCUPATION	TOTAL COST (R'000)	AVERAGE COST PER EMPLOYEE
Administrative related	39	85	45.82	727	18 663
Cashiers tellers and related clerks	2	3	66.33	15	7 783
Cleaners in offices workshops hospitals etc.	10	26	38.04	73	7 343
Client inform clerks (switch reception inform clerks)	5	7	71.43	44	8 751
Finance and economics related	15	35	42.80	345	23 292
Financial and related professionals	59	126	46.56	1.514	25 811
Financial clerks and credit controllers	13	23	57.61	247	18 671
Head of department/chief executive officer	0	1	0	0	0
Human resources & organisat developm & relate prof	13	14	92.57	350	27 004
Human resources clerks	4	5	79.80	61	15 224
Human resources related	3	5	59.20	80	27 080
Information Technology Related	1	1	1	13	13 405
Language practitioners interpreters & other commun	0	1	0	0	0
Library mail	1	1	100	14	14 355
Logistical support personnel	7	11	63.64	108	15 493
Messengers porters and deliverers	3	7	42.57	25	8 520

CRITICAL OCCUPATION	BENEFICIARY PROFILE			COST	
	NUMBER OF BENEFICIARIES	NUMBER OF EMPLOYEES	% OF TOTAL WITHIN OCCUPATION	TOTAL COST (R'000)	AVERAGE COST PER EMPLOYEE
Other administration & related clerks and organisers	5	93	5.29	57	11 484
Other information technology personnel.	0	2	0	0	0
Other occupations	0	1	0	0	0
Risk management and security services	1	3	33.33	68	68 451
Secretaries & other keyboard operating clerks	12	28	42.86	159	13 283
Security officers	0	1	0	0	0
Senior managers	13	30	43.30	390	30 052
Social work and related professionals	2	2	100	44	21 912
Trade/industry advisers & other related profession	1	3	33.33	20	20 232
TOTAL	210	514	40.76	4.381	20 910

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

SALARY BAND	BENEFICIARY PROFILE			COST		
	NUMBER OF BENEFICIARIES	NUMBER OF EMPLOYEES	% OF TOTAL WITHIN SALARY BANDS	TOTAL COST (R'000)	AVERAGE COST PER EMPLOYEE	TOTAL COST AS A % OF THE TOTAL PERSONNEL EXPENDITURE
BAND A	12	31	38.68	382	31 888	-
BAND B	4	12	33.33	124	31 135	-
BAND C	2	7	28.57	105	52 613	-
BAND D	0	2	0	0	0	-
TOTAL	18	52	34.60	612	34 025	-

3.9 FOREIGN WORKERS

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

Table 3.9.1 Foreign workers by salary band for the period 1 April 2016 and 31 March 2017.

SALARY BAND	01 APRIL 2016		31 MARCH 2017		CHANGE	
	NUMBER	% OF TOTAL	NUMBER	% OF TOTAL	NUMBER	% CHANGE
Lower skilled	-	-	-	-	-	-
Highly skilled production (Lev. 6-8)	0	0	0	0	0	0
Highly skilled supervision (Lev. 9-12)	0	0	0	0	0	0
Contract (level 9-12)	2	100%	4	100%	2	100%
Contract (level 13-16)	-	-	-	-	-	-
TOTAL	2	100%	4	100%	2	100%

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

MAJOR OCCUPATION	01 APRIL 2016		31 MARCH 2017		CHANGE	
	NUMBER	% OF TOTAL	NUMBER	% OF TOTAL	NUMBER	% CHANGE
PROFESSIONALS AND MANAGERS	2	100%	4	100%	2	100%
TOTAL	2	100%	4	100%	2	100%

3.10 LEAVE UTILISATION

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

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

SALARY BAND	TOTAL DAYS	% DAYS WITH MEDICAL CERTIFICATION	NUMBER OF EMPLOYEES USING SICK LEAVE	% OF TOTAL EMPLOYEES USING SICK LEAVE	AVERAGE DAYS PER EMPLOYEE	ESTIMATED COST (R'000)
Lower skilled (Levels 1-2)	42	57.14	9	2.28	4.67	19
Skilled (Levels 3-5)	167	55.09	22	5.57	7.59	120
Highly skilled production (Levels 6-8)	774	59.04	109	27.59	7.1	1 049
Highly skilled supervision (Levels 9-12)	974	62.83	150	37.97	6.49	2 403
Senior management (Levels 13-16)	223	54.71	29	7.34	7.69	808
Contract (other)	96	34.38	29	7.34	3.31	16
Contract (Levels 6-8)	183	43.72	36	9.11	5.08	163
Contract (Levels 9-12)	52	38.46	10	2.53	5.2	143
Contract (Levels 13-16)	14	92.86	1	0.25	14	57
TOTAL	2525	57.54	395	100	6.39	4 778

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

SALARY BAND	TOTAL DAYS	% DAYS WITH MEDICAL CERTIFICATION	NUMBER OF EMPLOYEES USING SICK LEAVE	% OF TOTAL EMPLOYEES USING SICK LEAVE	AVERAGE DAYS PER EMPLOYEE	ESTIMATED COST (R'000)
Lower skilled (Levels 1-2)	0	0	0	0	0	0
Skilled (Levels 3-5)	0	0	0	0	0	0
Highly skilled production (Levels 6-8)	119	100	1	50	119	144
Highly skilled	176	100	1	50	176	423
Senior management (Levels 13-16)	0	0	0	0	0	0
TOTAL	295	100	2	100	147.5	568

The table below summarises the utilisation of annual leave. The wage agreement concluded with trade unions in the PSCBC in 2000 requires management of annual leave to prevent high levels of accrued leave being paid at the time of termination of service.

Table 3.10.3 Annual Leave for the period 1 January 2016 to 31 December 2016.

SALARY BAND	TOTAL DAYS TAKEN	NUMBER OF EMPLOYEES USING ANNUAL LEAVE	AVERAGE PER EMPLOYEE
Lower skilled (Levels 1-2)	264	13	20.31
Skilled (Levels 3-5)	696	31	22.45
Highly skilled production (Levels 6-8)	2805	132	21.25
Highly skilled supervision (Levels 9-12)	4688	204	22.98
Senior management (Levels 13-16)	939	49	19.16
Contract (other)	754	80	9.43
Contract (Levels 3-5)	0	0	0
Contract (Levels 6-8)	679	40	16.98
Contract (Levels 9-12)	260	17	15.29
Contract (Levels 13-16)	59	6	9.83
TOTAL	11 144	572	19.48

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

SALARY BAND	TOTAL DAYS OF CAPPED LEAVE TAKEN	NUMBER OF EMPLOYEES USING CAPPED LEAVE	AVERAGE NUMBER OF DAYS TAKEN PER EMPLOYEE	AVERAGE CAPPED LEAVE PER EMPLOYEE AS ON 31 MARCH 2017
Skilled (Levels 3-5)	0	0	0	111.19
Highly skilled production (Levels 6-8)	4	1	4	102.58
Highly skilled supervision (Levels 9-12)	24	7	3.43	126.84
Senior Mgt supervision (Levels 9-12)	8	1	8	75.62
TOTAL	36	9	4	115.63

The following table summarise payments made to employees as a result of leave that was not taken.

Table 3.10.5 Leave pay-outs for the period 1 April 2016 and 31 March 2017.

SALARY BAND	TOTAL DAYS TAKEN	NUMBER OF EMPLOYEES USING ANNUAL LEAVE	AVERAGE PER EMPLOYEE
Leave payout for 2015/16 due to non-utilisation of leave for the previous cycle	0	-	-
Capped leave payouts on termination of service for 2016/17	0	-	-
Current leave payout on termination of service for 2016/17	0	-	-
Total	0	-	-

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
FIELD WORKERS E.G. INTERNAL AUDIT STAFF	EDUCATION & AWARENESS SESSIONS ON HIV & AIDS, STI'S & TB MANAGEMENT IN THE WORKPLACE. REGULAR DISTRIBUTION OF MALE & FEMALE CONDOMS; CONDUCT HCT CAMPAIGNS
CLEANERS	PROVISION OF PROTECTIVE CLOTHING E.G. HAND GLOVES & MASKS EDUCATION ON PROTECTIVE CLOTHING

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

QUESTION	YES	NO	DETAILS, IF YES
1. Has the department designated a member of the SMS to implement the provisions contained in Part VI E of Chapter 1 of the Public Service Regulations, 2001? If so, provide her/his name and position.	YES		Ms RA Oliphant Director: Transformation Services
2. Does the department have a dedicated unit or has it designated specific staff members to promote the health and well-being of your employees? If so, indicate the number of employees who are involved in this task and the annual budget that is available for this purpose.	YES		A dedicated EHW sub-directorate has co-ordinators who coordinates the following units; OHS – Assistant Director Wellness management – Assistant Director Budget: R1666 000,00
3. Has the department introduced an Employee Assistance or Health Promotion Programme for your employees? If so, indicate the key elements/services of this Programme.	YES		An in-house Wellness Management is available for the employees. Key elements: <ul style="list-style-type: none"> • Do assessment and referral of employees for assistance • Provide short-term psycho-social counselling and support services • Provide Trauma debriefing • Management consultations • Facilitate EHW committee meetings. • Provide preventative and proactive programmes • Awareness campaigns and life skills education • Facilitate fitness and sport activities • Conduct mini surveys and needs analysis Monitor and evaluate programme implementation
4. Has the department established (a) committee(s) as contemplated in Part VI E.5 (e) of Chapter 1 of the Public Service Regulations, 2001? If so, please provide the names of the members of the committee and the stakeholder(s) that they represent.	YES		Peer Educators committee members are as follows: Mr Mangoale M.J Sustainable Resource Management Ms Mokubela K.V Corporate Services Ms Serite T Communications
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.		NO	
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		Employee Health & Wellness sub-directorate within Transformation Services Directorate implement HIV and AIDS Awareness programs. HIV & AIDS, STI and TB 2016/17 operational plan was approved, implemented, monitored and evaluated to: address human rights issues workshops on Human Rights issues such as stigma and discrimination, gender-based violence and HCT (Health Check Tests) is provided onsite.
7. Does the department encourage its employees to undergo Voluntary Counselling and Testing? If so, list the results that you have you achieved.	YES		143 (MALE=46; FEMALE:97) employees participated in Voluntary Counselling and Testing All the participants know their HIV status and make informed decision about their sexual life style.
8. Has the department developed measures/indicators to monitor & evaluate the impact of its health promotion programme? If so, list these measures/indicators.	YES		Monitoring is done through monthly, quarterly and annual reports. Integrated monitoring tool is completed on a monthly, quarterly and annual basis.



3.12 LABOUR RELATIONS

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

SUBJECT MATTER	DATE
Total number of Collective agreements	None

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

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

OUTCOMES OF DISCIPLINARY HEARINGS	NUMBER	% OF TOTAL
Correctional counselling	0	
Verbal warning	1	100%
Written warning	0	
Final written warning	0	
Suspended without pay	0	
Fine	0	
Demotion	0	
Dismissal	0	
Not guilty	0	
Case withdrawn	0	
Total	1	100%

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

TYPE OF MISCONDUCT	NUMBER	% OF TOTAL
Irregular procurement	1	100%
Total	1	100%

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

GRIEVANCES	NUMBER	% OF TOTAL
Number of grievances resolved	05	83.33
Number of grievances not resolved	01	16.67
Total number of grievances lodged	06	100%

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

DISPUTES	NUMBER	% OF TOTAL
Number of disputes upheld	0	-
Number of disputes dismissed	0	-
Total number of disputes lodged	0	-

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

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

Table 3.12.7 Precautionary suspensions for the period 1 April 2016 and 31 March 2017.

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

3.13 SKILLS DEVELOPMENT

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

Table 3.13.1 Training needs identified for the period 1 April 2016 and 31 March 2017.

OCCUPATIONAL CATEGORY	GENDER	NUMBER OF EMPLOYEES AS AT 1 APRIL 2016	TRAINING NEEDS IDENTIFIED AT START OF THE REPORTING PERIOD			
			LEARNERSHIPS	SKILLS PROGRAMMES & OTHER SHORT COURSES	OTHER FORMS OF TRAINING	TOTAL
Legislators, senior officials and managers	FEMALE	35	0	27	0	35
	MALE	7	0	17	0	7
Professionals	FEMALE	61	0	26	0	61
	MALE	52	0	21	0	52
Technicians and associate professionals	FEMALE	41	0	8	0	41
	MALE	13	0	7	0	13
Clerks	FEMALE	13	0	0	0	13
	MALE	12	0	0	0	12
Service and sales workers	FEMALE	13	0	7	0	13
	MALE	43	0	10	0	43
Skilled agriculture and fishery workers	FEMALE	0	0	0	0	0
	MALE	0	0	0	0	0
Craft and related trades workers	FEMALE	0	0	0	0	0
	MALE	0	0	0	0	0
Plant and machine operators and assemblers	FEMALE	0	0	0	0	0
	MALE	0	0	0	0	0
Elementary occupations	FEMALE	0	0	0	0	0
	MALE	0	0	0	0	0
Sub Total	FEMALE	163	0	68	0	163
	MALE	127	0	55	0	127
TOTAL		290	0	123	0	290

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

OCCUPATIONAL CATEGORY	GENDER	NUMBER OF EMPLOYEES AS AT 1 APRIL 2016	TRAINING NEEDS IDENTIFIED AT START OF THE REPORTING PERIOD			
			LEARNERSHIPS	SKILLS PROGRAMMES & OTHER SHORT COURSES	OTHER FORMS OF TRAINING	TOTAL
Legislators, senior officials and managers	FEMALE	7	0	8	0	7
	MALE	1	0	5	0	1
Professionals	FEMALE	61	0	10	0	61
	MALE	32	0	12	0	32
Professionals Technicians and associate professionals	FEMALE	23	0	6	0	23
	MALE	14	0	9	0	14
Technicians and associate professionals Clerks	FEMALE	11	0	8	0	11
	MALE	15	0	6	0	15
Clerks Service and sales workers	FEMALE	13	0	0	0	13
	MALE	12	0	0	0	12
Skilled agriculture and fishery workers	FEMALE	0	0	0	0	0
	MALE	0	0	0	0	0
Craft and related trades workers	FEMALE	0	0	0	0	0
	MALE	0	0	0	0	0
Plant and machine operators and assemblers	FEMALE	0	0	0	0	0
	MALE	0	0	0	0	0
Elementary occupations	FEMALE	0	0	0	0	0
		0	0	0	0	0
Sub Total	FEMALE	115	0	32	0	115
	MALE	74		32	0	74
TOTAL		189	0	64	0	189

3.14 INJURY ON DUTY

The following tables provide basic information on injury on duty.

Table 3.14.1 Injury on duty for the period 1 April 2016 and 31 March 2017.

NATURE OF INJURY ON DUTY	NUMBER	% OF TOTAL
Required basic medical attention only	4	66,6
Temporary Total Disablement	2	33.33
Permanent Disablement	0	0
Fatal	0	0
Total	4	100

3.15 UTILISATION OF CONSULTANTS

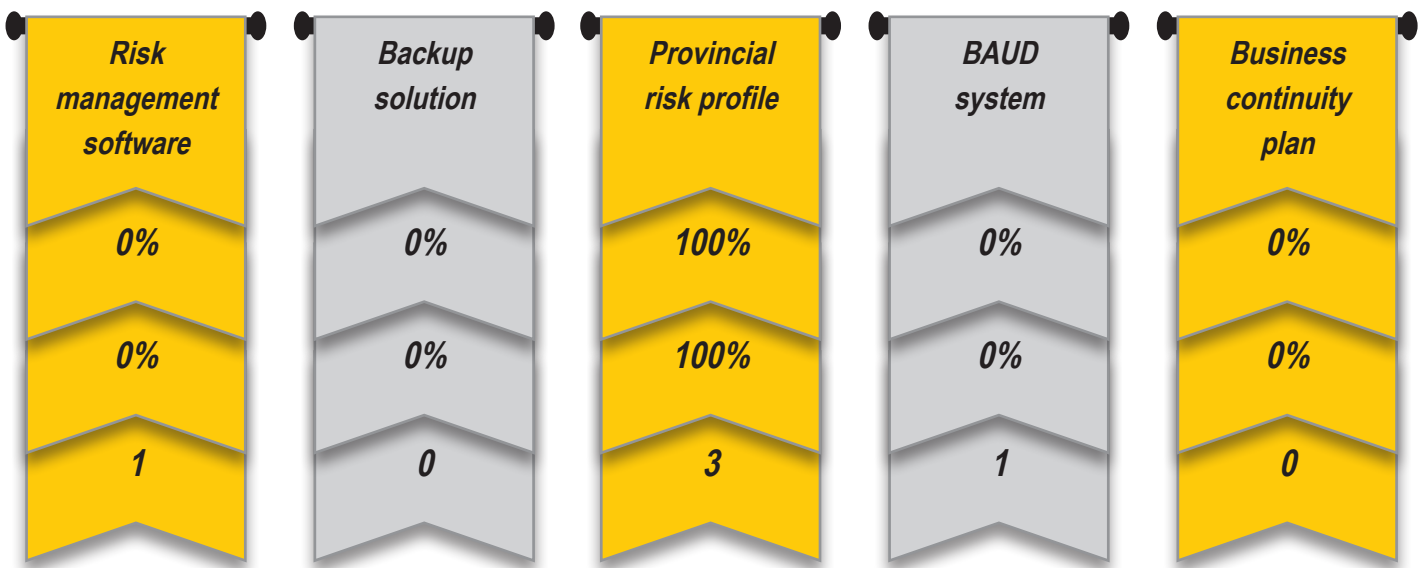
Table 3.15.1 Report on consultant appointments using appropriated funds for the period 1 April 2016 and 31 March 2017.

PROJECT TITLE	TOTAL NUMBER OF CONSULTANTS THAT WORKED ON PROJECT	DURATION	AVERAGE PER EMPLOYEE
IDI Technology solutions	1	36 months	1 896 128
Leishan IT Consultants	1	12 months	420 945
Morar Incorporated	1	8 months	322 400
Price Waterhouse Coopers	1	12 months	1 058 393
Disaster Risk Management	1	3 months	888 516



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

PROJECT TITLE	PERCENTAGE OWNERSHIP BY HDI GROUPS	PERCENTAGE MANAGEMENT BY HDI GROUPS	NUMBER OF CONSULTANTS FROM HDI GROUPS THAT WORK ON THE PROJECT
Risk management software	0%	0%	1
Backup solution	0%	0%	0
Provincial risk profile	100%	100%	3
BAUD system	0%	0%	1
Business continuity plan	0%	0%	0



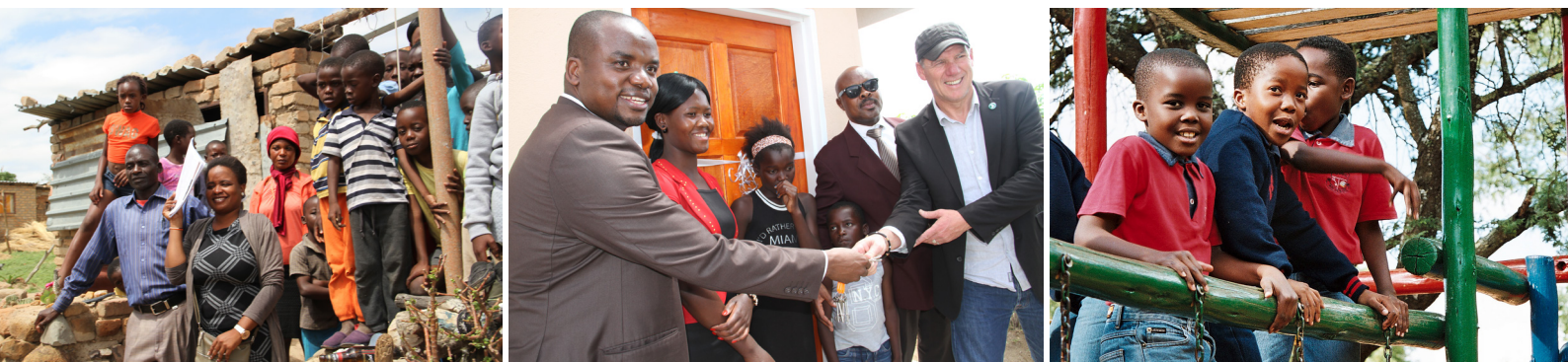


Table 3.15.3 Report on consultant appointments using Donor funds for the period 1 April 2016 and 31 March 2017.

PROJECT TITLE	TOTAL NUMBER OF CONSULTANTS THAT WORKED ON PROJECT	DURATION	NUMBER OF CONSULTANTS FROM HDI GROUPS THAT WORK ON THE PROJECT
Not applicable			
TOTAL NUMBER OF PROJECTS	TOTAL INDIVIDUAL CONSULTANTS	TOTAL DURATION WORK DAYS	TOTAL CONTRACT VALUE IN RAND
Not applicable			

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

PROJECT TITLE	PERCENTAGE OWNERSHIP BY HDI GROUPS	PERCENTAGE MANAGEMENT BY HDI GROUPS	NUMBER OF CONSULTANTS FROM HDI GROUPS THAT WORK ON THE PROJECT
Not applicable			

3.16 SEVERANCE PACKAGES

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

SALARY BAND	NUMBER OF APPLICATIONS RECEIVED	NUMBER OF APPLICATIONS REFERRED TO THE MPSA	NUMBER OF APPLICATIONS SUPPORTED BY MPSA	NUMBER OF PACKAGES APPROVED BY DEPARTMENT
Lower skilled (Levels 1-2)	0	0	0	0
Skilled Levels 3-5)	0	0	0	0
Highly skilled production (Levels 6-8)	0	0	0	0
Highly skilled supervision (Levels 9-12)	0	0	0	0
Senior management (Levels 13-16)	0	0	0	0
TOTAL	0	0	0	0

PART E:

FINANCIAL INFORMATION





1. REPORT OF THE AUDITOR GENERAL

This is the auditor's report as issued by AGSA.

Audit report

Limpopo Provincial Treasury

31 March 2017

Report of the auditor-general to Limpopo Provincial Legislature on vote no. 5: Provincial Treasury

Report on the audit of the financial statements

Opinion

1. I have audited the financial statements of the Limpopo Provincial Treasury set out on pages 84 to 126 which comprise the appropriation statement, the statement of financial position as at 31 March 2017, and the statement of financial performance, statement of changes in net assets and cash flow statement for the year then ended, as well as the notes to the financial statements, including a summary of significant accounting policies.
2. In my opinion, the financial statements present fairly, in all material respects, the financial position of the Limpopo Provincial Treasury as at 31 March 2017, and its financial performance and cash flows for the year then ended, in accordance with the Modified Cash Standards and the requirements of the Public Finance Management Act, 1999 (Act No. 1 of 1999) (PFMA) and the Division of Revenue Act of South Africa, 2016 (Act No. 3 of 2016) (DoRA).

Basis for opinion

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

Emphasis of matter

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

Uncertainty relating to the future outcome of exceptional litigation

7. With reference to note 17 to the financial statements, the department is the defendant in a claim regarding financial systems. The department is opposing the claim as it believes the claim is unfounded. The ultimate outcome of the matter cannot presently be determined and no provision for any liability that may result has been made in the financial statements

WJC

Other matter

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

Unaudited supplementary schedules

9. The supplementary information set out on pages 45 to 75 does not form part of the financial statements and is presented as additional information. I have not audited these schedules and, accordingly, I do not express an opinion thereon.

Responsibilities of the accounting officer for the financial statements

10. The accounting officer is responsible for the preparation and fair presentation of the financial statements in accordance with Modified Cash Standard and the requirements of the PFMA and DoRA and for such internal control as the accounting officer determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.
11. In preparing the financial statements, the accounting officer is responsible for assessing 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 there is an intention to either liquidate the department or to cease operations, or there is no realistic alternative but to do so.

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

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

Report on the audit of the annual performance report

Introduction and scope

14. In accordance with the Public Audit Act of South Africa, 2004 (Act No. 25 of 2004) (PAA) and the general notice issued in terms thereof I have a responsibility to report material findings on the reported performance information against predetermined objectives for selected programmes presented in the annual performance report. I performed procedures to identify findings but not to gather evidence to express assurance.
15. My procedures address the reported performance information, which must be based on the approved performance planning documents of the 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.

16. I evaluated the usefulness and reliability of the reported performance information in accordance with the criteria developed from the performance management and reporting framework, as defined in the general notice, for the following selected programmes presented in the annual performance report of the department for the year ended 31 March 2017:

Programmes	Pages in the annual performance report
Programme 2 – Sustainable resource management	26 – 28
Programme 3 – Assets, liabilities and supply chain management	28 – 31
Programme 4 – Financial governance	31 – 34

17. I performed procedures to determine whether the reported performance information was properly presented and whether performance was consistent with the approved performance planning documents. I performed further procedures to determine whether the indicators and related targets were measurable and relevant, and assessed the reliability of the reported performance information to determine whether it was valid, accurate and complete.

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

- Programme 2 - Sustainable resource management.
- Programme 3 - Assets, liabilities and supply chain management
- Programme 4 - Financial governance

Other matter

19. I draw attention to the matter below.

Achievement of planned targets

20. Refer to the annual performance report on pages **22 to 40** for information on the achievement of planned targets for the year and explanations provided for the under/overachievement of a number of targets.

Report on audit of compliance with legislation

Introduction and scope

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

22. I did not identify any material non-compliance with laws and regulations

Other information

23. The department's accounting officer is responsible for the other information. The other information comprises the information included in the annual report which includes the accounting officer's and the audit committee's report. The other information does not include the financial statements, the auditor's report thereon and those selected programmes presented in the annual performance report that have been specifically reported on in the auditor's report.
24. 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.
25. 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. 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.

Internal control deficiencies

26. I considered internal control relevant to my audit of the financial statements, reported performance information and compliance with applicable legislation; however, my objective was not to express any form of assurance thereon. I did not identify any significant deficiencies in internal control.

Auditor General
Polokwane

31 July 2017



AUDITOR - GENERAL
SOUTH AFRICA

Auditing to build public confidence

Annexure – Auditor-general’s responsibility for the audit

1. As part of an audit in accordance with the ISAs, I exercise professional judgement and maintain professional scepticism throughout my audit of the financial statements, and the procedures performed on reported performance information for selected programmes and on the 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 the auditor’s report, I also:
 - identify and assess the risks of material misstatement of the financial statements whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
 - obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the 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 Limpopo Provincial Treasury ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor’s report to the related disclosures in the financial statements about the material uncertainty or, if such disclosures are inadequate, to modify the opinion on the financial statements. My conclusions are based on the information available to me at the date of the auditor’s report. However, future events or conditions may cause a department to cease to continue 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 here applicable, related safeguards.



ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2017

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LIMPOPO PROVINCIAL TREASURY
VOTE 5

APPROPRIATION STATEMENT
for the year ended 31 March 2017

Appropriation per programme	2016/17					2015/16			
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Voted funds and Direct charges									
Programme									
1. ADMINISTRATION	179 035	-	5 169	184 204	182 032	2 172	98,8%	165 229	150 278
2. SUSTAINABLE RESOURCE MANAGEMENT	97 321	-	203	97 524	94 516	3 008	96,9%	51 447	50 127
3. ASSETS, LIABILITIES & SCM	85 009	-	1 483	86 492	85 092	1 400	98,4%	84 664	83 051
4. FINANCIAL GOVERNANCE	91 974	-	(6 855)	85 119	77 610	7 509	91,2%	81 086	79 390
Programme sub total	453 339	-	-	453 339	439 250	14 089	96,9%	372 426	361 846
Statutory Appropriation	1 902	-	-	1 902	1 902	-	100,0%	1 902	1 876
Statutory Appropriation	1 902	-	-	1 902	1 902	-	100,0%	1 902	1 876
TOTAL	455 241	-	-	455 241	441 152	14 089	96,9%	374 328	363 722
Reconciliation with Statement of Financial Performance									
Add:									
Departmental receipts									
Actual amounts per Statement of Financial Performance (Total)				45 378				66 155	
Actual amounts per Statement of Financial Performance Expenditure				500 619				440 483	
					441 152				363 722

LIMPOPO PROVINCIAL TREASURY
VOTE 5

APPROPRIATION STATEMENT
for the year ended 31 March 2017

Appropriation per economic classification	2016/17				2015/16				
	Adjusted Appropriation R'000	Shifting of Funds R'000	Virement R'000	Final Appropriation R'000	Actual Expenditure R'000	Variance R'000	Expenditure as % of final appropriation	Final Appropriation R'000	Actual Expenditure R'000
Current payments	412 443	(1 138)	-	411 305	399 010	12 295	97.0%	363 419	346 850
Compensation of employees	271 648	(2 760)	(2 434)	266 454	259 219	7 235	97.3%	238 098	235 895
Salaries and wages	240 837	(1 750)	(2 434)	236 645	229 882	6 763	97.1%	209 038	208 448
Social contributions	30 811	(1 002)	-	29 809	29 809	472	98.4%	29 060	27 446
Goods and services	140 795	1 622	2 434	144 851	139 791	5 060	96.5%	115 321	110 955
Administrative fees	4 988	-	400	5 388	4 987	401	92.6%	4 149	3 748
Advertising	1 386	-	-	1 386	1 189	197	85.8%	1 237	702
Minor assets	907	(197)	-	710	504	206	71.0%	1 124	999
Audit costs: External	4 359	(700)	-	3 659	3 658	1	100.0%	3 900	3 891
Catering: Departmental activities	1 240	-	-	1 240	1 078	162	86.9%	1 372	809
Communication (G&S)	3 580	-	-	3 580	3 520	60	98.3%	1 353	3 094
Computer services	28 386	587	413	29 386	29 124	262	99.1%	27 549	26 530
Consultants: Business and advisory services	20 235	(216)	-	20 019	19 612	407	98.0%	15 568	16 232
Legal services	15 711	385	5 160	21 265	21 264	1	100.0%	7 514	8 171
Contractors	1 249	-	-	1 249	1 176	73	94.2%	886	721
Agency and support / outsourced services	3 951	2 294	-	6 245	6 170	75	98.8%	4 953	4 909
Fleet services (including government motor transport)	1 825	-	-	1 825	1 670	155	91.5%	1 903	1 749
Consumable supplies	1 572	197	-	1 769	1 638	131	92.6%	1 078	628
Consumable: Stationery, printing and office supplies	5 113	-	400	5 513	5 089	424	92.3%	4 280	3 533
Operating leases	94	-	-	94	-	94	-	79	-
Property payments	19 400	-	-	19 400	19 400	-	100.0%	16 387	16 173
Transport provided: Departmental activity	55	-	-	55	42	13	76.4%	80	50
Travel and subsistence	19 959	(728)	(3 948)	15 283	13 352	1 931	87.4%	15 330	12 844
Training and development	2 678	-	-	2 678	2 620	58	97.8%	2 272	2 257
Operating payments	1 981	-	-	1 981	1 873	108	94.5%	2 655	2 419
Venues and facilities	2 126	-	-	2 126	1 825	301	85.8%	1 662	1 279
Rental and hiring	-	-	-	-	-	-	-	217	-
Transfers and subsidies	32 562	(23 925)	-	8 637	8 617	20	99.8%	9 300	8 668
Provinces and municipalities	25 025	(25 000)	-	25	25	-	100.0%	21	20
Municipalities	25 025	(25 000)	-	25	25	-	100.0%	21	20
Municipal bank accounts	25	-	-	25	25	-	-	-	-
Municipal agencies and funds	7 537	1 075	-	8 612	8 592	20	100.0%	21	20
Households	2 906	687	-	3 603	3 590	13	99.6%	3 327	3 322
Social benefits	4 631	378	-	5 009	5 002	7	99.9%	5 952	5 326
Other transfers to households	10 236	10	-	10 246	8 494	1 752	82.9%	11 467	7 845
Payments for capital assets	-	-	-	-	-	-	-	-	-
Buildings and other fixed structures	-	-	-	-	-	-	-	3	-
Other fixed structures	-	-	-	-	-	-	-	3	-
Machinery and equipment	7 736	10	-	7 746	7 536	210	97.3%	11 464	7 845
Transport equipment	483	-	-	483	482	1	99.8%	2 764	2 761
Other machinery and equipment	7 253	10	-	7 263	7 054	209	97.1%	8 680	5 084
Software and other intangible assets	2 500	-	-	2 500	958	1 542	38.3%	-	-
Payment for financial assets	-	25 053	-	25 053	25 031	22	99.9%	142	359
	455 241	-	-	455 241	441 152	14 089	96.9%	374 328	363 722

LIMPOPO PROVINCIAL TREASURY
VOTE 5

APPROPRIATION STATEMENT
for the year ended 31 March 2017

	2016/17				2015/16				
	Adjusted Appropriation R'000	Shifting of Funds R'000	Virement R'000	Final Appropriation R'000	Actual Expenditure R'000	Variance R'000	Expenditure as % of final appropriation	Final Appropriation R'000	Actual Expenditure R'000
Programme 1: ADMINISTRATION									
Sub programme									
1. OFFICE OF THE MEC	4 350	326	-	4 676	4 366	280	94.0%	3 583	3 531
2. MANAGEMENT SERVICES	9 562	(250)	-	9 312	9 302	10	99.9%	9 572	5 280
3. CORPORATE SERVICES	124 888	637	5 169	130 694	128 845	1 849	98.6%	108 338	103 751
4. FINANCIAL MANAGEMENT (OFFICE OF THE CFO)	40 235	(713)	-	39 522	39 489	33	99.9%	37 736	37 716
	179 035	-	5 169	184 204	182 032	2 172	98.8%	155 229	150 278
Economic classification									
Current payments	165 284	(401)	5 169	170 052	168 104	1 948	98.9%	138 278	136 900
Compensation of employees	95 042	(2 117)	-	92 925	92 913	12	100.0%	82 942	81 910
Salaries and wages	83 732	(1 115)	-	82 617	82 606	11	100.0%	73 117	72 210
Social contributions	11 310	(1 002)	-	10 308	10 307	1	100.0%	9 825	9 700
Goods and services	70 242	1 716	5 169	77 127	75 191	1 936	97.5%	55 336	54 990
Administrative fees	508	-	-	508	415	93	81.7%	773	678
Advertising	1 102	-	-	1 102	909	193	82.5%	737	634
Minor assets	880	(197)	-	683	504	179	73.8%	1 104	999
Audit costs: External	4 359	(700)	-	3 659	3 658	1	100.0%	3 900	3 891
Catering: Departmental activities	315	-	-	315	258	57	81.9%	212	181
Communication (G&S)	3 590	-	-	3 590	3 520	60	98.3%	1 353	3 094
Computer services	3 878	(13)	-	3 865	3 648	217	94.4%	3 382	2 968
Consultants: Business and advisory services	290	-	-	290	286	4	98.6%	342	337
Legal services	15 711	385	5 169	21 265	21 264	1	100.0%	7 514	8 171
Contractors	1 249	-	-	1 249	1 176	73	94.2%	896	721
Agency and support / outsourced services	3 951	2 294	-	6 245	6 170	75	98.8%	4 933	4 909
Fleet services (including government motor transport)	1 825	-	-	1 825	1 670	155	91.5%	1 903	1 749
Consumable supplies	1 490	197	-	1 687	1 606	81	95.2%	1 038	604
Consumable: Stationery, printing and office supplies	3 097	-	-	3 097	2 961	136	95.6%	2 600	2 378
Operating leases	94	-	-	94	-	94	-	-	-
Property payments	19 400	-	-	19 400	19 400	-	100.0%	16 387	16 173
Transport provided: Departmental activity	55	-	-	55	42	13	76.4%	80	50
Travel and subsistence	3 743	(250)	-	3 493	3 138	355	89.8%	3 582	3 158
Training and development	2 493	-	-	2 493	2 438	55	97.8%	1 838	1 823
Operating payments	1 624	-	-	1 624	1 617	7	99.6%	2 107	2 013
Venues and facilities	598	-	-	598	511	87	85.5%	576	459
Transfers and subsidies	6 015	378	-	6 393	6 380	13	99.8%	6 678	6 671
Provinces and municipalities	25	-	-	25	25	-	100.0%	21	20
Municipalities	25	-	-	25	25	-	100.0%	21	20
Municipal agencies and funds	25	-	-	25	25	-	100.0%	21	20
Households	5 990	378	-	6 368	6 355	13	99.8%	6 657	6 651
Social benefits	1 776	-	-	1 776	1 766	10	99.4%	1 305	1 338
Other transfers to households	4 214	378	-	4 592	4 589	3	99.9%	5 352	5 313
Payments for capital assets	7 736	10	-	7 746	7 536	210	97.3%	10 273	6 632
Buildings and other fixed structures	-	-	-	-	-	-	-	3	-
Other fixed structures	-	-	-	-	-	-	-	3	-
Machinery and equipment	7 736	10	-	7 746	7 536	210	97.3%	10 270	6 632
Transport equipment	483	-	-	483	482	1	99.8%	2 784	2 761
Other machinery and equipment	7 253	10	-	7 263	7 054	209	97.1%	7 486	3 871
Payment for financial assets	-	13	-	13	12	1	92.3%	-	75
	179 035	-	5 169	184 204	182 032	2 172	98.8%	155 229	150 278

LIMPOPO PROVINCIAL TREASURY
VOTE 5

APPROPRIATION STATEMENT
for the year ended 31 March 2017

Programme 2: SUSTAINABLE RESOURCE MANAGEMENT	2016/17						2015/16		
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Sub programme									
1. PROGRAMME SUPPORT	15 128	179	-	15 307	15 238	69	99.5%	1 771	1 752
2. ECONOMIC ANALYSIS	2 306	(179)	-	2 127	1 800	327	84.6%	1 856	1 593
3. FISCAL POLICY	16 349	-	-	16 349	15 334	1 015	93.8%	14 983	15 136
4. BUDGET MANAGEMENT	4 835	(503)	-	4 332	3 582	750	82.7%	4 356	4 111
5. PUBLIC FINANCE	9 328	(162)	203	9 166	8 508	658	92.8%	8 428	8 374
6. INTERGOVERNMENTAL RELATIONS	49 375	665	-	50 243	50 054	189	99.6%	20 053	19 161
	97 321	-	203	97 524	94 516	3 008	96.9%	51 447	50 127
Economic classification									
Current payments	72 293	(63)	203	72 433	69 446	2 987	95.9%	50 619	49 277
Compensation of employees	53 057	(63)	-	52 994	50 819	2 175	95.9%	44 827	44 640
Salaries and wages	47 456	(63)	-	47 393	45 474	1 919	96.0%	40 244	39 827
Social contributions	5 601	-	-	5 601	5 345	256	95.4%	4 583	4 813
Goods and services	19 236	-	203	19 439	18 627	812	95.8%	5 792	4 637
Administrative fees	161	-	-	161	125	36	77.6%	102	113
Minor assets	5	-	-	5	-	5	-	-	-
Catering: Departmental activities	304	-	-	304	260	44	85.5%	305	79
Computer services	-	-	-	-	-	-	-	16	-
Consultants: Business and advisory services	13 371	-	-	13 371	13 371	-	100.0%	60	115
Consumable supplies	894	-	-	894	751	143	84.0%	935	885
Consumable: Stationery, printing and office supplies	3 268	-	203	3 471	3 035	436	87.4%	3 490	2 768
Travel and subsistence	40	-	-	40	37	3	92.5%	-	-
Training and development	147	-	-	147	144	3	98.0%	177	108
Operating payments	1 046	-	-	1 046	904	142	86.4%	697	569
Venues and facilities	25 028	(24 937)	-	91	90	1	98.9%	686	686
Transfers and subsidies	25 000	(25 000)	-	-	-	-	-	-	-
Provinces and municipalities	25 000	(25 000)	-	-	-	-	-	-	-
Municipalities	25 000	(25 000)	-	-	-	-	-	-	-
Municipal bank accounts	28	63	-	91	90	1	98.9%	686	686
Households	28	63	-	91	90	1	98.9%	686	686
Social benefits	28	63	-	91	90	1	98.9%	686	686
Payment for financial assets	-	25 000	-	25 000	24 980	20	99.9%	142	164
	97 321	-	203	97 524	94 516	3 008	96.9%	51 447	50 127

LIMPOPO PROVINCIAL TREASURY
VOTE 5

APPROPRIATION STATEMENT
for the year ended 31 March 2017

	2016/17										2015/16	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure			
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	R'000	R'000	
Programme 3: ASSETS, LIABILITIES & SCM												
Sub programme												
1. PROGRAMME SUPPORT	1 960	(648)	-	1 312	1 131	181	86.2%	1 312	1 131	181	1 364	
2. ASSET MANAGEMENT	12 292	833	270	13 395	12 721	674	95.0%	13 395	12 721	674	15 852	
3. LIABILITIES MANAGEMENT	8 067	-	800	8 867	8 621	246	97.2%	8 867	8 621	246	6 537	
4. PROVINCIAL SUPPLY CHAIN MANAGEMENT	26 179	(540)	-	25 639	25 469	170	99.3%	25 639	25 469	170	24 995	
5. SUPPORT & INTERLINKED FINANCIAL SYSTEMS	36 511	355	413	37 279	37 150	129	99.7%	37 279	37 150	129	34 753	
	85 009	-	1 483	86 492	85 092	1 400	98.4%	86 492	85 092	1 400	83 051	
Economic classification												
Current payments	84 325	(434)	1 483	85 374	83 979	1 395	98.4%	85 374	83 979	1 395	81 273	
Compensation of employees	53 734	(556)	-	53 178	52 391	787	98.5%	53 178	52 391	787	50 348	
Salaries and wages	47 421	(556)	-	46 865	46 249	616	98.7%	46 865	46 249	616	44 606	
Social contributions	6 313	-	-	6 313	6 142	171	97.3%	6 313	6 142	171	5 742	
Goods and services	30 591	122	1 483	32 196	31 588	608	98.1%	32 196	31 588	608	30 925	
Administrative fees	2 119	-	400	2 519	2 421	98	96.1%	2 519	2 421	98	2 038	
Catering: Departmental activities	135	-	-	135	120	15	88.9%	135	120	15	208	
Computer services	24 119	600	413	25 132	25 099	33	99.9%	25 132	25 099	33	23 182	
Consultants: Business and advisory services	-	-	-	-	-	-	-	-	-	-	1 999	
Consumable supplies	34	-	-	34	-	34	-	-	-	34	-	
Consumable: Stationery, printing and office supplies	1 017	-	400	1 417	1 310	107	92.4%	1 417	1 310	107	242	
Travel and subsistence	3 085	(478)	270	2 877	2 559	318	88.9%	2 877	2 559	318	2 803	
Operating payments	52	-	-	52	50	2	96.2%	52	50	2	110	
Venues and facilities	30	-	-	30	29	1	96.7%	30	29	1	126	
Rental and hiring	-	-	-	-	-	-	-	-	-	-	217	
Transfers and subsidies	684	418	-	1 102	1 087	5	99.5%	1 102	1 087	5	524	
Households	684	418	-	1 102	1 087	5	99.5%	1 102	1 087	5	524	
Other transfers to households	267	418	-	685	684	1	99.9%	685	684	1	524	
Payments for capital assets	417	-	-	417	413	4	99.0%	417	413	4	-	
Machinery and equipment	-	-	-	-	-	-	-	-	-	-	1 193	
Other machinery and equipment	-	-	-	-	-	-	-	-	-	-	1 193	
Payment for financial assets	-	16	-	16	16	-	100.0%	16	16	-	61	
	85 009	-	1 483	86 492	85 092	1 400	98.4%	86 492	85 092	1 400	83 051	

LIMPOPO PROVINCIAL TREASURY
VOTE 5

APPROPRIATION STATEMENT
for the year ended 31 March 2017

	2016/17						2015/16		
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Programme 4: FINANCIAL GOVERNANCE									
Sub programme									
1. PROGRAMME SUPPORT	1 684	-	-	1 684	1 646	38	97.7%	9 741	11 921
2. ACCOUNTING SERVICES	16 154	-	-	16 154	14 431	1 723	89.3%	13 256	11 281
3. RISK MANAGEMENT	15 480	(2 157)	(491)	12 832	9 920	2 912	77.3%	8 078	7 496
4. INTERNAL AUDIT	43 301	-	(6 364)	36 937	35 106	1 831	95.0%	35 432	34 417
5. NORMS AND STANDARDS	15 355	2 157	-	17 512	16 507	1 005	94.3%	14 579	13 275
	91 974	-	(6 855)	85 119	77 610	7 509	91.2%	81 086	76 390
Economic classification									
Current payments	88 639	(240)	(6 855)	81 544	75 579	5 965	92.7%	79 700	77 524
Compensation of employees	67 913	(24)	(2 434)	65 455	61 194	4 261	93.5%	58 254	57 121
Salaries and wages	60 583	(24)	(2 434)	58 125	53 908	4 217	92.7%	49 855	50 188
Social contributions	7 330	-	-	7 330	7 286	44	99.4%	8 399	6 933
Goods and services	20 726	(216)	(4 421)	16 089	14 385	1 704	89.4%	21 446	20 403
Administrative fees	2 200	-	-	2 200	2 026	174	92.1%	1 092	919
Advertising	284	-	-	284	280	4	98.6%	500	68
Minor assets	22	-	-	22	-	22	-	-	-
Catering: Departmental activities	486	-	-	486	440	46	90.5%	467	341
Computer services	389	-	-	389	377	12	96.9%	381	380
Consultants: Business and advisory services	6 574	(216)	-	6 358	5 955	403	93.7%	13 514	13 781
Consumable supplies	48	-	-	48	32	16	66.7%	30	24
Consumable: Stationery, printing and office supplies	105	-	-	105	67	38	63.8%	75	28
Travel and subsistence	9 863	-	(4 421)	5 442	4 620	822	84.9%	4 577	4 115
Training and development	145	-	-	145	145	-	100.0%	434	434
Operating payments	158	-	-	158	62	96	39.2%	206	188
Venues and facilities	452	-	-	452	381	71	84.3%	150	125
Transfers and subsidies	835	216	-	1 051	1 050	1	99.9%	1 386	787
Households	835	216	-	1 051	1 050	1	99.9%	1 386	787
Social benefits	835	216	-	1 051	1 050	1	99.9%	786	774
Other transfers to households	-	-	-	-	-	-	-	600	13
Payments for capital assets	2 500	-	-	2 500	958	1 542	38.3%	-	20
Machinery and equipment	-	-	-	-	-	-	-	-	20
Other machinery and equipment	-	-	-	-	-	-	-	-	20
Software and other intangible assets	2 500	-	-	2 500	958	1 542	38.3%	-	-
Payment for financial assets	-	24	-	24	23	1	95.8%	-	59
	91 974	-	(6 855)	85 119	77 610	7 509	91.2%	81 086	76 390

LIMPOPO PROVINCIAL TREASURY
VOTE 5

APPROPRIATION STATEMENT
for the year ended 31 March 2017

	2016/17				2015/16				
	Adjusted Appropriation R'000	Shifting of Funds R'000	Virement R'000	Final Appropriation R'000	Actual Expenditure R'000	Variance R'000	Expenditure as % of final appropriation	Final Appropriation R'000	Actual Expenditure R'000
Direct charges									
Sub programme									
1. Statutory Appropriation	1 902	-	-	1 902	1 902	-	100%	1 902	1 876
	1 902	-	-	1 902	1 902	-	100.0%	1 902	1 876
Economic classification									
Current payments	1 902	-	-	1 902	1 902	-	100.0%	1 902	1 876
Compensation of employees	1 902	-	-	1 902	1 902	-	100.0%	1 902	1 876
Salaries and wages	1 645	-	-	1 645	1 645	-	100.0%	1 660	1 618
Social contributions	257	-	-	257	257	-	100.0%	242	258
	1 902	-	-	1 902	1 902	-	100.0%	1 902	1 876

**LIMPOPO PROVINCIAL TREASURY
VOTE 5**

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

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

Detail of these transactions can be viewed in the note on Transfers and subsidies and Annexure 1 (B) 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 to 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 Approp.
R'000	R'000	R'000	%

Administration	186 106	183 934	2 172	1%
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In 2016/17 Programme 1 spent a total amount of R183.9 million or 99% of its final appropriated budget of R186.1 million, including the statutory amount. The underspending was mainly due to late submission of capital spending invoices that were not submitted for payment before the year end cut-off date as well as the delayed commencement of developing the departments business continuity plan project.

Sustainable Resource Management	97 524	94 516	3 008	3%
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In 2016/17 Programme 2 spent a total of R94.5 million or 97% of its final appropriated budget of R97.5 million. The underspending in 2016/17 was mainly a result of the delay in the filling of vacant funded posts, while the programme also underspent on other non-essential items within goods and services, such as travel and subsistence and venues and facilities.

Assets, Liabilities and PSCM	86 492	85 092	1 400	2%
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In 2016/17 Programme 3 spent R85.1 million or 98% of its final appropriated budget of R86.5 million. The underspending in 2016/17 was mainly as a result of slow spending on other non-essential items within goods and services, such as travel and subsistence.

Financial Governance	85 119	77 610	7 509	9%
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In 2016/17 Programme 4 spent R77.6 million or 91% of its final appropriated budget of R85.1 million. The underspending in 2016/17 was mainly due to late filling of vacant funded posts in the programme as well as underspending on travel and subsistence. The underspending on payments of capital is as a result of delayed implementation of the provincial risk management software project that was not completed before year end.

4.2 Per economic classification:

Final Appropriation	Actual Expenditure	Variance	Variance as a % of Final Approp.
R'000	R'000	R'000	%

Current expenditure	413 207	400 912	12 295	3%
Compensation of employees	268 356	261 121	7 235	3%
Goods and services	144 851	139 791	5 060	3%
Transfers and subsidies	8 637	8 617	20	0%
Provinces and municipalities	25	25	0	0%
Households	8 612	8 592	20	1%
Payments for capital assets	10 246	8 494	1 752	17%
Machinery and equipment	7 746	7 536	210	2%
Software and other intangible assets	2 500	958	1 542	38%
Payments for financial assets	25 053	25 031	22	0%

Compensation of Employees (CoE)

During 2016/17 financial year, the department spent R259.2 million or 97% of its final COE budget appropriation of R266.5 million. The decline in the percentage of the budget spent is as a result of delays in filling vacant funded posts.

Goods and Services

The department spent R139.7 million or 97% of its final appropriation of R144.1 million during the 2016/17 financial year. The underspending is due to late submission of invoices from suppliers, the delayed commencement of developing the departments business continuity plan project and underspending on non-essential items such as travelling and subsistence, venues and facilities and consumables.

Payments for Capital Assets

The department spent R8.5 million or 83% on a final capital budget of R10.2 million during the 2016/17 financial year. The underspending can be attributed largely to late finalization and awarding of tenders.

LIMPOPO PROVINCIAL TREASURY
VOTE 5
STATEMENT OF FINANCIAL PERFORMANCE
for the year ended 31 March 2017

	<i>Note</i>	2016/17 R'000	2015/16 R'000
REVENUE			
Annual appropriation	<u>1</u>	453 339	372 426
Statutory appropriation	<u>2</u>	1 902	1 902
Departmental revenue	<u>3</u>	45 378	66 155
TOTAL REVENUE		500 619	440 483
EXPENDITURE			
Current expenditure			
Compensation of employees	<u>4</u>	259 219	235 895
Goods and services	<u>5</u>	139 791	110 955
Total current expenditure		399 958	346 850
Transfers and subsidies			
Transfers and subsidies	<u>7</u>	8 617	8 668
Total transfers and subsidies		8 617	8 668
Expenditure for capital assets			
Tangible assets	<u>8</u>	7 536	7 845
Intangible assets	<u>8</u>	958	-
Total expenditure for capital assets		8 494	7 845
Payments for financial assets	<u>6</u>	25 031	359
TOTAL EXPENDITURE		441 152	363 722
SURPLUS/(DEFICIT) FOR THE YEAR		59 467	76 761
Reconciliation of Net Surplus/(Deficit) for the year			
Voted Funds		14 089	10 606
Annual appropriation		14 089	10 606
Departmental revenue and NRF Receipts	<u>13</u>	45 378	66 155
SURPLUS/(DEFICIT) FOR THE YEAR		59 467	76 761

**LIMPOPO PROVINCIAL TREASURY
VOTE 5**

**STATEMENT OF FINANCIAL POSITION
as at 31 March 2017**

	Note	2016/17 R'000	2015/16 R'000
ASSETS			
Current Assets			
		16 467	42 176
Cash an cash equivalents	<u>9</u>	15 870	41 504
Prepayments and advances	<u>10</u>	-	10
Receivables	<u>11</u>	597	662
Non-Current Assets			
		16	15
Receivables	<u>11</u>	16	15
TOTAL ASSETS		16 483	42 191
LIABILITIES			
Current Liabilities			
		16 202	41 915
Voted funds to be surrendered to the Revenue Fund	<u>12</u>	14 089	10 606
Departmental revenue and NRF Receipts to be surrendered to the Revenue Fund	<u>13</u>	1 858	30 834
Payables	<u>14</u>	255	475
TOTAL LIABILITIES		16 202	41 915
NET ASSETS		281	276
Represented by:			
Recoverable revenue		281	276
TOTAL		281	276

**LIMPOPO PROVINCIAL TREASURY
VOTE 5**

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

NET ASSETS	Note	2016/17 R'000	2015/16 R'000
Recoverable revenue			
Opening balance		276	204
Transfers		5	72
Irrecoverable amounts written off	<u>6.1</u>	(51)	(193)
Debts recovered (included in departmental receipts)		(170)	(113)
Debts raised		226	378
Closing balance		281	276
TOTAL		281	276

LIMPOPO PROVINCIAL TREASURY
VOTE 5
CASH FLOW STATEMENT
for the year ended 31 March 2017

	<i>Note</i>	2016/17 R'000	2015/16 R'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts		862 110	677 298
Annual appropriated funds received	<u>1.1</u>	453 339	372 426
Statutory appropriated funds received	<u>2</u>	1 902	1 902
Departmental revenue received	<u>3</u>	8 174	2 614
Interest received	<u>3.2</u>	398 695	300 356
Net (increase)/ decrease in working capital		(146)	669
Surrendered to Revenue Fund		(447 488)	(317 538)
Current payments		(399 010)	(346 850)
Payments for financial assets		(25 031)	(359)
Transfers and subsidies paid		(8 617)	(8 668)
Net cash flow available from operating activities	<u>15</u>	(18 182)	4 552
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for capital assets	<u>8</u>	(8 494)	(7 845)
Proceeds from sale of capital assets	<u>3.3</u>	1 037	-
Net cash flows from investing activities		(7 457)	(7 845)
CASH FLOWS FROM FINANCING ACTIVITIES			
Increase/ (decrease) in net assets		5	72
Net cash flows from financing activities		5	72
Net increase/ (decrease) in cash and cash equivalents		(25 634)	(3 221)
Cash and cash equivalents at beginning of period		41 504	44 725
Cash and cash equivalents at end of period	<u>16</u>	15 870	41 504

**LIMPOPO PROVINCIAL TREASURY
VOTE 5**

**ACCOUNTING POLICIES
for the year ended 31 March 2017**

Summary of significant accounting policies

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

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

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

1	<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>
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>

**LIMPOPO PROVINCIAL TREASURY
VOTE 5**

**ACCOUNTING POLICIES
for the year ended 31 March 2017**

7	Revenue
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. Write-offs are made according to the department's debt write-off policy</p>
8	Expenditure
8.1	Compensation of employees
8.1.1	<p>Salaries and wages</p> <p>Salaries and wages are recognised in the statement of financial performance on the date of payment.</p>
8.1.2	<p>Social contributions</p> <p>Social contributions made by the department in respect of current employees are recognised in the statement of financial performance on the date of payment.</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>

**LIMPOPO PROVINCIAL TREASURY
VOTE 5**

**ACCOUNTING POLICIES
for the year ended 31 March 2017**

8.3	<p>Accruals and payables not recognised Accruals and payables not recognised are recorded in the notes to the financial statements when the goods are received or, in the case of services, when they are rendered to the department or in the case of transfers and subsidies when they are due and payable.</p> <p>Accruals and payables not recognised are measured at cost.</p>
8.4	Leases
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	Aid Assistance
9.1	<p>Aid assistance received</p> <p>Aid assistance received in cash is recognised in the statement of financial performance when received. In-kind aid assistance is recorded in the notes to the financial statements on the date of receipt and is measured at fair value.</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>
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 advances</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>

**LIMPOPO PROVINCIAL TREASURY
VOTE 5**

**ACCOUNTING POLICIES
for the year ended 31 March 2017**

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>Financial assets</p>
13.1	<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.</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>
13.2	<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>
14.	<p>Payables</p> <p>Loans and payables are recognised in the statement of financial position at cost.</p>
15	<p>Capital Assets</p>
15.1	<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.</p> <p>Where the cost of movable capital assets cannot be determined reliably, the movable capital assets are measured at fair value and where fair value cannot be determined; the movable assets are measured at R1.</p> <p>All assets acquired prior to 1 April 2002 (or a later date as approved by the OAG) may be recorded at R1.</p> <p>Movable capital assets are subsequently carried at cost and are not subject to depreciation or impairment.</p> <p>Biological assets are subsequently carried at fair value. Subsequent expenditure that is of a capital nature is added to the cost of the asset at the end of the capital project unless the movable asset is recorded by another department/entity in which case the completed project costs are transferred to that department.</p>

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**ACCOUNTING POLICIES
for the year ended 31 March 2017**

15.2	<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 that is of a capital nature is added to the cost of the asset at the end of the capital project unless the intangible asset is recorded by another department/entity in which case the completed project costs are transferred to that department.</p>
16.	<p>Provisions and Contingents</p>
16.1	<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>
16.2	<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>
16.3	<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>
16.4	<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>

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**ACCOUNTING POLICIES
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17	<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"> • approved by Parliament or the Provincial Legislature with funding and the related funds are received; or • approved by Parliament or the Provincial Legislature without funding and is written off against the appropriation in the statement of financial performance; or • transferred to receivables for recovery. <p>Unauthorised expenditure is measured at the amount of the confirmed unauthorised expenditure.</p>
18	<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>
19	<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>
20	<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>
21	<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>

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**ACCOUNTING POLICIES
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22	Recoverable revenue Amounts are recognised as recoverable revenue when a payment made in a previous financial year becomes recoverable from a debtor in the current financial year. Amounts are either transferred to the National/Provincial Revenue Fund when recovered or are transferred to the statement of financial performance when written-off.
23	Related party transactions A related party transaction is a transfer of resources, services or obligations between the reporting entity and a related party. Related party transactions within the Minister/MEC's portfolio are recorded in the notes to the financial statements when the transaction is not at arm's length. Key management personnel are those persons having the authority and responsibility for planning, directing and controlling the activities of the department. The number of individuals and their full compensation is recorded in the notes to the financial statements.
24	Employee benefits The value of each major class of employee benefit obligation (accruals, payables not recognised and provisions) is disclosed in the Employee benefits note.

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for the year ended 31 March 2017**

1. Annual Appropriation

1.1 Annual Appropriation

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

	2016/17			2015/16	
	Final Appropriation R'000	Actual Funds Received R'000	Funds not requested/ not received R'000	Final Appropriation R'000	Appropriation Received R'000
Programmes					
ADMINISTRATION	184 204	184 204	-	155 229	155 229
SUSTAINABLE RESOURCE MANAGEMENT	97 524	97 524	-	51 447	51 447
ASSETS, LIABILITIES & SCM	86 492	86 492	-	84 664	84 664
FINANCIAL GOVERNANCE	85 119	85 119	-	81 086	81 086
Total	453 339	453 339	-	372 426	372 426
			2016/17 R'000	2015/16 R'000	
2 Statutory Appropriation					
MEMBERS' REMUNERATION			1 902	1 902	
			1 902	1 902	
Actual Statutory Appropriation received			1 902	1 902	
			2016/17 R'000	2015/16 R'000	
3 Departmental Revenue					
Sales of goods and services other than capital assets		<u>3.1</u>	770	583	
Interest, dividends and rent on land		<u>3.2</u>	398 695	300 356	
Sales of capital assets		<u>3.3</u>	1 037	-	
Transactions in financial assets and liabilities		<u>3.4</u>	7 280	1 907	
Transfer received		<u>3.5</u>	124	124	
Total revenue collected			407 906	302 970	
Less: Own revenue included in appropriation		<u>13</u>	362 528	236 815	
Departmental revenue collected			45 378	66 155	
			2016/17 R'000	2015/16 R'000	
3.1 Sales of goods and services other than capital assets		<u>3</u>			
Sales of goods and services produced by the department			547	582	
Sales by market establishment			89	88	
Other sales			458	494	
Sales of scrap, waste and other used current goods			223	1	
Total			770	583	
			2016/17 R'000	2015/16 R'000	
3.2 Interest, dividends and rent on land		<u>3</u>			
Interest			398 695	300 356	
Total			398 695	300 356	
			2016/17 R'000	2015/16 R'000	
3.3 Sales of capital assets		<u>3</u>			
Tangible assets			1 037	-	
Machinery and equipment		<u>27</u>	1 037	-	
Total			1 037	-	

**LIMPOPO PROVINCIAL TREASURY
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	Note	2016/17 R'000	2015/16 R'000
3.4 Transactions in financial assets and liabilities	3		
Other Receipts including Recoverable Revenue		7 280	1 907
Total		7 280	1 907
		2016/17 R'000	2015/16 R'000
3.5 Transfers received	3		
Public corporations and private enterprises		124	124
Total		124	124
		2016/17 R'000	2015/16 R'000
4 Compensation of Employees			
4.1 Salaries and wages			
Basic salary		183 927	166 693
Performance award		4 380	3 672
Service Based		13 616	12 118
Compensative/circumstantial		2 096	2 238
Periodic payments		-	18
Other non-pensionable allowances		25 861	23 709
Total		229 880	208 448
		2016/17 R'000	2015/16 R'000
4.2 Social Contributions			
Employer contributions			
Pension		22 788	20 777
Medical		6 518	6 639
Bargaining council		33	31
Total		29 339	27 447
Total compensation of employees		259 219	235 895
Average number of employees		514	590
	Note	2016/17 R'000	2015/16 R'000
5 Goods and services			
Administrative fees		4 988	3 745
Advertising		1 188	701
Minor assets	<u>5.1</u>	504	999
Catering		1 077	814
Communication		3 519	3 094
Computer services	<u>5.2</u>	29 124	26 530
Consultants: Business and advisory services		19 612	16 231
Legal services		21 264	8 170
Contractors		1 177	721
Agency and support / outsourced services		6 170	4 909
Audit cost – external	<u>5.3</u>	3 658	3 891
Fleet services		1 670	1 747
Consumables	<u>5.4</u>	6 726	4 164
Property payments	<u>5.5</u>	19 399	16 173
Transport provided as part of the departmental activities		42	50
Travel and subsistence	<u>5.6</u>	13 354	12 841
Venues and facilities		1 826	1 372
Training and development		2 619	2 257
Other operating expenditure	<u>5.7</u>	1 874	2 546
Total		139 791	110 955

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	Note	2016/17 R'000	2015/16 R'000
5.1 Minor assets	<u>5</u>		
Tangible assets		504	999
Machinery and equipment		504	999
Total		<u>504</u>	<u>999</u>
		2016/17 R'000	2015/16 R'000
5.2 Computer services	<u>5</u>		
SITA computer services		14 665	10 997
External computer service providers		14 459	15 533
Total		<u>29 124</u>	<u>26 530</u>
		2016/17 R'000	2015/16 R'000
5.3 Audit cost – external	<u>5</u>		
Regularity audits		3 658	3 891
Total		<u>3 658</u>	<u>3 891</u>
		2016/17 R'000	2015/16 R'000
5.4 Consumables	<u>5</u>		
Consumable supplies		1 638	631
Uniform and clothing		6	128
Household supplies		941	421
Building material and supplies		299	17
IT consumables		205	16
Other consumables		187	49
Stationery, printing and office supplies		5 088	3 533
Total		<u>6 726</u>	<u>4 164</u>
		2016/17 R'000	2015/16 R'000
5.5 Property payments	<u>5</u>		
Municipal services		2 161	1 628
Property management fees		16 400	14 001
Property maintenance and repairs		127	432
Other		711	112
Total		<u>19 399</u>	<u>16 173</u>
		2016/17 R'000	2015/16 R'000
5.6 Travel and subsistence	<u>5</u>		
Local		13 304	12 645
Foreign		50	196
Total		<u>13 354</u>	<u>12 841</u>
		2016/17 R'000	2015/16 R'000
5.7 Other operating expenditure	<u>5</u>		
Professional bodies, membership and subscription fees		116	262
Resettlement costs		300	312
Other		1 458	1 972
Total		<u>1 874</u>	<u>2 546</u>

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	Note	2016/17 R'000	2015/16 R'000
6 Payments for financial assets			
Extension of loans for policy purposes		24 980	-
Debts written off	6.1	51	359
Total		25 031	359

As per the Executive Council Decision No. 52 of 2016/17, it was resolved that a transactional loan amount of R 25 million be availed to Thabazimbi Municipality to get the municipality on a sound financial state.

	Note	2016/17 R'000	2015/16 R'000
6.1 Debts written off	6		
Nature of debts written off			
Recoverable revenue written off		-	-
Fruitless and Wasteful Expenditure		13	73
Subsidized Vehicle		-	120
Loss of Official Laptop		38	-
Total		51	193
Other debt written off		-	166
Total		-	166
Total debt written off		51	359

	Note	2016/17 R'000	2015/16 R'000
7 Transfers and Subsidies			
Provinces and municipalities	29	25	20
Households	ANNEXURE 1B	8 592	8 648
Total		8 617	8 668

	Note	2016/17 R'000	2015/16 R'000
8 Expenditure for capital assets			
Tangible assets		7 536	7 845
Machinery and equipment	27	7 536	7 845
Intangible assets	28	958	-
Software		958	-
Total		8 494	7 845

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

	Voted Funds R'000	Aid assistance R'000	TOTAL R'000
Tangible assets	7 536	-	7 536
Machinery and equipment	7 536	-	7 536
Intangible assets	958	-	958
Software	958	-	958
Total	8 494	-	8 494

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

	Voted Funds R'000	Aid assistance R'000	TOTAL R'000
Tangible assets	7 845	-	7 845
Machinery and equipment	7 845	-	7 845
Total	7 845	-	7 845

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	2016/17 R'000	2015/16 R'000
8.3 Finance lease expenditure included in Expenditure for capital assets		
Tangible assets		
Machinery and equipment	1 344	1 991
Total	<u>1 344</u>	<u>1 991</u>
	2016/17 R'000	2015/16 R'000
9 Cash and Cash Equivalents		
Consolidated Paymaster General Account	15 870	41 504
Total	<u>15 870</u>	<u>41 504</u>
	2016/17 R'000	2015/16 R'000
10 Prepayments and Advances		
Staff advances	-	10
Total	<u>-</u>	<u>10</u>
	2016/17 R'000	2015/16 R'000
10.1 Prepayments (Expensed)		
Goods and services	1 164	20
Total	<u>1 164</u>	<u>20</u>

The April 2017 rental for 2 buildings was paid in March 2017. The 2015/16 amount has been restated.

	Note	2016/17			2015/16		
		Current R'000	Non-current R'000	Total R'000	Current R'000	Non-current R'000	Total R'000
11 Receivables							
Recoverable expenditure	<u>11.1</u>	2	-	2	-	-	
Staff debt	<u>11.2</u>	266	16	282	316	15 331	
Other debtors	<u>11.3</u>	329	-	329	346	-	
Total		<u>597</u>	<u>16</u>	<u>613</u>	<u>662</u>	<u>15 677</u>	

	Note	2016/17 R'000	2015/16 R'000
11.1 Recoverable expenditure (disallowance accounts)	<u>11</u>		
Pension Recoverable		2	-
Total		<u>2</u>	<u>-</u>

	Note	2016/17 R'000	2015/16 R'000
11.2 Staff debt	<u>11</u>		
Loss of Official Laptop		244	187
Over Payment on Salary		35	126
Other		3	18
Total		<u>282</u>	<u>331</u>

	Note	2016/17 R'000	2015/16 R'000
11.3 Other debtors	<u>11</u>		
Sal: income tax		3	-
Over Payment on Salary		261	292
Other		65	38
Loss of Official Laptop		-	16
Total		<u>329</u>	<u>346</u>

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	Note	2016/17 R'000	2015/16 R'000
11.4 Fruitless and wasteful expenditure	<u>11</u>		
Opening balance		-	-
Less amounts recovered		-	-
Less amounts written off		-	(73)
Transfers from note 26 Fruitless and Wasteful expenditure		-	73
Interest		-	-
Total		<u>-</u>	<u>-</u>
		2016/17 R'000	2015/16 R'000
11.5 Impairment of receivables			
Estimate of impairment of receivables		206	50
Total		<u>206</u>	<u>50</u>
		2016/17 R'000	2015/16 R'000
12 Voted Funds to be Surrendered to the Revenue Fund			
Opening balance		10 606	17 910
Transfer from statement of financial performance		14 089	10 606
Paid during the year		(10 606)	(17 910)
Closing balance		<u>14 089</u>	<u>10 606</u>
		2016/17 R'000	2015/16 R'000
13 Departmental revenue and NRF Receipts to be surrendered to the Revenue Fund			
Opening balance		30 834	27 492
Transfer from Statement of Financial Performance (as restated)		45 378	66 155
Own revenue included in appropriation		362 528	236 815
Paid during the year		(436 882)	(299 628)
Closing balance		<u>1 858</u>	<u>30 834</u>
		2016/17 R'000	2015/16 R'000
14 Payables - current			
Advances received	<u>14.1</u>	255	-
Other payables	<u>14.1</u>	-	475
Total		<u>255</u>	<u>475</u>
		2016/17 R'000	2015/16 R'000
14.1 Advances received	<u>14</u>		
Other institutions	Annex 5B	255	-
Total		<u>255</u>	<u>-</u>
		2016/17 R'000	2015/16 R'000
14.2 Other payables	<u>14</u>		
Sal: Income Tax: CL		-	411
Sal Pension Fund:CL		-	64
Total		<u>-</u>	<u>475</u>

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	2016/17 R'000	2015/16 R'000
15 Net cash flow available from operating activities		
Net surplus/(deficit) as per Statement of Financial Performance	59 467	76 761
Add back non cash/cash movements not deemed operating activities	(77 649)	(72 209)
(Increase)/decrease in receivables	64	205
(Increase)/decrease in prepayments and advances	10	(10)
Increase/(decrease) in payables – current	(220)	474
Proceeds from sale of investments	(1 037)	-
Expenditure on capital assets	8 494	7 845
Surrenders to Revenue Fund	(447 488)	(317 538)
Own revenue included in appropriation	362 528	236 815
Net cash flow generated by operating activities	(18 182)	4 552

	2016/17 R'000	2015/16 R'000
16 Reconciliation of cash and cash equivalents for cash flow purposes		
Consolidated Paymaster General account	15 870	41 504
Total	15 870	41 504

	2016/17 R'000	2015/16 R'000
17 Contingent liabilities and contingent assets		
17.1 Contingent liabilities		
Liable to	Nature	
Housing loan guarantees	Employees	Annex 2A 818 795
Claims against the department		Annex 2B 73 694 71 495
Intergovernmental payables (unconfirmed balances)		Annex 4 63 -
Total		74 575 72 290
Contingent assets		
Nature of contingent asset		
Claims against a supplier		2016/17 R'000 98 000 2015/16 R'000 98 000
Total		98 000 98 000

The supplier has logged a counter claim against the department amounting to R66.7million as disclosed in Annexure 2B.

	2016/17 R'000	2015/16 R'000
18 Commitments		
Current expenditure		
Approved and contracted	53 192	60 908
	53 192	60 908
Capital Expenditure		
Approved and contracted	1 621	2 170
	-	2 170
Total Commitments	54 813	63 078

The Department will continue with various SITA contracts until March 2018

Provincial Treasury has entered into a contract with Altimax Chartered Accountants for 24 months to conduct financial training for all departments, however the amount cannot be quantified.

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		2016/17	2015/16
		R'000	R'000
19 Accruals and payables not recognised			
19.1 Accruals			
Listed by economic classification	30 days 30+ days Total		Total
Goods and services	3 418 - 3 418		3 895
Total	3 418 - 3 418		3 895
		2016/17	2015/16
Listed by programme level	Note	R'000	R'000
Administration		1 714	2 949
Sustainable Resource management		213	179
Assets, Liabilities and Supply Chain Management		158	607
Financial Governance		1 333	160
Total		3 418	3 895
19.2 Payables not recognised			
Listed by economic classification	30 days 30+ days Total		Total
Goods and services	2 126 3 2 129		-
Total	2 126 3 2 129		-
		2016/17	2015/16
Listed by programme level	Note	R'000	R'000
Administration		9	-
Sustainable Resource management		1 918	-
Assets, Liabilities and Supply Chain Management		39	-
Financial Governance		163	-
Total		2 129	-
<i>Included in the above totals are the following:</i>	Note	R'000	R'000
Confirmed balances with departments	Annex 4	14	-
Total		14	-
20 Employee benefits	Note	2016/17	2015/16
		R'000	R'000
Leave entitlement		11 615	9 027
Service bonus (Thirteenth cheque)		6 566	6 005
Performance awards		3 940	19 370
Capped leave commitments		32 979	32 801
Other		369	419
Total		55 469	67 622

The leave entitlement amount is net of negative leave amounting to R222 thousand due to some employees utilising their new leave cycle (Jan2017 -Dec2017) credits in excess of the days that had accrued to them as at 31 March 2017

Leaves captured after 31 March 2017 has been factored into the leave entitlement amount.

Included in Other employee benefits is an amount in relation to Long Service Awards.

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21 Lease commitments

21.1 Operating leases expenditure

2016/17	Specialised military assets 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	-	-	14 832	-	14 832
Later than 1 year and not later than 5 years	-	-	-	-	-
Later than five years	-	-	-	-	-
Total lease commitments	-	-	14 832	-	14 832

2015/16	Specialised military assets 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	-	-	14 828	-	14 828
Later than 1 year and not later than 5 years	-	-	-	-	-
Later than five years	-	-	-	-	-
Total lease commitments	-	-	14 828	-	14 828

21.2 Finance leases expenditure **

2016/17	Specialised military assets 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	-	-	-	608	608
Later than 1 year and not later than 5 years	-	-	-	136	136
Later than five years	-	-	-	-	-
Total lease commitments	-	-	-	744	744

2015/16	Specialised military assets R'000	Land R'000	Buildings and other fixed structures R'000	Machinery and equipment R'000	Total R'000
Not later than 1 year	-	-	-	1 061	1 061
Later than 1 year and not later than 5 years	-	-	-	255	255
Later than five years	-	-	-	-	-
Total lease commitments	-	-	-	1 316	1 316

22 Accrued departmental revenue

	Note	2016/17 R'000	2015/16 R'000
Tax revenue		-	-
Sales of goods and services other than capital assets		-	-
Fines, penalties and forfeits		-	-
Interest, dividends and rent on land		-	-
Sale of capital assets		-	-
Transactions in financial assets and liabilities		-	-
Transfers received		-	-
Other		-	-
Total		-	-

22.1 Analysis of accrued departmental revenue

	Note	2016/17 R'000	2015/16 R'000
Opening balance		-	257
Less: Amounts received		-	257
Add: Amounts recognised		-	-
Less: Amounts written-off/reversed as irrecoverable		-	-
Closing balance		-	-

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	Note	2016/17 R'000	2015/16 R'000
23 Irregular expenditure			
23.1 Reconciliation of irregular expenditure			
Opening balance		618	-
As restated		618	-
Add: Irregular expenditure - relating to current year		-	618
Less: Prior year amounts condoned		(618)	-
Irregular expenditure awaiting condonation		<u> -</u>	<u> 618</u>
Analysis of awaiting condonation per age classification			
Current year		-	618
Total		<u> -</u>	<u> 618</u>
23.2 Details of irregular expenditure condoned		2016/17 R'000	
Incident	Condoned by (condoning authority)		
Recruitment Services	Head of Department	131	
Purchase of laptop bags and network cables	Head of Department	63	
Purchase of computers	Head of Department	424	
Total		<u> 618</u>	
23.3 Details of irregular expenditure under investigation (not included in the main note)		2016/17 R'000	
Incident			
Accelerated pay progression for previous years.	The matter is currently being investigated by office of the Premier	3 186	
Total		<u> 3 186</u>	
24 Fruitless and wasteful expenditure		2016/17 R'000	2015/16 R'000
24.1 Reconciliation of fruitless and wasteful expenditure			
Opening balance		44	119
Fruitless and wasteful expenditure – relating to prior year		-	(2)
Fruitless and wasteful expenditure – relating to current year		-	-
Less: Amounts resolved		(44)	-
Less: Amounts transferred to receivables for recovery	<u>11.4</u>	-	(73)
Closing balance		<u> -</u>	<u> 44</u>
24.2 Analysis of awaiting resolution per economic classification			
Current		-	44
Total		<u> -</u>	<u> 44</u>

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25 Related party transactions

	<i>Note</i>	2016/17 R'000	2015/16 R'000
In kind goods and services provided/received			
Provincial Treasury renders transversal functions in relation to Audit Committees to all provincial department, excluding the Provincial Legislature. The estimated cost per department were:			
Department of Education		691	690
Department of Social Development		375	350
Office of The Premier		353	350
Department of Public Works		643	574
CoGHSTA		373	414
Department of Sport, Arts & Culture		373	414
Department of Health		638	610
Department of Safety, Security and Liaison		363	425
Department of Agriculture		564	443
Department of Economic Development, Environment and Tourism		333	301
Department of Transport		333	301
Gateway Airport Authority Limited		81	195
Provincial Treasury renders transversal function in relation to Internal Audit to all provincial departments, excluding the Provincial Legislature.			
Department of Education		2 515	5 511
Department of Social Development		1 317	1 534
Office of The Premier		1 715	1 283
Department of Public Works		2 595	2 438
CoGHSTA		2 176	2 754
Department of Sport, Arts & Culture		1 592	1 899
Department of Health		3 600	3 870
Department of Safety, Security and Liaison		1 111	1 465
Department of Agriculture		1 965	2 696
Department of Economic Development, Environment and Tourism		2 881	2 259
Department of Transport		2 191	2 744
Department of Health (Realyst Contract Management and Matthew Francis Inc)		-	151
Total		28 778	33 671

List related party relationships

1. Provincial Treasury has a related party relationship with the Department of Public Works, Roads & Infrastructure as Provincial Treasury is making use of the following government owned building rental free, 46 Hans Van Rensburg in Polokwane, the Tender Advice Centres at Giyani Government Complex in Mopani and in the Thohoyandou Government Complex in Vhembe.
2. The Department instituted section 18 of the Public Finance Management Act in the Department of Education.
3. Provincial Treasury is related to all the government departments in Limpopo because we are under common control of the Legislature.
4. Provincial Treasury paid the cost to implement the Asset Management System BAUD in all Provincial Departments, however the amount cannot be quantified in terms of each department.
5. Provincial Treasury rendered support to a number of Municipalities, Public entities and Departments in the Province however; the cost cannot be quantified in terms of each Department.
6. Provincial Treasury has appointed the Government Technical Advisory Centre (GTAC) to assist infrastructure departments with infrastructure planning and implementation; however the cost cannot be quantified in terms of each Department.
7. Provincial Treasury has procured a Provincial Risk management Software which will be used by all Provincial Departments at no cost.

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	No. of Individuals	2016/17 R'000	2015/16 R'000
26 Key management personnel			
Political office bearers	1	1 902	1 923
Officials:		-	-
Level 15 to 16	11	10 925	8 393
Level 14	13	12 803	10 076
Family members of key management personnel	1	308	280
Total		25 938	20 672

27 Movable Tangible Capital Assets

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

	Opening balance R'000	Value adjustments R'000	Additions R'000	Disposals R'000	Closing balance R'000
MACHINERY AND EQUIPMENT	45 175	-	6 193	9 439	41 929
Transport assets	11 205	-	482	2 736	8 951
Computer equipment	24 249	-	2 929	3 272	23 906
Furniture and office equipment	6 463	-	487	3 242	3 708
Other machinery and equipment	3 258	-	2 295	189	5 364
TOTAL MOVABLE TANGIBLE CAPITAL ASSETS	45 175	-	6 193	9 439	41 929

Movable Tangible Capital Assets under investigation

	Number	Value R'000
Included in the above total of the movable tangible capital assets per the asset register are assets that are under investigation:		
Machinery and equipment	2	33

The assets under investigation are 2 laptops which have been stolen/missing.

Additions

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

	Cash R'000	Non-cash R'000	(Capital work- in-progress current costs and finance lease payments) R'000	Received current, not paid (Paid current year, received prior year) R'000	Total R'000
MACHINERY AND EQUIPMENT	7 537	-	(1 344)	-	6 193
Transport assets	482	-	-	-	482
Computer equipment	2 929	-	-	-	2 929
Furniture and office equipment	487	-	-	-	487
Other machinery and equipment	3 639	-	(1 344)	-	2 295
TOTAL ADDITIONS TO MOVABLE TANGIBLE	7 537	-	(1 344)	-	6 193

Disposals

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

	Sold for cash R'000	Non-cash disposal R'000	Total disposals R'000	Cash received Actual R'000
MACHINERY AND EQUIPMENT	5 316	4 123	9 439	1 229
Transport assets	2 736	-	2 736	1 082
Computer equipment	1 948	1 324	3 272	137
Furniture and office equipment	632	2 610	3 242	10
Other machinery and equipment	-	189	189	-
TOTAL DISPOSAL OF MOVABLE TANGIBLE CAPITAL ASSETS	5 316	4 123	9 439	1 229

The amount of cash received as proceed on sale of assets is R1,3 million. Capital assets- R1,2 million, Minor assets- R74 thousand, however the department only received R1,2 million, net of the auctioneers cost.

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27.3 Movement for 2015/16

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

	Opening balance R'000	Prior period error R'000	Additions R'000	Disposals R'000	Closing balance R'000
MACHINERY AND EQUIPMENT	39 477	-	6 482	784	45 175
Transport assets	8 576	-	3 389	760	11 205
Computer equipment	22 629	-	1 644	24	24 249
Furniture and office equipment	5 089	-	1 374	-	6 463
Other machinery and equipment	3 183	-	75	-	3 258
TOTAL MOVABLE TANGIBLE CAPITAL ASSETS	39 477	-	6 482	784	45 175

27.4 Minor assets

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

	Specialis ed 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	-	-	-	9 581	-	9 581
Value adjustments	-	-	-	-	-	-
Additions	-	-	-	503	-	503
Disposals	-	-	-	1 677	-	1 677
TOTAL MINOR ASSETS	-	-	-	8 407	-	8 407

	Specialis ed military assets	Intangible assets	Heritage assets	Machinery and equipment	Biological assets	Total
Number of R1 minor assets	-	-	-	431	-	431
Number of minor assets at cost	-	-	-	-	-	-
TOTAL NUMBER OF MINOR ASSETS	-	-	-	431	-	431

Minor assets

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

	Specialis ed 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	-	-	-	9 293	-	9 293
Additions	-	-	-	288	-	288
Disposals	-	-	-	-	-	-
TOTAL MINOR ASSETS	-	-	-	9 581	-	9 581

	Specialis ed military assets	Intangible assets	Heritage assets	Machinery and equipment	Biological assets	Total
Number of R1 minor assets	-	-	-	839	-	839
Number of minor assets at cost	-	-	-	5 927	-	5 927
TOTAL NUMBER OF MINOR ASSETS	-	-	-	6 766	-	6 766

27.5 Movable assets written off

MOVABLE ASSETS WRITTEN OFF FOR THE YEAR ENDED 31 MARCH 2017

	Specialis ed 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	-	-	-	5 187	-	5 187
TOTAL MOVABLE ASSETS WRITTEN OFF:	-	-	-	5 187	-	5 187

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27.6 S42 Movable Capital Assets

MAJOR ASSETS SUBJECTED TO TRANSFER IN TERMS OF S42 OF THE PFMA - 31 MARCH 2017

	Specialis ed military assets	Intangible assets	Heritage assets	Machinery and equipment	Biological assets	Total
No of Assets	-	-	-	89	-	89
Value of the asset (R'000)	-	-	-	2 238	-	2 238

MINOR ASSETS SUBJECTED TO TRANSFER IN TERMS OF S42 OF THE PFMA - 31 MARCH 2017

	Specialis ed military assets	Intangible assets	Heritage assets	Machinery and equipment	Biological assets	Total
No of Assets	-	-	-	16	-	16
Value of the asset (R'000)	-	-	-	30	-	30

28 Intangible Capital Assets

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

	Opening balance	Value adjustments	Additions	Disposals	Closing balance
	R'000	R'000	R'000	R'000	R'000
SOFTWARE	-	-	958	-	958
TOTAL INTANGIBLE CAPITAL ASSETS	-	-	958	-	958

28.1 ADDITIONS TO INTANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2017

	Cash	Non-cash	(Development work-in- progress current costs)	Received current, not paid (Paid current year, received prior year)	Total
	R'000	R'000	R'000	R'000	R'000
SOFTWARE	958	-	-	-	958
TOTAL ADDITIONS TO INTANGIBLE CAPITAL	958	-	-	-	958

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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-allocation by National Treasury or National Department
	R'000	R'000	R'000	R'000	R'000	R'000	R'000
Polokwane Municipality	-	-	25	25	25	-	-
	-	-	25	25	25	-	-

**ANNEXURE 1A
STATEMENT OF CONDITIONAL GRANTS AND OTHER TRANSFERS PAID TO MUNICIPALITIES**

NAME OF MUNICIPALITY	GRANT ALLOCATION			TRANSFER			SPENT		2015/16 Division of Revenue Act	
	DoRA and other transfers	Roll Overs	Adjustme nts	Total Availabl e	Actual Transfer	Funds Withheld	Re- allocatio ns by National Treasury or National Departm ent	Amount received by Municipa lity		Amount spent by municipa lity
	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	%
Polokwane Municipality	-	-	25	25	25	-	-	-	-	-
Total	-	-	25	25	25	-	-	-	-	-

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ANNEXURE 1B
STATEMENT OF TRANSFERS TO HOUSEHOLDS

	TRANSFER ALLOCATION			EXPENDITURE		2015/16 Appropriation Act R'000
	Adjusted appropriation Act	Roll Overs	Adjustments	Total Available	Actual Transfer	
HOUSEHOLDS	R'000	R'000	R'000	R'000	R'000	%
Transfers						
Injury on Duty	10	-	-	10	2	20%
Leave Gratuity	3 593	-	-	3 593	3 588	100%
Bursaries(non Employees)	5 009	-	-	5 009	5 002	100%
	8 612	-	-	8 612	8 592	
Total	8 612	-	-	8 612	8 592	
						9 279

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ANNEXURE 1C
STATEMENT OF GIFTS, DONATIONS AND SPONSORSHIPS RECEIVED

NAME OF ORGANISATION	NATURE OF GIFT, DONATION OR SPONSORSHIP	2016/17	2015/16
		R'000	R'000
Received in cash			
Standard Bank	Training of bid committees and e procurement	-	124
Subtotal		-	124
Received in kind			
Standard Bank South Africa	Fiscal Policy Symposium	157	-
Standard Bank South Africa	Heritage day celebration	-	10
Standard Bank South Africa	Provincial Treasury Women's day celebration	-	50
Standard Bank South Africa	Musina	-	33
Standard Bank South Africa	Provincial Treasury Women's day celebration	101	104
Centre for Public Service Innovation	Post Budget Breakfast	86	
Centre for Public Service Innovation	CPSI Awards Prize	344	197
Subtotal		344	197
TOTAL		344	321

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ANNEXURE 2A
STATEMENT OF FINANCIAL GUARANTEES ISSUED AS AT 31 MARCH 2017 – LOCAL

GUARANTOR INSTITUTION	Guarantee in respect of	Original guaranteed capital amount	Opening balance 1 April 2016	Guarantees draw downs during the year	Guaranteed repayments / cancelled/ reduced/ released during the year	Revaluations	Closing balance 31 March 2017	Guaranteed interest for year ended 31 March 2017	Realised losses not recoverable i.e. claims paid out
		R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000
	Housing								
Risima Housing Finance Corporation	Housing	-	795	-	110	87	818	-	-
	Subtotal	-	795	-	110	87	818	-	-
	Total	-	795	-	110	87	818	-	-

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ANNEXURE 2B
STATEMENT OF CONTINGENT LIABILITIES AS AT 31 MARCH 2017

NATURE OF LIABILITY	Opening balance 1 April 2016	Liabilities incurred during the year	Liabilities paid/ cancelled/ reduced during the year	Liabilities recoverable (Provide details hereunder)	Closing balance 31 March 2017
	R'000	R'000	R'000	R'000	R'000
Claims against the department					
Contractual dispute by Supplier	64 495	2 199	-	-	66 694
Labour dispute by employee	7 000	-	-	-	7 000
Subtotal	71 495	2 199	-	-	73 694
TOTAL	71 495	2 199	-	-	73 694

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ANNEXURE 3
CLAIMS RECOVERABLE

GOVERNMENT ENTITY	Confirmed balance		Unconfirmed balance		Total	
	31/03/2017	31/03/2016	31/03/2017	31/03/2016	31/03/2017	31/03/2016
	R'000	R'000	R'000	R'000	R'000	R'000
DEPARTMENTS						
Limpopo Economic Development Environment and Tourism	418	-	-	-	418	-
Limpopo Legislature	-	13	-	57	-	70
Department of Mineral Resources	-	54	-	-	-	54
Limpopo Department of Education	-	3 007	-	-	-	3 007
Department of Human Settlement	-	6	-	-	-	6
Northern Cape Provincial Treasury	-	-	-	14	-	14
Limpopo Department of Sports Arts and Culture	-	-	-	-	-	54
Gateway Airports Authority Limited	-	-	-	183	-	183
National Treasury	6	-	-	-	6	-
	424	3 134	-	254	424	3 388
Total	424	3 134	-	254	424	3 388

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ANNEXURE 4
INTER-GOVERNMENT PAYABLES

GOVERNMENT ENTITY	Confirmed balance outstanding		Unconfirmed balance outstanding		Total	
	31/03/2017	31/03/2016	31/03/2017	31/03/2016	31/03/2017	31/03/2016
	R'000	R'000	R'000	R'000	R'000	R'000
DEPARTMENTS						
Current						
Department of Health Limpopo	5	-	-	-	5	-
Government Printing Works	-	-	14	-	14	-
Department of Public Works Limpopo	9	-	-	-	9	-
National School of Government	-	-	8	-	8	-
Limpopo Legislature	-	-	20	-	20	-
Department of Sports, Arts and Culture Limpopo	-	-	21	-	21	-
Subtotal	14	-	63	-	77	-
Subtotal	-	-	-	-	-	-
Total Departments	14	-	63	-	77	-
TOTAL INTERGOVERNMENTAL	14	-	63	-	77	-

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ANNEXURE 5B
INTER-ENTITY ADVANCES RECEIVED (note 14)

ENTITY	Confirmed balance outstanding		Unconfirmed balance outstanding		Total	
	31/03/2017 R'000	31/03/2016 R'000	31/03/2017 R'000	31/03/2016 R'000	31/03/2017 R'000	31/03/2016 R'000
OTHER INSTITUTIONS						
Current						
Bank Seta	255	-	-	-	255	-
Subtotal	255	-	-	-	255	-
TOTAL						
Current	255	-	-	-	255	-